

**Fourteenth  
Annual Report  
2008-2009**

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**SAI CAPITAL LIMITED**

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SAI CAPITAL LIMITED COPY  
Registered in Hong Kong

*SAI K SUNG*

Chairman & Managing Director

**SAI CAPITAL LIMITED**  
Fourteenth Annual Report 2008-2009

<b>BOARD OF DIRECTORS</b>	Dr. Niraj Kumar Singh Smt. Juhi Singh Shri Ved Parkash Shri K P Mukerjee  Shri N P. Sharma	Chairman & Managing Director Director (Non Executive) Director (Upto 30.06.09) Director (w.e.f. 30.06.09) (Non Executive Independent) Director (w.e.f. 30.06.09) (Non Executive Independent)
<b>BANKERS</b>	Indian Bank Aurobindo Place, Hauz Khas, New Delhi - 110 016	
<b>AUDITORS</b>	M/s. A K G & Co. Chartered Accountants J-1, KAILASH COLONY, NEW DELHI-110048	
<b>REGISTRAR &amp; SHARE TRANSFER AGENT</b>	M/S. BEETAL FINANCIAL & COMPUTER SERVICES PVT. LTD. Beetal House 3rd Floor, 99, Madangir, New Delhi - 110062	
<b>REGISTERED OFFICE</b>	204, Aurobindo Place Hauz Khas, New Delhi - 110 016	

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**SAI CAPITAL LIMITED**

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**NOTICE FOR ANNUAL GENERAL MEETING**

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

Day and Date	Wednesday, 30th September 2009
Time	10.00 A.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 Mrs. Juni Singh, who retires by rotation and being eligible, offers herself for re-appointment
- 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 Shri K. P. Mukherjee who was appointed as Additional Director of the Company and hold 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 N. P. Sharma, who was appointed as Additional Director of the Company and hold 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.
- 3 Members desiring any information of the accounts at the annual general meeting are requested

## SAI CAPITAL LIMITED

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	Mrs Juhi Singh	Mr K P Mukherjee	Mr N P Sharma
Date of Birth & Age	Nov 05, 1965/44yrs	Oct 02, 1940/69 yrs	June 30, 1954/55 yrs
Appointed on	June 14, 1995	June 30, 2009	June 30, 2009
Qualifications	B.A., P.G.D.B.M.	B.A.	M.A.
Expertise in specific functional areas	20 yrs. exp. in Corporate Mangement HRD & Administration	35 Yrs. exp. as Sr. Management Executive with leading Industrial House	30 yrs. exp.in Construction, Manufacturing and Exports.
Directorship held in other Public Companies (excluding Foreign Companies)	Nil	Nil	Nil
Memberships/Chairmanships of committees across Public Companies.	2	4	3

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

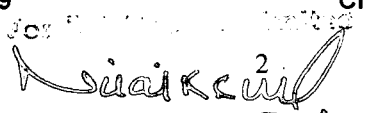
Item No. 4 & 5 :

The Board of Directors of the Company at its meeting held on June 30, 2009 appointed Sh. K. P. Mukherjee and Sh. N. P. Sharma 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 Sh. K. P. Mukherjee and Sh. N. P. Sharma as Directors of the Company. The Board recommends the resolution for acceptance.

None of the Directors of the Company except Sh. K. P. Mukherjee and Sh. N. P. Sharma themselves may be considered as concerned or interested in the resolution.

PLACE : NEW DELHI  
DATED : June 30, 2009

BY ORDER OF THE BOARD OF DIRECTORS  
Sd/-  
(DR. NIRAJ K. SINGH)  
Chairman & Managing Director

  
Chairman & Managing Director

## SAI CAPITAL LIMITED

### DIRECTORS' REPORT

To the Shareholders of SAI CAPITAL LIMITED

The Directors take pleasure in presenting the Fourteenth 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 - 09	2007 - 08
Total Income	0.25	5.26
Profit/Loss before Depreciation and Tax	(19.05)	(0.80)
Depreciation	0.17	0.27
Profit/Loss before Tax	(19.23)	(0.92)
Provision for Income Tax (FBT)	0.05	0.15
Net Profit/Loss	(19.28)	(1.07)
Profit(+)/Loss(-) brought forward	(260.04)	(258.96)
Accumulated Loss	(279.32)	(260.04)

### PERFORMANCE REVIEW & OUTLOOK

The sudden downturn in economy and great fall of capital market has negated the efforts made by the company by collection of Rs. 18,27,000/- towards pending allotment money during the year. Despite best efforts made by the management to deploy the funds raised in prudent manner, the company suffered huge loss in wake of unprecedented volatility and ultimate fall of capital market. Current year scenario is giving signals of slow but sure signs of revival of economy, however, the management is continuing efforts for collection of pending share allotment money and deployment of the same in gainful manner.

