

***Eighteenth
Annual Report
2008-2009***

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Sai Industries Limited

Official Audit Copy
Sai Industries Limited

Nihal K Sahu

Chartered Accountant
Director

SAI INDUSTRIES LIMITED
Eighteenth Annual Report 2008-2009

BOARD OF DIRECTORS

Dr. Niraj K. Singh	Chairman & Managing Director
Shri S.D.R. Chadha	Director (Non Executive)
Shri Ved Parkash	Director (Upto 30.06.09)
Dr. S.M. Pathak	Director (w.e.f. 30.06.09) (Non Executive Independent)
Shri S.C. Dwivedi	Director (w.e.f. 30.06.09) (Non Executive Independent)

BANKERS

INDIAN BANK,
Aurobindo Place,
Hauz Khas,
New Delh - 110 016

STATE BANK OF INDIA
J.N.U. Branch,
New Delhi - 110 067

AUDITORS

M/s. A K G & CO.
J-1, KAILASH COLONY,
NEW DELHI-110048

**REGISTRAR & SHARE
TRANSFER AGENT**

M/S. BEETAL FINANCIAL & COMPUTER
SERVICES PVT. LTD.
Beetal House 3rd Floor, 99, Madangir,
New Delhi - 110062

REGISTERED OFFICE

204, Aurobindo Place,
Hauz Khas,
New Delhi - 110016

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NOTICE FOR ANNUAL GENERAL MEETING

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

Day and Date	Wednesday, 30th September 2009
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 Balance Sheet as on 31st March, 2009 and Profit & Loss Account for the year ended as on that date and 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 reappointment
- 3 To appoint Auditors who if appointed, shall hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration and in this regard to consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution :

"RESOLVED that M/s. A K G & Co., Chartered Accountants be and are hereby appointed auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors exclusive of travelling and other out of pocket expenses"

SPECIAL BUSINESS

- 4 To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Dr. S. M. Pathak, who was appointed as Additional Director of the Company and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice u/s 257 of the Companies Act, 1956 from a Member signifying his intention to propose his candidature for the Office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation".

- 5 To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri S. C. Dwivedi, who was appointed as Additional Director of the Company and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice u/s 257 of the Companies Act, 1956 from a Member signifying his intention to propose his candidature for the Office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation".

NOTES :

- 1 The register of members and share transfer books of the company will remain closed from 16-09-2009 to 30-09-2009 (Both days inclusive).
- 2 A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company. Proxies in order to be effective must be received by the company not less than 48 hours before the time of holding the meeting.

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- 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 to the Meeting.
- 5 In terms of Clause 49 of the Listing Agreement information on Directors seeking appointment at this Annual General Meeting is as under:

Particulars	Dr. S. M. Pathak	Shri S. C. Dwivedi	Sh S D R Chadha
Date of Birth & Age	July 15, 1931/78 yrs	May 01, 1981/28 yrs	July 07, 1932/77 yrs
Appointed on	June 30, 2009	June 30, 2009	Sept 16, 1991
Qualifications	Ph.D.	M. Phil., M.A.	B.A.
Expertise in specific functional areas	Retired Banker	Professional	Finance & Accounts
Directorship held in other Public International Ltd. Companies (excluding Foreign Companies)	Software Technology Group International Ltd.	Nil	Nil
Memberships/Chairmanships of committees across public Companies.	3	2	3

**ANNEXURE TO THE NOTICE EXPLANATORY STATEMENT PURSUANT TO
PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956**

Item No. 4 & 5:

The Board of Directors of the Company at its meeting held on June 30, 2009 appointed Dr. S. M. Pathak and Shri S. C. Dwivedi as Additional Directors and in terms of provisions of Section 260 of the Companies Act, 1956, they hold office upto the date of the Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956 alongwith requisite deposits from Members proposing the candidatures of Dr. S. M. Pathak and Shri S. C. Dwivedi as Directors of the Company. The Board recommends the resolution for acceptance.

None of the Directors of the Company except Dr S. M. Pathak and Shri S. C. Dwivedi themselves may be considered as concerned or interested in the resolution.

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-

(DR. NIRAJ K. SINGH)

Chairman & Managing Director

PLACE : NEW DELHI

DATED : June 30, 2009

(Signature of Niraj K. Singh)
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Niraj K. Singh
Chairman & Managing Director

SAI INDUSTRIES LIMITED

DIRECTORS' REPORT

To the Shareholders of SAI INDUSTRIES LIMITED

The Directors take pleasure in presenting the Eighteenth Annual Report of your company and the audited Statement of Accounts for the year ended on March 31, 2009.

