

# SOUTH ASIAN ENTERPRISES LIMITED

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 21<sup>st</sup> Annual General Meeting of the Members of **SOUTH ASIAN ENTERPRISES LTD.** will be held at the Registered Office of the Company at Mikky House, K-Block, Kidwai Nagar, Kanpur-208 011 on Saturday, the 18<sup>th</sup> day of September, 2010 at 1.30 p.m. to transact the following business: -

### ORDINARY BUSINESS:

- To receive, consider and adopt the audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2010, the Profit & Loss Account for the year ended on that date together with the Reports of the Auditors and Directors thereon.
- To appoint a Director in place of Dr. S. Ramesh, who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Shri P. K. Sharan, who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Shri R. K. Goswami, who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint the Auditors and to fix their remuneration and in this connection to consider and if thought fit, to pass following resolution, with or without modification(s), as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 224 and other applicable provisions of the Companies Act, 1956 M/s. Anil Pariek & Garg, Chartered Accountants (Firm Registration No. 01676C), the present Statutory Auditors of the Company be and are hereby re-appointed as Statutory 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 and that the Board of Directors of the Company be and are hereby authorized to fix their remuneration."

### SPECIAL BUSINESS:

#### 6. Appointment of Shri Priya Brat as Director.

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

**"RESOLVED THAT** Shri Priya Brat be and is hereby appointed as Director of the Company, liable to retire by rotation."

*By Order of the Board*  
For South Asian Enterprises Ltd.  
Pooja Gandhi  
Company Secretary

Place: New Delhi

Date: 26/07/2010

### NOTES : -

- A member entitled to attend and vote is also entitled to appoint a proxy to attend and vote instead of himself/herself. **The proxy need not be a member of the Company.** The appointment of proxy in order to be effective must be lodged at the Registered Office of the Company not less than 48 hours before the commencement of the 21<sup>st</sup> Annual General Meeting in the form, enclosed hereto, duly filled and authenticated. A proxy may not vote except on a poll.
- The submission of form of proxy by a member does not preclude such member from attending and voting at the meeting. The proxy in such event shall not be eligible to attend the meeting. Only bonafide members of the Company whose names appear on the Register of Members/ Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
- In case of joint holders attending the meeting, the vote of only such joint holder who is higher in the order of names will be counted and vote of other joint holders will be excluded. Corporate Members intending to send their authorized representative are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
- The Company has retained M/s RCMC Share Registry Pvt. Ltd., ("Registrar & Transfer Agent") at B-106, Sector-2, Noida, U.P. 201301 (Phone Nos. 0120 - 4015880, 4015886) w.e.f. 01/04/2003 for entire shareholder services. All correspondence, therefore, may be addressed to the said Registrar & Transfer Agent. However, for any further assistance in said matters, queries may be addressed to the Company Secretary at Corporate Office at 2<sup>nd</sup> floor, 13, Sant Nagar, East of Kailash, New Delhi-110065 Phone No. 46656666 (5 lines), Fax: 46656699. Dedicated Investor Services e-mail: [investordesk.sael@gmail.com](mailto:investordesk.sael@gmail.com).
- SEBI vide circular ref. no. MRD/DoP/Cir-05/2009 dated May 20, 2009 had clarified that providing the PAN information will be mandatory for transactions in securities in physical form as well. Amongst others, all transactions involving transfer/transmission/transposition of shares in physical form of listed companies, whether off market or not will require copy of PAN card of transferee(s) to be furnished to the Company/RTAs for transfer of shares. This is for information of all investors.
- The shares of the Company are being traded in Demat segment only, w.e.f. 24<sup>th</sup> July, 2000. The ISIN No. allotted to Company is **INE118B01010** for both the Depositories viz. The National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).
- Members, who are holding shares in identical order of names in more than one Folio, are requested to write to the "Registrar & Transfer Agent" of the Company or the Company at its Corporate Office, to enable the Company to consolidate their holding under one Folio. Members can avail the facility of nomination in respect of shares held by them in physical form in accordance with the provisions of Section 109A of the Companies Act, 1956. Members desiring to avail of this facility may send their nomination in prescribed form No. 2B, duly filled in, to the "Registrar & Transfer Agent" of the Company. Members are also requested to intimate change in address, if any, to the Company's "Registrar & Transfer Agent" or to the Company at its Corporate Office for shares held in physical mode. Members holding shares in Demat (Electronic) form are requested to notify any change in address, mandate/bank details/nominations to their Depository Participants.
- The Register of Members of the Company shall remain closed from **14<sup>th</sup> September, 2010 to 18<sup>th</sup> September, 2010** (both days inclusive).
- All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all days between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting, except on Saturdays, Sundays and other Holidays.
- Member/Proxies are requested to bring their copies of the Annual Report to the meeting. As

a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting.

- The unclaimed & unpaid dividend upto financial year 1994-95 had been transferred to General Revenue Account of Central government and can be claimed from Central Government, through Registrar of Companies, U. P. & Uttarakhnad. The unclaimed & unpaid dividend for the period from 1995-96 to 1997-98 was transferred in time, to the Investor Education and Protection Fund (IEPF) of Central Government in accordance with section 205A and 205C of the Companies Act, 1956. Since no dividend had been declared for the year 1998-99 and in subsequent years till date, hence no unclaimed & unpaid dividend remains to be transferred to IEPF.

- Information regarding Directors retiring by rotation and seeking re-appointment:

### (A)

S. No.	Name of the Director	Date of Birth	Date of Appointment	Qualifications and Experience in specific functional areas	Other Directorship	Membership in committees of other companies and designation as on 26/07/2010	Whether qualified u/s 274(1) (g) of the Companies Act 1956
1	Dr. S. Ramesh IAS (Retd.)	28/10/1936	23/03/1995	M.A., M.P.A. (Harvard), Phd.  He is former Secretary to the Govt. of U.P. having over 4 decades experience in administration, planning and Govt affairs.	a) VLS Finance Ltd.  b) Uttarakhnad Jal Viduyut Nigam Ltd. c) Uttarakhnad Power Corporation Ltd.	i) Audit Committee, Chairman ii) Remuneration Committee- Member  i) Audit Committee, Chairman ii) Audit Committee, Member	Yes
2	Shri P.K. Sharan, I.R.S (Retd.)	07/07/1930	29/06/1993	B.Com., M.A., LL.B. He is the former Commissioner of Income Tax. He is presently a practicing advocate specialized in Taxation and has over 4 decades experience in financial planning, taxation and government affairs.	a) VLS Securities Ltd.	NIL	Yes
3	Shri R.K. Goswami	18/04/1938	27/07/2005	MBA, Diploma in Business Management, Diploma Industrial Management, Diploma- Labour Laws. He is a retired banker with over 40 years of experience in Banking, Finance, administration and allied areas.	VLS Securities Ltd.	NIL	Yes

### (B) Shareholding of above stated Directors (As on 26-07-2010):

S.No.	Name of Directors	No. of Equity Shares held in the Company	Percentage of voting capital
1)	Shri. S. Ramesh	Nil	Nil
2)	Shri P.K. Sharan	Nil	Nil
3)	Shri R.K. Goswami	Nil	Nil

- Information regarding persons seeking appointment as Director of Company, liable to retire by rotation:

### (A)

S. No.	Name of the Director	Date of Birth	Date of Appointment	Qualifications and Experience in specific functional areas	List of Companies in which Directorship held as on 26/07/2010	Chairman/Member of the committees of other companies as on 26/07/2010	Whether qualified u/s 274(1) (g) of the Companies Act 1956
1	Shri Priya Brat	26/08/1935	23/01/2009	M. Sc. (Physics) CAIB Diploma in International Finance  He is former Deputy Managing Director of State Bank of India, with over 40 years experience in the field of Banking, Finance and Administration. The wide spectrum of experience of Shri Priya Brat encompasses managing industrial credit, forex management, project appraisal, loan syndication, merchant banking besides international operations and similar assignments.	a) Dhampur Sugar Mills Ltd.  b) Dhanuka Agritech Ltd.  c) Eicher Motors Ltd.	i. Shareholder/Investor Grievance Committee Member ii. Remuneration Committee- Member iii. Audit Committee - Member  i. Audit Committee - Chairman ii. Remuneration Committee- Chairman i. Audit Committee - Member ii. Shareholder/Investor Grievances Committee - Chairman iii. Compensation Committee- Member	Yes

### (B) Shareholding of above stated Directors (As on 26-07-2010):

S.No.	Name of Directors	No. of Equity Shares held in the Company	Percentage of voting capital
1)	Shri. Priya Brat	Nil	Nil

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT 1956.

### ITEM NO. 6:

Shri Priya Brat was appointed as Director by the Board on 23/01/2009 in the casual vacancy caused by sad demise of Shri A. R. Gangal. As per provision of section 262 of the Companies Act, 1956 and in terms of Article No. 86 of Articles of Association of the Company Shri Priya Brat will hold office upto the conclusion of this Annual General Meeting. He is former Deputy Managing Director of State Bank of India with over 40 years experience in the field of Banking, Finance and Administration. The wide spectrum of experience of Shri Priya Brat encompasses managing industrial credit, forex management, project appraisal, loan syndication, merchant banking besides international operations and similar assignments. A notice alongwith requisite deposit has been received from a member of the Company pursuant to Section 257 of the Companies Act, 1956 signifying intention to propose the resolution for appointment of Shri Priya Brat as Director of the Company at the forthcoming Annual General Meeting. Your Directors recommend appointment of Shri Priya Brat as Director of Company. Shri Priya Brat does not hold any shares of the Company.

None of the Directors except Shri Priya Brat is concerned or interested in the resolution.

*By Order of the Board*  
For South Asian Enterprises Ltd.

Place: New Delhi  
Date: 26/07/2010

Pooja Gandhi  
Company Secretary

# SOUTH ASIAN ENTERPRISES LIMITED

## DIRECTORS' REPORT TO THE MEMBERS

Your Directors present the Twenty First Annual Report of your Company with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2010.

