

# sai wires india limited

22ND ANNUAL REPORT

2009 - 2010

CERTIFIED TRUE COPY

<b>Board of Directors</b>	Mr. Ch. Sudheer, Managing Director Mr. K Anand, Director Mr. K Murali Krishna, Director Mr. Y Vijay Kumar, Director
<b>Statutory Auditors</b>	M/s. MACHIRAJU & ASSOCIATES Chartered Accountants
<b>Registered Office</b>	6-3-570/1, 201 Diamond Block Rockdale Compound, Somajiguda Hyderabad - 500 082
<b>Listing</b>	The Hyderabad Stock Exchange The Ahmedabad Stock Exchange The Madras Stock Exchange The Bombay Stock Exchange
<b>Book Closure</b>	September 26, 2010 to September 29, 2010 (both days inclusive)
<b>Date, Time and Venue of AGM</b>	Wednesday, September 29, 2010 10.30 am 6-3-570/1, 201, Diamond Block, Rockdale Compound, Somajiguda, Hyderabad - 500 082, Andhra Pradesh

# Notice

Notice is hereby given that the Twenty-Second Annual General Meeting of the members of the company will be held on Wednesday, September 29, 2010 at 10.30 am at the registered office of the company situated at 6-3-570/1, 201, Diamond Block, Rockdale Compound, Somajiguda, Hyderabad - 500 082, Andhra Pradesh to transact the following business:

## **ORDINARY BUSINESS**

1. To receive, consider and adopt the audited balance sheet of the company for the financial year ended March 31, 2010, the Profit and Loss account for the year ended as on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. K Murali Krishna, who retires from office by rotation, and being eligible, offers himself for re-appointment.
3. To consider and if thought fit to pass the following resolution with or without modification(s) as an ordinary resolution:

“RESOLVED THAT M/s. MACHIRAJU & ASSOCIATES, Chartered Account, Hyderabad, be and is hereby appointed as Statutory auditors of the company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors of the Company.”

By Order of the Board  
For SAI WIRES INDIA LIMITED

Sd/-  
Managing Director  
Hyderabad, August 31, 2010

## **NOTES:**

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend the meeting and vote on a Poll, if any, in his/her stead and the proxy need not be a member of the Company. The instrument appointing proxies, in order to be effective, must be received by the Company at the registered office, not less than 48 hours before the scheduled time of the meeting. A blank proxy form is annexed to this notice.
2. Register of Members and Share Transfer Books of the Company shall remain closed from September 26, 2010 to September 29, 2010 (both days inclusive) (both days inclusive) for determining the names of Members eligible for dividend on Equity Shares, if any, declared at the meeting.

3. For any investor-related queries, communication may be sent by mail to the Registered Office of the company situated at 6-3-570/1, 201, Diamond Block, Rockdale Compound, Somajiguda, Hyderabad - 500 082, Andhra Pradesh.
4. Pursuant to Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form No.2B in duplicate (which will be made available on request) to the R&T Agent.
5. Members/Proxies are requested to kindly take note of the following:
  - copies of Annual Report will not be distributed at the venue of the meeting;
  - Attendance Slip, as sent herewith, is required to be produced at the venue duly filled-in and signed, for attending the meeting;
  - entry to the hall will be strictly on the basis of the entrance pass, which shall be provided at the counters at the venue, in exchange for duly completed and signed Attendance Slips; and
7. Members are requested to send their queries, if any on the operations of the Company, to reach the Compliance Officer at the Company's Registered Office, atleast 10 days before the meeting, so that the information can be compiled in advance.
8. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the meeting.

# Additional information required to be furnished under listing agmt.

As required under the listing agreement, the particulars of Directors who are proposed to be appointed / re-appointed are given below.

Name	Mr. K Murali Krishna
Age	28 years
Qualifications	Bachelors Degree
Expertise	Business
Other Directorships	NIL

# Director's Report

The Directors have pleasure in presenting the Twenty-Second Annual Report together with Audited Statements of Accounts for the year ended March 31, 2010.

## **Review of Operations**

During the year the company has initiated the process of presenting the company's business plans to various information technology companies across the globe to change the business objectives of the company and to venture into the information technology sector. However all the plans of the management were went to vain because of the global fell down of the information technology sector. With this unforeseen crash in the international markets the management has temporarily halted the plans of changing the business plans of the company from wires to information technology. Thus the company has not made any operations during the year.

## **Compliance of Code of Corporate Governance**

Pursuant to Clause 49 of the Listing Agreement, a Report on Corporate Governance is given as Annexure 'A' to this Report.

## **Dividend**

Since the commercial operations of the company have not started and the management is in the process of evaluating business strategies to expand, no dividend has been recommended for this financial year.

## **Fixed Deposits**

There are no fixed deposits, which have fallen due and have not been repaid.

