

*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 TRANSFERAGENT	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	

Contents	Page
Notice	1-3
Director's Report	4-11
Auditor's Report	12-15
Balance Sheet	16
Profit & Loss Account	17
Cash Flow Statement	18
Schedules to Balance Sheet and Profit & Loss Account	19-28

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.

SAI INDUSTRIES LIMITED

- 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 conditions 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

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.

SAI INDUSTRIES LIMITED

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/-

(DR. NIRAJ K. SINGH)

Chairman & Managing Director

PLACE : NEW DELHI

DATED : 28th May, 2011

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/-

SAI INDUSTRIES LIMITED

Remuneration paid to Dr. Niraj Kumar Singh as Managing Director during the year is as follows:

Salary	Rs. 96000/-
Perquisites	Nil
Contribution to PF	Nil

DETAILS OF LAST THREE ANNUAL GENERAL MEETINGS

Year	Location	Date	Day	Time
2008	2nd Floor, Aurobindo Place, Hauz Khas, New Delhi-110016	9/30/2008	Tuesday	12.30 P.M.
2009	2nd Floor, Aurobindo Place, Hauz Khas, New Delhi-110016	9/30/2009	Wednesday	12.30 P.M.
2010	2nd Floor, Aurobindo Place, Hauz Khas, New Delhi-110016	9/30/2010	Thursday	12.30 P.M.

Whether Special Resolution 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 Friday, 30th September, 2011 at 12:30 PM

Venue 2nd Floor, Aurobindo Place,
Hauz Khas, New Delhi-110016

- b) Book Closure Date 16-09-2011 to 30-09-2011 (Both days inclusive)

- c) Financial Calendar

Financial Reporting for the Quarter ending June 30, 2011 Second week of Aug, 2011

Financial Reporting for the Quarter ending September 30, 2011 Second week of Nov. 2011

Financial Reporting for the Quarter ending Dec 31, 2011 Second week of Feb, 2012

Financial Reporting for the Quarter ending March 31, 2012 Last week of May, 2012

AGM for the year ended March 31, 2012 Last week of Sept. 2012

- 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

MARKET PRICE DATA (RS.) Bombay Stock Exchange

Month	High	Low
Apr. 2010	—	—
May 2010	—	—
June 2010	—	—
July 2010	—	—
Aug. 2010	—	—
Sept. 2010	—	—
Oct. 2010	—	—
Nov. 2010	—	—
Dec. 2010	—	—
Jan. 2011	—	—
Feb. 2011	—	—
Mar. 2011	—	—

REGISTRARS 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.

E-mail ID for Investor Grievance

sai@vsnl.com

MEANS OF COMMUNICATIONS

- | | |
|--|------------------------------|
| i) Half yearly report sent to each household of shareholder | No |
| ii) Quarterly results sent to each shareholder | No |
| iii) In which News Papers the results are normally published | The Poiner and
Hari Bhumi |
| iv) Any website, where results are displayed | thesaigroup.in |
| v) Whether the Management Discussion & Analysis (MD & A) are part of Annual Report | Yes |
| vi) Whether shareholders information system is part of Annual Report | Yes |

SHARE TRANSFER COMMITTEE

The share transfer committee considers and approves share transfers in the physical form

SHAREHOLDER & INVESTOR GRIEVANCE COMMITTEE

Shareholders/Investor Grievance Committee consists of Mr. S.C. Dwivedi, Dr. S.M. Pathak and Mrs. Juhi Singh. The committee is chaired by Mr. S.C. Dwivedi. The Share Transfer Committee deals with approval of issue of duplicate share certificates and reviews all matters connected with the security transfer and redressal of Shareholders and Investor Grievance like transfer of shares, non-receipt of Balance Sheet etc. No shareholders investor grievance is pending for a period exceeding one month against the Company.

The Board has designated Mr. Ved Prakash as the Compliance Officer.

ADDRESS FOR CORRESPONDENCE

All queries of investors may be sent at the following address:

204, Aurobindo Place, New Delhi-110016 or M/s Beetal Finance & Computer Service Pvt. Ltd., Beetal House, 3rd Floor, 99, Madangir, New Delhi-110062

LISTING ON STOCK EXCHANGE

Bombay, Delhi & Madras Stock Exchanges

SAI INDUSTRIES LIMITED

SHAREHOLDING PATTERN OF THE COMPANY AS ON 31ST MARCH, 2011

Sl. No.	Category	No. of Shares	% of Shareholding
1	Promoters Holding		
i)	Indian Promoters	1231397	41.05
ii)	NRI Promoters	--	--
2	Non-Promoters Holding		
i)	Banks	11200	0.37
ii)	Corporate Bodies	492400	16.41
iii)	Indian Public	1265003	42.17
iv)	NRI's	--	--
	Total	<u>3000000</u>	<u>100.00</u>

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2011

Share or Debenture holding of nominal value		Share/Debenture holders		Share/Debenture Amount	
Rs. (1)	Rs. (2)	Number (3)	% of total (4)	Rs. (5)	% of total
Upto 5000	5000	1277	78.25	3145210	10.49
5001	10000	180	11.03	1558800	5.20
10001	20000	101	6.19	1606020	5.35
20001	30000	19	1.16	463010	1.54
30001	40000	5	0.31	184000	0.61
40001	50000	14	0.86	639000	2.13
50001	100000	11	0.67	832000	2.77
100001	and above	25	1.53	21571960	71.91
Total :		<u>1632</u>	<u>100.00</u>	<u>30000000</u>	<u>100</u>

SHARE TRANSFER SYSTEM

Share transfers in physical form are registered by the Company and returned to transferees within period ranging from fifteen days to one month, provided the documents lodged are clear in all respects.