### DIVIDEND:

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

### CORPORATE GOVERNANCE REPORT

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.

### MANAGEMENT DISCUSSION & ANALYSIS REPORT

**Industry Trends and Business Analysis :** The economy and Capital Markets which exhibited buoyancy during the initial months of the year under review, showed significant downturn towards the close. Inordinately high Crude Oil and commodity prices led to an extremely high rate of inflation, as a result of which, tight monetary & fiscal policies were enforced leading to higher interest rates and lower availability of credit. A slowdown in the global economy is anticipated.

### OPPORTUNITIES AND THREATS

**Opportunities :** The globalisation of the economy has vastly increased the opportunities available to Indian Companies. There is significant potential for providing services in niche areas. The Company hopes to capitalise on its experience and turn in a better performance in the future years.

**Threats :** The valuations of the Capital Markets pose significant risk and could lead to losses in the event of a fall. Small/mid-sized NBFCs remain marginalised due to lack of economies of scale

**Segment wise performance:** The Company is engaged primarily in the business of Investments & Finance and accordingly there are no separate reportable segment 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 in other fields to increase its presence and achieve profitability in its operations. The Company also hopes to raise resources to increase its investment operations.

**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.

## **SAI CAPITAL LIMITED**

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. 19.28 Lacs during the year under review as against a loss of Rs. 1.07 Lacs during the previous year. The Issued Capital of the Company stood at Rs. 550.37 Lacs. The Subscribed and Paid up Capital is Rs. 357.07 Lacs. Allotment money due but not received is Rs. 193.30 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 judgments 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.

### **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 :** Sh. K. P. Mukherjee and Sh. N. P. Sharma 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 Sh. K. P. Mukherjee and Sh. N. P. Sharma as Directors, retiring by rotations to shareholders at the forthcoming AGM. Mrs. Juhi Singh, Director retires by rotation and being eligible, offers herself for re-appointment. The Company proposes the re-appointment of Mrs. Juhi Singh as Director. Sh. Ved Parkash has 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 up to and including the financial year 2009-10 to the Bombay Stock Exchange Limited, Mumbai. The listing fee due to Delhi and Chennai Stock Exchanges is being reconciled and will be paid as soon as 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 a certificate from 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 and M/s. Indian Bank, Hauz Khas, 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**



**DR. NIRAJ K. SINGH**  
Chairman & Managing Director



## SAI CAPITAL 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, 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 - 09		As on date	
		Attendance at BM	Last AGM	No. of Directorships	Committee Members
Dr. Niraj Kumar Singh Managing Director	Chairman &	5	Yes	5	8
Smt. Juhi Singh	Director	5	Yes	3	2
Sh. Ved Prakash	Director	5	Yes	1	3
Sh. K. P. Mukherjee	Director	0	No	0	4
Sh. N. P. Sharma	Director	0	No	0	3

### Change in Directorship :

Smt. Juhi Singh retires by rotation and being eligible offers herself for re-appointment. Sh. Ved Parkash has resigned w.e.f. June 30, 2009. Sh. K.P. Mukherjee and Sh. N. P. Sharma were appointed as Additional Directors on June 30, 2009. The Board has recommended the appointment of Sh. K. P. Mukherjee and Sh. N. P. Sharma as Directors, retiring by rotation, to the shareholders for approval at the forthcoming AGM.

### AUDIT COMMITTEE :

The Audit Committee consists of three directors including two independent directors and one non-executive director. The Chairman of the committee is an Independent Director. The committee provides direction to audit functions, reviews the financial accounts, interacts with statutory auditors and reviews matters of special interest. The quorum for a meeting of audit committee is any two directors personally present at the meeting. The Committee meets regularly to carry out its functions. Members of the Audit Committee are Mr. K. P. Mukherjee, Mr. N. P. Sharma and Mrs. Juhi Singh. The meetings are generally chaired by Mr. K. P. Mukherjee.

In terms of the requirements under corporate governance practices, arrangements for presence of Sh. K. P. Mukherjee at the forthcoming AGM in September, 2009 are being made.

### REMUNERATION COMMITTEE :

The Company has constituted a Remuneration Committee consisting of two Independent, Non-Executive Directors, Sh. K. P. Mukherjee and Sh. N. P. Sharma.