## **Environment**

The company has not started any commercial operations, however the company has taken all the necessary steps to adhere to the environmental laws and regulations prescribed for the area where the factory is situated.

## **Research and Development**

The company doesn't have any research & development activity to be carried out.

## **Directors**

In accordance with the Articles of Association of the Company, Mr. K Murali Krishna retires at the ensuing Annual General Meeting and is eligible for re-appointment.

## **Auditors**

M/s. Machiraju & Associates, Chartered Accountants, the statutory auditors of the company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. They have furnished a certificate pursuant to section 224(1) of the companies act, 1956 regarding their eligibility for re-appointment.

## **Industrial Relations**

Your company is pleased to inform that the relations with employees including workmen at all levels continue to be warm and cordial.

**Personnel**

Information in accordance with the provisions of sec 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended are set out in the annexure to the Director's Report.

**Directors' Responsibility Statement**

In terms of Sec 217 (2AA) of the Companies Act, 1956, your Directors hereby confirm

1. That in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure.
2. That the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a 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 that period.
3. That the directors had 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.
4. That the directors had prepared the annual accounts on a going concern basis.

**Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988**

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the annexure forming part of this report.

**Acknowledgments**

The Board of Directors would like to record their appreciation of the continued support and co-operation received from the Government of India, Andhra Pradesh and the Financial Institutions. The Directors would also like to thank all the esteemed Customers, Dealers, Suppliers, and Auditors of the Company.

The Directors also wish to place on record their sincere appreciation of the employees at all levels for their dedicated contribution towards the growth of the Company.

For and on behalf of the Board of Directors

For SAI WIRES INDIA LIMITED

Sd/-

Chairman & Managing Director

Hyderabad, August 31, 2010

Sd/-

Director

# Annexure

Information as per section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of board of directors) Rules, 1988 and forming part of the Directors' report for the year ended March 31, 2010.

## Form A

### Form for disclosure of particulars with respect of conservation of energy

Particulars	Year Ended March 31, 2010	Year Ended March 31, 2009
<b>A. Power &amp; Fuel Consumption</b>		
<b>1. Electricity</b>		
a. Purchased		
Used		
Total Amount (Rs.)		
Rate / Unit (Rs.)		
b. Own Generation		
Through Diesel Generator		
Used		
Diesel Consumed (Rs.)		
Unit Rate (per Ltr.) (Rs.)		
Total Amount (Rs.)		
<b>2. Coal</b>		
Quantity (tonnes)		
Cost (Rs.)		
Average Rate / Tonne		
	The details are not significant as the company has not yet started the commercial operations	



## Form B

**Form for disclosure of particulars with respect to Technology, Research and Development (R&D)**

1. Specific areas in which R&D carried out by the company	The details are not significant as the company has not yet started the commercial operations
2. Benefit derived as a result of the above R&D	
3. Future plan of action	
4. Expenditure on R&D (Rs. Lakhs)	
a. Capital (Work-in-progress)	
b. Recurring	
c. Total	
d. Total R&D expenditure as a % of turnover	
Technology absorption and innovation	
Efforts in brief made towards technology absorption and innovation	
Benefits derived as a result of the above efforts	
In case of imported technology	
Following information maybe furnished	
a. Technology improved	
b. Year of import	
c. Has technology been fully absorbed	
d. if not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action	

## Form C

**Foreign Exchange Earnings and Outgo**

Particulars	01.04.2009 - 31.03.2010	01.04.2008 - 31.03.2009
Foreign Exchange Earnings	NIL	
Foreign Exchange Outgo		
Net Foreign Exchange Earnings		

## Form D

**Information under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part and Directors Report for the year ended March 31, 2010**

Name	NIL
Designation	
Remuneration	
Qualification	
Experience	
Age	
Last Employment	

# Corporate Governance Report

## 1. Company's Philosophy

The basic philosophy of corporate governance of the company is to achieve business excellence and enhance shareholder value keeping in view the interests of all stake-holders. The Company stands by transparency in all its dealings and strict regulatory compliance.

## 2. Board of Directors

### a. Composition

To have a more professional outlook your company is having three members comprising of one Chairman & Managing Director and 3 non-executive directors.

### b. Attendance of each Director at the Board Meetings and the last AGM

5 Board Meetings were held during the year 2009-2010. The dates on which the meetings were held i.e., April 24, 2009, July 24, 2009, August 28, 2009, October 23, 2009 and January 29, 2010. The attendance of each director is given below.