### 1. Financial Results (Rs. in Lacs)

	For the year ended 31st March, 2010	For the year ended 31st March, 2009
Total Income	135.94	162.85
Less : Total Expenditure	119.08	125.09
Less : Interest	0.36	0.00
Gross Profit/(loss)	16.50	37.76
Less : Depreciation	15.68	32.92
Less : Provision for taxation (Net)	0.74	(5.71)
Other provisions	0.00	(8.15)
Net Profit after tax	0.08	18.70
Paid up Equity Share Capital (excluding calls in arrears)	399.90	399.90
Reserves, excluding revaluation reserve	804.49	804.41
Earnings per share (Rs.)	0.002	0.47

### 2. Management Discussion and Analysis

#### Financial Review

Your Company recorded a total income of Rs.135.94 lacs during the year under review compared to previous year's figure of Rs. 162.85 lacs. The Company has posted a nominal net profit of Rs. 0.08 lacs as against the profit of Rs. 18.70 lacs in the previous year. The reason for nominal profit is a one time expenditure of Rs 10.69 lacs incurred by the Company during the year under review. The marketing of earthing products and execution of contracts for earthing and lightning protection systems have made a significant contribution in the total revenue of the Company. The Company has made good progress in this segment and incoming years will witness better results as well.

The revenue from amusement parks continued to get the hit apparently due to rising inflation. Although the Indian economy has started looking up, per capita spending on entertainment in the region where amusement parks are located continues to be on lower side. The perception of common man on spending towards entertainment and available disposable income in his hands remains the key factor for revenue generation in amusement industry.

#### Industry Structure and Development

During the year under review, though there was uptrend in Indian economy the growth has been rather slow in amusement industry at large. In spite of the growing interest of masses towards Malls and multiplexes the subdued spending outlay on amusement by common man indicates cautionary attitude for this activity. In spite of such odds outlook for the sector is encouraging with investments being made in the form of theme parks, water parks, family entertainment centers, multiplexes, interactive arcades, food bazaar and sports zones. Your Company intends to make the best out of opportunities available vis-à-vis the means at its disposal and the available options are being explored.

#### Outlook, risks and concerns

Due to rise in per capita income, the spending on amusement in India has risen as compared to last decade. To retain the attraction of amusement park and increase the footfalls, both disposable income per person and constant innovation whether by inducting new rides or promotional programs etc. are equally important. The increased cost due to need for continuous innovation, maintenance expenditure and the stiff competition from other sources of entertainment have put profit margins of the industry under pressure. Further, imposition of 30% entertainment tax on amusement parks by the government of Uttar Pradesh had obligated the Company to increase entry fee accordingly which has adversely impacted the foot falls. Your Company already operates on thin margins as it needs to constantly upgrade itself by introduction of new features and rides. But the high cost of rides and low revenue inflow from parks pose additional challenge in this regard. Further, due to relatively low per capita income in the regions where your company operate amusement parks, entry costs have to be kept low to keep the parks within the reach of masses that has further stressed the cash flows. Your Company is monitoring the situation closely and is exploring other viable sources of earning. The electrical engineering segment viz. Earthing and lightning protection systems business has responded well as the Company has executed orders to the customers' satisfaction including for some government departments. The power plants, electronics and other hi-tech centers where earthing is significantly important are target customers of Company apart from high rise buildings, hotels and residential units. The management is going full thrust to explore all possible areas in order to establish strong foothold in this arena.

#### Opportunities and threats

The Company is exposed to normal industry risks attributable to respective segments. In order to meet the challenge of sustaining itself in spite of thinning of margins in amusement segment, the strategy is to focus on increasing the volume of visitors, exploring avenues for diversification and accordingly measures are being initiated/ implemented. In electrical engineering segment, the Company uses the latest technology for earthing and lightning protection installations which are proven to give better results as compared to traditional techniques. However, due to relatively higher cost and lack of awareness about said technology in target clients, there is tough competition. To meet the challenge, the Company aims not only to educate or spread awareness about its product but also secure credentials from its clients about its performance.

#### Adequacy of Internal Control Systems

The Company has in place a proper and adequate system of internal control to monitor proper recording of transactions authorized according to policies and procedures laid down by the Company. The Company ensures that all regulatory guidelines are being complied with at all levels.

The Audit Committee reviews the internal control mechanisms periodically.

#### Segment wise Performance

The Company's venture of dealing in earthing materials and lightning protection systems in

the electrical engineering segment has been categorised under the head "Trading" for the purpose of segment reporting in the Annual Accounts for the year under review. Similarly, other income has been categorised under the head "Others". Segment wise, the entertainment sector generated a revenue of Rs. 39.50 Lacs and the Trading segment's revenue amounted to Rs. 87.28 lacs during the year under review. The other income accounted for Rs. 9.15 lacs. The segment of entertainment incurred a loss of Rs. 35.24 lacs. However, the profit from trading segment of Rs. 27.27 lacs coupled with other segment's profit of Rs. 9.15 lacs culminated into profit before tax of Rs. 0.82 lacs after adjusting for unallocables. Keeping in view the encouraging results from Trading segment, in the current year, your Board is hopeful of better performance.

#### Human Resource

The relationship with employees continued to be cordial during the year. The Directors place on record their sincere appreciation to the employees at all levels. In terms of the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, there was no employee during the year drawing remuneration more than the stipulated amount in the said rules. The Company has a team of able and experienced industry professionals. The number of employees on the Company's rolls stood at 37.

#### Cautionary Statement

Statement in the "Management Discussion and Analysis" describing the Company's projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that would make a difference to the Company's operations include changes in government regulations, tax regimes, economic developments within the country and abroad and such other factors.

### 3. Dividend

Due to inadequate profit, no dividend is recommended.

### 4. Directors

Shri Priya Brat was appointed as Director by the Board on 23/01/2009 in the casual vacancy caused by the sad demise of Shri A. R. Gangal. As per provision of section 262 of the Companies Act, 1956 Shri Priya Brat will hold office upto the date Shri A. R. Gangal would have held it. Accordingly the tenure of Shri Priya Brat will end on conclusion of ensuing Annual General Meeting. The Company has received a notice u/s. 257 of the Companies Act, 1956 from a member alongwith requisite deposit for proposing the resolution for appointment of Shri Priya Brat as Director of the Company, liable to retire by rotation at the ensuing Annual General Meeting of the Company. The Board recommends appointments of Shri Priya Brat as Director to have his valuable guidance and assistance in conducting the affairs of the Company.

Shri P.K. Sharan, Dr. S. Ramesh and Shri R. K. Goswami - Directors, will retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment. To enable the Company to obtain their continued valuable direction, guidance and assistance in the conduct of the affairs of your Company, the Board recommends their reappointment.

### 5. Directors' Responsibility Statement

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility statement, the Directors hereby state:

- that in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that they have selected such accounting policies and applied them consistently and made judgments 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 profit of the Company for that period;
- that they have taken proper and sufficient care for the maintenance of proper accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- that they have prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2010 on a going concern basis.

### 6. Corporate Governance and Compliance Certificate

As the equity shares of the Company are listed with BSE, in terms of clause 49 of the listing agreement with Stock Exchange, compliance report along with the Auditors' Certificate is provided in the Corporate Governance section of this Report as **Annexure -1**. In line with the requirements of clause 49 of listing agreement, the management discussion and analysis is also provided in this Report.

### 7. Auditors

The tenure of the Statutory Auditors, M/s. Anil Pariek & Garg, Chartered Accountants, will end at the forthcoming Annual General Meeting scheduled to be held on 18<sup>th</sup> September, 2010. The Company has received a Certificate from the Auditors that they are qualified under Section 224 (1B) of the Companies Act, 1956 to act as the Auditors of the Company, if appointed.

The Audit Committee in its meeting held on 27<sup>th</sup> May, 2010 had recommended the re-appointment of M/s. Anil Pariek & Garg, Chartered Accountants, as Statutory Auditors for the next term. The Board, concurring with the Audit Committee's recommendation, recommends their reappointment as the Statutory Auditors of the Company. The Board may also be authorised to fix their remuneration.

### 8. Auditors' Report

The observations made by the Auditors in their report have been adequately dealt with in the relevant Notes on Accounts and need no further comments from the Directors.

### 9. Listing

The shares of the Company are listed only at the Bombay Stock Exchange, Mumbai. The Company has paid the Annual Listing fees for the financial year 2010-2011 to the said Exchange.

### 10. Statutory Information

The information as required under the Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 with respect to Conservation of Energy and Technology Absorption is

# SOUTH ASIAN ENTERPRISES LIMITED

enclosed as **Annexure-2** and forms part of this report.

## 11. Fixed Deposits

The Company has not accepted any fixed deposit, during the year under review. Also, the Company has no plans to accept any deposits in future.

## 12. Subsidiary Company

There being no subsidiary of the Company, no statement pursuant to Section 212 (1)(e) read with sub-section (3) of the said section of the Companies Act, 1956 for the Financial year 2009-2010 is required to be enclosed.

## 13. Consolidated Financial Statements

As stated above, there is no subsidiary of the Company, so there is no need of Consolidation of accounts.

## 14. Group

Group for inter se transfer of shares under Clause 3 (e) of Securities & Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 1997:

- |   |                                       |
|---|---------------------------------------|
| a. Shri M. P. Mehrotra                    | b. Dr. (Mrs.) Sushma Mehrotra         |
| c. Shri Somesh Mehrotra                   | d. Ms. Divya Mehrotra                 |
| e. Mrs. Sadhana Mehrotra                  | f. Ms. Daya Mehrotra                  |
| g. Shri Ramji Mehrotra                    | h. Mrs. Sushma Mehrotra               |
| i. VLS Capital Ltd.                       | j. Gaurav Overseas Exports Pvt. Ltd.  |
| k. Needle Eye Plastic Industries Pvt. Ltd | l. Pragati Moulders Ltd.              |
| m. M. P. Mehrotra (HUF)                   | n. VLS Finance Ltd.                   |
| o. VLS Securities Ltd.                    | p. VLS Investments Ltd.               |
| q. VLS Asset Management Ltd.              | r. VLS Investments INC. Delaware USA. |

## 15. Acknowledgement

Your Directors wish to express their sincere appreciation and gratitude to the Company's bankers, Kanpur Nagar Mahapalika, Ayodhya Faizabad Vikas Pradhikaran, Lucknow Vikas Pradhikaran and all associates of the Company including the clients of trading business for their valuable cooperation and continued support. They are also thankful to you for the trust you have reposed in the Board.