UNCLAIMED DIVIDEND

Not Applicable

BANK DETAILS

Shareholders are requested to notify/send the following to the Company to facilitate better service:

- any change in their address/bank details, and
- particulars of their bank account, in case the same have not been sent earlier.

DEPOSITORY SERVICES

The Company's securities have not yet been dematerialised

NOMINATION FACILITY

Shareholders desirous of making a nomination in respect of their shareholding in the Company, as permitted under section 109A of the Companies Act, 1956 are requested to submit the same to the Company in the prescribed Form 2B.

Sd/-
DR. NIRAJ K. SINGH
Chairman & Managing Director

Sd/-
JUHI SINGH
Director

AUDITORS CERTIFICATE

To the Members of Sai Industries Limited

We have examined the report of Corporate Governance presented by the Board of Directors of Sai Industries Limited for the year ended 31ST MARCH, 2011 as stipulated in clause 41 of the Listing Agreement of the said company with Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and according to the information and explanations given to us the Company has taken step to comply with the conditions of corporate governance, to the extent applicable and as stipulated in the aforesaid listing agreement. We state that no investor grievance is pending for the period exceeding one month against the Company as per records maintained by the Shareholder's Grievance Committee.

We further state that such compliance is neither any assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For A K G & Co.

Sd/-

(ANIL K. GOEL)

PARTNER

PLACE : NEW DELHI

DATED : 28th May, 2011

CEO/CFO CERTIFICATION

I, Dr. Niraj Kumar Singh, in my capacity as Chairman & Managing Director do hereby confirm and certify that:

- a) I have reviewed the financial statements and the cash statement for the year and that to the best of my knowledge and belief, I state that:
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of Company's code of conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- d) During the year under reference:
 - i) There were no significant changes in the internal control over financial reporting;
 - ii) No significant changes in accounting policies were made that require disclosure in the notes to the financial statements; and
 - iii) No instances of significant fraud and the involvement therein, if any, of the Management or employee having a significant role in the Company's internal control system over financial reporting has come to my knowledge.

Sd/-

(DR. NIRAJ K. SINGH)

Chairman & Managing Director

PLACE : NEW DELHI

DATED : 28th May, 2011

SAI INDUSTRIES LIMITED

TO THE MEMBERS SAI INDUSTRIES LIMITED

- 1 We have audited the attached Balance Sheet of SAI INDUSTRIES LIMITED as at 31st March, 2011 and the Profit and Loss Account for the year ended on that date annexed thereto for the year ended on that date. 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.
- 2 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 financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3 As required by the Companies (Auditor's Report) Order 2003 and as amended by the companies Auditors's Report (amendment) order 2004 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 hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4 Further to our comments in the annexure referred to in paragraph 3 above, we report that:-
 - (a) 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;
 - (b) In our opinion, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit & Loss Account dealt with by this report are in agreement with the books of account;
 - (d) In our opinion the Balance Sheet, Profit & Loss Account dealt with by this report comply with the mandatory Accounting Standards referred in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (e) On the basis of the written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon 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:
 - (i) In so far as it relates to Balance Sheet, of the state of affairs of the company as at 31st March, 2011; and
 - (ii) In so far as it relates to the Profit and Loss Account, of the Loss of the company for the year ended on that date.
 - (iii) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

**PLACE : NEW DELHI
DATED : 28th May, 2011**

**For A K G & Co.
Chartered Accountants
Sd/-
(ANIL K. GOEL)
PARTNER
M. NO. 083454
Firm No. 004924N**

Annexure to the Auditors' report

[Referred to in Paragraph 3 of our report of even date]

(i) In respect of fixed assets:

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- (b) As explained to us, the fixed assets including equipment on lease have been physically verified by the Management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) In our opinion, the Company has not disposed off substantial part of fixed assets during the year, which may have affected the going concern status of the company, but Substantial Value of the Fixed Assets Written off through depreciation by the company during the year.

(ii) In respect of inventories:

- (a) The company has no any inventory during the year, accordingly clause (a) of the paragraph 4(ii) of the Order is not applicable.
- (b) Since the Company has no any inventory, the clause (b) of the paragraph 4(ii) is not applicable to the company.
- (c) Since the Company has no any inventory, the clause (c) of the paragraph 4(ii) is not applicable to the company.