Name of the Director	Category	No. of other directorships	No. of committees in which member	No. of board meetings attended	whether attended last AGM
Mr. Ch. Sudheer	Chairman & Managing Director	NIL	2	5	YES
Mr. K Murali Krishna	Independent	NIL	3	5	YES
Mr. Y Vijay Kumar	Independent	NIL	3	5	YES
Mr. K Anand	Independent	NIL	3	5	YES

## 3. Audit Committee

During the year under review Four (4) meetings were held for approval of un-audited financial results for the quarter ended. The constitution of the committee and the attendance of each member of the committee is given below:

Name of the Director	Designation	Whole-time / independent	profession	Committee meetings attended
Mr. K Murali Krishna	Chairman	Independent	Business	4
Mr. K Anand	Member	Independent	Business	4

Name of the Director	Designation	Whole-time / independent	profession	Committee meetings attended
Mr. Y Vijay Kumar	Member	Independent	Business	4

The meetings of Audit committee are also attended by the heads of finance and Statutory Auditor as Invitees. The un-audited financial results for each quarter are approved by the audit committee before passed on to the Board of Directors for approval and adoption.

Terms and reference of the Audit Committee include a review of;

- Financial reporting process
- Draft financial statements and auditor's report (before submission to the Board)
- Accounting policies and practices
- Internal controls and internal audit systems
- Risk management policies and practices
- Related party transactions
- Internal audit reports and adequacy of internal audit function

The role of the audit committee includes recommending the appointment and removal of the external auditor, discussion of the audit, plan, fixation of audit fee and also approval of payment of fees for any other services.

#### 4. Remuneration Committee

The Remuneration Committee is constituted as follows:

Name of the Director	Designation	Nature of Directorships
Mr. K Anand	Chairman	Independent
Mr. K Murali Krishna	Member	Independent
Mr. Y Vijay Kumar	Member	Independent

Details of remuneration paid to Directors are give below: **NIL**

#### 5. Investors Grievance Committee

The Board constituted an investors grievance committee which looks into shareholders and investors grievances. The following are the members of the committee.

Name of the Director	Designation
Mr. K Murali Krishna	Chairman
Mr. Ch. Sudheer	Member

Name of the Director	Designation
Mr. Y Vijay Kumar	Member

Name and designation of the compliance officer: Mr. Ch. Sudheer  
 Compliance Officer  
 C/o. Sai Wires India Limited  
 6-3-570/1, 201, Diamond Block  
 Rockdale Compound, Somajiguda  
 Hyderabad - 500 082

The total number of complaints received and complied during the year were NIL.

The complaints, if any, will be attended to within seven days from the date of receipt of the complaint, as communicated.

The outstanding complaints as on March 31, 2010 were NIL.

#### 6. Details of Annual General Meetings : Location and time of the last three AGMs

YEAR	VENUE	DATE & TIME	Nature of Special resolutions
March 31, 2009	6-3-570/1, 201, Diamond Block, Rockdale Compound, Somajiguda, Hyderabad	September 30, 2009 10.30 am	NIL
March 31, 2008	6-3-570/1, 201, Diamond Block, Rockdale Compound, Somajiguda, Hyderabad	September 30, 2008 10.30 am	NIL
March 31, 2007	6-3-570/1, 201, Diamond Block, Rockdale Compound, Somajiguda, Hyderabad	September 28, 2007 10.30 am	NIL

No special resolutions was put through POSTAL BALLOT during the last year.

#### 7. Disclosures

- Disclosure on materially significant related party transactions i.e. transactions of the company of material nature with its promoters, the directors or the management's, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large. **NONE**
- Details of non-compliance by the company, penalties, Strictures imposed on the company by stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years. **NONE**

**8. Means of Communications**

As per the listing requirements, the company publishes periodical financial results in leading English and regional newspapers information. The Management Discussion and Analysis (MD&A) forms part of the annual report.

**General Share Holder Information**

AGM Date, Time and Venue : Wednesday, September 29, 2010  
10.30 am  
6-3-570/1, 201, Diamond Block, Rockdale Compound, Somajiguda, Hyderabad - 500 082, Andhra Pradesh

Financial Calendar : April to March

## Financial Reporting for

Quarter Ended June 30, 2010	Before end of July 2010
Quarter Ended September 30, 2010	Before end of October 2010
Quarter Ended December 31, 2010	Before end of January 2011
Quarter Ended March 31, 2011	Before end of April 2011
Annual General Meeting for the FY ended March 31, 2011	Before end September 30, 2011

Date of Book Closure : September 26, 2010 to September 29, 2010 (both days inclusive)

Dividend Payment date(s) : Not Applicable

Listing on Stock Exchange : Hyderabad, Chennai, Ahmedabad and Mumbai.  
Listing fees for 2009-2010 has not been paid

Stock Code : PHYSICAL  
Hyderabad : Not Allowed  
Chennai : Not Allowed  
Ahmedabad : Not Allowed  
Mumbai : 531648

Market price data : The company was suspended  
(High & Low during each month in last FY)

Stock Performance in comparison to : The trading of the shares have been suspended  
Broad based indices such as BSE

