

***Twentieth
Annual Report
2010-2011***

Sai Industries Limited

SAI INDUSTRIES LIMITED
Twentieth Annual Report 2010-2011

BOARD OF DIRECTORS

Dr. Niraj K. Singh

Chairman &
Managing Director

Mrs. Juhi Singh

Director
(Non Executive)

Dr. S.M. Pathak

Director
(Non Executive, Independent)

Shri S.C. Dwivedi

Director
(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.
E-10, 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 Twentieth Annual General Meeting of the Company will be held as scheduled below :

Day and Date Friday, 30th September, 2011
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, 2011 and Profit & Loss Account for the year ended as on date and reports of the Auditors and Directors thereon.
- 2 To appoint a Director in place of Mrs. Juhi Singh, who retires by rotation and being eligible offers herself for re-appointment.
- 3 To appoint a Director in place of Mr. S. C. Dwivedi, who retires by rotation and being eligible offers himself for re-appointment.
- 4 To appoint auditors who shall hold office, if appointed 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

- 5 To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:
"Resolved that in accordance with the provisions of Sections 198, 269 and 309 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals as may be necessary, Dr. Niraj Kumar Singh be reappointed as Chairman & Managing Director for a period of 5 years w.e.f. October 01, 2011 upon the terms and conditions set out below:

Remuneration:

- a. Salary: Rs.1,50,000/- per month.
- b. Perquisites: In addition to salary, the following perquisites restricted to an amount of Rs.12,00,000/- per annum will be allowed.

CATEGORY 'A';

This will comprise of house rent allowance, medical reimbursement, leave travel concession, fees of clubs, and personal accident insurance. These will be provided for as under:

1 Housing

The expenditure by the Company on hiring unfurnished accommodation for the Chairman & Managing Director will be subject to ceiling of 60% of the salary, over and above 10% payable by him. In case the accommodation is owned by the Company, 10% of the salary of the Chairman & Managing Director shall be deducted by the Company. In case no accommodation is provided by the Company, the Chairman & Managing Director shall be entitled to house rent allowance subject to the ceiling laid down in (i) above.

SAI INDUSTRIES LIMITED

Explanation

The expenditure incurred by the Company on Gas, Electricity and Water shall be valued as per the Income Tax Rules, 1962. This will, however, be subject to a ceiling of 10% of the salary of the Chairman & Managing Director.

2 Medical Reimbursement:	Medical expenses incurred for the Chairman & Managing Director and his family, subject to ceiling of one month salary in a year or three months salary over a period of three years.
3 Leave Travel Concession:	Travel once in a year to any place in India by air/road/rail for Chairman & Managing Director and his family at Company's cost will be permissible.
4 Club Fees:	Fees including entrance fee of clubs subject to a Maximum of two clubs.
5 Personal Accident Insurance:	Premium not to exceed Rs.15,000/- per annum.

Explanation

For the purpose of the above perquisites "family" means the spouse, the dependent children and dependent parents of Chairman & Managing Director.

CATEGORY 'B'

6 Provident Fund:	Contribution to Provident Fund will be as per Company Rules and will not be included in the computation of ceiling on perquisites to the extent this is not taxable under I. T. Act.
7 Gratuity:	Not exceeding half a month's salary for each completed year of service.
8 Leave Encashment:	Encashment of leave at the end of the tenure will not be included in the computation of ceiling on perquisites.
9 Car & Telephone at Residence:	A car with Chauffeur for use on Company's business and a telephone at the residence shall be provided by the Company.
Explanation These facilities will not be considered as perquisites. However, long distance personal calls and use of Company's car for private use shall be billed by the Company	
10 Commission:	Remuneration by way of commission will also be allowed in addition to salary and perquisites. The amount of commission will be calculated at the rate of 5% of the net profits of the Company in a particular year. The commission will also be subject to the overall ceiling laid down in Section 198 and Sec 309 of the Companies Act 1956

The minimum remuneration and perquisites to be paid in the event of loss or inadequacy of profit, in any financial year during the tenure of office, shall be the remuneration as mentioned above, subject to such ceiling which may be fixed from time to time as per Schedule XIII of the Companies Act. 1956.

NOTES:

- 1 The register of members and share transfer books of the company will remain closed from 16-09-2011 to 30-09-2011 (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 meeting.