The financial results of your Company for the year ended on March 31, 2009 are as follows:

	2008-2009	(Rs. in Lacs) 2007 - 2008
Total Income	0.16	0.01
Profit/Loss before Depreciation and Tax	(17.13)	(2.05)
Depreciation	0.07	0.07
Profit/Loss before Tax	(17.19)	(1.97)
Provision for Income Tax (FBT)	0.05	0.02
Net Profit/Loss	(17.24)	(1.98)
Profit(+)/Loss(-) brought forward	(314.54)	(311.84)
Accumulated Loss	(331.78)	-(313.82)

PERFORMANCE: The performance of your company continues to be adversely affected as there has been no appreciation in its investments. The working of the Company is expected to improve once its investments appreciate and it is able to diversify its activities. The Company is making efforts to expand its business and expects some breakthrough shortly.

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

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Industry Trends and Business Analysis: The global economy and Capital Markets which had been doing well in earlier years, faced unforeseen and unprecedented pressures during the year under review. Extremely high prices of Crude oil prices and commodities led to severe inflation. Interest rates were raised and liquidity tightened to keep a check on spiralling prices. There are overall concerns on global economies contracting and therefore affecting the business environment worldwide.

OPPORTUNITIES AND THREATS

Opportunities: The globalisation of the economy has vastly increased the opportunities available to Indian Companies. The Company hopes to capitalise on its experience and report a better performance in the future years.

Threats: There is severe competition in the financial services sector. Margins have been impacted with Public Sector Banks and large Private Sector Banks offering retail financial services. Small and mid-size NBFC's have been marginalised.

Segment wise performance: The Company is engaged primarily in the business of Investments & Finance and accordingly there are no separate reportable Segments as per Accounting Standard 17.

Future Prospects and Outlook: With retail financial services almost having been monopolised by Public & Private Sector Banks, the Company will have to develop niche areas for itself and explore means to substantially increase its investible funds to participate in the growth of the economy. The Company hopes to forge partnership with larger players to increase its presence and achieve profitability in its operations. The Company is also looking to providing services to large corporates in India and abroad.

Risks and Concerns: The performance of the Company is very closely linked with the conditions of the economy (both domestic & global) and is also very sensitive to the fluctuations in the Capital Markets, interest rate fluctuations, inflation and credit risks.

Internal Control Systems and Their Adequacy: The Company has put in place an adequate system of internal controls which are monitored on a regular basis, commensurate with the nature of its business. All activities are monitored to prevent any unauthorised transactions or misuse of any assets. The Audit committee of the Board oversees and reviews the adequacy of internal controls at regular intervals.

Financial Performance: The Company reported a loss of Rs.17.24 Lacs during the year under review as against a loss of Rs.1.98 Lacs during the previous year. The paid up capital of the Company stood

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at Rs. 296.76 Lacs. The issued and subscribed capital is Rs. 300 Lacs. Allotment money due but not received is Rs. 3.24 lacs.

Human Resources: The management of the Company maintains cordial relations with the employees and considers human capital as one of the most valuable resources.

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 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;

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 : A separate section on Corporate Governance forming part of the Directors Report and the certificate from the Company's Auditors confirming the compliance of conditions on Corporate Governance as stipulated in Clause 49 of the Listing Agreement is included in the Annual Report.

DISPUTE RELATING TO INCOME TAX : The appeal of the Company against the Quantum Order of the Hon'ble I.T.A.T. is pending before the Hon'ble Delhi High Court.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

As the Company is not engaged in manufacturing/processing, it is not in a position to undertake any measure 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 and Shri S.C. Dwivedi were appointed as Additional Directors w.e.f. June 30, 2009 to hold office until the forthcoming AGM. The Board has recommended the appointment of Dr. S.M. Pathak and Shri S.C. Dwivedi as Directors, retiring by rotation, to the shareholders at the forthcoming AGM. Sh. S.D.R. Chadha retires by rotation and being eligible offer himself for reappointment. Mr Ved Parkash resigned w.e.f. June 30, 2009.

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 2009-10 to the Bombay Stock Exchange Limited. The pending listing fee due to Delhi and Chennai Stock Exchanges is being reconciled with the respective Stock Exchanges and will be paid once the amount to be paid is determined.

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 Companies Act, 1956, M/s. A K G & Co., 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. A K G & Co. 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 M/s. Sai Agencies Private Limited, Indian Bank, Hauz Khas, New Delhi and State Bank of India, JNU, New Delhi for the cooperation and assistance extended to your Company.

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-

(DR. NIRAJ K. SINGH)

Chairman & Managing Director

PLACE : NEW DELHI

DATED : June 30, 2009

Niraj K Singh

SAI INDUSTRIES LIMITED**REPORT ON CORPORATE GOVERNANCE**

In line with the requirement for providing a "Report on Corporate Governance" as per Clause 49 of the revised Listing Agreement with the Stock Exchanges, given below is the report on the Company's Corporate Governance norms.

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance envisages transparency, accountability and propriety in the functioning of the Company and in the conduct of its business internally and externally, including its interactions with employees, shareholders, creditors and other lenders.