Register and transfer agents : The company is having in-house team

Share & Transfer agent : The share transfers are being effected physically by the company's in-house team

Distribution schedule as on March 31, 2010

Shareholding of nominal value		shareholders		Share amount	
Rs.	Rs.	numbers	% of total	in Rs.	% of total
Upto	5,000	306	66.67%	273743	4.34%
5,001	10,000	19	4.14%	159506	2.53%
10,001	20,000	21	4.58%	319700	5.07%
20,001	30,000	8	1.74%	213200	3.38%
30,001	40,000	97	21.13%	3830700	60.74%
40,001	50,000	3	0.65%	137100	2.17%
50,001	1,00,000	0	0.00%	0	0.00%
1,00,001	and above	5	1.09%	1372441	21.76%
<b>TOTAL</b>		<b>459</b>	<b>100.00%</b>	<b>6306390</b>	<b>100.00%</b>

According to categories of shareholders as at March 31, 2010

	Category	No. of shares held	% of shareholding
<b>A</b>	<b>PROMOTERS' HOLDING</b>		
1	Promoters		
	- Indian Promoters	4605090	73.02%
	- Foreign Promoters	0	0.00%
2	Persons acting in concert	0	0.00%
<b>B</b>	<b>NON-PROMOTERS' HOLDING</b>		
3	Institutional Investors	0	0.00%
a	Mutual Funds	0	0.00%
b	Bans, Financial Institutions, Insurance companies (Central / State Govt. Institutions / Non-Govt. Institutions)	0	0.00%
c	FII's	0	0.00%
4	Others	0	0.00%



	Category	No. of shares held	% of shareholding
a	Private Corporate Bodies	100000	1.59%
b	Indian Public	1601300	25.39%
c	NRI's / OCBs	0	0.00%
d	Any Other (please specify)	0	0.00%
	<b>TOTAL</b>	<b>6306390</b>	<b>100.00%</b>

Dematerialization of shares and liquidity : The company has not yet entered into agreements with the depositories for dematerialization of its shares.

Outstanding GDRs / ADRs / Warrants or any convertible instruments conversion date and likely impact on equity : The company has not issued any GDRs / ADRs / warrants or any convertible instruments

Address for correspondence : Sai Wires India Limited  
6-3-570/1, 201  
Diamond Block  
Rockdale Compound, Somajiguda  
Hyderabad - 500 082

### Non-Mandatory Requirements

The other suggestions are not yet adopted by the company keeping the non-operational activities.

By Order of the Board of Directors  
For SAI WIRES INDIA LIMITED

Sd/-  
Chairman & Managing Director  
Hyderabad, August 31, 2010

Sd/-  
Director

# Management Discussions and Analysis Report

Pursuant to Clause 49 of the Listing Agreement, a report on Management Analysis Report, as an annexure to the Directors' Report is give below:

## **A. Industry Backdrop and Company Outlook**

The Indian economic situation ran out of steam as a result of the economic and financial crisis, although India is traditionally strongly focussed on the domestic market and the economic development consequently depends primarily on the domestic situation. Therefore, the financial crisis generally had less effect on India than on nations with a stronger export focus.

In order to give the stagnating economic growth new impetus, three economic stimulus packages have been created. In particular, funding is being injected into infrastructure projects. Now, a recovery is being anticipated again; the prognoses were revised upwards. The economic activity is increasing again and the confidence of companies and consumers is rising. A GDP increase of 6.4 percent is expected, after 5.4 percent in the previous year. In addition, a real percentage increase of 7.4 percent is being forecast in the industrial sector, including the building sector.

The wire industry in India is heavily dependent on the automotive, telecommunication and construction industries as the main customers. The rapid growth of these industries in the last few years has led to an annual growth of approximately 25 percent in the wire and cable industry. As a result of the financial crisis, this growth has temporarily stalled. As a result, the forecasts for the wire industry are dependent on how these industries continue to develop. During the year, the wire production declined in most sectors but is now looking forward to a recovery.

The building sector in India has re-established after a six-month period of weakness. In the current five year plan, it is expected to grow by an average of 10% per annum. Lately, the industry has recorded a growth of 7 percent. The public sector deals with about two thirds of investments. As the Indian government is focussing primarily on public-private partnerships with major infrastructure projects, the ratio will switch in favour of the private sector.

With an investment need of about 450 billion US\$, the infrastructure construction is the growth engine of the construction industry; the development of the transport network, in particular, is an absolute priority of the government. The demand for office space is currently stagnating, but should pick up. In terms of private residential construction, companies are increasingly focussing on the low-price market segment; Indian urban areas, alone, are currently short of about 25 million apartments.

While the sales figures in the automobile industry were characterized by uncertainties about the effects on the financial crisis, the Indian automobile industry has been slowing recovering. In total, the annual sales of cars has doubled in the last 5 years. According to the association of Indian automobile manufacturers, the growth will double or even triple. The government published an Automotive Mission Plan, where the objective is to double the automobile industry's contribution to the GDP and to create 25 million new workplaces in the industry.

