

## **ANNUAL REPORT 2008-09**

### **BOARD OF DIRECTORS**

MR. D. P. SABOO  
MR. S. G. SABOO  
MR. S. K. SABOO  
MR. B. K. KARNANI  
MR. M. AJMERA  
MR. K. M. SOMANI

### **AUDITORS**

**M/S JAIN SAWAIMAL & COMPANY**  
**CHARTERED ACCOUNTANTS**  
126, JANAKPURI - I  
IMLIWALA PHATAK  
JAIPUR - 302005  
RAJASTHAN

### **BANKERS**

UNION BANK OF INDIA  
STATE BANK OF BIKANER & JAIPUR  
IDBI BANK, JODHPUR

### **REGISTRAR & SHARE TRANSFER AGENT**

MR. S. K. BOHRA  
GENERAL MANAGER & COMPLIANCE OFFICER  
SABOO BROTHERS LIMITED  
E-25A, M.I.A. PHASE – II, BANSI  
JODHPUR – 342005  
RAJASTHAN

### **REGISTERED OFFICE**

E-25A, M.I.A., PHASE- II, BANSI  
JODHPUR- 342005,  
RAJASTHAN.  
Telephone: 0291-2654120  
Fax: 0291-2744574

## NOTICE

NOTICE is hereby given that the 30<sup>th</sup> Annual General Meeting of Saboo Brothers Limited will be held on Wednesday, September 30, 2009 at 10.00 A.M. at E-25 A, M.I.A, Phase II, Basni, Jodhpur - 342 005 (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, 2009 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. S.G. Saboo, who retires by rotation and being eligible offers him self for re-appointment.
3. To appoint a Director in place of Mr. K.M. Somani, 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**.

**"RESOLVED THAT** M/s Jain Swaimal & Company, Chartered Accountants, Jaipur be and are hereby appointed Auditors of the Company for holding office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on a remuneration of Rs.20,000 per annum exclusive of travelling and other out of pocket expenses."

### **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 Thursday the September 24, 2009 to Wednesday the 30<sup>th</sup> September 2009 (both days inclusive) for the purpose of holding the A. G. M.
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 Address 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

Members and Proxies attending the meeting should bring the attendance slip duly filled in for attending the meeting.

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.

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.

Brief resume of person proposed to be appointed/ reappointed as a Director of the company at the AGM.

<b>PARTICULARS</b>	<b>SHR1 S.G. SABOO</b>	<b>SHRI K.M. SOMANI</b>
Age	56 Years	46 Years
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 30 years	Experience of last 10 years in the field of VSK cement plants.
Directorship of other Companies	1)M/s. Saboo Engineers Private Limited 2)M/s. Saboo Cemtech Engineers Private Limited 3)M/s. Swati	NIL
Chairman/ Member of the Committees of the Board of the Companies on which he / she is a Director	None	None

*By order of the Board*

**SD/-  
(S.G.SABOO)  
Chairman**

**Date :30.08.2009**

**Place : Jodhpur**

## Report of the Directors

To  
The Members,  
Saboo Brothers Limited

Yours Directors have pleasure in presenting the 30<sup>th</sup> Annual Report together with Audited Annual Accounts of the Company for the financial year ended 31<sup>st</sup> March 2009.

### Financial Results

(Rs. in Lacs)

PARTICULARS	2008 - 2009	2007 - 2008
Sales	170.32	200.99
Other Income	00.64	00.80
Total Expenditure	172.44	167.41
Interest and Finance Charges	2.30	2.39
Miscellaneous expenditure w/o	6.70	6.70
Loss on sale of machinery	272.33	7.00
Depreciation	4.04	24.19
Profit / (Loss) for the year before Tax	<b>(286.85)</b>	<b>(5.90)</b>
Less: Current Tax	<b>.15</b>	0
Deferred Tax	<b>0</b>	0
Net Profit for the year after Tax	<b>(287.00)</b>	<b>(5.90)</b>

### OPERATIONAL PERFORMANCE

During the year Net Sales / Income from Operations has been decreased as compared to last year. Net Loss of the Company has also been increased due to Loss on sale of Salawas plant. The operating profit has been decreased as compared to last year.

The market environment continues to be very competitive where it faced intense competition from low priced brands, the outlook for the industry is positive given the size of the opportunity.

### TRANSFER TO RESERVES

Due to incurring of losses there is no amount transferred to Reserves.

### DIRECTORS

Mr. S.G. Saboo and Mr. K.M. Somani 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.

### DIRECTORS' RESPONSIBILITY STATEMENT:-

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

- i) 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;
- ii) 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.
- iii) 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
- iv) 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 2008-2009.

## **FIXED DEPOSITS**

During the year 2008 - 2009, 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(1 B) of Companies Act, 1956

## **AUDITOR'S REPORT**

The Notes to the accounts and Accounting Policies referred in auditors report are self explanatory .The Company has accounted for Leave Encashment and Export benefits on cash basis, as per Company's accounting policy as given in Point No. (A) of Schedule "T" annexed to the Balance Sheet, which is self explanatory and hence doesn't call further explanation.