(iii) In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 :

- (a) The company has granted loans amounting to Rs. 0.26 lakhs at the end of the year to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 including outstanding from previous years.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other the terms and conditions are not prima-facie prejudicial to the interest of the company, as the company has no interest bearing funds.
- (c) The loans granted by the company is interest free and the principal amount is repayable on demand.
- (d) Since the loans taken and granted by the company are repayable on demand; no question of overdue amounts arises.
- (e) The company has taken loans from two parties during the year amounting to Rs. 11.00 Lacs. The loan outstanding as at the year end including opening outstanding and repayments during the year was Rs. 7.24 Lacs.
- (f) In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and conditions are not prima facie prejudicial to the interest of the Company.

SAI INDUSTRIES LIMITED

- (g) In our opinion and according to the information and explanations given to us the loans taken by the company is repayable on demand.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
- (v) In respect of transactions covered under Section 301 of the Companies Act, 1956:
- (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements, that needed to be entered into in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 aggregating during the year to Rs. 5,00,000/- (Rupees Five Lacs only) or more in respect of any party have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the company has an internal audit system commensurate with size and nature of its business.
- (viii) The Central government has not prescribed maintenance of Cost Records under section 209(1)(d) of the Companies Act, 1956 in respect of manufacturing activities of the Company.
- (ix) In respect of statutory dues :
- (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues, whichever applicable have been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2011 for a period of more than six months from the date of become payable.
- (b) The disputed statutory dues aggregating to Rs. 15.87 lakhs that have not been deposited on account of matters pending before the appropriate authority are as under:-

S. No.	Name of the Statute	Nature of dues	Forum where dispute is pending	Period to which the amount pending	Amount (Rs. Lakhs)
1	I.T.Act, 1961	Demand	Hon'ble High Court	A.Y. 95-96	15.87

Under Income Tax Act Penalty of A.Y. 1995-96 Rs 13.81 U/s 271 (1) (c) against the company has been deleted by the Honorable Income Tax Appellate Tribunal. The Court of Honorable ACMM has adjourned the proceedings against the company and its directors sine die with Option to the income tax department to get the matter revive after disposal of their petition in the

Honorable High Court.

- (x) Accumulated losses of the Company are more than fifty percent of its net worth. The company has incurred cash losses amounting to Rs. 22.33 Lacs during the financial year covered by our audit.
- (xi) In our opinion and according to the information and explanations given to us, the company has defaulted in repayment of dues to financial institutions.
- (xii) In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
- (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) According to the information and explanations given to us, we are of the opinion that the company has not given guarantees for loans taken by others from banks or financial institutions the terms and conditions whereof are not prima facie prejudicial to the interest of the Company.
- (xvi) The Company has not raised any term loans during the year under report.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the Company has not utilised any funds raised from short term sources towards long term investment or vice-versa.
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, no debentures have been issued by the company.
- (xx) According to the information and explanations given to us, the company has not raised any money by public issues during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

PLACE : NEW DELHI
DATED : 28th May, 2011

For A K G & Co.
Chartered Accountants
Sd/-
(ANIL K. GOEL) PARTNER
M. NO. 083454
Firm No. 004924N

SAI INDUSTRIES LIMITED**BALANCE SHEET AS AT 31ST MARCH, 2011**

PARTICULARS	Schedule No.	Current Year 31.03.2011	Previous Year 31.03.2010
SOURCES OF FUNDS			
SHARE HOLDERS' FUNDS			
Share Capital	1	29675911	29675911
LOAN FUNDS			
a) Unsecured Loans	2	724218	480000
TOTAL		30400129	30155911
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	3	5300888	5300888
Less: Depreciation		<u>5210816</u>	<u>5187408</u>
Net Block		90072	113480
INVESTMENTS (At Cost)	4	315900	868696
CURRENT ASSETS, LOANS & ADVANCES			
a) Sundry Debtors	5	239533	227910
b) Cash & Bank Balances		65614	88185
c) Loans & Advances		29210	1383667
Sub-total		<u>334357</u>	<u>1699762</u>
LESS: CURRENT LIABILITIES & PROVISIONS			
CURRENT LIABILITIES		1748890	1678205
PROVISIONS		0	0
		<u>1748890</u>	<u>1678205</u>
Net Current Assets		(1414533)	21557
PROFIT & LOSS ACCOUNT (Dr. Balance)	7	31408690	29152178
Notes On Account & Contingent Liabilities	10		
TOTAL		30400129	30155911

SCHEDULE 1 TO 6 AND 10 REFERRED TO ABOVE FORM PART OF THE BALANCE SHEET

SUBJECT TO OUR SEPARATE REPORT OF EVEN DATE

For A K G & Co.
CHARTERED ACCOUNTANTS

Sd/-

(ANIL K. GOEL)

PARTNER

Sd/-

(DR. NIRAJ K. SINGH)
Chairman & Managing Director

Sd/-

(JUHI SINGH)
Director

PLACE : NEW DELHI
DATED : 28th May, 2011

SAI INDUSTRIES LIMITED**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED WITH 31ST MARCH, 2011**

