

MD	✓			BKC	✓
CS	✓			DPY	NA
RO	✓			DIV	NA
TRA	NA			AC	✓
AGM	✓	✓		SHI	✓
YE	✓	✓	✓		✓

Seventh
Annual Report
1997-98

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SAI INDUSTRIES LIMITED

BOARD OF DIRECTORS	Shri Bhoj Raj Singh	<i>Chairman</i>
	Shri Niraj Kumar Singh	<i>Vice Chairman & Managing Director</i>
	Shri S. Anand	<i>Director</i>
	Shri S. D. R. Chadha	<i>Director</i>
	Dr. S. M. Pathak	<i>Director</i>

COMPANY SECRETARY Shri Kanwal Goyal

BANKERS **INDIAN BANK**
Aurobindo Place,
Hauz Khas,
New Delhi - 110 016

AUDITORS **M/S. GOYAL & GOYAL**
Chartered Accountants,
C-2/4, Community Centre,
Ashok Vihar Phase-II
Delhi - 110 052

REGISTERED OFFICE 202, Aurobindo Place,
Hauz Khas,
New Delhi - 110 016.

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SAI INDUSTRIES LTD.**NOTICE TO THE SHAREHOLDERS FOR THE SEVENTH ANNUAL GENERAL MEETING**

Notice is hereby given that the seventh Annual General Meeting of the Company will be held as scheduled below :

Day and Date	:	Wednesday 30th September, 1998
Time	:	11.00 A.M.
Place	:	202, Aurobindo Place, Hauz Khas, New Delhi - 110 016

The agenda for the Meeting will be as follows:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 1998 and the Balance Sheet as at that date and the Reports of the Auditors' and Directors' thereon.
2. To appoint a Director in place of Shri Niraj K. Singh, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Dr. S.M. Pathak, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration. M/s. Goyal and Goyal, Chartered Accountants, the retiring Auditors, are eligible for re-appointment.

By Order of the Board of Directors

(Bhoj Raj Singh)
Chairman

Place : New Delhi
Dated : June 30, 1998

NOTES

1. The Register of Members and Share Transfer Books of the Company will remain closed from 16th September, 1998 to 30th September, 1998 (both days inclusive).
2. A member entitled to attend and vote at the Meeting is entitled to appoint Proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. A proxy, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the time of holding the Meeting.
3. Members desiring any information on the accounts at the Annual General Meeting are requested to write to the Company at its Registered Office atleast 10 days in advance so as to enable the Company to keep the information ready.
4. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are, therefore, requested to bring the copy of the Annual Report with them at the Meeting.

DIRECTORS' REPORT

To the Shareholders of **Sai Industries Ltd.**

The Directors take pleasure in presenting the Seventh Annual Report of your Company and the Audited Statement of Accounts for the year ended on 31st March, 1998.

OPERATIONS

The financial results of operations of your Company for the year ended on March 31, 1998 are as follows :

(Figures in Rupees)

	1997-98	1996-97
Total Income	12,95,852	32,36,795
Profit/(Loss) before Depreciation & Tax	(79,46,594)	(34,21,071)
Depreciation	2,08,095	5,98,491
Profit/(Loss) before Tax	(81,54,689)	(40,19,562)
Provision for Income Tax	—	600
Profit/(Loss) after Tax	(81,54,689)	(40,20,162)
Profit Brought Forward	12,80,116	53,00,278
Profit available for Appropriation	(68,74,573)	12,80,116
Appropriations		
Transfer to General Reserve	—	—
Provision for Dividend	—	—
Surplus Carried forward	—	12,80,116

The capital market continues to be in an extremely depressed state. The market sentiment has further eroded on account of economic sanctions imposed by some countries and down grading of the country's rating by a few credit rating agencies. Your Company is making all out efforts to diversify its business since capital market conditions may take a long time to improve.

DIVIDEND

In view of the loss incurred on account of depressed capital markets, your Directors are not in a position to recommend any Dividend for the year.

REGISTRATION AS NBFC

Your Company has been registered as Non-Banking Financial Company with the Reserve Bank of India on May 13, 1998 and a certificate of Registration from the Reserve Bank of India has been received.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

As the Company is not engaged in manufacturing/processing, it is not in a position to undertake any measures for energy conservation or technology absorption.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Expenditure in foreign exchange during this period was rupees 2065.

DEPOSITS

The Company has no public deposits and has neither invited nor accepted any deposits from the public during this period.

SAI INDUSTRIES LTD.

DIRECTORS

Dr. Niraj Kumar Singh and Dr. S.M. Pathak, Directors retire by rotation and being eligible, offer themselves for re-appointment.

EMPLOYEES

During the year, there was no employee, whose particulars are required to be given under Section 217(2A) of the Companies Act, 1956.

AUDITORS

In accordance with the provisions of the Companies Act, 1956, M/s. Goyal & Goyal Chartered Accountants, statutory auditors, retire at the conclusion of the Annual General Meeting, and being eligible, offer themselves for re-appointment. The Company has received certificate from M/s. Goyal & Goyal to the effect that their appointment, if made, would be within the prescribed limit u/s 224(1-B) of the Companies Act, 1956.

ACKNOWLEDGMENTS

Your Directors take this opportunity of expressing their gratitude to Indian Bank, Hauz Khas, New Delhi and Sai Agencies Private Limited for the co-operation and assistance extended to your Company.

The Directors also place on record their sincere appreciation for the efficient services rendered by the employees.

For and on behalf of the Board of Directors

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(Bhoj Raj Singh)
Chairman

Place : New Delhi
Dated : June 30, 1998