The trading of Company has been suspended since 2001, the Company is in process of complying with the requirements of listing agreement.

The company is in process of Appointment of RTA, Publication of Unaudited Result in News papers & Quarterly Compliance with BSE & other Stock Exchanges.

The Company is in search of qualified Company Secretary for appointment as 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: August 30<sup>TM</sup>, 2009

**SABOO BROTHERS LIMITED****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**

	<b>2008-2009</b> <b>(Rs./Lacs)</b>	<b>2007-2008</b> <b>(Rs./Lacs)</b>
<b>EARNINGS</b>	Nil	Nil
<b>OUTGO</b>	Nil	Nil

**FORM 'A'**

Form for disclosure of particulars with respect to conservation of energy

<b>A) POWER AND FUEL CONSUMPTION</b>	<b>2008-2009</b>	<b>2007-2008</b>
<b>1) Electricity</b>		
<b>a) Purchased</b>		
Units (KWH)	<b>58688</b>	<b>42131</b>
Total amount (Rs. Lacs)	<b>3.58</b>	<b>2.57</b>
Rate/Unit (Rs./KWH)	<b>6.10</b>	<b>6.10</b>
<b>b) Own generation</b>		
(Through diesel generator)		
Units (KWH)	<b>37000</b>	<b>16750</b>
Unit per ltr. of diesel oil	<b>4.00</b>	<b>4.00</b>
Cost/Unit (Rs./KWH)	<b>1.34</b>	<b>1.34</b>
<b>2) Furnace oil</b>		
Quantity (KL)	<b>NIL</b>	<b>Nil</b>
Total Cost (Rs. Lacs)	<b>NIL</b>	<b>Nil</b>
Average rate (Rs./KL)	<b>NIL</b>	<b>Nil</b>
<b>3) Coal</b>		
Quantity (Kg.)	<b>NIL</b>	<b>NIL</b>
Total cost (Rs. Lacs)	<b>NIL</b>	<b>NIL</b>
Average Rate (Rs./Kg.)	<b>NIL</b>	<b>NIL</b>

**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 reconed 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 : August 30, 2009

**Sd/-  
(D. P. SABOO)  
Chairman**

## **Annexure - "B" to Directors' Report**

### **Corporate Governance Report**

The Board of Directors of the Company continued to lay greater emphasis on the broad principles of Corporate Governance. Given below is the report on Corporate Governance.

#### **Company's Philosophy on Code of Corporate Governance**

Saboo Brothers Limited believes that good Corporate Governance is essential for achieving long term Corporate Goals and for enhancing stake holder's value. In this pursuit, your Company's philosophy on Corporate Governance is led by strong emphasis on transparency, accountability and integrity.

#### **(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:

<b>Name of Director</b>	<b>Category</b>
MR. D. P. Saboo	Promoter/Non Executive
Mr. S. G. Saboo	Promoter/Managing Director
Mr. S. K. Saboo	Promoter/Non Executive
Mr. B. K. Karnani	Independent/Non-Executive
Mr. M. Ajmera	Independent/Non-Executive
Mr. K. M. Somani	Independent/Non-Executive

#### **(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 each year to review and discuss the performance of the Company, its future plans, strategies and other pertinent issues relating to management of the Company.

- (i) The Company holds minimum of four Board Meetings in each year. Apart from the four pre-scheduled Board Meetings, additional Board Meetings will be convened by giving appropriate notice at any time to address the specific needs of the Company. The Board may also approve permitted urgent matters by passing resolution by circulation. The meetings are held at the Company's Registered Office.
- (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 2008-09, 5 Board Meetings were held on 30/04/2008, 30/07/2008, 12/08/2008, 30/10/2008, 30/01/2009.

The last Annual General Meeting of the Company was held on September 29, 2008.

Name of	Whether Attended	No. of Board meetings	Other	Other Board	
				Chairman	Member
MR. D. P. Saboo	Yes	5	2	-	-
Mr. S. G. Saboo	Yes	5	4	-	-
Mr. S. K. Saboo	Yes	1	2		-
Mr. B. K. Karnani	Yes	1	2	-	-
Mr. M. Ajmera	Yes	5	1		-
Mr. K. M. Somani	Yes	5		-	-

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

**Audit Committee**

The Audit Committee comprises of three independent / Non-executive Directors having knowledge of Accounts and Finance background. The Composition of the present Audit Committee is as under:

- A) Mr. B. K. Kamani
- B) Mr. M. Ajmera
- C) Mr. K. M. Kamani

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.

During the financial year 2008-09, 5 Audit Committee Meetings were held on 30/04/2008, 30/07/2008, 12/08/2008, 30/10/2008, 30/01/2009. Mr. B.K. Karnani attended 1 Meeting and remaining 2 Directors attended all Audit Committee Meeting.

**Remuneration of Director**

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:

- A) Mr. B. K. Karnani
- B) Mr. M. Ajmera
- C) Mr. K. M. Somani

The remuneration of Executive / Non-Executive Directors is decided by the Committee. During the financial year 2008-09, no meeting of the Committee was held.