*For and on behalf of the Board of Directors*

Date: 26/07/2010  
Place: New Delhi

Dr. B.Venkataraman  
Chairman

## Annexure-1

### REPORT ON CORPORATE GOVERNANCE

#### CORPORATE PHILOSOPHY

The philosophy of the Company is to enhance the long-term economic value of the Company, its stakeholders and the society at large by adopting better corporate practices in a fair and transparent manner and align the Company's interests with that of its shareholders and other key stakeholders. Your Company respects the right of shareholders to the information on performance of the Company and endeavors to provide detailed information on various issues concerning its business and financial performance. Your Company has been practicing the principles of good Corporate Governance over the years and strives to reward its shareholders to the maximum.

#### 1. BOARD OF DIRECTORS

- a) The present strength of the Board is 12 Directors, comprising 1 (One) Promoter Director, 8 (Eight) Independent Directors and 3 (Three) Non-Independent Directors headed by a Non-Executive Chairman who is an independent Director. All the Directors except the Managing Director are Non-Executive. With two third of the Board members being independent Directors, the present constitution of Board adequately complies with requirement of Clause-49 of Listing agreement, which stipulates that at least one third of the Board Members should be independent if the Chairman is Non-Executive director.

S. No.	Name of the Director	Whether Promoter, Executive or Non-Executive/Independent	No. of Board Meetings attended during 2009-2010	Whether attended AGM held on 02/09/2009	No. of Directorships in other Public Limited Companies	No. of Committee Position held in other Public Limited Company \$	
						Chairman	Member
1.	Dr. B. Venkataraman Chairman	Non-Executive, Independent	2	NO	2	1	2
2.	Shri T.B. Gupta Vice-Chairman & Managing Director	Executive, Non-Independent	4	NO	3	-	1
3.	Shri S.V.S. Juneja	Non-Executive, Independent	4	NO	-	-	-
4.	Shri P.K. Sharan	Non-Executive, Independent	4	NO	1	-	-
5.	Dr. S. Ramesh	Non-Executive, Independent	4	NO	3	2	1
6.	Shri Priya Brat	Non-Executive, Independent	4	N.A.	3	2	3
7.	Shri R. K. Goswami	Non-Executive, Independent	4	NO	1	-	-
8.	Shri K. K. Soni	Non-Executive, Non-Independent	3	NO	4	-	1
9.	Shri S. C. Agarwal	Non-Executive, Non-Independent	1	YES	2	-	1
10.	Shri Gian Vijeshwar	Non-Executive, Independent	0	NO	6	1	2
11.	Shri Rakesh Babbar	Non-Executive, Independent	0	NO	5	0	3
12.	Shri M. P. Mehrotra	Non-Executive, Promoter	3	NO	14	3	2

\$ Memberships of only Audit Committee and Shareholders/Investor Grievance Committee have been considered. None of the directors is member of more than 10 Board-level committees, or a Chairman of more than five such committees, as required under Clause 49 of the listing agreement.

- b) During the year ended on 31/03/2010, 4 (Four) Board Meetings were held with at least one meeting in every quarter i.e., on 29/05/2009, 16/07/2009, 27/10/2009 and 29/01/2010.

- c) The information regarding pecuniary transaction or relationship with the executive Directors has been disclosed in Annual Accounts for the year under review in 'Clause 2 (ii)' under the head 'Related Party Disclosure' stated in Notes to Accounts (Schedule 12)."

- d) Information supplied to the Board:

The Board has unfettered and complete access to all information within the Company, and to any employee of the Company. The Board of Directors oversees the business conduct and continuously examines its governance practices to protect investor trust and enhance Board's effectiveness. Further, Agenda for Board meetings is circulated well in advance to all the directors and every Board member is free to suggest items for inclusion in the Agenda.

All relevant information including those envisaged in Clause 49 of Listing Agreement was regularly provided to the Board and Committees thereof. The requisite CEO and CFO certification was placed before the Board alongwith the quarterly and the annual accounts for the year under review as required under Clause 41 and Clause 49 respectively of Listing Agreement. The day-to-day affairs of the Company are managed by Shri T.B. Gupta- Vice-Chairman & Managing Director.

- e) Statement of Directors' Remuneration paid during the year ended on 31/03/2010 :

Name of the Directors	Salary (in Rs.)	Perquisites (in Rs.)	Sitting fee (in Rs.)	Commissions (in Rs.)	Total (in Rs.)
Dr.B. Venkataraman	N.A.	N.A.	8,000	N.A.	8,000
Shri S. V. S. Juneja	N.A.	N.A.	16,000	N.A.	16,000
Shri P. K. Sharan	N.A.	N.A.	24,000	N.A.	24,000
Shri T. B. Gupta	2,40,000	NIL	NIL	N.A.	2,40,000
Dr. S. Ramesh	N.A.	N.A.	24,000	N.A.	24,000
Shri Priya Brat	N.A.	N.A.	16,000	N.A.	16,000
Shri R. K. Goswami	N.A.	N.A.	24,000	N.A.	24,000
Shri K. K. Soni	N.A.	N.A.	NIL	N.A.	NIL
Shri S. C. Agarwal	N.A.	N.A.	NIL	N.A.	NIL
Shri Gian Vijeshwar	N.A.	N.A.	NIL	N.A.	NIL
Shri Rakesh Babbar	N.A.	N.A.	NIL	N.A.	NIL
Shri M. P. Mehrotra	N.A.	N.A.	12,000	N.A.	12,000

#### Notes:

- Currently, the Company does not have any stock option scheme.
- No other remuneration, except sitting fee is paid to Non-Executive Directors.
- Dr. B. Venkataraman (together with spouse) and Shri M. P. Mehrotra held 600 and 6510 equity shares of the Company respectively as on 31.3.2010. No other Director held any shares of the Company on that date.
- The service contract in case of Executive Director is 2 years and 8 months, expiring on 29/09/2011 with notice period of one month. All the Non-Executive Directors are liable to retire by rotation.

#### f) Code of Conduct

The Code of Conduct is applicable on all Directors and Senior Management personnel of the Company with certain provision like insider trading restriction are applicable to all employees of Company. The declaration from Managing Director of compliance with the code of conduct by all Board members is appended to and forms part of this report.

#### Declaration under Clause 49 I (D) for compliance with the Code of Conduct

As provided under Clause 49 of Listing Agreement with the Stock Exchanges, the Board of Directors and the senior management personnel have confirmed compliance with the code of conduct for the period under review, which ended on 31/03/2010.

Date : 26/07/2010  
Place : New Delhi

T. B. Gupta  
Vice-Chairman and Managing Director

#### g) Disclosures regarding appointment or re-appointment of Directors

Shri P.K. Sharan, Dr. S. Ramesh and Shri R. K. Goswami - Directors will retire by rotation at the forthcoming Annual General Meeting and being eligible have offered themselves for reappointment. The profile of directors proposed to be reappointed at ensuing Annual General Meeting is given in the notes forming part of notice of forthcoming Annual General Meeting.

The term of Shri Priya Brat who was appointed in casual vacancy caused by death of Shri A.R Gangal will end at the conclusion of forthcoming Annual General Meeting and he is proposed to be appointed as Director of the Company, liable to retire by rotation. The relevant information about Shri Priya Brat is given in notes and explanatory statement forming part of notice of forthcoming Annual General Meeting.

#### 2. AUDIT COMMITTEE

##### a) Composition

There was no change in constitution of Audit Committee during the year under review. The Audit Committee has Shri P. K. Sharan as Chairman of the Committee with Shri R. K. Goswami, Shri K. K. Soni and Dr. S. Ramesh as the members of the Committee. Shri P.K. Sharan, IRS (Retd.), is a tax expert, Shri K. K. Soni is qualified Chartered Accountant & Company Secretary and Shri R. K. Goswami is retired banker. They possess rich financial management expertise as envisaged in Clause 49 of listing agreement. Dr. S. Ramesh is a retired IAS officer and has adequate knowledge of financial matters.

##### b) Terms of reference

The role, terms of reference, authority and powers of the Audit Committee are in conformity with Clause 49 of the listing agreement read with Section 292A of the Companies Act 1956. The Company Secretary is the Secretary of the Committee. The Statutory Auditor is regularly invited for meetings of Audit Committee. The Internal Auditor, the Chief Executive i.e. the Managing Director and the functional head of Finance department are also invited to its meetings, whenever required. The Board had accepted all the recommendations made by Audit Committee for appropriate implementation during the year under review. The minutes of Audit committee meetings are regularly placed before the Board.



# SOUTH ASIAN ENTERPRISES LIMITED

## c) Meetings and attendance

During the year ended on 31/03/2010, 4 (Four) Audit Committee Meetings were held on 29/05/2009, 16/07/2009, 27/10/2009 and 29/01/2010. The summary of attendance of members is as under:

Name	Shri R.K. Goswami	Shri P.K. Sharan	Dr. S. Ramesh	Shri K.K. Soni
No of Meetings attended	4	4	4	2

## 3. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

### a) Composition and terms of reference

The Shareholders/Investors Grievance Committee consists of Shri P.K. Sharan, Chairman of the Committee with Shri S.V.S. Juneja and Shri T.B. Gupta as members.

The Committee is vested with the requisite powers and authority in accordance with the requirements of Listing Agreement and apart from approval of share transfer and related aspects, it specifically looks into the redressal of the shareholders and investors' grievances. Ms. Pooja Gandhi - Company Secretary is designated as the Compliance Officer for this purpose and is secretary of committee.

As a step towards providing better services to its shareholders, individual members exercising the authority delegated by the Committee, regularly approve demat requests during the intervening period between two Committee meetings. Thus, the time gap between the demat approvals on an average is less than 15 days. The summary of demat request approved by the members is regularly placed before the Committee. The minutes of Committee meetings are regularly placed before the Board.