PARTICULARS	Schedule No.	Current Year 31.03.2011	Previous Year 31.03.2010
<u>INCOME</u>			
Dividend Received		900	1456
Unclaimed Liability written Off		0	5267854
Profit on sale of Share/Debenture		0	438716
		<u>900</u>	<u>5708026</u>
<u>EXPENDITURE</u>			
Establishment	8	96084	96084
Selling, General and Administrative Expenses	9	185958	568793
Profit/Loss on trading on shares		1615213	1066477
Loss on Trading & Sale of Investments (Net)		336749	4051884
		<u>2234004</u>	<u>5783238</u>
Profit/(Loss) for the year before Depreciation		(2233104)	(75212)
Depreciation during the year		23408	22577
Excess Provision for earlier years		0	4051884
Profit/(Loss) for the year before Tax		(2256512)	3954095
Provison for Tax		0	0
Profit/(Loss) for the year after Tax		(2256512)	3954095
Balance brought forward from Previous Year		(29224340)	(33178435)
Balance Profit/(Loss) Carried Over to Balance Sheet		(31480852)	(29224340)

Notes On Account & Contingent Liabilities

10

SCHEDULE 8 TO 10 REFERRED TO ABOVE FORM PART OF THE PROFIT & LOSS ACCOUNT

SUBJECT TO OUR SEPARATE REPORT OF EVEN DATE

For A K G & Co.

CHARTERED ACCOUNTANTS

Sd/-

(ANIL K. GOEL)

PARTNER

PLACE : NEW DELHI

DATED : 28th May, 2011

Sd/-

DR. NIRAJ K. SINGH

Chairman & Managing

Director

Sd/-

JUHI SINGH

Director

SAI INDUSTRIES LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011**

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT (LOSS) BEFORE TAX AND EXTRA ORDINARY ITEMS	(2256512)	3954095
Adjusted for :		
Depreciation	23408	22577
Provision for doubtful debts/assets (decrease)	- 23408	- 22577
Operating profit before working capital changes	(2233104)	3976672
Adjusted for :		
Trade and other receivable	1342834	2265346
Investment (Net)	552796	79156
Trade Payables	70685	165817
Cash flow before taxation and extra ordinary items	1966315	2510319
Cash Generated from Operations	(266789)	6486991
Interest Paid	-	-
Cash Flow before Extra Ordinary items	(266789)	6486991
Extraordinary Items	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES	(266789)	6486991
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	- (23,500.00)	
NET CASH FLOW FROM INVESTING ACTIVITIES	-	(23,500.00)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Secured Loans	0 (6,227,881.00)	
Increase/(Decrease) in Unsecured Loans	244218 (195,000.00)	
NET CASH FLOW FROM FINANCING ACTIVITIES	244218	(6422881)
 Net Increase / (decrease) in Cash or Cash Equivalent	 (22571)	 40610
Opening Cash and Cash Equivalent	88185	47575
Closing Cash and Cash Equivalent	65614	88185

SUBJECT TO OUR SEPARATE REPORT OF EVEN DATE
For A K G & Co.
CHARTERED ACCOUNTANTS

(ANIL K. GOEL)
PARTNER

PLACE : NEW DELHI
DATED : 28th May, 2011

DR. NIRAJ K. SINGH
Chairman & Managing Director

JUHI SINGH
Director

SAI INDUSTRIES LIMITED

SCHEDULES ANNEXED TO AND FORMING AN INTEGRAL PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCH. NO.	PARTICULARS	Current Year 31.03.2011		Previous Year 31.03.2010
1	SHARE CAPITAL			
	a) Authorised			
	5000000 Equity Shares of Rs. 10/- each	50000000		50000000
	b) Issued			
	3000000 Equity Shares of Rs. 10/- each	30000000		30000000
	c) Subscribed & Paid up			
	3000000 Equity Shares of Rs. 10/- each fully called up	30000000	30000000	
	Less : Calls in Arrears	324089	29675911	324089
	TOTAL		29675911	29675911
2	LOAN FUNDS			
	Unsecured Loans			
	Interest Free Loans from Directors	664218		480000
	From others	60000		0
			724218	480000

SCHEDULE OF FIXED ASSETS FOR THE YEAR ENDED 31.03.2011

SCHEDULE - 3

PARTICULARS	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	Opening Balance	Addition	Sale TFR	Closing Balance	Up to 31.3.10	On Sold Assets	Rate of Dep	For the year	Total Upto 31.3.11	As at 31.03.11	As At 31.3.10
OFFICE EQUIPMENT	163600	0.00	0.00	163600	90374	0.00	4.75	7760	98134	65466	73226
LEASED PLANT & MACHINERY	5040750	0.00	0.00	5040750	5035750	0.00	0.00	0.00	5035750	5000	5000
COMPUTER	96538	0.00	0.00	96538	61284	0.00	16.21	15648	76932	19606	35254
TOTAL	5300888	0.00	0.00	5300888	5187408	0.00		23408	5210816	90072	113480
PREVIOUS YEAR FIGURES	5277388	23500	0.00	5300888	5164831	0.00		22577	5187408	113480	112557