Details of remuneration paid to Managing Director of the Company during the year ended March 31, 2009 as follows:

<b>Name of the Managing Director</b>	<b>Remuneration</b>
Mr. S. G. Saboo	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 and no sitting fee has been paid to Non Executive Directors due to reason stated above.

#### **Shareholders/Investors Grievance Committee**

The Shareholders/ Investors Grievance Committee consist of three Directors viz. Mr. B. K. Karnani, Mr. M. Ajmera and Mr. K. M. Somani. The Committee meets at frequent intervals to consider, inter alia, share transfers, investor's complaints etc. During the year 6 meetings of the Committee were held and all the members were present in each of the meeting. At the end of Financial year 2008-09 no investor grievance was pending with the Company.

Mr. S. K. Bohra, General Manager is the Compliance Officer. 4 investor grievance committee were held during the year. All valid share transfer applications received during the year 2008-09 have been acted upon by the Company within stipulated time.

#### **General Body Meetings**

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

<b>Financial Year</b>	<b>Date</b>	<b>Venue</b>	<b>Time</b>
2005-06	September 29,2006	E-25A, M.I.A, Phase II, Jodhpur - 342005.	11A.
2006-07	September 29, 2007	----- Do ---	11
2007-08	September 29, 2008	----- Do ---	11A.

#### **Details of Special Resolutions passed at last three Annual General Meetings:**

<b>Financial Year</b>	<b>Date of AGM</b>	<b>Particulars of Resolution passed</b>
2005-06	September 29,2006	No Special Resolution was passed.
2006-07	September 29,2007	Special Resolution was passed for Delisting of Shares from Jaipur, Ahemdabad, Madras & Calcutta Stock Exchange.
2007-08	September 29,2008	No Special Resolution was passed.

#### **Postal Ballot:**

The Company has not passed any Postal Ballot in the Financial Year 2008-09.

### **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 etc. that may have potential conflict with the interests of the Company at large.

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 2008-2009.

### **b) 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.**

Trading of Company on Stock exchanges has been suspended from 2001. The Company is in process of Complying with the requirement of Stock Exchange for revocation of suspension of trading and no penalty / stricture was imposed on the Company during the last three years.

### **General Shareholder Information Annual General Meeting**

Date and Time". 30/09/2009 at 10 A.M.

Venue : E - 25A, M.I.A, Phase II, Basni, Jodhpur - 342005, Rajasthan.

### **Financial Calendar**

The Company follows April to March every year as its financial year. The results for every quarter beginning from April are declared in the month following the quarter.

The Stock Exchange, Mumbai : **530267**

### **Book Closure**

2. The Register of Members and Transfer Books of the Company shall remain closed from Thursday, the September 24, 2009 to Wednesday, the 30<sup>th</sup> September, 2009 (both days inclusive).

No Dividend has been recommended by the Board.

Performance in comparison to broad based indices viz. BSE Sensex / Crisil Index etc. is not available since the trading of shares on stock exchange has been suspended from 2001.

### **Listing on Stock Exchange**

The Shares of the Company are listed on the following Stock Exchanges:

Jaipur Stock Exchange Limited

The Ahemdabad Stock Exchange

The Bombay Stock Exchange

Madras Stock Exchange Limited

The Calcutta Stock Exchange Assn. Ltd.

### **Market Price Date: (BSE):**

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.

### **Share Transfer System**

The Company falls under compulsory Demat process but presently the company is undertaking the work of physical transfer of its share in house. 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.

**Outstanding GDRs/ADRs/Warrants or any convertible instruments**

There were no outstanding GDRs/ADRs/Warrants or any convertible instruments as at March 31, 2009.

**Plant Location**

The Plants of the Company is located at:

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

**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

Shareholding Pattern (as at March 31, 2009)					
Category			No. of shares	%	
Indian Promoters (Individuals)			2462300	38.64	
Indian Promoters (Body Corporate)			1894800	29.73	
Foreign Promoters			0	0.00	
Persons acting in Concert			0	0.00	
Mutual Funds & UTI			0	0.00	
Banks, FIs, Insurance Companies, JCentral / State Govt.			150000	2.35	
Foreign Institutional Investors			0	0.00	
Private Corporate Bodies			280200	4.40	
Indian Public			1585100	24.88	
NRIs/OCB			0	0	
Any other			0	0.00	
<b>Total</b>			<b>6372400</b>	<b>100</b>	
DISTRIBUTION SCHEDULE AS AT 31/03/2009					
NOMINAL VALUE OF EACH EQUITY SHARE IS Rs. 10/-					
No. of Equity Shares held	No. of Share holders	% of total Share-	Number of shares held	Amount (In Rs.)	% of total shares
1 to 500	1168	87.59	366300	3663000	7.49
501- 1000	43	3.22	33600	336000	1.52
1001-2000	28	2.09	48100	481000	3.64
2001- 3000	23	1.72	57700	577000	1.86
3001-4000	5	0.37	17800	178000	2.87
4001- 5000	7	0.52	30000	300000	2.35
5001-10000	11	0.82	59600	596000	14.06
10001 Above	49	3.67	5759300	57593000	66.21
Total	1334	100	6372400	63724000	100

#### Management Discussion and Analysis Report

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.

