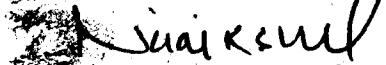


***Twelfth  
Annual Report  
2002-2003***

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**For Sai Industries Limited**



**Niraj Kumar Singh**  
Chairman & Managing Director

**SAI INDUSTRIES LIMITED**

**SAI INDUSTRIES LIMITED***Twelfth Annual Report 2002-2003***BOARD OF DIRECTORS**

Sh. Bhoj Raj Singh  
 Dr. Niraj K. Singh  
 Shri S.D.R. Chadha  
 Dr. S.M. Pathak

Chairman (Expired on 18.01.2003)  
 Chairman & Managing Director  
 Director  
 Director

**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**

C-2/4, Community Centre,  
 Ashok Vihar, Phase - II,  
 Delhi - 110 052


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<b>Contents</b>	<b>Page No.</b>
Notice	1.
Director's Report	2-3
Auditors Report	4-5
Balance Sheet	6.
Profit & Loss Account	7.
Schedules to Balance Sheet & Profit & Loss Account	8-15
Cash Flow Statement	16

**SAI INDUSTRIES LIMITED****NOTICE TO THE SHAREHOLDERS FOR THE TWELFTH ANNUAL GENERAL MEETING**

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

Day and Date	:	Tuesday, 30th September 2003
Time	:	12.30 P.M.
Place	:	2nd floor, Aurobindo Place, Hauz Khas, New Delhi-110016

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, 2003 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 Sh. S.D.R. Chadha, 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 2003 to 30th September 2003 (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.
5. Re-appointment of Director :  
Details of Director seeking reappointment at the twelfth Annual General Meeting (Pursuant to clause 49 of the Listing Agreement)

Name of Director	--	Mr. S. D. R. Chadha
Date of Birth	-	July 07, 1932
Expertise in specific professional areas	-	44 years rich experience in Public Sector Undertaking with specialisation in finance. Worked at Director level.
Qualification	-	B. A.
List of other Indian Public Limited Companies in which Directorship held.	-	NIL
Chairman / Member of the Committee of Board of other Public Companies of which he is a Director.	-	NIL

By Order of the Board of Directors  
sd/-

(Dr. Niraj Kumar Singh)  
Chairman & Managing Director

Place : New Delhi  
Dated : 30th June, 2003

## SAI INDUSTRIES LIMITED

### DIRECTORS REPORT

To the Shareholders of SAI INDUSTRIES LTD.

The Directors take pleasure in presenting the twelfth Annual Report of your Company and the audited statement of accounts for the year ended on March 31, 2003.

The financial results of your Company for the year ended on March 31 2003 are as follows :

(Rs. in lacs)

	2002-03	2001-02
Total Income	0.26	0.49
Profit / (loss) before depreciation and tax	(31.02)	(13.64)
Depreciation	(2.70)	( 2.75)
Provision made (-)/written back (+) for doubtful debts/assets as per R.B.I. Prudential Norms	2.30	(10.65)
Profit/ (loss) before Tax	(31.69)	(27.01)
Provision for Income Tax	-	-
Net Profit / (loss)	(31.69)	(27.01)
Profit(+ )loss (-) brought forward	(130.14)	(103.13)
Accumulated loss	(161.83)	(130.14)

### PERFORMANCE

Eventhough the economy and the Capital Markets are showing signs of recovery, the performance of your Company continues to be adversely affected as there is no appreciation in its investments as yet. The working of the Company is expected to improve once the economy picks-up further and the capital market remain buvant.

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

### DIVIDEND

There being no profit during the year, your Directors do not recommend payment of dividend for the year under report.

### DIRECTORS 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:

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed ;
- ii) 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 true and fair view of the stat of affairs of the Company at the end of the financial year and of the loss of the Company for the year under review ;
- iii) 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 ;
- iv) that the directors have prepared the annual accounts on a going concern basis.

### CORPORATE GOVERNANCE

Pursuant to clause 49 of the listing Agreement entered by the Company with the Stock Exchanges where the shares of the Company are listed, the Company is required to implement the code of Corporate Governance effective from the next financial year. Accordingly, the Company is taking necessary steps to impliment the code of Corporate Governance from the next year.

## **SAI INDUSTRIES LIMITED**

### **AUDIT COMMITTEE**

The Audit Committee consists of three directors, including one independent director. It provides direction for audit functions, reviews the financial accounts, interacts with statutory auditors and reviews matters of special interest.

The Committee meets regularly to carry out its functions. The quorum for a meeting of audit committee is any two directors personally present at the meeting. Members of the Audit Committee are, Dr. Niraj Kumar Singh, Sh. S.D.R. Chadha and Dr. S.M.Pathak. Sh S.D.R. Chadha who has good knowledge of accounts is always present at these meetings.

In terms of the requirements under corporate governance practices, arrangements for presence of Sh. S.D.R Chadha at the forthcoming Annual General Meeting in September, 2003 are being made.