- 3 Members desiring any information of 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 In terms of Clause 49 of the Listing Agreement information on Directors seeking appointment at this Annual General Meeting is as under :

Name of Director	Mr. S. C. Dwivedi	Juhi Singh
Date of Birth & Age	01-05-1981/30 Years	05-11-1965/46yrs
Appointed on	6/30/2009	9/30/2010
Qualifications	M. Phil, M.A.	B.A., P.G.D.B.M.
Expertise in specific functional areas	Rich experience in Research.	20 years rich experience in Marketing & General Admn.
Directorship held in other Public Companies (excluding Foreign Companies)	NIL	M/s Sai Capital Limited
Memberships/Chairmanships of committees across public Companies.	3	2

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-

(DR. NIRAJ K. SINGH)

Chairman & Managing Director

PLACE : NEW DELHI

DATED : 28th May, 2011

ANNEXURE TO NOTICE OF ANNUAL GENERAL MEETING

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

Item No. 5

The existing term of appointment of Dr. Niraj Kumar Singh, Chairman & Managing Director expires on September 30, 2011. The Board of Directors has at a meeting held on May 28, 2011 passed a resolution approving the reappointment of Dr. Niraj Kumar Singh as Chairman & Managing Director for a further period of 5 years w.e.f. October 01, 2011.

The proposed resolution under item No.5 and this explanatory statement may be treated as abstract of the terms and conditons of the reappointment of Dr. Niraj Kumar Singh as Chairman & Managing Director pursuant to Sec. 198, 269 and 309 read with Schedule XIII and other applicable provisions if any, of the Companies Act, 1956.

Dr. Niraj Kumar Singh is a Promoter Director of the Company and has been involved with the Company since inception.

The Board recommends his reappointment and remuneration by way of ordinary resolution in terms of Schedule XIII of the Companies Act, 1956.

None of the Directors of the Company except Dr. Niraj Kumar Singh and Mrs. Juhi Singh 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 : 28th May, 2011

DIRECTORS' REPORT

To the shareholders of Sai Industries Ltd.

The Directors take pleasure in presenting the Twentieth Annual Report of your company and the audited Statement of Accounts for the year ended on March 31, 2011.

The financial results of your Company for the year ended on March 31, 2011 are as follows:
(Rs. in Lacs)

	2010-2011	2009 - 2010
Total Income	0.01	57.08
Profit/Loss before Depreciation and Tax	(22.33)	(0.75)
Depreciation	0.23	0.23
Profit/Loss before Tax	(22.57)	39.54
Provision for Income Tax (FBT)	0.00	0.00
Net Profit/Loss	(22.57)	39.54
Profit(+)/Loss(-) brought forward	(292.24)	(311.84)
Accumulated Loss	(314.81)	(313.82)

PERFORMANCE:

The performance of your company improved during the year. The working of the Company is expected to further improve in the coming years.

DIVIDEND

Due to loss 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 showed mixed signs. Rising prices of commodities and crude pose risk of higher inflation while also impacting growth. Interest rates have been raised which would impact profitability of Corporates.

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 NBFCs have been marginalised.

Segment wise performance:

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

Future Prospects and Outlook:

With retail financial services almost having been monopolised by Public & Private Sectors 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 rates 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. 22.56 Lacs during the year under review as against a profit of Rs. 39.54 Lacs during the previous year. The paid up capital of the Company stood 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 going concern basis.

CORPORATE GOVERNANCE

A separate section on Corporate Governance forming part of the Director's 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

Mrs. Juhi Singh and Mr. S. C. Dwivedi retire by rotation and being eligible offer themselves for reappointment.

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 2011-12 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/-

PLACE : NEW DELHI

(DR. NIRAJ K. SINGH)

DATED : 28th May, 2011

Chairman & Managing Director

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, 4 (Four) Board Meetings were held on May 28, 2010, August 13, 2010, November 12, 2010 and February 11, 2011. 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 2010-2011 Attendance at		As on date	
		BM	Last AGM	No. of Directorships	Committee Members
Dr. Niraj Kumar Singh	Chairman & Managing Director	4	Yes	5	8
Mrs. Juhi Singh	Director	4	Yes	0	6
Dr S M Pathak	Director	2	No	1	4
Shri S C Dwivedi	Director	4	No	0	3

Change in Directorship

Mrs. Juhi Singh and Mr. S. C. Dwivedi retire by rotation and being eligible offer themselves for reappointment.

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, Mrs. Juhi Singh and Mr. S. C. Dwivedi. The meetings are generally chaired by Dr. S M Pathak.

In terms of the requirements under corporate governance practices, arrangements for presence of Dr. S. M. Pathak at the forthcoming AGM in September 2011 are being made.

REMUNERATION COMMITTEE

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

REMUNERATION TO DIRECTORS

Sitting Fee of Rs.15,000/- was paid to the Directors for attending Board Meetings or Sub-committee Meetings during the year under review:

Dr. S.M. Pathak	Rs.5,000/-
Mr. S.C. Dwivedi	Rs.10,000/-