It may please be noted that the statements in the Management Discussion and Analysis Report describing the Company's objectives and predictions may be forward looking with in the meaning of applicable rules and regulations. Actual results may differ materially from those either expressed or implied in the statement depending on circumstances.

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

CEO CERTIFICATION

The Board of Directors, Saboo Brothers Ltd. Jodhpur.

*Ref: Financial Statements for the year 2008- 2009 - Certification by CEO*

I S.G. Saboo, Managing Director of Saboo Brothers Ltd., on the basis of review of the financial statements and cash flow statement for the financial year ending 31<sup>st</sup> March 2009 and to best of our knowledge and belief, hereby certify that :-

1. These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
2. These Statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations except to the extent mentioned in the notes to the account.
3. There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year ended 31<sup>st</sup> March, 2009 which are fraudulent, illegal or volatile of the Company's Code of Conduct
4. We accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we are taking the required steps to rectify the deficiencies pointed out by the Auditors.
5. We further certify that:
  - a) There have been no significant changes in internal control during this year.
  - b) There have been no significant changes in accounting policies during this year except to the extent mentioned In reply to: the notes to the account.
  - c) There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems.

Place: JODHPUR  
Date: 30<sup>th</sup> August, 2009

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

## CERTIFICATE FROM AUDITOR

**To**  
**The Members**  
**Saboo Brothers Limited**

1. We have examined the compliance of conditions of Corporate Governance by Saboo Brothers Limited for the year ended 31<sup>st</sup> March, 2009, 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 by the company.
- iii) The unaudited results & Limited Review Report are not published in news papers.
- 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 have not been complied,
- vi) The Company has not appointed Whole Time Company Secretary which is mandatory as per Section 383A of Companies Act, 1956.
- vii) The Book Closure date has not been published in News Papers.

4. As per the records maintained by the company, we state that in respect of investor grievances received during the year ended 31 March, 2009, No 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/-**  
**(S.M. Jain)**  
Partner

Place: JODHPUR  
Date: 30.08.2009

## 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, 2009 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 (as amended) 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 31,2009 and taken on record by the board of directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2009 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 31<sup>st</sup> March,2009;
    - ii) In the case of the Profit and Loss Account of the Loss 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: JAIPUR**

**Date: August 12<sup>TH</sup>, 2009**

**Sd/-**  
**(S.M.JAIN)**  
**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 disposed off the out dated part of fixed assets during the year and going concern status of the company is accordingly not affected .
2. (a) According to the information and explanation given to us, physical verification at reasonable intervals has been carried out by the management in respect of inventory at reasonable interval. In our opinion the frequency of verification is reasonable.
  - (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 has is maintained proper records of inventory and the discrepancies noticed on such physical verification as compared to books records were not material and have been adequately dealt with in the books of accounts.
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. In our opinion and according to the information and explanations given to us during the course of the audit, the company has a generally adequate internal control system 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 and services. On the basis of our examination of the books of accounts and other records, we are of the opinion that there is no major weakness in the internal control system in respect of these areas.
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. 5/Lacs 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 dues outstanding of Income Tax for the year 1995-96 were Rs. 10 lacs for which appeal is pending before the CIT (Appeal) Mumbai.
- 10 The company does have accumulated losses as at the end of the year and the company has incurred cash losses during current 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 statue 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/-**  
**(S.M. JAIN)**  
**PARTNER**

**Place: JAIPUR**  
**DATE: August 12<sup>TH</sup>, 2009**

**SABOO BROTHERS LIMITED,  
JODHPUR**  
**CASH FLOW STATEMENT  
FOR THE YEAR ENDED MARCH 31,  
2009**

PARTICULARS	CURRENT YEAR 31.03.09	PREVIOUS YEAR 31.03.08
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit before tax and Extraordinary item :	-28641	-590
<u>Add:</u>		
Depreciation	342	2419
Misc. exp. w/off	670	670
Loss on sale of Machinery	27232	700
Interest paid	220	222
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>-177</b>	<b>3422</b>
Decrease in Trade Receivables	-450	-4122
Increase in Other Receivables	-4083	-3121
Increase in Inventories	206	-13
Increase in Trade Payable	2312	3128
Deferred Tax W/off	-3508	0
Cash generated from operation	-5700	-706
<b>Net Cash from Operating Activities</b>	<b>-5700</b>	<b>-706</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets	0	705
Change in Advances for Capital Goods	3738	
Sale of Fixed Asset	2477	0
<b>Net cash used in Investing activities</b>	<b>6215</b>	<b>705</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Interest Paid	-220	-222
Increase in secured loans	-214	914
<b>Net Cash Used in Financing Activities</b>	<b>-434</b>	<b>691</b>
Net Increase/decrease in Cash and Cash Equivalents	81	-16
Opening Balance of Cash and Cash Equivalent	123	139
Closing Balance of Cash and Equivalent	204	123
<i>REFERRED TO IN OUR REPORT OF EVEN DATE</i>		<b>For and on Behalf of Board</b>
<b>FOR JAIN SAWAI MAL &amp; CO.</b>	Sd/- <b>(S.G.SABOO)</b>	Sd/- <b>(D.P.SABOO)</b>
<b>Chartered accountants</b>	<b>MANAGING DIRECTOR</b>	<b>DIRECTOR</b>
Sd/-		
<b>(S. M. JAIN)</b>	Sd/- <b>(S.K.SABOO)</b>	Sd/- <b>(K.M.SOMANI)</b>
<b>PROPRIETOR</b>	<b>Director</b>	<b>Director</b>
	Sd/- <b>(B.K.KARNANI)</b>	Sd/- <b>(MAHESH AJMERA)</b>
	<b>Director</b>	<b>(Director)</b>