Your company is in the process of revamping the existing business model by analyzing various plans of establishing new industry for wire manufacture.

**B. Internal Control Systems and their adequacy**

The company has adequate internal control systems commensurate with the size of its operations and for the purpose of exercising adequate controls on the day-to-day operations. Systems are regularly reviewed to ensure effectiveness.

**C. Material Developments in Human Resources / Industrial Relations**

Human resource development is a primary area of focus for the Company. The company recruited senior level and other functional specialists during the year. The Human relations in the organization have been cordial. The total number of persons employed in the company as on March 31, 2010 were 1.

**D. Discussion on Financial Performance with respect to operational performance**

The company has not yet started the commercial operations as the management is drawing various plans to start the business activity either in the existing wires sector or in the proposed information technology sector. However due to no commercial operations the company's accumulated losses are more than 50% of the net worth of the company as on the financial year end.

**E. Opportunities and Threats**

The opportunities for the wire industry is growing on day-to-day basis with increasing construction and infrastructure demands.

The major threat to the existing wire sector and the proposed information technology sector are the international markets which directly dictate the norms.

**Declaration regarding compliance with the code of conduct and ethics policy of the company by Board Members and senior management personnel**

This is to confirm that the company has adopted code of conduct and Ethics policy for the Board of Directors and Associates of the Company, which is available at the Registered office of the company.

I, Ch Sudheer, declare that the Board of directors and senior management personnel have affirmed compliance with the Code of Conduct and Ethics Policy of the Company.

Sd/-

Ch Sudheer  
Chairman & Managing Director  
Hyderabad, August 31, 2010

# Compliance Certificate on Corporate Governance

To  
The Members  
SAI WIRES INDIA LIMITED  
Hyderabad

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance condition of corporate governance of M/s. SAI WIRES INDIA LIMITED ("the Company") for the year ended March 31, 2010 as stipulated in clause 49 of the listing agreement of the said company with the Stock Exchanges.

The compliance of the conditions of the Corporate governance is the responsibility of the management. Our examination, conducted in the manner described in the Guidance note on Certification of Corporate governance" issued by the Institute of Chartered Accountants of India was limited to procedures and implementation thereof adopted by the company for ensuring compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the company.

In our opinion and to the best of our information and explanations given to us and on the basis of our examination described above, the company has complied with the conditions of Corporate Governance as stipulated in clause 49 the above mentioned Listing Agreement.

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

For MACHIRAJU & ASSOCIATES  
Chartered Accountants  
Firm Regn. No. 010791S

Sd/-

M RAMESH  
Partner  
Membership No. 212876  
Hyderabad, August 31, 2010

# Certification as required under Revised Clause 49 of the Listing Agreement

I, Ch Sudheer, Chairman & Managing Director and Chief Executive Officer of SAI WIRES INDIA LIMITED to the best of our knowledge and belief, certify that :

1. I have reviewed the balance sheet and profit and loss account, and its schedules and notes on accounts, as well as the Cash Flow statement and the Directors report.
2. Based on our knowledge and information, these statements do not contain any un true statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statements made.
3. Based on our knowledge and information, the financial statements, and other financial information included in this report, fairly present in all material respects, the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and/or applicable laws and regulations.
4. To the best of our knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the Company's code of conduct.
5. The Company's other certifying officers and we, are responsible for establishing and maintaining disclosure controls and procedures for the company, and we have:
  - a. Designed such disclosure controls and procedures to ensure that material information relating to the company is made known to us particularly during the period in which this report is being prepared.  
and
  - b. Evaluated the effectiveness of the Company's disclosure, controls and procedures.
6. We have disclosed to the Company's auditors and the audit committee
  - a. all significant changes in internal control during the year;
  - b. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
  - a. any fraud, whether or not material, that involves management or other employees who have significant role in the company's internal controls.

Sd/-

Ch Sudheer  
Chairman, Managing Director & CEO  
Hyderabad, August 31, 2010

# Auditor's Report

To  
The Members  
SAI WIRES INDIA LIMITED

We have audited the attached balance sheet of Sai Wires India Limited as at March 31, 2010 and also the Profit and Loss Account for the year ended on that date and the Cash Flow Statement for the year ended on that date are annexed thereto. 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.