SAI INDUSTRIES LIMITED**4 INVESTMENTS (AT COST)****I QUOTED LONG TERM INVESTMENTS**

Market Value Rs. 3607010/-

a) Fully Paid Equity Shares	Face	Current Year		Previous Year	
	Value	No. of Shares/ Debentures	Value Rs.	No. of Shares/ Debentures	Value Rs.
Aturia Continental Pumps & Motor Ltd.	10	1000	59750	1000	59750
AVI Photochem Ltd.	10	100	1000	100	1000
Amtex India Ltd.	10	100	1000	100	1000
Avikem Resins Ltd.	10	100	1000	100	1000
Asian Coffee Ltd.	10	12	1026	12	1026
Armour Polymer Ltd.	10	100	3940	100	3940
Aravali Leasing & Securities Ltd.	10	50	1250	50	1250
Banjara Cements Ltd.	10	100	1000	100	1000
Belwal Spinning Mills Ltd.	10	3000	15000	3000	15000
Chandra Synthetics Ltd.	10	100	1000	100	1000
Compect Disc India Ltd.	10	100	1000	100	1000
Dharmadeep Properse & Alloys Ltd.	10	100	1000	100	1000
D. K. Chemo-Plast Ltd.	10	100	1000	100	1000
Deep Special Steel Ltd.	10	100	1000	100	1000
Denish-Knit Industries Ltd.	10	100	1000	100	1000
Deora Polytex Ltd.	10	1000	28165	1000	28165
Elcaps Capacitors Ltd.	10	100	1000	100	1000
Eastern Granites Ltd.	10	200	2000	200	2000
Electric Control Gear (India) Ltd.	10	500	9256	500	9256
EL Forge Ltd.	10	25	719	25	719
Fly-up Fashions Ltd.	10	100	1250	100	1250
Gujarat Speciality Lubes Ltd.	10	49	490	49	490
Gujrat Ambuja Proteins Ltd.	10	100	2500	100	2500
Herdillia Unimers Ltd.	10	10	1000	10	1000
Harsh Polymers (India) Ltd.	10	100	1000	100	1000
Hissar Spinning Mills Ltd.	10	100	1000	100	1000
Hindustan Agro Chemicals Ltd.	10	100	2000	100	2000
H B Portfolio Leasing Ltd.	10	100	6500	100	6500
Hindustan Development Corporation Ltd.	10	100	6157	100	6157
HB Leasing & Finance Ltd.	10	150	5000	150	5000
Indian Polyfins Ltd.	10	100	1500	100	1500
Intec Securities Ltd.	10	700	7000	700	7000
J. K Synthetics Ltd.	10	69	2565	69	2565
Jolly Tea Ltd.	10	100	1000	100	1000
Janak Intermediates Ltd.	10	300	6500	300	6500
Jayaswal Neco Ltd.	10	60	3000	60	3000
Jay Bharat Fabric Mills Ltd.	10	200	50576	200	50576
Khaitan Hostombe Spinefs Ltd.	10	1500	31800	1500	31800

SAI INDUSTRIES LIMITED

Kallan Spinning Mills Ltd.	10	200	1493	200	1493
Kothari Fermentation & Biochem Ltd.	10	211	6910	211	6910
Lohia Polyester Ltd.	10	100	1000	100	1000
Lakshmi Auto Components Ltd.	10	100	2016	100	2016
Modi Alkalies & Chemicals Ltd.	10	800	31925	800	31925
Metal Box India Ltd.	10	1000	53550	1000	53550
Magnus Rubber Industries Ltd.	10	100	1000	100	1000
Mercard Ltd.	10	500	6725	500	6725
Manali Petrochemical Ltd.	10	300	2445	300	2445
Nova Iron & Steel Ltd.	10	200	2000	200	2000
ORDE Industries Ltd.	10	100	1575	100	1575
Osho Ceremics Ltd.	10	100	1000	100	1000
Oberoi Associated Hotels Ltd.	10	66	3108	66	3108
Punsumi India Ltd.	10	100	2000	100	2000
Punjab Iron & Steel Company Ltd.	10	100	1000	100	1000
Pro Fin Capital Services Ltd.	10	5100	90055	5100	90055
Pace Elect Automation Ltd.	10	100	1000	100	1000
Raam Drugs & Pharmaceuticals Ltd.	10	500	22250	500	22250
Redex Protech Ltd.	10	100	1000	100	1000
Real Value Appliances Ltd.	10	100	3000	100	3000
Raghoji Cement Manufacturing Co. Ltd.	10	100	1000	100	1000
Regency Hospital Ltd.	10	100	1000	100	1000
R B Financial Consultants Ltd.	10	12000	502750	12000	502750
Somkan Marine Food Ltd.	10	200	2000	200	2000
Steelco Gujarat Ltd.	10	4480	92512	4480	92512
Swaiika Vanaspati Products Ltd.	10	100	1000	100	1000
Sitapur Plywood Manufacturers Ltd.	10	100	1000	100	1000
Sheel International Ltd.	10	100	1000	100	1000
Sarla Gems Ltd.	10	100	1000	100	1000
Sandeep Industries Ltd.	10	100	1000	100	1000
Sriman Organic Chemicals Ltd.	10	200	8705	200	8705
Silverline India Ltd.	10	150	11195	150	11195
Southern Iron & Steel Co. Ltd.	10	201	3742	201	3742
Sudsun Housing Development India Ltd.	10	2700	30141	2700	30141
Sai Capital Ltd.	10	202500	2060500	202500	2060500
(A company under the same management)					
Transasia Packaging Ltd.	10	1000	10000	1000	10000
Thapar Exports Ltd.	10	200	2000	200	2000
TVS Electronics Ltd.	10	100	5169	100	5169
Trupti Twisters Ltd.	10	100	1000	100	1000
Venus Sugar Ltd.	10	100	1000	100	1000
VBC Industries Ltd.	10	100	2000	100	2000