PLACE: JAIPUR  
DATE : 12.08.2009

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

**BALANCE SHEET AS AT**

**MARCH 31, 2009**

(RS.in 000s)

<u>PARTICULAR</u>	<u>SCH. NO.</u>	<u>FIGURES FOR 31.03.09</u>	<u>FIGURES FOR 31.03.08</u>
<b><u>I.SOURCES OF FUND</u></b>			
<b>1. SHAREHOLDERS FUNDS</b>			
A. Share Capital	1	59416	59416
B. Reserves And Surplus	2	84817	84817
<b>2. LOAN FUND</b>			
A. Secured	3	2219	2433
B. Unsecured	4	0	0
<b><u>TOTAL</u></b>		<b><u>146452</u></b>	<b><u>146666</u></b>
<b><u>II. APPLICATION OF FUND</u></b>			
<b>1.FIXED ASSETS</b>			
Gross Block	5	38646	82968
Less:Depreciation		11267	25539
Net Block		27379	57429
Capital Work In Progress		0	3738
<b>2. INVESTMENT</b>			
	6	0	0
<b>3. CURRENT ASSETS, LOANS AND ADVANCES</b>			
A. Inventories	7	21630	21836
B. Sundry Debtors	8	28267	27817
C. Cash & Bank Balances	9	204	123
D. Loans And Advances	10	19242	15159
<b><u>TOTAL</u></b>		<b><u>69343</u></b>	<b><u>64935</u></b>
<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>			
DEFERRED TAX LIABILITY	11	8659	6347
		0	3508
<b>NET CURRENT ASSETS</b>			
MISCELLANEOUS EXPENSES (TO THE EXTENT NOT W/O)	12	60684	55080
		58389	30419
<b><u>TOTAL</u></b>		<b><u>146452</u></b>	<b><u>146666</u></b>
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**

Sd/-  
**(S. M. JAIN)**  
**PARTNER**  
 PLACE : JAIPUR  
 DATE : August 12, 2009

Sd/- Sd/-  
**(S.G.SABOO) (D.P.SABOO)**  
**MANAGING DIRECTOR DIRECTOR**

Sd/-  
**(S.K.SABOO)**  
**Director**  
 Sd/- Sd/-  
**(B.K.KARNANI) (MAHESH AJMERA)**  
**Director (Director)**

Sd/-  
**(K.M.SOMANI)**  
**Director**



(RS.in 000s)

<u>PARTICULAR</u>	SCH. NO.	FIGURES FOR 31.03.09	FIGURES FOR 31.03.08
<b><u>I. INCOME</u></b>			
Sales	13	17032	20099
Other Income	14	64	80
<b><u>TOTAL</u></b>		<b><u>17096</u></b>	<b><u>20179</u></b>
<b><u>II. EXPENDITURE</u></b>			
Material Consumption	15	10043	10367
Manufacturing Expenses	16	2087	1354
Employees Cost	17	1396	1171
Administrative Expenses	18	1200	1785
Selling Expenses	19	2537	2064
Financial Expenses	20	230	239
Miscellaneous Expenditure W/ Off		670	670
Exceptional Items ( Loss on Disposal of Assets)		27232	700
Depreciation	21	342	2419
<b><u>TOTAL</u></b>		<b><u>45737</u></b>	<b><u>20769</u></b>
PROFIT/LOSS (-) OF THE YEAR		-28641	-590
Less: Tax Expense			
A. Current Tax		0	0
B. Deferred Tax w-off/(back)		0	0
C. Total Tax Expenses		0	0
<b><u>LOSS (-) AFTER TAX</u></b>		<b><u>-28641</u></b>	<b><u>-590</u></b>
Balance B/ F earlier year		-29131	-28541
<b><u>Loss carried to Balance Sheet</u></b>		<b><u>-57772</u></b>	<b><u>-29131</u></b>
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**

sd/-                      sd/-

**(SAWAI MAL JAIN)**

sd/-                      sd/-  
**(K.M.SOMANI)**

**Director**

sd/-                      sd/-

PLACE : JAIPUR

DATE : August 12, 2009

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

**(S.K.SABOO)**

**Director**

**(B.K.KARNANI)                      (MAHESH AJMERA)**  
**Director                      (Director)**

(RS.in 000s)