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 misstatement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Manufacturing and other Companies (Auditor's Report) Order, 1988, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, We enclose in the annexure a statement on the matters specified in the paragraphs 4 and 5 of the said order-

Further to our comments in the annexure referred to the above, we report that-

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
2. In our opinion, proper books of account as required by the Companies Act, 1956 (as amended) have been kept by the company so far as appears from our examinations of those books, and
3. The Balance Sheet, Profit & Loss Account and Cash FLOW Statement are in agreement with books of account and comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
4. On the basis of the written representations received from the directors as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956, and
5. In our opinion and to the best of our information and according to the explanations given to us, the annexed accounts read with the notes in Schedule 5 give the information required by the Companies Act, 1956 (as amended) in the manner so required and give a true and fair view-

- a. in case of the balance sheet, of the state of affairs of the company as at March 31, 2010 and
- b. in the case of the profit & loss account, of the loss of the company for the year ended on that date.
- c. in the case of Cash Flow Statement, of the Cash flows for the year ended on that date.

For MACHIRAJU & ASSOCIATES  
Chartered Accountants  
Firm Regn NO. 0107915

Sd/-

M RAMESH  
Partner  
Membership No. 212876  
Hyderabad, August 31, 2010

# Annexure to the Audit Report

- i. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets were physically verified by the management at reasonable intervals. No discrepancies were noticed.
- ii. None of the fixed assets have been revalued during the financial year.
- iii. The stocks have been physically verified by the management at reasonable intervals.
- iv. The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- v. In our opinion and on the basis of our examination, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as the preceding accounting year.
- vi. The Company has not taken any loans, secured or unsecured from the companies, firms or other parties listed in register maintained u/s. 301 of the Companies Act, 1956 or from companies under the same management as defined u/s. 80(1-B) of the Companies Act, 1956.
- vii. The parties to whom loans and advances in the nature of loans have been given by the Company are repaying the principle amounts as stipulated and are also regular in payment of interest where applicable other than the loan given to the subsidiary company and interest thereon.
- viii. The Company has not given any loans and other advances.
- ix. In our opinion, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of stores, raw materials including components, plant and machinery equipment and other assets and for the sale of goods.
- x. There are no transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained u/s. 301 of the Companies Act, 1956.
- xi. Unserviceable or damaged stores, raw materials or finished goods are determined and provision for the loss has been made in the accounts.
- xii. In respect of deposits accepted by the company from the public, directives issued by the Reserve Bank of India and the provisions of Section 58A of the Companies Act, 1956 and the rules framed thereunder, where applicable have been complied.
- xiii. The Company is maintaining reasonable records for the sale and disposal of realizable scraps. There are no by-products resulting from the manufacturing process of the company.



- xiv. The Company has an internal audit system commensurate with its size and nature of its business.
- xv. The Company is not covered by the purview of Section 209(1)(d) of the Companies Act, 1956.
- xvi. The Company is not covered under ESI Act and EPF Act.
- xvii. The company has accumulated losses more than 50% of its Net worth as on March 31, 2010. The company has incurred cash losses during the year ended March 31, 2010 and in the immediately previous year.
- xviii. No disputed amounts payable in respect of Income-tax, Wealth-tax, Sales-tax, Customs Duty and Excise Duty as at March 31, 2010 for a period of more than six months from the date they became payable.
- xix. No personal expenses of employees or directors have been charged to the revenue accounts other than those payable under contractual obligation in accordance with generally accepted business practice.
- xx. The company is not an industrial company within the meaning of clause (o) of sub-section (1) of section 3 of the sick industrial companies (special provisions) act, 1985.

For MACHIRAJU & ASSOCIATES  
Chartered Accountants  
Firm Regn No. 010791S

Sd/-  
M RAMESH  
Partner  
Membership No. 212876  
Hyderabad, August 31, 2010

<b>BALANCE SHEET AS AT MARCH 31, 2010</b>			
Particulars	Schedules	Amount (In Rs.)	
		As at March 31, 2010	As at March 31, 2009
<b>i. SOURCES OF FUNDS</b>			
1. SHARE CAPITAL			
a. Capital	1	6,64,69,450.00	6,64,69,450.00
<b>TOTAL</b>		<b>6,64,69,450.00</b>	<b>6,64,69,450.00</b>
<b>II. APPLICATION OF FUNDS</b>			
1. CURRENT ASSETS, LOANS & ADVANCES			
A. Current Assets			
a. Cash & Bank Balance		3,211.55	3,211.55
B. Loans & Advances			
a. Advances for Capital Goods		0.00	0.00
b. Other Advances		0.00	0.00
SUB-TOTAL		3,211.55	3,211.55
Less CURRENT LIABILITIES & PROVISIONS			
Current Liabilities		4,00,840.00	3,38,248.00
NET CURRENT ASSETS		-3,97,628.45	-3,35,036.45
4. P&L Account DEBIT Balance			
		6,68,67,078.45	6,68,04,486.45
<b>TOTAL</b>		<b>6,64,69,450.00</b>	<b>6,64,69,450.00</b>
<b>Note</b> Schedules referred to above form integral part of the Balance Sheet			
<b>AS PER OUR REPORT ON EVEN DATE</b>		For and on behalf of the Board	
For MACHIRAJU & ASSOCIATES		For SAI WIRES INDIA LIMITED	
Chartered Accountants			
Firm Regn NO. 010791S			
Sd/-			
M RAMESH		Sd/-	Sd/-
Partner		Managing Director	Director
Membership No. 212876			
Hyderabad, August 31, 2010			