BOARD OF DIRECTORS

During the year under review, 5(Five) Board Meetings were held on May 29, 2008, June 30, 2008, July 31, 2008, October 31, 2008, and January 31, 2009. The composition of the Board, attendance at Board Meetings held during the financial year under review and at the last Annual General Meeting, number of Directorships and memberships/chairmanships in public companies (including the Company) are given below:

Name of Director	Category	FY 2008-2009 Attendance at		As on date	
		BM	Last AGM	No. of Directorships	Committee Members
Dr. Niraj Kumar Singh	Chairman & Managing Director	5	Yes	5	8
Sh. S. D. R. Chadha	Director	5	Yes	0	3
Sh. Ved Parkash	Director	5	Yes	1	6
Dr S M Pathak	Director	0	No	1	4
Shri S C Dwivedi	Director	0	No	0	3

Change in Directorship

Sh. S. D. R. Chadha retires by rotation and being eligible offers himself for reappointment. Dr. S. M. Pathak and Shri S. C. Dwivedi were appointed as Additional Directors to hold office until the forthcoming AGM. The Board has recommended the appointment of Dr. S.M. Pathak and Shri S.C. Dwivedi as Directors, retiring by rotation, at the forthcoming AGM. Shri Ved Parkash has resigned w.e.f. June 30, 2009.

AUDIT COMMITTEE

The Audit Committee consists of three directors. It provides direction to 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. S. M. Pathak, Mr S. D. R. Chadha and Mr S. C. Dwivedi. The meetings are generally chaired by Dr. S M Pathak. Mr. S D R Chadha, Director who has significant experience of Finance and Accounts is always present at the meetings.

In terms of the requirements under corporate governance practices, arrangements for presence of Dr. S.M. Pathak at the forthcoming AGM in September 2009 are being made.

REMUNERATION COMMITTEE

The Company has constituted a Remuneration Committee consisting of the Independent, Non-Executive Directors, Dr. S.M. Pathak and Shri S.C. Dwivedi.

REMUNERATION TO DIRECTORS

No sitting fees was paid to the Directors for attending Board Meetings or sub-committee meetings during the year under review. Remuneration paid to Dr. Niraj Kumar Singh as Managing Director

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during the year is as follows :-

Salary	Rs.96,000/-
Perquisites	Nil
Contribution to PF	Nil

DETAILS OF LAST THREE ANNUAL GENERAL MEETINGS

Year	Location	Date	Day	Time
2006	2nd Floor, Aurobindo Place, Hauz Khas, New Delhi-110016	30/09/2006	Saturday	12.30 P.M.
2007	2nd Floor, Aurobindo Place, Hauz Khas, New Delhi-110016	29/09/2007	Saturday	12.30 P.M.
2008	2nd Floor, Aurobindo Place, Hauz Khas, New Delhi-110016	30/09/2008	Tuesday	12.30 P.M.

Whether Special Resolutions were put through Postal Ballot, last year? No

Is voting proposed to be conducted through postal ballot, this year? No

DISCLOSURES

1 The Company has complied with various rules and regulations prescribed by Stock Exchanges, SEBI or any other Statutory Authorities relating to the Capital Markets during the last three years. No penalties or strictures have been imposed by them on the Company.

2 During the year under review, besides the transactions reported elsewhere in the Annual Report, there were no other related party transactions with its promoters, directors, management and associate companies.

SHAREHOLDERS INFORMATION**1. a) Annual General Meeting**

Date and Time Wednesday, 30th September, 2009 at 12.30 P.M.
Venue 2nd Floor, Aurobindo Place,
Hauz Khas, New Delhi-110016

b) Book Closure Date 16-09-2009 to 30-09-2009 (Both days inclusive)

c) Financial Calendar

Financial Reporting for the Quarter ending June 30, 2009 Last week of July, 2009
Financial Reporting for the Quarter ending September 30, 2009 Last week of October 2009
Financial Reporting for the Quarter ending December 31, 2009 Last week of January, 2010
Financial Reporting for the Quarter ending March 31, 2010 Last week of June, 2010
AGM for the year ended March 31, 2010 Last week of September, 2010

d) Dividend Payment Date Not Applicable

e) Stock Exchange Listing Mumbai, Delhi and Chennai

f) Stock Exchange Code Bombay Stock Exchange Limited 530905

Delhi Stock Exchange 19475

Madras Stock Exchange SSIT

g) Stock Market Data There has been no trading of Securities at the Stock Exchanges during the period under review

REGISTRAR AND SHARE TRANSFER AGENT

The Company has appointed M/s. Beetal Financial & Computer Services (P) Ltd., Beetal House, 3rd Floor, 99, Madangir, New Delhi - 110062 as Share Transfer Agent. Share transfers and shareholder queries/complaints are handled by the Share Transfer Agent.

MEANS OF COMMUNICATIONS

i) Half yearly report sent to each household of shareholder. No

ii) Quarterly results sent to each shareholder No