<b>PARTICULAR</b>	<b>FIGURES FOR 31.03.09</b>	<b>FIGURES FOR 31.03.08</b>
<b><u>SCHEDULE -1 SHARE CAPITAL</u></b>		
AUTHORISED SHARE CAPITAL		
6510000 Equity share of Rs.10/ each	<u>65100</u>	<u>65100</u>
<b><u>ISSUED SUBSCRIBED AND PAID UP CAPITAL</u></b>		
6372400 Equity Share of Rs.10/ each		
fully paid up in cash	63724	63724
Less: Calls in Arrears	-4308	-4308
TOTAL	59416	59416
<b><u>SCHEDULE-2 RESERVE AND SURPLUS</u></b>		
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
<b><u>SCHEDULE-3 SECURED LOANS</u></b>		
WORKING CAPITAL LOANS FROM		
STATE BANK OF BIKANER & JAIPUR,		
	2219	2433
JALORI GATE, JODHPUR		
(Secured against hypothecation of Raw-material, stores finished goods,etc. of unit Shree Engineers, Jodhpur		
TOTAL	2219	2433
<b><u>SCHEDULE-4 UNSECURED LOANS</u></b>		
TOTAL	0	0
<b><u>SCHEDULE-5:FIXED ASSETS</u></b>		
(As per Schedule Attached)		
	27380	57429
TOTAL	27380	57429
<b><u>SCHEDULE-6:INVESTMENTS</u></b>		
TOTAL	0	0
<b><u>SCHEDULE-7: INVENTORIES</u></b>		
(As Valued and Certified by the Management Valued at Cost)		
Raw-materials		
	8597	8797
Store & Spares		
	2494	3150

Semi Finished Goods	9989	9589
Finished Goods	0	0
Scrap & Defective	550	300
TOTAL	21630	21836
<b><u>SCHEDULE-8:SUNDRY DEBTORS</u></b>		
(For which the Company holds no security other than the personal security of the Debtors subject to confirmation from the Debtors)		
More than six month	15535	17055
Less than six month	12732	11457
TOTAL	28267	28512
<b><u>SCHEDULE-9 CASH AND BANK BAL.</u></b>		
Cash in Hand	110	47
Bank Balances with Scheduled Banks	49	31
Deposit in National Security	45	45
TOTAL	204	123
<b><u>SCHEDULE-10:LOANS AND ADVANCES</u></b>		
(Unsecured considered good, and subject to confirmation)		
Suppliers	5463	7673
Advance for Expenses & Others	8880	2063
Advances to Labour & Staff	174	698
Security Deposits	4725	4725
TOTAL	19242	15159
<b><u>SCHEDULE-11 CURRENT LIABILITIES AND PROVISIONS</u></b>		
Sundry Creditors for goods & supplier	3155	4875
Against Expenses & Others	5504	113
Against Orers	0	1359
TOTAL	8659	6347
<b><u>SCHEDULE-12:MISCELLENOUS EXPENSES.</u></b>		
Deferred Revenue Expenditure	0	370
Research & Development	617	918
Profit & Loss Account	57772	29131
TOTAL	58389	30419
<b><u>SCHEDULE-13: SALES</u></b>		
Exort Sales	0	0
Domestic Sales	17032	20099
TOTAL	17032	20099
<b><u>SCHEDULE-14:OTHER INCOME</u></b>		
Other Income	64	80
TOTAL	64	80
<b><u>SCHEDULE-15:RAW-MATERIAL CONSUMED</u></b>		
Opening Stock		



Raw Material	8797	9754
Consumable Stores	3150	0
Semi Finished Goods	9589	8691
Finished Goods	0	54
Scraps & Defectives	300	254
Add:Purchases & Transfers	9837	10300
TOTAL	31673	29053

**Less : Closing Stock**

Raw Material	8597	8797
Consumable Stores	2494	0
Semi Finished Goods	9989	9589
Finished Goods	0	0
Scraps & Defectives	550	300
TOTAL	10043	10367

**SCHEDULE-16:MANUFACTURING EXPENSES**

Power Expenses	395	391
Factory Expenses	26	23
Generator R & M Expenses	25	40
Plant & Machinery R & M	210	52
Pattern Exp	38	4
Job Charges	1336	810
Water Expenses	4	7
Store expenses	53	27
TOTAL	2087	1354

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

Salaries & Wages	1038	929
Contribution to E.S.I. & EPF	139	110
Other Benefits	219	132
TOTAL	1396	1171

**SCHEDULE-18:ADMINISTRATIVE EXPENSES**

Printing and Stationery	13	25
Computer Exp.	10	7
Fee & Subscription	4	7
Postage, Telegram & Telephone	38	33
Travelling & Conveyance Expenses	164	224
Legal & Consultancy	62	37
Professional Service Charges	145	93
Books & Periodicals	2	18
Insurance Expenses	10	23
Motor Car Expenses	3	26
Charity & Donation	0	251
Service Charges to RIICO	15	59
Service tax on TP	1	2
Rent	110	110
Bombay Office Expenses	150	141
Auditors Remuneration	30	30
Fringe Benefit Tax	15	24
Sales Tax Defferment	84	219
Sales Tax Demand	96	118
Misc. Expenses	4	22

