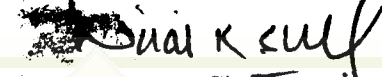


Eleventh Annual Report 2001-2002

CONFIDENTIAL COPY

For Sai Industries Limited



Niraj Kumar Singh
Vice Chairman & Managing Director

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SAI INDUSTRIES LIMITED

SAI INDUSTRIES LIMITED

Eleventh Annual Report 2001-2002

BOARD OF DIRECTORS	Shri Bhoj Raj Singh Dr. Niraj K. Singh Sh. S.D.R. Chadha Dr. S. M. Pathak	<i>Chairman</i> <i>Vice Chairman and Managing Director</i> <i>Director</i> <i>Director</i>
BANKERS	INDIAN BANK Aurobindo Place, Hauz Khas, New Delhi - 110 016	
AUDITORS	M/S. GOYAL AND GOYAL Chartered Accountants, C-2/4, Community Centre, Ashok Vihar, Phase-II Delhi - 110 052	
REGISTERED OFFICE	C-2/4, Community Centre Ashok Vihar, Phase - II, Delhi - 110 052.	


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SAI INDUSTRIES LIMITED

NOTICE TO THE SHAREHOLDERS FOR THE ELEVENTH ANNUAL GENERAL MEETING

Day and Date : Monday the 30th September, 2002
Time : 12.30 P. M.
Place : 2nd Floor, 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 and Loss Account for the year ended 31st March, 2002 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 Dr. S.M. Pathak, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration. M/s. Goyal and Goyal, Chartered Accountants, the retiring Auditors, are eligible for re-appointment.

NOTES

1. The Register of Members and Share Transfer Books of the Company will remain closed from 16th September, 2002 to 30th September, 2002 (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.

By Order of the Board of Directors

Place : New Delhi
Dated : 31st July, 2002

Sd/-
(Bhoj Raj Singh)
Chairman

SAI INDUSTRIES LIMITED

DIRECTORS REPORT

To The Shareholders of
SAI INDUSTRIES LTD.

The Directors take pleasure in presenting the Eleventh Annual Report of your Company and the Audited Statement of Accounts for the year ended on 31st March, 2002.

The financial results of your Company for the year ended on March 31, 2002 are as follows :

		(Rs. in Lacs)
	2001-2002	2000-2001
Total Income	0.49	5.87
Profit/Loss before Depreciation	(13.64)	(4.36)
Depreciation	(2.75)	(2.77)
Provision for doubtful debts/assets as per R.B.I. Prudential Norms	(10.65)	(9.91)
Profit/Loss before Tax	(27.01)	(17.04)
Provision for Income Tax	-	-
Net Profit/Loss	(27.01)	-
Profit(+) /Loss (-) brought forward		

The performance of your company continues to be adversely affected due to the downturn in the global economy and the fall in the domestic and global capital markets. The sentiment has not been positive in view of a scanty monsoon. The Working of the company is expected to improve once the economy picks-up and the capital markets become buoyant.

Your Company continues to be on the look out for diversifying its activities and hopes to turn in an improved performance in future.

DIVIDEND

The performance of your company was affected adversely on account of sluggish economic and capital market conditions. There being no profit during the year, your Directors do not recommend payment of dividend for the year under report.

DIRECTOR'S RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following Statement in terms of Section 217 (2AA) of the Companies Act, 1956:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- that the directors have selected such accounting policies and applied them consistently and made judgements and estimates that were 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 loss of the Company for the year under review;
- that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the directors have prepared the annual accounts on a going concern basis.

SAI INDUSTRIES LIMITED

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

There was no income or expenditure in Foreign Exchange during this period.

DEPOSITS

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

DIRECTORS

Dr. S.M. Pathak, Director retires by rotation and being eligible offers himself 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.

LISTING OF EQUITY SHARES

The Equity Shares of your company are listed on Delhi, Mumbai and Chennai Stock Exchanges.

Your company has paid the Listing Fee upto and including the financial year 2000-2001 to each of the above three stock exchanges. The listing fee for 2001-2002 and 2002-03 is due and is proposed to be paid shortly.

AUDITORS

In accordance with the provisions of Companies Act, 1956, M/s. Goyal and 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 a certificate from M/s. Goyal and 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 for the cooperation 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

Place : New Delhi
Date : 31st July, 2002

Sd/-
(Bhoj Raj Singh)
Chairman

SAI INDUSTRIES LIMITED

AUDITOR'S REPORT

TO THE MEMBERS OF SAI INDUSTRIES LIMITED

We have audited the annexed Balance Sheet of Sai Industries Limited as at 31st March 2002 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the manufacturing and other Companies (Auditor's Report) Order 1988, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that :

- (i) 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;
- (ii) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examinations of those books;
- (iii) The Balance Sheet & Profit and Loss Account dealt by this report are in agreement with the books of accounts;
- (iv) In our opinion, the Balance Sheet and the Profit & Loss account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- (v) On the basis of written representation received from the directors, as at 31st March, 2002, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2002 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (a) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2002.

AND

- (b) In the case of the Profit & Loss Account of the Loss for the year ended on that date.

FOR GOYAL AND GOYAL
CHARTERED ACCOUNTANTS

PLACE : NEW DELHI

Date : June 29, 2002

Sd/-
(DINESH KUMAR)
Partner