<b>PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010</b>			
Particulars	Schedules	Amount (In Rs.)	
		As at March 31, 2010	As at March 31, 2009
<b>INCOME</b>		0.00	0.00
Total		0.00	0.00
<b>EXPENSES</b>			
Operating Expenses		0.00	0.00
Administrative Expenses	2	62,592.00	65,248.00
Earnings before interest, depreciation & taxes		-62,592.00	-65,248.00
Depreciation		0.00	0.00
Interest		0.00	0.00
Profit Before Taxes		-62,592.00	-65,248.00
Taxes		0.00	0.00
<b>Profit After Taxes</b>		<b>-62,592.00</b>	<b>-65,248.00</b>
Earnings Per Share		0.00	0.00
<b>Note</b> Schedules referred to above form integral part of the Profit & Loss Account			
<b>AS PER OUR REPORT ON EVEN DATE</b>		For and on behalf of the Board	
For MACHIRAJU & ASSOCIATES		For SAI WIRES INDIA LIMITED	
Chartered Accountants			
Firm Regn NO. 010791S			
Sd/-			
M RAMESH		Sd/-	Sd/-
Partner		Managing Director	Director
Membership No. 212876			
Hyderabad, August 31, 2010			

**SCHEDULES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2010**

Particulars	Amount (In Rs.)	
	As at March 31, 2010	As at March 31, 2009
<b>SCHEDULE - 1 : SHARE CAPITAL</b>		
AUTHORIZED		
75,00,000 equity shares of INR 10.00 each	7,50,00,000.00	7,50,00,000.00
ISSUED		
70,00,000 equity shares of INR 10.00 each	7,00,00,000.00	7,00,00,000.00
SUBSCRIBED		
69,87,500 equity shares of INR 10.00 each	6,98,75,000.00	6,98,75,000.00
PAID-UP		
63,06,390 equity shares of INR 10.00 each	6,30,63,900.00	6,30,63,900.00
Add Forfeited Shares	34,05,550.00	34,05,550.00
<b>Total</b>	<b>6,64,69,450.00</b>	<b>6,64,69,450.00</b>
<b>SCHEDULE - 2 : ADMINISTRATIVE EXPENSES</b>		
Postage & Telegrams	10,257.00	10,257.00
Printing & Stationery	11,835.00	14,991.00
Filing Fees & Listing fees	30,500.00	30,000.00
Audit Fees	10,000.00	10,000.00
<b>Total</b>	<b>62,592.00</b>	<b>65,248.00</b>

**NOTES ON ACCOUNTS**

1. The Company is in the process of obtaining the balance confirmations form Sundry Creditors and the balances of Land and Advances. These are subject to adjustments / re-conciliations, if any, on receipt of confirmation.

2. As the Company's project has not yet commenced the commercial production, expenditure relatable to the project has been treated as pre-operative expenditure, to be capitalized on commencement of commercial production

3. As the project of the Company has not yet commenced the commercial production, furnishing of quantitative particulars of capacities, production, turnover etc is not applicable.

4. Previous year's figures has been regrouped and reclassified wherever necessary to confirm with the Current Year's classification.

**SIGNIFICANT ACCOUNTING POLICIES**

1. Fixed Assets are stated at cost of acquisition / construction less depreciation.

2. Depreciation is charged on straight line value method as per rates prescribed in Schedule XIV of the Companies Act, 1956.

3. Expenditure during the construction period is treated as pre-operative expenditure pending capitalization, which will be allocated to the fixed assets in commencement of commercial production.