SAI INDUSTRIES LIMITED

Vinayak Industries Ltd.	10	100	1000	100	1000
Willard India Ltd.	10	100	3000	100	3000
Yenepoya Minerals & Granites Ltd.	10	300	3950	300	3950
Zenergy Ltd.	10	1600	11488	1600	11488
b) Partly Paid Equity Shares					
Moser Baer	100	0	0	1655	122192
Moser Baer	100	0	0	5845	430604
Sai Capital Ltd.	10	387600	1217500	387600	1217500
(A company under the same management)					
c) Fully Paid Debenture					
Herdillia Unimers Ltd.	10	10	1000	10	1000
12.5% Secured Redeemable PCD's of Part-B					
			<u>4475648</u>		<u>5028444</u>
II UNQUOTED LONG TERM INVESTMENTS					
Fully paid Equity Shares					
Sai Business & Consultancy Systems Pvt. Ltd.	10	41500	415000	41500	415000
			<u>415000</u>		<u>415000</u>
Total Investments (I+II)			4890648		5443444
Less: Provision for loss in Investments			<u>4574748</u>		<u>4574748</u>
			<u>315900</u>		<u>868696</u>

CURRENT ASSETS, LOANS & ADVANCES**CURRENT ASSETS****a) Sundry Debtors**

(Unsecured, Unconfirmed, Considered good)

Outstanding for a period exceeding six months 239,533.00 227,910.00

Other

TOTAL

239,533.00227,910.00**b) Cash & Bank Balance**

Cash in Hand 47809 47836

Cheques in hand 0 0

Balance with Scheduled Banks in current A/c 17805 65614 40349 88185**LOANS & ADVANCES**

(Unsecured, Unconfirmed, Considered good)

Share Application Money Paid 0 788000

Advance recoverable in cash or in kind 29210 595667

or value to be received

292101383667292101383667**CURRENT LIABILITIES & PROVISIONS****CURRENT LIABILITIES**

a) Sundry Creditors & Expenses Payable 1748890

1678205

SAI INDUSTRIES LIMITED

b) PROVISIONS		
Provision for Tax	0	0
	1748890	1678205
PROFIT & LOSS ACCOUNT		
Opening Balance of Profit & Loss A/C	29152178	29224340
Less:- General Reserve	0	72162
Add:- Net Loss during the year	<u>2256512</u>	<u>0.00</u>
	<u>31408690</u>	<u>29152178</u>
ESTABLISHMENT		
Directors remuneration	96000	96000
Establishment Exp.	84	84
	<u>96084</u>	<u>96084</u>
SELLING, GENERAL & ADMINISTRATIVE EXP.		
Auditor's Remuneration	27575	19303
Bank Charges	36	1855
Brokerage	35704	0
Books & Periodicals	0	2586
Business Promotion	956	11785
Compliance Advertisement	32169	29980
Conveyance	6215	0
Debtor w/b	0	44811
Demat Charges	552	662
Filing Fees	8530	10200
Legal Complainece Exps	0	0
Listing Fees	9811	292326
Postage and Telegram	0	9359
Printing and Stationary	7000	6720
Professional charges	35575	31898
Sitting Fees	15000	12500
Telephone and Telex	0	82215
Travelling Allowance	0	12593
STT Paid	6835	0
	<u>185958</u>	<u>568793</u>

Sd/-
DR. NIRAJ K. SINGH
Chairman & Managing Director

Sd/-
JUHI SINGH
Director

SUBJECT TO OUR SEPARATE REPORT OF EVEN DATE
For A K G & Co.
CHARTERED ACCOUNTANTS

Sd/-
(ANIL K. GOEL)
PARTNER

PLACE : NEW DELHI
DATED : 28th May, 2011

SAI INDUSTRIES LIMITED

NOTES TO ACCOUNT

1 Significant Accounting Policies

a) Accounting Convention

These accounts are prepared under the historical cost convention and evaluated on a going concern basis. The Financial statements materially comply with and are in conformity with the mandatory accounting standards issued by The Institute of Chartered Accountants of India and the standards and the presentation requirements of the Companies Act, 1956.

b) Borrowing Costs

Borrowing Costs attributable to the acquisition and construction of asset are capitalised as part of the cost of such asset up to the date when such asset is ready for its intended use. Other borrowing costs are treated as revenue.

c) Valuation of Investments

At Cost. Provision is made for permanent diminution in value of investments.

d) Valuation of Fixed Assets At Cost less accumulated depreciation.

e) Depreciation has been provided on Straight Line Method in accordance with the provisions of Section 205(2)(b) of the Companies Act, 1956 at the rates specified in Schedule XIV of the Companies Act, 1956 on pro-rate basis on existing assets. However, on leased assets, the substantial part of the block has been written off during the year.

f) Lease Rentals are accounted on accrued and due basis except in the case of leased rentals which have become NPA as per NBFC Prudential Norms (RBI) Directors 2000 which has been accounted on receipt basis.