### b) Meetings and attendance

During the year ended on 31/03/2010, 8 (Eight), meetings of Shareholders/ Investors Grievance Committee were held i.e. on 24/04/2009, 02/09/2009, 25/09/2009, 27/10/2009, 28/11/2009, 26/12/2009, 29/01/2010 and 25/03/2010. Details of attendance of Members are as under:

Name	Shri P.K. Sharan	Shri S. V. S. Juneja	Shri T. B. Gupta
No of Meetings attended	8	8	7

### c) Shareholder's Complaints

The Company received Five complaints during the financial year ended 31<sup>st</sup> March, 2010 that were promptly resolved.

All other communications received through SEBI, Stock Exchange or members during the year, were duly replied and none remained outstanding at the end of the year under report.

Nature of Complaints**	Received	Redressed
Non-receipt of Dividend	0	0
Non-receipt of shares after transfer/transmission	4	4
Non-receipt of Annual Report	0	0
Non-receipt of Name change sticker	0	0
Non-receipt of share certificate after rejection of Demat request	1	1
Processing of Demat request	0	0
<b>Total</b>	<b>5</b>	<b>5</b>

\*\* For the purpose of reporting here, the complaint received from multiple sources e.g. from SEBI, Stock Exchange etc. are treated as single complaint but a complaint, if sent again by SEBI/ Stock Exchange the same is treated as fresh complaint.

General correspondence e.g. change of address, enquiry on dividend for the year, ISIN No. of the Company etc. have been excluded from above.

## 4. GENERAL BODY MEETINGS

### a) Details of the last three Annual General Meetings are given below.

Financial year ended	Date	Time	Venue
March 31, 2009	September 2, 2009	1.30 p.m.	Mikky House, K-Block Kidwai Nagar, Kanpur (U.P.)
March 31, 2008	September 12, 2008	1.30 p.m.	Mikky House, K-Block Kidwai Nagar, Kanpur (U.P.)
March 31, 2007	September 24, 2007	1.30 p.m.	Mikky House, K-Block Kidwai Nagar, Kanpur (U.P.)

### b) Special Resolution passed in previous 3 Annual General Meetings (AGM)

There were no matters required to be dealt/passed by the Company by special resolution or through postal ballot during the financial years 2007-2008 and 2008-2009. In the year 2006-2007, special resolution was passed in terms of section 149(2A) of the Companies Act, 1956 for commencement of business stated in clause no. 4, 5 and 6 of the other objects in the objects clause of Memorandum of Association of Company.

### c) Postal Ballots:

No item was transacted through the process of postal Ballot during the year under review and no item is proposed to be passed through postal ballot in the ensuing Annual General Meeting.

## 5. DISCLOSURES

### a) Related party transactions

There were no transactions with promoters, Directors and related persons, which were materially significant, having conflict with the interest of Company at large, during the financial year under review. However, in compliance of AS-18, necessary disclosure of related party transaction has been made in Audited Financial Accounts for the year under review under the head "Notes on Accounts".

## b) Statutory compliance, penalties, strictures and Legal proceedings

The Company has complied with all the requirements of Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets and no penalties or strictures have been imposed on the Company during the last three years.

None of the pending cases in which Company is a party are material in nature, hence not reported here.

## c) Whistle blower policy

The company does not have a whistle blower policy at present, but no employee is denied access to the Audit Committee. The existing working setup also provides unfettered approach to management by the employees in reporting any matter envisaged to be covered in the whistle blower policy.

## d) Compliance of Non Mandatory requirements

i. The Company does not maintain separate office for the Non- Executive Chairman. However, he may claim reimbursement of expenses incurred for performance of duties as Chairman. No expenses on this account have been claimed during the year under review.

### ii. Remuneration Committee:

The Remuneration Committee was constituted primarily to formulate the remuneration package for managerial personnel including Executive Director for approval of the Board. However, it also discharges such assignments as may be given by the Board from time to time. The Remuneration Committee as on 01/04/2010 had Shri S.V.S. Juneja, Shri P.K. Sharan, Shri R. K. Goswami and Shri S. C. Agarwal with Shri S. V. S. Juneja as Chairman of the Committee. The Company Secretary is secretary designated for the Committee. The constitution of committee conforms to requirement of Clause 49 of listing agreement. No meeting of Remuneration Committee was held the year 2009-2010.

iii. The periodic results were not sent to every shareholder. However, they have been published in newspapers as prescribed in the listing agreement and were posted on website [www.sebidifir.nic.in](http://www.sebidifir.nic.in) in terms of Clause 51 of the Listing Agreement. The operation of the said website has been discontinued by SEBI w.e.f. 01/04/2010 and Clause 51 of the Listing Agreement has been deleted vide SEBI's circular no. CIR/CFD/DCR/3/2010 dated 19/04/2010. The periodic reporting is now being done on [www.corpfilings.co.in](http://www.corpfilings.co.in) in terms of clause 52 of the Listing Agreement.

iv. The Board has so far not adopted Peer group evaluation of Directors and restricting the tenure of Independent Directors to nine years in aggregate. Your Directors being seasoned and highly experienced personalities in their field, keep themselves abreast of latest developments in their area of expertise and in the area of technology, management etc. However, the Directors are also kept abreast of requisite information about business activities of the Company and risks involved therein to enable the Directors to discharge their responsibilities in best possible manner.

v. There was no qualification in the Auditor's Report on the Annual Accounts of the Company for the year under review.

## 6. COMMUNICATION TO SHAREHOLDERS

a) The Company publishes un-audited quarterly results in prescribed format and other information in The Pioneer (in English) and Swatantra Bharat (vernacular language).

b) The Management discussion and analysis forms part of Annual Report for year under review. The Company, however, assumes no responsibility in respect of forward looking statements, which may be amended or modified in future on the basis of subsequent developments or events.

c) The hoisting of Company's website namely [www.sael.co.in](http://www.sael.co.in) is in trial stage. The requesting information under listing agreement will be posted on the website in due course. However, the quarterly/ Annual results of Company and other information as prescribed were posted regularly at [www.sebidifir.nic.in](http://www.sebidifir.nic.in), which has been discontinued by SEBI w.e.f. 01/04/2010. The periodic reporting is now being done on [www.corpfilings.co.in](http://www.corpfilings.co.in). Further, disclosures pursuant to the listing agreement are promptly communicated to the Stock Exchanges. The documents filed by the Company with Registrar of Companies can be inspected at MCA's website namely [www.mca.gov.in](http://www.mca.gov.in) and the Company identification number (CIN) of Company is [L91990UP1990PLC011753](http://L91990UP1990PLC011753).

d) The Company has dedicated an e-mail ID exclusively for redressal of Investor Complaints in compliance of Clause 47 (f) of listing agreement namely [investordesk.sael@gmail.com](mailto:investordesk.sael@gmail.com).

## 7. SHAREHOLDERS INFORMATION

### a) Annual General Meeting:

- **Date and Time** : Saturday, 18<sup>th</sup> September, 2010 at 1.30 p.m.
- **Venue** : Mikky House, K- Block, Kidwai Nagar, Kanpur-208011 (U.P.)
- **Financial Year** : April to March
- **Date of Book Closure** : From 14/09/2010 to 18/09/2010 (both days inclusive)
- **Buy back of shares** : There was no proposal for buy back of shares by the Company, during the year under review.
- **Dividend Payment Date** : Not applicable as no dividend has been recommended by the Board.

### b) Listing at Stock Exchanges:

The Company's equity shares are listed at The Bombay Stock Exchange Ltd., Mumbai, (Stock Code-526477). Listing fees has been paid up to the financial year 2010-11.

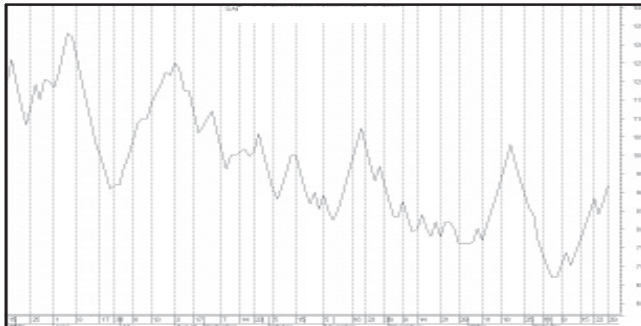
# SOUTH ASIAN ENTERPRISES LIMITED

**c) Stock Market data related to shares listed in India: (Source: Metastock)**

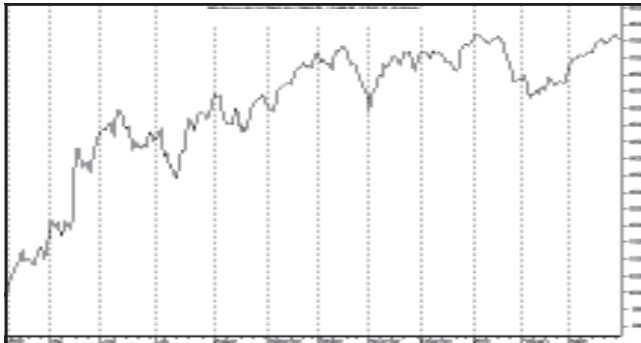
Monthly highs, lows and trading volume for Financial Year 2009-2010.

The Bombay Stock Exchange Ltd.			
MONTH	High Rs.	Low Rs.	Volume No. of shares
Apr-09	12.59	11.37	226
May-09	12.51	10.82	1838
Jun-09	13.40	8.65	28062
Jul-09	12.35	9.20	622
Aug-09	12.50	10.61	7385
Sep-09	11.20	9.15	3916
Oct-09	10.49	8.27	7739
Nov-09	10.80	7.86	10933
Dec-09	8.76	7.44	15073
Jan-10	10.73	7.27	13336
Feb-10	8.40	7.00	2164
Mar-10	9.18	6.39	3440
		<b>TOTAL</b>	<b>94734</b>

Company's Share Price at BSE-Graphical



BSE Sensex



**d) Registrar and Transfer Agents & Investors correspondence:**

The Company has retained M/s. RCMC Share Registry Pvt. Ltd., as its Registrar & Transfer Agents w.e.f. 01/04/2003 for entire shareholder services viz., processing request for transfer, other shareholder services, dematerialisation of holding, providing connectivity services with depositories in compliance with SEBI's circular No.D&CC/F/TTC/CIR-15/2002 dated 27/12/2002.