4. Direct expenditure on capital assets is treated as Capital work-in-progress till erection / installation.

**AS PER OUR REPORT ON EVEN DATE**

For MACHIRAJU & ASSOCIATES

Chartered Accountants

Firm Regn NO. 010791S

Sd/-

M RAMESH

Partner

Membership No. 212876

Hyderabad, August 31, 2010

For and on behalf of the Board

For SAI WIRES INDIA LIMITED

Sd/-

Managing Director

Sd/-

Director

<b>CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010</b>		
<b>Particulars</b>	Amount (In Rs.)	
	As at March 31, 2010	As at March 31, 2009
<b>Net Income</b>	-62,592.00	-65,248.00
Depreciation and amortization	0.00	0
Adjustments to net income	0.00	0
Decrease (increase) in accounts receivables	0.00	0
Increase (decrease) in liabilities and provisions	62,592	65,248
Decrease (increase) in inventories	0.00	0
Increase (decrease) in other operating activities	0.00	0
<b>Net cash flows from operating activities</b>	<b>0</b>	<b>0</b>
<b>Investing activities, cash flows provided by or used in</b>		
Capital Expenditures	0.00	0
Investments	0.00	0
Other Cash flows from investing activities	0.00	0
<b>Net Cash flows from investing activities</b>	<b>0</b>	<b>0</b>
<b>Financing activities, cash flows provided by or used in</b>		
Dividends paid	0.00	0
Sale (repurchase) of stock	0.00	0
Increase (decrease) in debt	0.00	0
Other Cash flows from financing activities	0.00	0
<b>Net cash flows from financing activities</b>	<b>0</b>	<b>0</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>0</b>	<b>0</b>
<b>Cash and Cash Equivalents as at April 01, 2009</b>	<b>3,211.55</b>	<b>3,211.55</b>
<b>Cash and Cash Equivalents as at March 31, 2010</b>	<b>3,211.55</b>	<b>3,211.55</b>
<b>AS PER OUR REPORT ON EVEN DATE</b>	For and on behalf of the Board	
For MACHIRAJU & ASSOCIATES	For SAI WIRES INDIA LIMITED	
Chartered Accountants		
Firm Regn NO. 010791S		
Sd/-		
M RAMESH	Sd/-	Sd/-
Partner	Managing Director	Director
Membership No. 212876		
Hyderabad, August 31, 2010		

# Auditors' Certificate

To  
The Board of Directors  
SAI WIRES INDIA LIMITED  
Hyderabad

We have examined the attached cash flow statement of M/s. SAI WIRES INDIA LIMITED, for the year ended March 31, 2010. The statement has been prepared by the company in accordance with the requirements of Clause 32 of listing agreement with stock exchange and is based on and in agreement with the corresponding profit and loss Account and Balance Sheet of the Company covered by our report of August 31, 2010 to the Members of the Company.

For MACHIRAJU & ASSOCIATES  
Chartered Accountants  
Firm Regn No. 010791S

Sd/-  
M RAMESH  
Partner  
Membership No. 212876  
Hyderabad, August 31, 2010

# Balance Sheet Abstract and Company's General Business Profile

## 1. Registration Details

Registration No.	10550	State Code	01
Balance Sheet Date	31-03-2010		

## 2. Capital Raised during the year (amount in Rs. Thousands)

Public Issue	0.00	Rights Issue	0.00
Bonus Issue	0.00	Private Issue	0.00

## 3. Position of Mobilization and Deployment of Funds (amount in Rs. Thousands)

Total Liabilities	664.69	Total Assets	664.69
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### Sources of Funds

Paid Up Capital	664.69	Reserves & Surplus	0.00
Secured Loans	0.00	Unsecured Loans	0.00

### Application of Funds

Net Fixed Assets	0.00	Investments	0.00
Net Current Assets	-3.98	Misc Expenditure	668.67

## 4. Performance of Company (Amount in Rs. Thousands)

Turnover (Gross Revenue)	0.00	Total Expenditure	0.63
Profit Before Tax	-0.63	Profit After Tax	-0.63
Earnings Per Share	0.00	Dividend Rate %	0.00

## 5. Generic names of Three Principal products / services of the company (as per monetary terms)

Item code no. (ITC code)	72299012
Product Description	Bronze Coated wires



**SAI WIRES INDIA LIMITED**

6-3-570/1, 201, Diamond Block, Rockdale Compound, Somajiguda, Hyderabad - 500 082

**Attendance Slip**

I hereby record my presence at the 22nd Annual General Meeting of the Company being held on Wednesday, September 29, 2010 at 10.30 am at 6-3-570/1, 201, Diamond Block, Rockdale Compound, Somajiguda, Hyderabad - 500 082, Andhra Pradesh

Name of the Shareholder:

Name of Proxy:

Signature of Member / Proxy

Regd. Folio No. / Client ID:

Note: to be signed and handed over at the entrance of the Meeting venue.

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**SAI WIRES INDIA LIMITED**

6-3-570/1, 201, Diamond Block, Rockdale Compound, Somajiguda, Hyderabad - 500 082

**Proxy Form**

Sl. No. \_\_\_\_\_

Regd. Folio No. \_\_\_\_\_

No. of Shares held \_\_\_\_\_

I/We ..... of ..... in the district of ..... being a member (s) of the above named company hereby appoint ..... of ..... in the district of .....or failing him..... of ..... in the district of ..... as my/our proxy to vote for me/us on my/our behalf at the 22nd Annual General Meeting of the Company to be held on Wednesday, September 29, 2010 at 10.30 am or at any adjournment thereof.

Signed this ..... day of .....2010

Signature .....



Note: The proxy form duly complete should be deposited at the Registered Office of the Company not less than Forty Eight Hours before the time fixed for holding the meeting.