### **CONSERVATION OF ENERGY & 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**

Sh. Bhoj Raj Singh, founder Chairman passed away on January 18, 2003. Sh. S.D.R. Chanda, Director retires by rotation and being eligible offer himself for re-appointment.

### **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 stock exchanges. The Listing Fee for 2001-02 and 2002-03 is due and is proposed to be paid shortly.

### **EMPLOYEES**

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

### **AUDITORS**

In accordance with the provisions of 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 a 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 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.

By Order of the Board of Directors

sd/-

(Dr. Niraj Kumar Singh)

Chairman & Managing Director

Place : New Delhi

Dated : 30th June, 2003

## **SAI INDUSTRIES LIMITED**

### **AUDITOR'S REPORT TO THE MEMBERS OF SAI INDUSTRIES LIMITED**

We have audited the attached Balance Sheet of Sai Industries Limited as at 31st March, 2003 and the relative Profit & Loss Account of the said company for the year ended on that date both of which we have signed under reference to this report. These financial statements are the responsibility of the management of the company. Our responsibility is to express an opinion on these financial statement 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 misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
2. In our opinion books of account as required by law have been kept by the company so far as it appears from our examination of those books.
3. The company's Balance Sheet and the profit and Loss Account dealt with by our report are in agreement with the books of account.
4. In our opinion, the profit and loss account and the balance sheet complies with the accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
5. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 under section 227 (4-A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate, we further state that :
  - i) The company has maintained proper records showing full particulars including quantitative details and situation of Fixed assets. The equipment on lease have been physically verified by the management in accordance with a regular programme which in our opinion is reasonable. Other fixed assets have been physically verified by the management during the year. No discrepancies were noticed on such verification.
  - ii) None of the fixed assets have been revalued during the year.
  - iii) The Company has not taken any loans from companies, firms or other parties listed in the register (s) maintained under section 301 of the Companies Act, 1956, and/or from the companies under the same management as defined under sub-section (1-B) of section 370 of the Companies Act, 1956 except interest free loans from Directors.
  - iv) The company has not granted any loans to companies, firms or other parties listed in the register(s) maintained under section 301 and/or to the companies Under the same management as defined under sub-section (1-B) of Section 370 of the Companies Act, 1956. During the year the company had given interest free loans to Companies under the same management within the meaning of sub-section (1-B) of section 370 of the Companies Act, 1956. The other terms and conditions of the said loans were not, prima facie, prejudicial to the interest of the company.
  - v) In respect of loans & advances in the nature of loan given by the company to parties they are generally repaying the principal amounts as stipulated and are also regular in the payment of interest wherever applicable.

**SAI INDUSTRIES LIMITED**

- vi) In our opinion, and according to the information and explanation given to us it appears that there are adequate internal control procedures commensurate with the size of the company and nature of its business, with regard to purchases of plant and machinery and other assets.
- vii) In our opinion and according to the information and explanations given to us, and on the basis of test check of records carried out by us the transactions of purchases of goods and materials and sale of goods, materials and service made in pursuance of contracts or arrangements entered in the Register maintained under section 301 of companies Act, 1956 as aggregating during the period to Rs. 50,000/- or more in respect of each party have been made at prices which are reasonable having regard to prevailing market price for such goods, materials or services or the prices at which transactions for similar goods or services have been made with other parties.
- viii) The company has not accepted any, 'public deposit.
- ix) The company has an internal Audit system which in our opinion is commensurate with its size and nature of its business.
- x) The company has been regular in depositing Provident Fund dues with the appropriate authorities. As informed to us Employees State Insurance Scheme is not applicable to the company for the year under audit.
- xi) According to information and explanations given to us there are no undisputed amount payable in respect of Income Tax, Wealth Tax, sales, Customs Duty and Excise Duty, outstanding for a period of more than six months as at 31st March, 2003 from the date became payable.
- xii) According to information and explanations given to us no personal expenses of employees or Directors have been charged to the revenue account other than those payable under contractual obligations or in accordance with generally accepted business practices.
- xiii) In our opinion the company is not a Sick industrial Company within the meaning of clause (o) of sub-section (1) of section 3 of the Sick industrial Companies (Special Provisions) Act, 1985 (1 of 1986).
- xiv) The company has maintained proper records of transactions and contracts in respect of trading in shares and timely entries have been made therein. The investments of the company are held in its own name except to the extent of the exemption granted under section 49 of the companies Act, 1956
- xv) On the basis of the information and explanations given to us other matters specified in para 4A to 4D of the said order are not applicable to the company for this year.

In our opinion and to the best of our information and according to the explanations given to us, the accounts read together with the notes thereon give the information required by the companies Act, 1956 in the manner so required and give a true and fair view :

- a) In the cases of the Balance Sheet of the state of affairs of the company as at 31st March, 2003 and
- b) In the case of the Profit and Loss Account of the Loss for the year ended on that date.

**FOR GOYAL & GOYAL**  
Chartered Accountants  
sd/-

New DELHI  
30th June, 2003

5.

**(MUKESH GOYAL)**  
Partner