For any query relating to transfer/transmission of shares, dematerialisation, change of address etc., please write to M/s. RCMC Share Registry Pvt. Ltd., (the "Registrar") at B-106, Sector -2, Noida U.P. 201301 (Phone Nos. 0120 - 4015880, 4015886).

For any further assistance in said matters, queries may also be addressed to the Company Secretary at the Corporate office of the Company at : 2<sup>nd</sup> Floor, 13, Sant Nagar, East of Kailash, New Delhi-110065 Phone : 46656666 (5 lines), Fax: 46656699.

**e) Distribution of shareholding as on March 31, 2010.**

Slab of share holdings (No. of shares).	No. of share holders	%age	Nominal value of shares held (Rs.)	%age
1-500	5832	96.32	7565260.00	18.9132
501-1000	121	2.00	940900.00	2.3523
1001-2000	48	0.79	699700.00	1.7493
2001-3000	9	0.15	231140.00	0.5779
3001-4000	9	0.15	329480.00	0.8237
4001-5000	5	0.08	243160.00	0.6079
5001-10000	17	0.28	1092110.00	2.7303
10001 and above	14	0.23	28898250.00	72.2456
<b>Total</b>	<b>6055</b>	<b>100.00</b>	<b>40000000.00</b>	<b>100.0000</b>

**According to categories of shareholders as on March 31, 2010**

Serial No.	Categories	No. of Shares	Amount In Rs.	Percentage of shareholding
1	Promoters, Directors and Relatives	2440919	24409190.00	61.023
2	Financial Institutions and Banks	200	2000.00	0.005
3	Mutual Fund	0	0.00	0.000
4	FIs	0	0.00	0.000
5	Corporate Bodies	334379	3411770.00	8.359
6	Indian Public	1221872	12154180.00	30.547
7	Clearing Member	2630	22860.00	0.066
	<b>Grand Total</b>	<b>4000000</b>	<b>40000000.00</b>	<b>100.000</b>

**f) Dematerialisation of Shares and liquidity:**

80.32 % of the total holdings of equity shares have been dematerialized up to 31.03.2010. Trading in Company's shares is permitted only in demat form w.e.f. 24-07-2000.

**g) There were no ADRs/GDRs/ Warrants or other convertible instruments outstanding as on 31/03/2010.**

**h) The Amusement Parks of the Company are located as under:**

1. Mikky House, K-Block, Kidwai Nagar, Kanpur-208011 U.P.
2. Gautam Buddha Park, Lucknow -226003, U.P.
3. Naya Ghat, Ayodhya- 224123, U.P.

**i) Financial Calendar (Tentative)**

Quarter ending June 30, 2010	End of July, 2010
Quarter ending September 30, 2010	Mid of November, 2010
Quarter ending December 31, 2010	Mid of February, 2011
Year ending March 31, 2011 #	End of May, 2011
Annual General Meeting for the year ended March 31, 2010	18th September, 2010

# For the quarter ending 31/03/2011 un-audited results may not be published and only audited results will be published, unless decided otherwise.

**j) Subsidiary Company**

As already informed in the Annual Report of the Company for the year 2005-2006 the only subsidiary which company had namely South Asian Securities Ltd. is in the process of being struck off from the records of Registrar of Companies, U.P. & Uttarakhnad upon the said subsidiary's application for dissolution under 'Simplified Exit Scheme - 2005' of Ministry of Company Affairs, Government of India.

**Certificate on Corporate Governance**

As required by Clause 49 of the Listing Agreement, the requisite certificate is annexed hereto.

**Annexure-2**

**Annexure to Directors' Report**

Information as per Section 217(1)(e) read with Companies (Disclosure of Particulars in report of Board of Directors) Rules, 1988 and forming part of Directors' Report for the year ended 31<sup>st</sup> March, 2010.

**CONSERVATION OF ENERGY**

- |  |   |     |
|--|---|-----|
| a) Energy conservation measure taken                                     | : | Nil |
| b) Proposals under implementation for reduction in consumption of energy | : | Nil |

**TECHNOLOGY ABSORPTION**

- |   |   |     |
|---|---|-----|
| a) Research and development                       | : | Nil |
| b) Technology absorption, adoption and innovation | : | Nil |

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

- |                            |   |     |
|----------------------------|---|-----|
| a) Foreign Exchange Earned | : | Nil |
| b) Foreign Exchange Used   | : | Nil |

*For and on behalf of the Board of Directors*

Date: 26/07/2010

Dr. B.Venkataraman

Place: New Delhi

Chairman

**CERTIFICATE**

To THE MEMBERS OF

**SOUTH ASIAN ENTERPRISES LIMITED**

We have examined the compliance of conditions of Corporate Governance by **SOUTH ASIAN ENTERPRISES LIMITED**, for the year ended on March 31, 2010, as stipulated in clause 49 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 to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned 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 ANIL PARIEK & GARG  
CHARTERED ACCOUNTANTS  
(Firm Regn. No. 01676C)

H.K.PARIEK  
PARTNER  
M. No. 70250

PLACE : KANPUR

DATE : 26 JULY 2010

# SOUTH ASIAN ENTERPRISES LIMITED

## AUDITORS' REPORT

To,  
The Members  
**SOUTH ASIAN ENTERPRISES LIMITED**  
**KANPUR**

We have audited the attached Balance Sheet of SOUTH ASIAN ENTERPRISES LIMITED as at 31st MARCH, 2010 and also the Profit and Loss Account and cashflow statement of the Company for the year ended on that date 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. 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.

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's report)(Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclosed in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order, to the extent applicable to the company.
2. Further to our comments in the annexure referred to in paragraph 1 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 and Loss Account and cash flow statement dealt with by this report are in agreement with the books of accounts;
  - (d) In our opinion, the Balance Sheet, Profit & Loss Account and cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - (e) On the basis of written representations received from the directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 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 significant accounting policies and other notes appearing 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 the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2010;
    - (ii) In the case of the Profit and Loss account of the profit of the Company for the year ended on that date, and
    - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**FOR ANIL PARIK AND GARG**  
**CHARTERED ACCOUNTANTS**  
**(F.R.No. 01676C)**

**PLACE : NEW DELHI**  
**DATE : 27.05.2010**

**(H.K. PARIK)**  
**PARTNER**  
**M.No. 70250**

### ANNEXURE TO THE AUDITORS' REPORT

#### REFERRED TO IN PARAGRAPH (1) OF OUR REPORT OF EVEN DATE

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The company has a regular programme of physical verification of fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were physically verified by the management during the year and we are informed that no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, the Company has not disposed off substantial part of fixed assets having effect on going concern
2. (a) The Inventories have been physically verified during the year by the management. In our opinion, the frequency of physical verification is reasonable.
- (b) In our opinion and according to the information and explanations given

to us, the procedure of physical verification of inventories followed by the management were found reasonable and adequate in relation to the size of the company and the nature of its business.

- (c) In our opinion and according to information and explanation given to us, the company has maintained proper records of its inventories. The discrepancies noticed on verification between the physical stocks and book records were material in relation to the company, have been properly dealt with in the books of accounts.
3. The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, the company has an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our Audit, no major weakness has been noticed in the internal control system in respect of these areas.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements that need to be entered into in the register in pursuance of Section 301 of the Act, have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupee Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The company has not accepted any deposits from the public during the year within the meaning of section 58A & 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.
7. In our opinion, the company has an internal audit system, commensurate with its size and nature of its business.
8. In our opinion and according to the information and explanation given to us, maintenance of cost records as prescribed by the Central Govt. under section 209 (1) (d) of the Act, is not required as the Company is not in the manufacturing activity.
9. (a) The company is regular in depositing undisputed statutory dues like provident fund, investor education and protection fund, employees state insurance, income-tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and any other statutory dues with the appropriate authorities. There were no outstanding dues for a period exceeding six months against any undisputed statutory dues as on 31.03.2010.
- (b) According to information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.
10. The Company neither have any accumulated losses as at the end of the year nor incurred any cash losses during the current financial year, or in the immediately preceding Financial Year.
11. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of securities by way of pledge of shares, debentures or other securities.
12. The company has maintained proper records for investments made in shares, securities, debentures and other investments and timely entries have been made therein. The shares, securities, debentures and the other investments have been held by the company in its own name except to the extents of exemption granted under section 49 of the Act. However, some of the investments made in shares are under process for transfer in the name of the Company.
13. In our opinion and according to the information and explanations given to us, the Company has not given any Guarantee for loans taken by others from Banks or Financial Institutions.
14. The Company has not raised any Term Loan during the year.
15. According to the records examined by us and the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
16. To the best of our knowledge and information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.
17. The provisions of clauses Nos. 4 (xi), (xiii), (xviii), (xix) and (xx) of paragraph 4 of the Companies (Auditors' Report) (Amendment) Order, 2004 are not applicable to the company for the current year.