### 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

## SAI CAPITAL LIMITED

during the year is as follows :-

Salary	Nil
Perquisites	Nil
Contribution to PF	Nil

No bonus, pension, commission, incentive perks have been paid. The Company has not issued any stock option. For termination of employment, the company and the Managing Director are required to give a notice of three months or salary in lieu thereof.

### 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	10.00 AM
2007	2nd Floor, Aurobindo Place, Hauz Khas, New Delhi-110016	30/09/2007	Saturday	10.00 AM
2008	2nd Floor, Aurobindo Place, Hauz Khas, New Delhi-110016	30/09/2008	Tuesday	10.00 AM

Whether Special Resolution were put through Postal Ballot, last year?

No

is voting proposed to be conducted through postal ballot, this year?

No

### DISCLOSURES

- 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.
- 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

- Annual General Meeting
 

Date and Time	Wednesday, 30th September 2009 at 10.00 A.M
Venue	2nd Floor, Aurobindo Place, Hauz Khas, New Delhi-110016
- Book Closure Date 16-09-2009 to 30-09-2009 (both days inclusive)
- 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 Oct. 2009
Financial Reporting for the Quarter ending December 31, 2009	Last week of Jan., 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 Sept., 2010
- Dividend Payment Date Not Applicable
- Stock Exchange Listing Mumbai, Delhi and Chennai
- Stock Exchange Code
 

Bombay Stock Exchange Limited	531931
Delhi Stock Exchange	19586
Madras Stock Exchange	SCPT
- 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 Registrar & Share Transfer Agent. Share transfers and shareholder queries/complaints are handled by Share Transfer Agent.



# SAI CAPITAL LIMITED

## 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<br>Hari Bhumi |
| iv)  | Any website, where results are displayed                         | No                       |
| v)   | Whether 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 Sh. K. P. Mukherjee, Sh. N. P. Sharma and Mrs. Juhi Singh. The Committee is chaired by Sh. K. P. Mukherjee. 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 Sh. S.D.R. Chadha as the Compliance Officer.

## ADDRESS FOR CORRESPONDENCES :

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

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

## LISTING ON STOCK EXCHANGES

Bombay Stock Exchange Limited  
Delhi Stock Exchange  
Madras Stock Exchanges

## SHAREHOLDING PATTERN OF THE COMPANY AS ON 31ST MARCH, 2009

Sl. No.	Category	No. of Shares	% of Shareholding
1	Promoters Holding		
	i) Indian Promoters	1886200	34.27
2	ii) NRI Promoters	326500	5.93
	Non-Promoters Holding		
	i) Banks	84300	1.53
	ii) Corporate Bodies	496900	9.03
	iii) Indian Public	2690100	48.88
	iv) NRIs	19700	0.36
	Total	5503700	100.00

## DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2009

Share or Debenture holding of nominal value		Share/ Debenture holders		Share/Debenture Amount	
Rs. (1)	Rs.	Number (2)	% of total (3)	Rs. (4)	% of total (5)
Upto	5000	1493	70.46	7393000	13.43
5001	10000	365	17.23	3569000	6.48
10001	20000	69	3.26	1220000	2.22
20001	30000	13	0.61	333000	0.60
30001	40000	115	5.43	3960000	7.20
40001	50001	2	0.09	92000	0.17
50001	100000	27	1.27	1914000	3.48
100001	and above	35	1.65	36556000	66.42
Total :		2119	100	55037000	100.00

## **SAI CAPITAL LIMITED**

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### **SHARE TRANSFER SYSTEM :**

Share transfer in physical form 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.

### **MARKET PRICE DATA (Rs.)**

Shares of the Company have not been quoted on Stock Exchanges in the period under review.

### **UNCLAIMED DIVIDEND :**

Not Applicable

### **BANK DETAILS**

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

- i) any change in their address/bank details, and
- ii) 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.

### **THE BOARD OF DIRECTORS**

Sd/-

**(DR. NIRAJ K. SINGH)**

**Chairman & Managing Director**

**PLACE : NEW DELHI**

**DATED : June 30, 2009**

### **AUDITOR'S CERTIFICATE :**

To the Members of Sai Capital Limited

We have examined the report of Corporate Governance presented by the Board of Directors of Sai Capital Limited for the year ended 31st March, 2009 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 steps 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.**  
**Chartered Accountants**

Sd/-

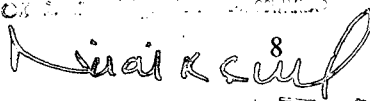
**(ANIL K. GOEL)**

**PARTNER**

**M. NO. 83454**

**PLACE : NEW DELHI**

**DATED : 30th June, 2009**

*(Faint stamp: Director, Sai Capital Limited)*  
  
*(Faint stamp: Chairman & Managing Director)*

# SAI CAPITAL LIMITED

## AUDITOR'S REPORT

TO THE MEMBERS OF SAI CAPITAL LIMITED.