2 In the opinion of the Board of Directors, the investments made by the Company are intended to be held for more than one year from the date on which such investment is made and have therefore been valued at cost. However, provision is made for provision for diminution in value of investments.

3 Contingent liability in respect of Income Tax Demand Rs. 15.87 lacs. 2nd Appeal filed by revenue is pending before honorable Delhi High Court.

4 In the opinion of the Board of Directors, there is no tax effect of timing differences based on the estimated computation for a reasonable period, therefore, no provision for deferred tax in terms of accounting standard (AS 22) "Accounting for taxes on income" issued by the Institute of Chartered Accountants in India is made.

5 A) Related Party Disclosures

i) Associates

Sai Capital Limited
Sai Enterprises Pvt. Ltd.
Sai Business & Consultancy Systems Pvt. Ltd.
DR. NIRAJ K. SINGH
JUHI SINGH
DR. S. M. PATHAK
S. C. DWIVEDI

ii) Key Management Personnel & their Relatives

B) Transactions with related parties

The following related party transactions were carried out during the year ended on 31.03.2011

SAI INDUSTRIES LIMITED

(Rs. In Lacs)

Name of Related Party	Relationship	Nature of Transaction	Amount due as at 31.03.11	Amount Recd	Amount Paid
M/S Sai Capital Limited	Associates	Loan	0.00	1.31	0.00
M/S Sai Business & Consultancy System (p) Ltd	Associates	Loan	0.26	0.00	0.00
Dr. Niraj Kumar Singh	Key Management Personnel	Imprest/Exp. incurred	12.19	0.46	0.40
		Loan	4.54	8.90	0.00
Juhi Singh	Key Management Personnel	Loan	2.10	2.10	0.00

6 As per information and explanations given to us the company does not owe more than Rs. 1.00 Lac and more than 30 days as at 31.03.2011 to any Small Scale Industries.

7	Earning Per Share	2010 - 11	2009 - 10
a)	No. of Equity Shares	3000000	3000000
b)	Paid up Share Capital (Rs. In Lacs)	296.76	296.76
c)	Profit/(Loss) (Rs. In Lacs)	-22.57	39.54
d)	Basic & Diluted EPS (Rs.)	-0.75	1.32

8 Additional Information pursuant to paragraph 3 and 4D of part-II to Schedule VI of the Companies Act, 1956

	Current Year	Previous Year
a) Value of Imports on CIF basis	Nil	Nil
b) Expenditure in foreign Currency	Nil	Nil
c) Earnings in Foreign Exchange	Nil	Nil

9. **Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directors** (Rs. In Lacs)

LIABILITIES SIDE

	Amount Outstanding	Amount Overdue
i) Loans and Advances availed by the NBFCs inclusive of interest accrued thereon but not paid		
a) Debentures : Secured		
Unsecured (Other than falling within the meaning of Public deposits)	-	-
b) Deferred Credits	-	-
c) Term Loans	-	-
d) Inter-Corporate loans and borrowing	0.00	0.00
e) Commercial Paper	-	-
f) Public Deposits	-	-
g) <u>Other loans (Specify nature)</u>		
- Unsecured Loans from Directors	7.24	4.80
ii) Break-up of (i)(f) above (Outstanding public		

	deposits inclusive of interest accrued thereon but not paid)		
a)	In the form of Unsecured debentures	-	-
b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
c)	Other public deposits	-	-
	ASSETS SIDE		
iii)	Break-up of loans and advances including bills receivables (other than those included in (iv) below:		
a)	Secured	-	-
b)	Unsecured	0.29	13.84
iv)	Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities		
a)	Leased assets including lease Rentals under Sundry debtors		
1)	Financial Lease	-	-
2)	Operating Lease	-	-
b)	Stock on hire including hire charges under Sundry debtors		
1)	Assets on hire	-	-
2)	Repossessed Assets	-	-
c)	Hypothecation Loans counting towards EL/HP activities		
1)	Loans where assets have been repossessed	-	-
2)	Loans other than (1) above	-	-
v)	Break-up of Investments		
	Current Investments		
1)	<u>Quoted</u>		
a)	Shares : i) Equity	-	-
	ii) Preference	-	-
b)	Debentures and Bonds	-	-
c)	Units of Mutual Funds	-	-
d)	Government Securities	-	-
e)	Others (Please specify)	-	-
2)	<u>Unquoted</u>		
a)	Shares : i) Equity	-	-
	ii) Preference	-	-
b)	Debentures and Bonds	-	-
c)	Units of Mutual Funds	-	-
d)	Government Securities	-	-
e)	Others (Please specify)	-	-
	Long Term Investments		
1)	<u>Quoted</u>		
a)	Shares : i) Equity	0.00	4.54