**FOR ANIL PARIK AND GARG**  
**CHARTERED ACCOUNTANTS**  
**(F.R.No. 01676C)**

**PLACE : NEW DELHI**  
**DATE : 27.05.2010**

**(H.K. PARIK)**  
**PARTNER**  
**M.No. 70250**

# SOUTH ASIAN ENTERPRISES LIMITED

## BALANCE SHEET AS AT 31st MARCH, 2010

	Schedule No.	As at 31 March, 2010	(Amount in Rupees) As at 31st March, 2009
<b>I. SOURCES OF FUNDS</b>			
1 Share Holders' Funds			
a) Share Capital	1	3,99,90,500	3,99,90,500
b) Reserves & Surplus	2	8,04,49,351	8,04,41,038
2 Secured Loans	3	9,85,842	-
3 Deferred Tax Liability (Net)		23,01,676	26,22,536
<b>TOTAL</b>		<u>12,37,27,369</u>	<u>12,30,54,074</u>
<b>II. APPLICATION OF FUNDS</b>			
1. Fixed assets			
(a) Gross Block	4	8,94,15,350	9,10,87,044
(b) Less: Depreciation and Impairment		7,89,00,387	7,89,54,100
(c) Net Block		1,05,14,963	1,21,32,944
2. Investments	5	9,98,42,506	9,98,42,506
3. Current Assets, Loans & Advances	6		
a) Inventories		46,63,234	22,27,312
b) Sundry Debtors		20,48,384	6,31,151
c) Cash & Bank Balances		98,07,844	3,45,641
d) Loans & Advances		16,07,147	1,20,37,218
		1,81,26,609	1,52,41,322
Less: Current Liabilities & Provisions	7	47,56,709	41,62,698
Net Current Assets		1,33,69,900	1,10,78,624
<b>TOTAL</b>		<u>12,37,27,369</u>	<u>12,30,54,074</u>
<b>Notes on Accounts</b>	12		
As per our report of even date <b>For Anil Pariek and Garg</b> Chartered Accountants (Firm Regn. No. 01676C)			
<b>For and on behalf of the Board</b>			
<b>H.K. Pariek</b> Partner M.No. 70250	<b>T. B. Gupta</b> Managing Director	<b>P.K. Sharan</b> Director	<b>S.C. Agarwal</b> Director
Place: New Delhi Date : 27/05/2010			<b>Pooja Gandhi</b> Company Secretary

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

	Schedule No.	For the year ended 31st March, 2010	(Amount in Rupees) for the year ended 31st March, 2009
<b>INCOME</b>			
Park Receipts		39,50,271	41,96,869
Sale of Traded Goods		84,25,141	27,06,847
Other Income	8	12,18,335	5,40,441
Bad Debts Recovery		-	88,40,495
<b>Total</b>		<u>1,35,93,747</u>	<u>1,62,84,652</u>
<b>EXPENDITURE</b>			
Employee's Cost	9	19,61,684	22,47,048
Operating & Other Expenses	10	49,19,784	98,92,368
Purchase of Trading Materials		74,61,712	17,99,322
(Increase)/ Decrease in Stock	11	(2,435,922)	(1,689,764)
Depreciation and Impairment	4	15,68,184	32,92,412
Interest other than on fixed loans		35,852	-
Provision for Bad and Doubtful Debts		-	2,60,000
<b>Total</b>		<u>1,35,11,294</u>	<u>1,58,01,386</u>
<b>PROFIT/ (LOSS) BEFORE TAX AND PRIOR PERIOD ITEMS</b>		<b>82,453</b>	<b>4,83,266</b>
Add/ (Less): Provision for Taxation- Deferred		3,20,860	6,45,828
Add/ (Less): Provision for Taxation- Current		(395,000)	(49,663)
Add/ (Less): Fringe Benefit Tax		-	(24,750)
<b>PROFIT/ (LOSS) AFTER TAX AND BEFORE PRIOR PERIOD ITEM</b>		<b>8,313</b>	<b>10,54,681</b>
Add/ (Less): Prior Period Item		-	8,15,442
<b>PROFIT/ (LOSS) AFTER TAX</b>		<b>8,313</b>	<b>18,70,123</b>
Surplus b/fd. From previous year		18,70,123	-
<b>SURPLUS CARRIED TO BALANCE SHEET</b>		<u>18,78,436</u>	<u>18,70,123</u>
<b>Earning Per Share (Basic and Diluted)</b>		<b>0.00</b>	<b>0.47</b>
<b>Notes to Accounts</b>	12		
As per our report of even date <b>For Anil Pariek and Garg</b> Chartered Accountants (Firm Regn. No. 01676C)			
<b>For and on behalf of the Board</b>			
<b>H.K. Pariek</b> Partner M.No. 70250	<b>T. B. Gupta</b> Managing Director	<b>P.K. Sharan</b> Director	<b>S.C. Agarwal</b> Director
Place: New Delhi Date : 27/05/2010			<b>Pooja Gandhi</b> Company Secretary

# SOUTH ASIAN ENTERPRISES LIMITED

## SCHEDULES TO BALANCE SHEET

(Amount in Rs.)

	As at 31 <sup>st</sup> March, 2010	As at 31 <sup>st</sup> March, 2009
<b>SCHEDULE 1 SHARE CAPITAL</b>		
<b>AUTHORISED CAPITAL</b>		
50,00,000 Equity Shares of Rs.10/- each	5,00,00,000	5,00,00,000
<b>ISSUED, SUBSCRIBED &amp; CALLED UP CAPITAL</b>		
40,00,000 Equity Shares of Rs. 10/- each	4,00,00,000	4,00,00,000
<b>PAID-UP CAPITAL</b>		
40,00,000 Equity Shares of Rs. 10/- each fully paid up in cash	4,00,00,000	4,00,00,000
Less: Calls unpaid	9,500	9,500
	3,99,90,500	3,99,90,500
<b>SCHEDULE 2 RESERVES &amp; SURPLUS</b>		
<b>a) SECURITIES PREMIUM ACCOUNT</b>		
As per last Balance Sheet	6,00,00,000	6,00,00,000
Less : Calls Unpaid	28,500	28,500
	5,99,71,500	5,99,71,500
<b>b) GENERAL RESERVE</b>		
As per last Balance Sheet	1,85,99,415	1,85,99,415
Total (b)	1,85,99,415	1,85,99,415
<b>c) PROFIT &amp; LOSS A/C</b>		
Surplus as per account	18,70,123	-
Add: Transfer From Profit & Loss Account	8,313	18,70,123
	18,78,436	18,70,123
Total (a) + (b)+ (c)	8,04,49,351	8,04,41,038
<b>SCHEDULE 3 SECURED LOANS</b>		
Credit Limit from Bank	985,842	-
(Secured against pledge of fixed deposit)	9,85,842	-
<b>SCHEDULE 4 : FIXED ASSETS</b>		

Particulars	Gross Block				Impairment			Depreciation				Net Block	
	Opening Balances on 01.04.2009	Additions During the year	Deductions during the year	As at 31.03.2010	Upto 31.03.2009	For the year	As at 31.03.2010	Upto 01-04-2009	For the year	Adjustments	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009
<b>A. Assets for own use</b>													
Building	85,79,133	-	-	85,79,133	-	-	-	41,79,148	2,74,342	-	44,53,490	41,25,643	43,99,985
Plant & Machinery	3,08,04,812	-	1,689,179	2,91,15,633	15,18,524	-	15,18,524	2,16,83,081	12,63,946	1,621,897	2,13,25,130	62,71,979	76,03,207
Vehicles	48,490	2,810	-	51,300	-	-	-	46,067	2,809	-	48,876	2,424	2,423
Furniture & Fixtures & Office Equipments	11,25,409	14,675	-	11,40,084	-	-	-	10,26,449	20,642	-	10,47,091	92,993	98,960
Computers	93,240	-	-	93,240	-	-	-	64,871	6,445	-	71,316	21,924	28,369
<b>B. Assets on Lease</b>													
Plant & Machinery	5,04,35,960	-	-	5,04,35,960	-	-	-	5,04,35,960	-	-	5,04,35,960	-	-
<b>Total</b>	<b>9,10,87,044</b>	<b>17,485</b>	<b>1,689,179</b>	<b>8,94,15,350</b>	<b>15,18,524</b>	<b>-</b>	<b>15,18,524</b>	<b>7,74,35,576</b>	<b>15,68,184</b>	<b>1,621,897</b>	<b>7,73,81,863</b>	<b>1,05,14,963</b>	<b>1,21,32,944</b>
Previous Year	9,10,82,384	4,660		9,10,87,044	1,518,524	-	-	7,56,61,688	17,79,440	5,552	7,74,35,576	1,21,32,944	1,54,20,696

### SCHEDULE 5: INVESTMENTS (LONG - TERM)

PARTICULARS	As on 01.04.2009 (Nos.)	Purchased during the year (Nos.)	Sold /Adjusted during the year (Nos.)	As on 31.03.2010 (Nos.)	Book Value	
					As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
<b>Non Trade Investments (At Cost)</b>						
<b>Quoted Investments</b>						
<b>A) Equity Share of Rs.10 each (fully paid up unless otherwise stated)</b>						
i) Bank of Baroda	1	-	-	1	251	251
<b>Unquoted Investments</b>						
<b>A) Equity Share of Rs.10 each (fully paid up)</b>						
i) Indhra Dhan Agro Products Ltd.	5,000	-	-	5,000	5,00,000	5,00,000
ii) Hotline Electronics Ltd.	15,00,000	-	-	15,00,000	1,50,00,000	1,50,00,000
iii) VLS Capital Ltd.	10,00,000	-	-	10,00,000	6,00,00,000	6,00,00,000
<b>B) Equity Share of Rs.100 each (fully paid up)</b>						
i) Alok Fintrade (P) Ltd.	35,000	-	-	35,000	35,00,000	35,00,000
<b>Investment in Real Estate</b>					<b>2,08,42,255</b>	<b>2,08,42,255</b>
<b>Total</b>					<b>9,98,42,506</b>	<b>9,98,42,506</b>
NOTE : Aggregate value of Quoted Investments : Book Value Rs. 251/- (Previous Year- 251/-) : Market Value Rs. 639.25/- (Previous Year- 219/-)						



## SOUTH ASIAN ENTERPRISES LIMITED

### Schedules to Balance Sheet (cont'd.)

	As at 31st March, 2010	(Amount in Rs.) As at 31st March, 2009
<b>SCHEDULE 6 CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>CURRENT ASSETS</b>		
Inventories		
a) Trading Goods	33,37,234	9,01,312
b) Music Album	<u>13,26,000</u>	<u>13,26,000</u>
	<b>46,63,234</b>	<b>22,27,312</b>
Sundry Debtors (Unsecured, considered good)		
a. Debts outstanding for a period exceeding six months	1,39,947	1,26,797
b. Other Debts	<u>19,08,437</u>	<u>5,04,354</u>
	<b>20,48,384</b>	<b>6,31,151</b>
Cash & Bank Balances		
a. Cash in hand	1,16,664	96,072
b. Balance with Banks In Current Accounts	8,41,180	2,49,569
In Fixed Deposits	<u>88,50,000</u>	<u>-</u>
	<b>98,07,844</b>	<b>3,45,641</b>
<b>LOANS AND ADVANCES</b>		
(Unsecured considered good)		
Advances recoverable in cash or kind for which value to be received.	15,89,715	1,24,85,603
Less: Provisions made for doubtful advance	<u>5,00,000</u>	<u>5,00,000</u>
	<b>10,89,715</b>	<b>1,19,85,603</b>
Prepaid Taxes: Advance Tax/FBT	3,900	24,750
Tax Deducted at Source	<u>5,13,532</u>	<u>26,865</u>
	<b>16,07,147</b>	<b>1,20,37,218</b>
<b>Total</b>	<b><u>1,81,26,609</u></b>	<b><u>1,52,41,322</u></b>