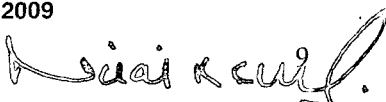
We have audited the attached Balance Sheet of as at 31st March, 2009 and the Profit and Loss Account for the year ended on that date annexed thereto for the year ended on that date. These financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

- 1 We have audited the attached Balance Sheet of SAI CAPITAL LIMITED as at 31st March, 2009 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 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, 2008 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, 2009; 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. 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.

For A K G & Co.  
Chartered Accountants

Sd/-  
(ANIL K. GOEL)  
PARTNER  
M. NO. 83454

PLACE : NEW DELHI  
DATED : 30th June, 2009



## **SAI CAPITAL LIMITED**

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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 have been physically verified by the Management during the year in a 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.
- (ii) In respect of inventories;
  - (a) The company has no business in which inventory is required. Accordingly paragraph 4(ii) of the Order is not applicable.
  - (b) In our opinion, the clause ii(b) is not applicable to the company.
  - (c) In our opinion, the clause ii(c) 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 not granted loans to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 during the year. However, outstanding balance of two parties was Rs. 7.15 lacs at the end of the year.
  - (b) As the company has not granted any loan, the question of rate of interest or other terms and conditions does not arise.
  - (c) As the company has not granted any loan, the clause 4(iii)(c) is not applicable to the company.
  - (d) As the company has not granted any loan, the clause 4(iii)(d) is not applicable to the company.
  - (e) The company has taken loans from seven Parties for which aggregating year end outstanding balances is Rs. 19.58 for this year.
  - (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.
  - (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

## **SAI CAPITAL LIMITED**

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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, 2009 for a period of more than 6 months from the date of become payable.
  - (b) According to the information & explanation given to us, there are no dues of sales tax , income tax customs duty , wealth tax service tax or excise duty & cess have not been paid or deposited on account of dispute
- (x) Accumulated losses of the Company are more than fifty percent of its net worth. The company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institutions, banks or debenture holders.
- (xii) In our opinion and according to the information and explanation given to us, no loans and advances

## SAI CAPITAL LIMITED

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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 U/S 49 of the Company 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, except receipt of some Call in arrears.
- (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 : 30th June, 2009

For A K G & Co.  
Chartered Accountants  
Sd/-  
(ANIL K. GOEL)  
PARTNER  
M. NO. 83454

*(Signature)*  
Anil K. Goel  
Chartered Accountant

# SAI CAPITAL LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2009

PARTICULARS	Schedule No.	Current Year 31.03.2009	Previous Year 31.03.2008
<b>SOURCES OF FUNDS</b>			
<b>SHARE HOLDERS' FUNDS</b>			
Share Capital	1	35707250	33880250
<b>LOAN FUNDS</b>			
a) Secured Loans	2	0	0
b) Unsecured Loans		1957783	315089
<b>TOTAL</b>		<u>37665033</u>	<u>34195339</u>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	3	311571	302071
Less: Depreciation		<u>242792</u>	<u>225557</u>
<b>Net Block</b>		68779	76514
INVESTMENTS (At Cost)	4	5861300	5861300
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
a) Sundry Debtors	5	2932818	450000
b) Cash & Bank Balances		63394	219266
c) Loans & Advances		1616070	3410933
Sub-total		4612282	4080199
<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>			
CURRENT LIABILITIES	6	803982	1811197
PROVISIONS		<u>5000</u>	<u>15450</u>
<b>Net Current Assets</b>		<u>808982</u>	<u>1826647</u>
<b>MISCELLANEOUS EXPENDITURE</b>		<u>3803300</u>	<u>2253552</u>
(To the extent not written off or adjusted)			
PROFIT & LOSS ACCOUNT (Dr. Balance)		27931654	26003973
Notes On Account & Contingent Liabilities	9		
<b>TOTAL</b>		<u>37665033</u>	<u>34195339</u>