SAI INDUSTRIES LIMITED

	ii) Preference	-	-
b)	Debtures and Bonds	0	0.01
c)	Units of Mutual Funds	0	0
d)	Government Securities		
e)	Others (Please specify)		
2)	Unquoted		
a)	Shares : i) Equity	3.16	4.15
	ii) Preference	-	-
b)	Debtures and Bonds	-	-
c)	Units of Mutual Funds	-	-
d)	Government Securities	-	-
e)	Others (Please specify)	-	-
vi)	Borrower group-wise classification of all leased assets and stock on hire and loans and advances		
		Amount of	Net of Provision
Category		Secured	Unsecured
			Total
i)	Related Parties		
a)	Subsidiaries	-	-
b)	Companies in the Group	-	0.26
c)	Other Related Parties	-	-
ii)	Other than Related Parties		0.03
	Total	-	<u>0.29</u>
			<u>13.84</u>
vii)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)		
Category		Market Value	Book Value
		Break up or fair	(Net of Provisions)
		Value of NAV	
i)	Related Parties		
a)	Subsidiaries	-	-
b)	Companies in the Group	29.94	-
c)	Other Related Parties	-	-
ii)	Other than Related Parties	6.13	
	Total	<u>36.07</u>	<u>3.16</u>
viii)	Other Information		
	Particulars		Amount
i)	Gross Non-Performing Assets		
a)	Related Parties		-
b)	Other than Related Parties		-
ii)	Net Non-Performing Assets		
a)	Related Parties		-
b)	Other than Related Parties		-
iii)	Assets acquired in satisfaction of debt		-

SAI INDUSTRIES LIMITED**9. Balance Sheet Abstract and Company's General Business Profile**

Statement pursuant Part IV to Schedule VI of the Companies Act, 1956.

I. Registration Details

Registration No. : L7499DL1991PLC045678 State Code : 55
Balance Sheet date 31.03.2011

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue : Nil Rights Issue : Nil
Bonus Issue : Nil Private Placement : Nil

III. Position of Mobilisation and Development of Funds (Amount in Rs. Thousands)

Total Liabilities : 30400 Total Assets : 30400

Source of Funds

Paid up Capital : 29676 Reserves & Surplus : Nil
Secured Loans : 0 Unsecured Loans : 724

Application of Funds

Net Fixed Assets : 90 Investments : 316
Net Current Assets : (1415) Misc. Expenditure : Nil
Accumulated Losses : 31409

IV. Performance of Company

Turnover : 1 Total Expenditure : 2234
Profit/Loss before Tax (-) : -2257 Profit / Loss after Tax : (-) -2257
Earning Per Share in Rs. : -0.75 Divident Rate % : Nil

V. Generic Names of Three Principal Products/ Services of Company (As per monetary terms)

Item Code No. (ITC Code) : N.A.
Product Description : Investment
Item Code No. (ITC Code) : Not Applicable
Product Description : Leasing
Item Code No. (ITC Code) : Not Applicable
Product Description : Finance

Sd/-

Dr. Niraj Kumar Singh
Chairman & Managing Director

Sd/-

Juhi Singh
Director

SUBJECT TO OUR SEPARATE REPORT OF EVEN DATE

For A K G & Co.
CHARTERED ACCOUNTANTS

Sd/-

(ANIL K. GOEL)
PARTNER

PLACE : NEW DELHI
DATED : 28th May, 2011

SAI INDUSTRIES LIMITED

Registered Office : 204, Aurobindo Place, Hauz Khas, New Delhi - 110016

ATTENDANCE SLIP

Members are requested to bring their copy of the Annual Report alongwith them to the Annual General Meeting. Please complete this attendance Slip and hand it over at the Enterance. Members or their Proxies are entitled to be present at the meeting.

Name & Address of the Shareholder/ Proxy	Folio No.
	No. of Shares held :

I hereby record my presence at the Twentieth Annual General Meeting held at IInd Floor, Aurobindo Place, Hauz Khas, Mew Delhi - 110016 on Friday the 30th September, 2011 at 12.30 p.m

SIGNATURE OF THE SHAREHOLDER PROXY*

* Strike outwhichever not applicable.

SAI INDUSTRIES LIMITED

Registered Office : 204, Aurobindo Place, Hauz Khas, New Delhi - 110016

PROXY FORM

I/We of in this district
of being a Member/members
of the above named Company hereby appoint Mr./Mrs./Miss
..... of
in the district of or failing him/her/Mr./Mrs./
Miss of in the
district as my/our Proxy and to vote for me/
us on my/our behalf at the 20th Annual General Meeting of the Company to be held on
Friday the 30th September, 2011

Signed this day of 2011

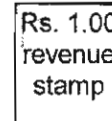
Signature

Folio No.

No. of Shares Held :

Note :

1. The Proxy need not be a Member
2. The form of Proxy, duly signed across Rs. 1.00 revenue stamp should reach the company not less than 48 hours before the time fixed for the meeting.



BOOK - POST

If underdelivered please return to :

SAI INDUSTRIES LIMITED

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