REPAIRS AND MAINTENANCE EXPENSES

Building	128	113
General	116	203
<b>TOTAL</b>	<b>1200</b>	<b>1785</b>

**SCHEDULE-19 SELLING EXPENSES**

Carriage Outward	10	21
Bad Debts w/off	1003	1956
Rebate & Discount	347	0
Advertisement	0	21
Entertainment To Guest	38	50
After Sale Service & other expenses	1139	15
<b>TOTAL</b>	<b>2537</b>	<b>2063</b>

**SCHEDULE-20: FINANCIAL EXPENSES**

Bank Commission & Processing	10	17
Bank Interest	220	222
<b>TOTAL</b>	<b>230</b>	<b>239</b>

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

**FOR JAIN SAWAI MAL & CO.**

**Chartered accountants**

Sd/-

**(SAWAI MAL JAIN)  
PARTNER**

Sd/-  
**(S.G.SABOO)  
MANAGING  
DIRECTOR**

Sd/-  
**(D.P.SABOO)  
DIRECTOR**

Sd/-  
**(S.K.SABOO)**

**Director**

PLACE : JAIPUR  
DATE : August 12, 2009

sd/-  
**(B.K. KARNANI)  
(Director)**

Sd/-  
**(K.M.SOMANI)  
(Director)**

Sd/-  
**(MAHESH AJMERA)  
(Director)**

**SABOO BROTHERS LIMITED****E-25A, M.I.A, PHASE IIInd,****BASNI, JODHPUR****SCHEDULE OF  
FIXED ASSETS  
FOR THE YEAR  
ENDED****31-Mar-09**

S. NO.	NAME OF THE ASSETS	GROSS BLOCK				UPTO 08	DEPRECIATION		NET BLOCK	
		01.04.08	ADD.	DEDUCT	TOTAL		DR.YEAR	TOTAL	31.03.09	31.03.08
1	GOODWILL	150	0	0	150	0	0	0	150	150
2	LEASEHOLD LAND	3621	0	0	3621	0	0	0	3621	3621
3	BUILDING	21157	0	0	21157	6497	0	6497	14660	14660
	Internal Roads & Site Development	2231	0	0	2231	147	0	147	2084	2084
4	PLANT & MACHINERY	47866	0	44321	3545	1020	120	1140	2405	32231
5	FURNITURES AND									
6	FIXTURES	481	0	0	481	277	10	287	194	204
7	OTHER MISC.ASSETS	7463	0	0	7463	2985	213	3198	4266	4479
	<b>TOTAL</b>	<b>82969</b>	<b>0</b>	<b>44321</b>	<b>38648</b>	<b>10926</b>	<b>343</b>	<b>11269</b>	<b>27380</b>	<b>57429</b>

PLCAE : JAIPUR

DATE : August 12, 2009

**FOR JAIN SAWAI MAL & CO.  
Chartered accountants****For and on Behalf of Board**Sd/-  
**(S.G.SABOO)  
MANAGING  
DIRECTOR**Sd/-  
**(D. P. SABOO)  
DIRECTOR**Sd/-  
**(B.K.KARNANI)  
(Director)**Sd/-  
**(MAHESH AJMERA)  
(Director)**Sd/-  
**(S. M. JAIN)  
PROPRIETOR**

**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 re 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 are 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.
- 10. REVENUE RECOGNISATION OF INCOME AND EXPENDITURE:**  
All incomes are on accrual basis except in respect of claim receivable that are accounted when admitted.
- 11. RETIREMENT BENEFITS:**  
Company Contribution to Provident Fund and Superannuation fund are charged to Profit & loss Account.
- 12. 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.
- 13. 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.
- 14. 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.
- 15. PARTICULARS OF CONTINGENT LIABILITY**
- |   | 2009   | 2008   |
|---|--------|--------|
| 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<br>Bill discounted with bank                               | NIL    | NIL    |
| Disputed income tax demand  | 5 Lacs | 5 lacs |
| Disputed excise demand  | NIL    | NIL    |
- 16.** The Refractory cement plant of the company at village Salavas has been closed down due to sluggish demand and high cost. However the company has claimed the depreciation on the straight line method at the rate prescribed under the Companies Act.
- 17.** During the year the Company has written off Rs. 10,16,000/ in respect of certain long overdue advances and sundry debtors since the management has considered necessary to write off the debts as these are not recoverable

18. 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.
19. The stock of raw material, semi-finished goods and stores are as per inventory prepared, valued and certified by the management.
20. 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.
21. As per the information available with the company there are no small scale industrial undertaking to whom the Company owed any sum as at 31<sup>st</sup>, March 2009 and there is no balances outstanding for more than 30 days as at 31<sup>st</sup>, March ,2009.
22. 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..
23. **Sundry debtors include Rs. (Rs. 15 lakhs) due from the firm and companies in which directors are interested. Similarly Advances include Rs. (Rs.60 lakhs) given to firms and companies in which directors are interested.**

24. Auditors Remuneration	31.03.2009	31.03.2008
a. As audit Fee	15000	15000
b. Tax Audit Fee	7500	7500
c. For Certificate & Consultation	7500	7500
<b>Total</b>	<b>30000</b>	<b>30000</b>

25. 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.