SCHEDULE 1 TO 6 AND 9 REFERRED TO ABOVE FORM PART OF THE BALANCE SHEET

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

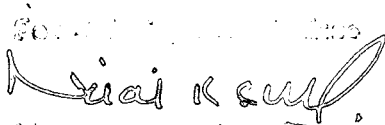
Sd/-  
(JUHI SINGH)  
Director

SUBJECT TO OUR SEPARATE REPORT OF EVEN DATE

For A K G & Co.  
CHARTERED ACCOUNTANTS

Sd/-  
(ANIL K. GOEL)  
PARTNER

PLACE : NEW DELHI  
DATED : 30TH JUNE, 2009

  
Niraj K. Singh  
Chairman & Managing Director

# SAI CAPITAL LIMITED

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED WITH 31ST MARCH 2009

PARTICULARS	Schedule No.	Current Year 31.03.2009	Previous Year 31.03.2008
<b>INCOME</b>			
Profit on Sale of Shares		0	521271
Profit on sale of Fixed Assets		0	4357
Dividend Income		15600	-
Interest Earned		6087	-
Misc Income		2987	-
		<u>24674</u>	<u>525628</u>
<b>EXPENDITURE</b>			
Loss on Trading of Shares		1517182	0
Establishment	7	62737	188790
Selling Administrative & Gen. Exp.	8	350201	417156
		<u>1930120</u>	<u>605946</u>
Profit/(Loss) for the year before Depreciation		(1905446)	(80318)
Depreciation during the year		17235	27065
Excess Provision Written Back		0	15337
Profit/(Loss) for the year before Tax		(1922681)	(92046)
Provision for FBT		5000	15450
Profit/(Loss) for the year after Tax		(1927681)	(107496)
Balance brought forward from Previous Year		(26003973)	(25896477)
Balance Profit/(Loss) Carried Over to Balance Sheet		(27931654)	(26003973)

### Notes On Account & Contingent Liabilities 9

SCHEDULE 8 & 9 REFERRED TO ABOVE FORM PART OF THE PROFIT & LOSS ACCOUNT

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 : 30th June, 2009

*(Signature)*  
For Chairman & Managing Director  
*(Signature)*  
Chairman & Managing Director



# SAI CAPITAL LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT (LOSS) BEFORE TAX AND EXTRA ORDINARY ITEMS	(1922681)	(92046)
Adjusted for :		
Depreciation	17235	27065
Profit on Sale of Share	0	(521270)
Profit on Sale of Fixed Assets	0	(4357)
	17235	(498562)
Operating profit before working capital changes	(1905446)	(64981)
Adjusted for :		
Trade and other receivable	(687955)	(589140)
Trade Payables	(1007215)	(44269)
Cash flow before taxation and extra ordinary items	(1695170)	(633409)
<b>Cash Generated from Operations</b>	<b>(3600616)</b>	<b>(1224017)</b>
FBT paid	15450	15680
Cash Flow before Extra Ordinary items	(3616066)	(1239697)
Extraordinary Items	-	-
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(3616066)</b>	<b>(1239697)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Investment	-	672471
Sale of Fixed Assets	-	25000
Purchase of Fixed Assets	(9500)	(18500)
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(9500)</b>	<b>678971</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase in Capital	1827000	906250
Increased / (Decrease) in secured loans	-	(3153)
Increase (Decrease) in Unsecured loans	1642694	(177722)
from Directors		
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>3469694</b>	<b>725375</b>
Net Increase in Cash and Cash equivalent	(155872)	164649
Opening Cash and Cash equivalent	219266	54617
Closing Cash and Cash equivalent	63394	219266

Sd/-

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

Sd/-

(JUHI SINGH)  
Director

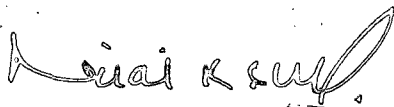
SUBJECT TO OUR SEPARATE REPORT OF EVEN DATE

For A K G & Co.  
CHARTERED ACCOUNTANTS

Sd/-

(ANIL K. GOEL)  
PARTNER

PLACE : NEW DELHI  
DATED : 30th June, 2009



## SAI CAPITAL LIMITED

SCHEDULES ANNEXED TO AND FORMING AN INTEGRAL PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCH. PARTICULARS NO.		Current Year 31.03.2009		Previous Year 31.03.2008
1	<b>SHARE CAPITAL</b>			
	<b>a) Authorised</b>			
	6000000 Equity Shares of Rs. 10/- each	60000000		60000000
	<b>b) Issued</b>			
	5503700 Equity Shares of Rs. 10/- each	55037000		55037000
	<b>c) Subscribed &amp; Paid up</b>			
	5503700 Equity Shares of Rs. 10/- each fully called up	55037000	55037000	
	Less.: Calls in Arrears	19329750	35707250	33880250
	<b>TOTAL</b>		<b>35707250</b>	<b>33880250</b>
2	<b>LOAN FUNDS</b>			
	<b>i) Secured Loans</b>			
	<b>ii) Unsecured Loans</b>			
	Interest Free Loans from Directors & their Relatives	1827108		184614
	Others	130675	1957783	315089
			<b>1957783</b>	<b>315089</b>