### SCHEDULE 7 CURRENT LIABILITIES & PROVISIONS

<b>A. CURRENT LIABILITIES</b>		
1. Sundry Creditors (Total outstanding dues of creditors, SSI Units - Nil)	27,29,734	22,06,068
2. Advances From Customers	179,002	-
3. Other Liabilities	11,97,496	13,65,168
4. Security Deposits	<u>68,250</u>	<u>3,74,900</u>
Total of (A)	<b><u>41,74,482</u></b>	<b><u>39,46,136</u></b>
<b>B. PROVISIONS</b>		
1. Provision for Taxation	4,91,688	1,23,247
2. Provision for Leave Encashment	<u>90,539</u>	<u>93,315</u>
Total of (B)	<b><u>5,82,227</u></b>	<b><u>2,16,562</u></b>
<b>Total (A)+(B)</b>	<b><u>47,56,709</u></b>	<b><u>41,62,698</u></b>

### SCHEDULES TO PROFIT & LOSS ACCOUNT

	For the year 31st March, 2010	(Amount in Rs.) For the year 31st March, 2009
<b>SCHEDULE 8 OTHER INCOME</b>		
Interest on Fixed Deposit (Gross)	7,49,237	32,007
(Tax deducted at source - Rs.4,69,288/- Previous Year Rs.Nil)		
Profit on Sale of Assets	160,478	-
Miscellaneous Income	3,009	2,225
Unspent Liabilities/ Unclaimed Balances Written Back	2,776	9,769
Income from Installations, Erections and Supervision	<u>3,02,835</u>	<u>496,440</u>
	<b><u>12,18,335</u></b>	<b><u>5,40,441</u></b>
<b>SCHEDULE 9 EMPLOYEES' COST</b>		
Salaries	16,14,181	19,00,197
Staff Amenities	1,47,184	46,977
Employer's Contribution to PF, ESI, Gratuity Fund etc.	<u>2,00,319</u>	<u>2,99,874</u>
	<b><u>19,61,684</u></b>	<b><u>22,47,048</u></b>

# SOUTH ASIAN ENTERPRISES LIMITED

## Schedules to Profit & Loss Account (cont'd.)

(Amount in Rs.)

	<i>For the year 31st March, 2010</i>	<i>For the year 31st March, 2009</i>
<b>SCHEDULE 10 OPERATING &amp; OTHER EXPENSES</b>		
Cost of Food & Beverages Sold	2,03,256	1,29,091
Development Cost of Music Album	-	13,26,000
Power & Fuel	4,47,874	6,28,716
Repairs & Maintenance :		
Building	10,610	19,002
Machinery	1,91,757	2,31,307
Others	3,691	12,578
	2,06,058	2,62,887
Lease Rent & Hire Charges	10,93,867	9,65,066
Park Running & Maintenance	1,53,232	2,19,191
Rent	45,000	66,600
Rates & Taxes	31,604	31,152
Consultation & Professional Charges	11,76,686	1,20,423
Postage & Telephone	1,19,557	1,26,263
Advertisement & Selling Expenses	2,49,780	2,11,962
Travelling Expenses	4,08,213	2,77,622
Directors' Sitting Fee	1,24,000	95,468
Remuneration to Auditors:		
Statutory Audit Fee	16,545	16,545
Tax Audit Fee	8,273	8,273
Reimbursement of Expenses	19,125	17,799
	43,943	42,617
Insurance Charges	7,891	10,204
Bank Charges	6,099	6,378
Miscellaneous Expenses	2,62,419	2,30,394
Misc. Installation & Supervision Charges	3,40,305	4,49,741
Commission (Other than Sole Selling Agents)	-	5,095
Balances Written Off	-	46,19,699
Bad Debts Written Off	-	67,799
Total	49,19,784	98,92,368

## SCHEDULE 11 (INCREASE)/ DECREASE IN STOCK

Opening Stock of Trading Goods	9,01,312	5,37,548
Opening Stock of Music Album	13,26,000	-
	22,27,312	5,37,548
Closing Stock of Trading Goods	33,37,234	9,01,312
Closing Stock of Music Album	13,26,000	13,26,000
	46,63,234	22,27,312
	(2,435,922)	(1,689,764)

## SCHEDULE 12: NOTES TO ACCOUNTS

### 1. Significant Accounting Policies

#### a) General

The accompanying financial statements have been prepared on historical cost convention and conform to the statutory provisions and practices prevailing in the country.

#### b) Revenue recognition

Items of income and expenditure are generally accounted for on accrual basis unless otherwise stated. Dividend income is accounted for on the basis of approval of the shareholders in their meeting.

#### c) Fixed assets

- i) All the fixed assets including assets given on lease are stated at cost less accumulated depreciation.
- ii) Depreciation on own assets is provided on the straight line method at the rates and in the manner prescribed in Schedule-XIV of the Companies Act, 1956.
- iii) Depreciation on the assets given on lease is provided in consonance with the method recommended by the Institute of Chartered Accountants of India under which 100% of the cost of assets is depreciated over the primary lease period applying interest rate implicit in the lease on the outstanding balances of the lease advances to calculate the finance earnings for the year and difference between the lease rentals and finance earnings is accounted for as depreciation.
- iv) Depreciation on assets not exceeding Rs.5,000/- is provided for at 100%.

#### d) Investments

Investments are classified into long-term and current Investments. Long-term investments are stated at cost and income thereon is accounted for when accrued. The company follows 'FIFO method' for calculating the cost of each investment sold by the company for computing the profit or loss thereon. Provision for diminution in value of investments is made to recognize a decline other than temporary in nature.

#### e) Inventory

Inventories are valued at cost or net realisable value whichever is lower. Cost is arrived at on FIFO basis and comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition.

#### f) Taxation

- i) Deferred tax resulting from timing difference between book and taxable profit is accounted for using the tax rates and law that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized only to the extent that there is a virtual certainty that there would be adequate future taxable income against which such deferred tax assets can be realized. The deferred tax liability is recognized on having a reasonable certainty for crystallization of the same.
- ii) Provision for taxation is made on the basis of the taxable profits computed for the current accounting period in accordance with the Income Tax Act, 1961.

#### g) Employees Benefits (In accordance with AS- 15)

- i) Defined Contribution Plans
  - Provident Fund- The Company contributes to Regional Provident Fund on behalf of its employees and above contributions are expensed to Profit & Loss Account.
- ii) Defined Benefit Plans
  - Gratuity- The Company makes contribution to scheme managed by LIC to discharge liabilities to the employees.
  - Leave Encashment- Provision for un-availed Leave Benefits payable to employees as per scheme of the Company is made on the basis of actuarial valuation.
- iii) Short Term Employees Benefits
  - Short Term Employees Benefits are recognized as an expense as per the Company's scheme based on expected obligation on undiscounted basis.

#### h) Impairment Loss

Impairment loss is provided to the extent the carrying amount of assets exceeds their

recoverable amounts. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount attainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

### 2. Notes to Accounts:

#### i) Contingent liabilities

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil (Previous Year Rs. Nil).

#### ii) Related Party Disclosure

Related Party disclosures as required under Accounting Standard AS-18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given below:

Key Managerial Personnel: - Shri. T. B Gupta (Managing Director) and Smt. Usha Gupta (Wife of Shri. T. B. Gupta)

Details of transactions:

S. No	Name of Party	Transaction		Balance as on 31.03.2010
		Dr. (Rs.)	Cr. (Rs.)	(Rs.)
1.	Remuneration to Managing Director	Rs. 2,40,000/- (Previous year- 2,40,000)	-	Rs. 2,40,000/- (Previous year - 2,40,000)

#### iii) Earning Per Share

Calculation of EPS (Basic and Diluted)

Particulars	Equivalent No. of Shares	
	Year ended 31 <sup>st</sup> March, 2010	Year ended 31 <sup>st</sup> March, 2009
<b>Basic and Diluted</b>		
Total Shares Outstanding	40,00,000	40,00,000
Profit after Taxes	Rs. 8,313/-	(Rs. 18,70,123/-)
EPS	Rs. (0.00)	(Rs. 0.47)

#### iv) Remuneration

##### a) Managing Director:

- i) An amount aggregating to Rs. 2,40,000/- as remuneration has been paid to the Managing Director (Previous Year - Rs. 2,40,000) during the year.
- ii) Accommodation facility - Rs. Nil (Previous Year - Nil)

#### v) Deferred Tax

	As at 01.04.2009	Current Year Charge/ (Credit)	As at 31.03.2010
a) Deferred Tax Liability on account of:			
Depreciation	28,05,870	(3,21,717)	24,84,153
<b>Total (a)</b>	<b>28,05,870</b>	<b>(3,21,717)</b>	<b>24,84,153</b>
b) Deferred Tax Assets on account of:			
Employee Benefits	28,834	(857)	27,977
Provision for Bad Debts	1,54,500	NIL	1,54,500
<b>Total (b)</b>	<b>1,83,334</b>	<b>(857)</b>	<b>1,82,477</b>
<b>Total (a-b)</b>	<b>26,22,536</b>	<b>(3,20,860)</b>	<b>23,01,676</b>