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

<b>27. Earnings per share (EPS):</b>	<b>(Rs. In 000)</b>
<b>Net Profit/ (Loss) as per Profit after tax</b>	<b>(-286) lakhs</b>
<b>No. of Equity Shares (in Nos.)</b>	<b>637240</b>
<b>No. of Equivalent Equity Shares</b>	<b>594160</b>
<b>Earnings Per Share (in Rs.) (Basic &amp; Diluted)</b>	<b>(-0)</b>

**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.
3. REFRACTORY CEMENT	N.A.	4000 M.T. P.A.	M.T

**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	
		2008-09 08	2007- 1916	2008-09 17032	2007-08 20099
1. Cement Plant Machinery & Mineral Grinding plants and Spares	No.	1518	1916		
2. Refractory Cement	M. T.			00	00
4. Others	No.	00	00		
<b>TOTAL</b>		<b>1518</b>	<b>1916</b>	<b>17032</b>	<b>20099</b>

**E. RAW- MATERIAL CONSUMED**

PARTICULAR	UNIT	QUANTITY		VALUE	
		2008-09	2007-08	2008-09	2007-08
1. Iron & steel & allied Materials	M.T.			9560	9107
2. Electric Motors & V belts & Components	No.	149		807	1260
3. others	No.	190		0	0
		20			
TOTAL		40		10367	10367
		0			
		0			
		230			
		230			

**28. Segment information for the year ended 31.03.09**

	Mini cement Machinery	Refractory Cement & Min	Total
Revenue			
External Sales	17032	0	17032
Results			
Segment Results	484	(28905)	(28421)
Interest Expenses	220	0	220
OPERATING INCOME	264	(28905)	(28641)
Less: Unallocated Corporate Expenses	0	0	0
Net PROFIT/ LOSS	264	(28905)	(28641)

Capital Expenditure			
Depreciation	342	0	
Non-cash expenses	0	670	
Unallocated Non Cash Expenses	0	0	



**29. 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	
1. Saboo Engineers (P) Ltd.		Associate	Directors are Director	
2. Saboo Emery Stone Ind.		Associate	Directors are Partner	
3.Saboo Synthetics Stones		Associate	Directors are Partner	
4.Synthetic Stones		Associate	Directors are Partner	
5.Avon Emery Industries		Associate	Directors are Partner	
6.Abrasive India		Associate	Directors are Partner	
7.Saboo Founders		Associate	Directors are Partner	
8. Saboo Mill Stones		Associate	Director are Partner	
TRANSACTION	TOTAL	ASSOCIATE	KEY MANAGEER	RELATIVE OF KEY MANAGER
Purchase of Goods	NIL	NIL	NIL	NIL
Sales of goods			NIL	NIL
Managerial Remuneration	NIL	NIL	NIL	NIL
Balances outstanding As on 31.03.2009				
Amount payable	<b>25.80Lacs</b>	<b>25.80 Lacs</b>	NIL	NIL
Amount receivable	<b>123.80 Lacs</b>	<b>123.80 Lacs</b>	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

**SABOO BROTHERS LIMITED.**  
**E-25A, M.I.Area, Basni,Phase II, Jodhpur**  
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. REGISTRATION  
REGISTRATION  
NO  
01851

STATE CODE  
  
17

BALANCE SHEET  
DATE.  
31.03.2009

2. CAPITAL RAISED DURING THE YEAR

PUBLIC ISSUE  
NIL

RIGHT ISSUE  
NIL

BONUS SHARE  
NIL

PRIVATE PLACEMNT  
NIL

3. POSITION OF MOBILISATION AND DEVELOPMENT OF FUND: (In Thousands)

TOTAL LIABILITIES  
146452

TOTAL ASSETS  
**146452**

4. SOURCE OF FUND

(In Rs.)

APPLICATION OF INCOME

(In Rs.)

Paid up Capital

59416

Net Fixed Assets

27380

Res. & Surplus

84817

Investments

0

Secured Loan

2219

Net Current Assets

60684

Unsecured Loans

0

Miscellaneous Exp.

58389

5. PREFORMANCE OF COMPANY: ( In Thousands)

Turnover & other Income 17096  
Total Expenditure 45737  
Profit/loss Before Tax -28641  
Earning per Share (Rs.) 0  
Dividend Rate 0

GENERIC NAMES OF PRINCIPAL PROUCTS,  
SERVICES OF THE COMPANY

Item Code No.	Product Description
8474.10	Mini cement plants & spares
69022002	High Alumina Refractory Cement
69001009	Calcined Magnisite

Place: Jaipur  
Date: Aug.12<sup>th</sup> 2009

FOR Jain Sawaimal & Company  
Chartered Accountants

Sd/-	Sd/-	Sd/-	Sd/-
(S.G.SABOO) DIRECTOR	(D.P.SABOO) DIRECTOR	(S.M.JAIN) PARTNER	(S.M.JAIN) PARTNER
Sd/-	Sd/-	Sd/-	
( M.AJMERA) DIRECTOR	B.K.KARNANI) DIRECTOR	( K.M.SOMANI) DIRECTOR	