### SCHEDULE 3. FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION					NET BLOCK		
	Opening Balance	Addition During	SALE TFR	Closing Balance	Up to 31.3.08	On Sold Assets	Rate of Depr.	for the Year	AS ON 31.03.09	AS ON 31.03.09	AS ON 31.3.08	
Office Equipment	149285	9500	0.00	158785	97883.53	0.00	13.91	7190.28	105073.81	53711.19	51401.47	
Computer	152786	0.00	0.00	152786	127673.60	0.00	40.00	10044.96	137718.56	15067.44	25112.40	
Total	302071	9500		311571	225557.13			17235.24	242792.37	68778.63	76513.87	
Previous Year	857355	18500	573784	302071	751633	563140.67		27064.80	225557.13	76513.87	105722	

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

Market Value Rs. 36,75,000 (Previous Year Rs. 36,75,000)

a) Fully Paid Equity Shares of Rs. 10/- each

	CURRENT YEAR		PREVIOUS YEAR	
	No. of Shares/ Debentures	Value Rs.	No. of Shares/ Debentures	Value Rs.
Amarjothi Spinning Mills Ltd.	100	11114	100	11114
Deccan Granites Ltd.	2500	12625	2500	12625
Gyan Leatherboard Ltd.	2500	24406	2500	24406
Gujarat Refractories Ltd.	14500	7975	14500	7975
Hindustan Foods Ltd.	2000	9000	2000	9000
Jaiprakash Industries Ltd.	300	8550	300	8550
Janak Intermediates Ltd.	300	975	300	975
Kareems Spun Silk Ltd.	35500	166985	35500	166985
Kothari Fermentation and Biochem Ltd.	500	7580	500	7580
Maharashtra Glass & Agro Ltd.	200	3603	200	3603
Punjab National Fertilizers & Chemicals Ltd.	12000	27600	12000	27600
PVD Plast Mould Industries Ltd.	1500	4125	1500	4125
Rajinder Alloys Ltd.	12000	30600	12000	30600
Ramavision Ltd.	2222	11830	2222	11830
Sri Simhadri Cements Ltd.	900	2745	900	2745
Shimoga Forge Ltd.	11000	5179	28100	156379
S I Property Development Ltd.	8100	128101	8100	128101
Sai Industries Ltd. (a Company under the same Management)	972800	12739995	972800	12739995
Travancore Chemical & Manufacturing Co. Ltd.	600	22662	600	22662
Williard India Ltd.	100	300	100	300
		<b>13225950</b>		<b>13225950</b>

## SAI CAPITAL LIMITED

### II LONG TERM UNQUOTED INVESTMENTS

Fully paid Equity Shares of Rs. 10/- each

a) Companies under the same management

Sai Enterprises Pvt. Ltd.	34000	340000	34000	340000
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b) Others

Singh Fin lease Pvt. Ltd.	120000	<u>1200000</u>	120000	<u>1200000</u>
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Total Investments (I+II)		<u>14765950</u>		<u>14765950</u>
--------------------------	--	-----------------	--	-----------------

Less: Provision for permanent decline in Investments		<u>8904650</u>		<u>8904650</u>
--	--	----------------	--	----------------

		<u>5861300</u>		<u>5861300</u>
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### 5. CURRENT ASSETS, LOANS & ADVANCES

#### CURRENT ASSETS

##### a) Sundry Debtors

(Unsecured, Unconfirmed, Considered good)

Outstanding for a period exceeding six months	450000		450000	
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Other	2482818	<u>2932818</u>	---	<u>450000</u>
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TOTAL		<u>2932818</u>		<u>450000</u>
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##### b) Cash & Bank Balance

Cash in Hand	50789		148490	
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Balance with Scheduled Banks in current A/c	<u>12605</u>	63394	<u>70776</u>	219266
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#### LOANS & ADVANCES

(Unsecured, Unconfirmed, Considered good)

Share Application Money Paid	50000		50000	
------------------------------	-------	--	-------	--

Advance recoverable in cash or in kind or value to be received	<u>1566070</u>		<u>3360933</u>	
--	----------------	--	----------------	--