# SOUTH ASIAN ENTERPRISES LIMITED

## vi) Segment Reporting

Particulars	2009- 10	2008- 09
(Amount in Rs.)		
<b>Segment Revenue</b>		
a) Entertainment	39,50,271	41,96,869
b) Trading	87,27,976	32,03,287
c) Others	9,15,500	88,84,496
<b>Total</b>	<b>1,35,93,747</b>	<b>1,62,84,652</b>
<b>Segment Results</b>		
Profit/ (Loss) before interest and tax		
a) Entertainment	(35,24,133)	(93,01,571)
b) Trading	26,91,083	9,00,341
c) Others	9,15,500	88,84,496
<b>Total Profit/ (Loss) before interest and tax</b>	<b>82,450</b>	<b>4,83,266</b>
<b>Segment Assets</b>		
a) Entertainment	2,29,52,440	2,57,90,207
b) Trading	56,89,129	15,84,059
c) Others	9,98,42,506	9,98,42,506
<b>Total Assets</b>	<b>12,84,84,075</b>	<b>12,72,16,772</b>
<b>Segment Liabilities</b>		
a) Entertainment	19,61,464	34,37,467
b) Trading	35,31,087	4,75,231
c) Others	2,50,000	2,50,000
<b>Total Liabilities</b>	<b>57,42,551</b>	<b>41,62,698</b>

vii) The management has technically appraised the recoverable amount of the cash generating assets being used at its amusement parks and is of the opinion that considering the future cash flow expected to arise, impairment loss of Rs. 15,18,524/- on assets as provided for in the books in previous year as required by the Accounting Standard -28 on "Impairment on Assets" issued by the Institute of Chartered Accountants of India (ICAI) is insufficient and no further provision is required.

viii) There is no amount due and payable to any enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006, at the end of the financial year.

ix) The Company has produced a music album as shown in Schedule- 5 under 'Inventory' and all direct payments made in respect thereof have been apportioned as cost of producing the said music album.

x) Disclosures pursuant to Accounting Standard (AS) 15 (revised)-

### Defined Benefit Plans

#### a) Long Term Compensated Absences as per actuarial valuation as on 31.03.2010

Actuarial Assumptions	Amount in Rs.			
	Gratuity As at March 31, 2010	Gratuity As at March 31,2009	Leave Encashment As at March 31,2010	Leave Encashment As at March 31, 2009
Discount rate (per annum)	8 %	8 %	7 %	7 %
Future salary increase	6 %	5 %	5 %	5 %
Expected rate of return on plan assets	NA	NA	NA	NA
Mortality	LIC 94-96	LIC 94-96	LIC 94-96	LIC 94-96
	Ultimates	Ultimates	Ultimates	Ultimates
<b>I. Expenses recognized in profit and loss account</b>				
Current service cost	46,894	34,544	6,383	7,236
Interest cost	51,193	39,580	7,445	7,196
Expected return on plan assets	(56,873)	(50,244)	---	---

Net actuarial loss/ (gain) recognized in the year	(23,541)	71,032	(16,604)	(24,201)
<b>Net expenses recognized</b>	<b>17,673</b>	<b>94,912</b>	<b>(2,776)</b>	<b>(9,769)</b>
<b>II. Net liability/(assets) recognized in the balance sheet at the year end</b>				
Present value of obligation at the end of period	7,01,129	6,39,910	90,539	93,315
Fair value of the plan asset at the end of period	6,88,156	6,08,460	---	---
Funded status (surplus/(deficit))	(12,973)	(31,450)	(90,539)	(93,315)
<b>Net asset/(liability) as at 31<sup>st</sup> March, 2010</b>	<b>(12,973)</b>	<b>(31,450)</b>	<b>(90,539)</b>	<b>(93,315)</b>
<b>III. Change in present value of obligation during the year</b>				
Present value of obligation at the beginning of period	6,39,910	4,94,754	93,315	1,03,084
Current service cost	46,894	34,544	6,383	7,236
Interest cost	51,193	39,580	7,445	7,196
Benefits paid	---	---	---	---
Actuarial loss/ (gain) on obligations	(23,541)	71,032	(16,604)	(24,201)
<b>Present value of obligation at the year end</b>	<b>7,01,129</b>	<b>6,39,910</b>	<b>90,539</b>	<b>93,315</b>
<b>IV. Change in present value of fair value of plan assets</b>				
Fair value of plan assets as at the beginning of period	6,08,460	5,55,098	---	---
Expected return on plan asset	56,873	50,244	---	---
Contribution	36,150	3,118	---	---
Benefits paid	(13,327)	---	---	---
Actuarial loss/ (gain)	6,88,156	6,08,460	---	---
<b>Fair value of plan assets at the year end</b>	<b>6,88,156</b>	<b>6,08,460</b>	<b>---</b>	<b>---</b>

xiii) Additional information pursuant to paragraph 3.4C and 4D of Part- II of Schedule VI of the Companies Act, 1956.

Goods	Unit Qty	Opening Stock		Purchases		Turnover		Closing Stock	
		Value (Rs.)	Qty	Value (Rs.)	Qty	Value (Rs.)	Qty	Value (Rs.)	
<b>250 Micron Cop</b>	Nos. 152	54,796	---	---	---	75	30,135	77	27,759
(Previous Year)		(93,705)	(225)	(47,525)	(335)	(1,26,796)	(152)	(54,796)	(262)
<b>DMSGI Protector</b>	Nos. 4	1,46,880	10	4,15,140	11	10,45,050	3	1,31,580	3
(Previous Year)		(3)	(1,23,600)	(9)	(3,42,720)	(8)	(7,72,785)	(4)	(1,46,880)
<b>Terec +</b>	Nos. 274	5,89,495	2860	49,18,030	1516	45,37,689	1618	28,82,853	1618
(Previous Year)		(116)	(2,84,762)	(504)	(10,56,006)	(346)	(13,33,880)	(274)	(5,89,495)
<b>Satellite 3</b>	Nos. ---	---	---	9,71,805	5	13,23,000	---	---	---
(Previous Year)		(Nil)	(Nil)	(2)	(1,88,394)	(2)	(3,40,315)	(Nil)	(Nil)
<b>Support Mast</b>	Nos. 6	31,310	7	16,410	10	87,447	3	9,948	3
(Previous Year)		(Nil)	(Nil)	(12)	(91,310)	(6)	(84,875)	(6)	(31,310)
<b>Miscellaneous</b>	Nos. 350	78,831	2,094	11,40,327	1,444	14,01,805	1,000	2,85,094	1,000
(Previous Year)		(292)	(35,481)	(217)	(73,367)	(159)	(48,196)	(350)	(78,831)

xiii) Previous year figures have been regrouped/ rescheduled wherever considered necessary. Schedules 1 to 12 form an integral part of Balance Sheet and Profit & Loss Account.

As per our report of even date  
For **Anil Pariek & Garg**  
Chartered Accountants  
(Firm Regn. No.01676C)

For & on behalf of the Board

**H.K. Pariek**  
Partner  
M.No. 70250  
Place: New Delhi  
Date: 27th May, 2010

**T. B. Gupta**  
Managing Director

**P.K. Sharan**  
Director

**S.C. Agarwal**  
Director

**Pooja Gandhi**  
Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	Year Ended 31.03.2010	Year Ended 31.03.2009
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Tax and Extra-Ordinary items	82,453	483,266
Adjustments for:-		
Depreciation	1,568,184	3,292,412
Provision for Leave Encashment	(2,776)	(9,769)
Provision for Bad and Doubtful Debts	-	260,000
Profit on sale of Fixed Assets	(160,478)	-
Interest & Finance Charges	35,852	-
	<b>1,440,782</b>	<b>3,542,643</b>
<b>Operating Profit before Working Capital Changes</b>	<b>1,523,235</b>	<b>4,025,909</b>
Adjusted for:		
Inventories	(2,435,922)	(1,689,764)
Trade Payables	228,346	2,573,811
Trade and Other Receivables	(1,417,233)	96,721
Loans and Advances	10,887,852	(6,154,421)
	<b>7,263,043</b>	<b>(5,173,653)</b>
<b>Cash Generated from Operations</b>	<b>8,786,278</b>	<b>(1,147,744)</b>
Less: Taxes Paid	517,432	51,615
<b>Cash Flow from Operating Activities</b>	<b>8,268,846</b>	<b>(1,199,359)</b>
Prior Period Items	-	815,442
<b>Net Cash from Operating Activities</b>	<b>8,268,846</b>	<b>(383,916)</b>
<b>B. Cash Flow from Investing Activities</b>		
Sale of Investments (Net)	-	(94,006)
Additions in Fixed Assets	(17,485)	(4,660)
Sale of Fixed Assets	225,000	-
<b>Net Cash (used in)/ Generated from Investing Activities</b>	<b>207,515</b>	<b>(98,666)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from borrowing	985,842	-
<b>Net Cash (used in)/ Generated from Financing Activities</b>	<b>985,842</b>	-
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>9,462,203</b>	<b>(482,582)</b>
Opening Balance of Cash & Cash Equivalents	345,641	828,223
Closing Balance of Cash & Cash Equivalents	<b>9,807,844</b>	<b>345,641</b>

As per our report of even date  
For **Anil Pariek & Garg**  
Chartered Accountants  
(Firm Regn. No. 01676C)

For and on behalf of the Board

**H.K. Pariek**  
Partner  
M.No. 70250

**T. B. Gupta**  
Managing Director

**P.K. Sharan**  
Director

**S.C. Agarwal**  
Director

Place: New Delhi  
Date: 27/05/2010

**Pooja Gandhi**  
Company Secretary

# SOUTH ASIAN ENTERPRISES LIMITED

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL, BUSINESS PROFILE

### BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

#### I. Registration Details

Registration	11753	State Code	20
Balance Sheet Date	31.03.2010		

#### II. Capital raised during the Year (Amount in Rs.Thousands)

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

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

Total Liabilities	128484	Total Assets	128484
Sources of Funds:			
Paid up Capital	39991	Reserves & Surplus	80448
Secured Loans	986	Unsecured Loans	Nil
Deferred Tax Liability	2302		
Application of Funds:			
Net Fixed Assets	10515	Investments	99842
Net Current Assets	13370	Misc. Expenditure	Nil
Accumulated Losses	Nil		

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

Turnover	13594	Total Expenditure	13512
Profit/(Loss) Before Tax	82	Profit/Loss after Tax	8
Earning per Share (Rs.)	0.00	Dividend Rate	Nil

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

Item Code No.	
(ITC Code)	
Production Description	Running amusement parks Trading in Electrical equipments

**For Anil Pariek and Garg**  
Chartered Accountants  
(Firm Regn. No. 01676C)

**H.K. Pariek**  
Partner  
M.No. 70250

Place: New Delhi  
Date : 27/05/2010

**For and on behalf of the Board**

**T. B. Gupta**  
Managing Director

**P.K. Sharan**  
Director

**S.C. Agarwal**  
Director

**Pooja Gandhi**  
Company Secretary

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