		<u>1616070</u>		<u>3410933</u>
--	--	----------------	--	----------------

		<u>1616070</u>		<u>3410933</u>
--	--	----------------	--	----------------

### 6. CURRENT LIABILITIES & PROVISIONS

#### CURRENT LIABILITIES

a) Sundry Creditors & Expenses Payable	803982		792422	
--	--------	--	--------	--

b) Due to Directors	---	803982	<u>1018775</u>	1811197
---------------------	-----	--------	----------------	---------

##### b) PROVISIONS

Provision for Income Tax	---		---	
--------------------------	-----	--	-----	--

Provision for Fringe Benefit Tax	<u>5000</u>	5000	<u>15450</u>	15450
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		<u>808982</u>		<u>1826647</u>
--	--	---------------	--	----------------

### 7. ESTABLISHMENT

Salary		59620		178850
--------	--	-------	--	--------

Pension Fund Contribution		440		1369
---------------------------	--	-----	--	------

E.P.F. (Employer Share)		2230		6921
-------------------------	--	------	--	------

EPF Administration Charges		319		939
----------------------------	--	-----	--	-----

E.D.L.I.		128		411
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Medical Reimbursement		0		300
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		<u>62737</u>		<u>188790</u>
--	--	--------------	--	---------------

## SAI CAPITAL LIMITED

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8	<b>SELLING, ADMINISTRATIVE &amp; GENERAL EXP.</b>		
	Legal Complainece Exps	22979	19556
	Auditor's Remuneration	19303	19663
	Business Promotion	86666	64448
	Bank Charges	930	695
	Books and Periodicals	8712	9521
	Conveyance & Vehicle Maintenance	7443	88075
	Demat Charges	1358	6731
	Director's Remuneration	--	--
	Festival Expenses	--	--
	Filing Fees	500	2040
	Professional Expenses	38545	15450
	Printing & Stationery	8344	11416
	Water & Electricity Charges	53510	70905
	Postage, Telegram & Telephone	67750	82594
	Repair & Maintenance (Others)	2200	4978
	Interest on Car Loan	0	3932
	Fees & Subscription	6600	5960
	Listing Fees	15000	17250
	Miscellaneous Expenses	10361	--
		<u>350201</u>	<u>417156</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

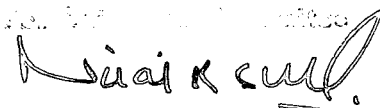
Sd/-

(ANIL K. GOEL)

PARTNER

PLACE : NEW DELHI

DATED : 30TH JUNE, 2009



# SAI CAPITAL LIMITED

## 9 Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directors

	(Rs. In Lacs)	
	Amount Outstanding	Amount Overdue
<b>LIABILITIES SIDE</b>		
<b>i) Loans and Advances availed by the NBFCs inclusive of interest accrued thereon but not paid</b>		
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) Other loans (Specify nature)		
- Unsecured Loans from Directors	19.58	3.15
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	-	-
<b>ASSETS SIDE</b>		
<b>iii) Break-up of loans and advances including bills receivables (other than those included in (iv) below:</b>		
a) Secured	-	-
b) Unsecured	45.49	38.61
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) Quoted		
a) - Shares :		
i) Equity	-	-
ii) Preference	-	-
b) Debentures and Bonds	-	-
c) Units of Mutual Funds	-	-
d) Government Securities	-	-
e) Others (Please specify)	-	-
2) Unquoted		
a) Shares :		
i) Equity	-	-
ii) Preference	-	-

## SAI CAPITAL LIMITED

b) Debentures and Bonds	-	-
c) Units of Mutual Funds	-	-
d) Government Securities	-	-
e) Others (Please specify)	-	-
Long Term Investments		
1) Quoted		
a) Shares :		
i) Equity	43.21	43.21
ii) Preference	-	-
b) Debentures and Bonds	-	-
c) Units of Mutual Funds	-	-
d) Government Securities	-	-
e) Others (Please specify)	-	-
2) Unquoted		
a) Shares :		
i) Equity	15.40	15.40
ii) Preference	-	-
b) Debentures 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

Category	Secured	Amount of Unsecured	Net of Provision Total
i) Related Parties			
a) Subsidiaries	-	-	-
b) Companies in the Group	-	7.15	7.15
c) Other Related Parties	-	0	0
ii) Other than Related Parties	1.20	1.20	
Total		8.35	8.35

vii) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

Category	Market Value Break up or fair Value of NAV	Book Value (Net of Provisions)
i) Related Parties		
a) Subsidiaries	-	-
b) Companies in the Group	20.66	20.66
c) Other Related Parties	-	-
ii) Other than Related Parties	37.95	37.95
Total	58.61	58.61

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 CAPITAL LIMITED

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## 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 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 Written Down Value Method at the rates specified in Schedule XIV of the Companies Act, 1956 on pro-rate basis on existing assets with quarterly rest of additions.

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 unpaid liability on partly paid shares/debentures is Nil (Previous year Rs. Nil)

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 Agencies Pvt. Ltd.  
Sai Industries Limited  
Sai Enterprises Pvt Ltd

ii) Personnel & Relatives

Dr. Niraj Kumar Singh  
Mrs. Juhi Singh  
Sh. Ved Parkash



## SAI CAPITAL LIMITED

### B) Transactions with related Parties

The following related party transactions were carried out during the year ended on 31.03.2009  
(Rs. In Lacs)

S. No.	Name of Related Party	Relationship	Nature of Transaction	Bal. (Rs.)	Amt Recd. (Rs.)	Amount Paid (Rs)
	Dr. Niraj Kumar Singh	Key Management Personnel	Loan / Imprest	5.76	21.70	15.75
			Director	3.42	--	--
			Remuneration	-	3.42	-
	Mrs. Juhi Singh	Key Management Personnel	Loan / Imprest	6.60	9.57	13.18
	Sh. Ved Parkash	Key Management Personnel	Loan Recd.	4.35	8.90	4.55
	Sai Industries Ltd.	Associates	Amt. Payable	1.31	--	--
	Sai Agencies Pvt. Ltd.	Associates	Amt. Receivable	2.05	--	--
	Sai Enterprises Pvt. Ltd.	Associates	Amt. Receivable	6.72	--	--

6 As per information and explanations given to us the company does not owe any amount more than Rs. 1.00 Lac and outstanding for more than 30 days as at 31.03.2009 to any Small Scale Industries.

7 Earning Per Share	2008 - 09	2007 - 08
a) No. of Equity Shares	5503700	5503700
b) Paid up Share Capital (Rs. In Lacs)	357.07	338.80
c) Profit/(Loss) (Rs. In Lacs)	(19.28)	(1.07)
d) Basic & Diluted EPS (Rs.)	(0.54)	(0.03)

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

11 Balance Sheet Abstract and Company's General Business Profile as per Part IV to Schedule VI of the Companies Act, 1956.

1. Registration Details

Registration No. : 69787	Stage Code : 55
Balance Sheet date	31.03.2009

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 : 37665	Total Assets : 37665
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Source of Funds

Paid up Capital : 35707	Reserves & Surplus : Nil
Secured Loans : 0	Unsecured Loans : 1958

Application of Funds

Net Fixed Assets : 69	Investment : 5861
Net Current Assets : 3803	Misc. Expenditure : Nil
Accumulated Losses : 27932	

IV. Performance of Company (Amount in Rs. Thousands)

Turnover : 25	Total Expenditure : 1930
Profit/Loss before Tax (-) 1923	Profit / Loss after Tax : (-) 1928
Earning Per Share in Rs. : - 0.54	Divident Rate % : Nil

V. Generic Names of Three 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	:	Finance

Signature to schedule 1 to 9

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

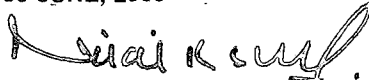
Sd/-  
(JUSHI SINGH)  
Director

SUBJECT TO OUR SEPARATE REPORT OF EVEN DATE

For A K G & Co.  
CHARTERED ACCOUNTANTS

Sd/-  
(ANIL K. GOEL)  
PARTNER

PLACE : NEW DELHI  
DATED : 30 JUNE, 2009



**SAI CAPITAL LIMITED**

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 had it over a the Entrance. 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 Fourteenth Annual General Meeting held at 2nd Floor, Aurobindo Place, Hauz Khas, New Delhi-16 on Wednesday the 30th Sept., 2009 at 10.00 a.m.

SIGNATURE OF THE SHAREHOLDER PROXY*
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\* Strike outwhichever not applicable.

**SAI CAPITAL LIMITED**

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  
distic ..... as my/our Proxy and to vote for me/  
us on my/our behalf at the 14th Annual General Meeting of the Company to be held on  
Wednesday the 30th September, 2009

Signed this ..... day of ..... 2009

Signature .....

Folio No. ....

No. of Share Held : .....

Note :

1. The Proxy need not be a Members
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.

Rs. 1.00 revenue stamp
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**BOOK - POST**

*If underdelivered please return to :*

**SAI CAPITAL LIMITED**

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