



# **SOUTH ASIAN ENTERPRISES LIMITED**

## **XIX ANNUAL REPORT 2007-2008**

**REGISTERED OFFICE :**

Mikky House, K-Block,  
Kidwai Nagar,  
Kanpur,  
(U.P.) - 208 011

**CORPORATE OFFICE :**

2nd Floor,  
13, Sant Nagar,  
East of Kailash,  
New Delhi-110 065

**SHARE TRANSFER & INVESTOR SERVICES**

RCMC Share Registry Pvt. Ltd.,  
Unit: South Asian Enterprises Ltd.,  
B-106, Sector-2, Noida,  
U.P.-201301

# SOUTH ASIAN ENTERPRISES LIMITED

**NINETEENTH ANNUAL GENERAL MEETING**  
at Mikky House, K-Block Kidwai Nagar,  
Kanpur - 208 011 (U.P.)  
at 1.30 p.m.  
on Friday, 12th September, 2008

Members are requested to bring their copy of the Annual Report at the Annual General Meeting.

Our e-mail address :

- ☞ For investor services : [investordesksael@gmail.com](mailto:investordesksael@gmail.com)
- ☞ Other than above : [southasianenterprises@gmail.com](mailto:southasianenterprises@gmail.com)

## BOARD OF DIRECTORS :

DR. B. VENKATARAMAN  
SHRI T.B. GUPTA  
SHRI M.P. MEHROTRA  
SHRI P.K. SHARAN  
SHRI S.V.S. JUNEJA  
DR. S. RAMESH  
SHRI R. K. GOSWAMI  
SHRI GIAN VIJESHWAR  
SHRI RAKESH BABAR  
SHRI K.K. SONI  
SHRI S.C. AGARWAL

Chairman  
Vice-Chairman & Managing Director

**COMPANY SECRETARY**  
MS. POOJA GANDHI

Members are requested to take note of new address of Corporate Office of the Company as well as that of R&T agent for share transfer & investor related services.

## EQUITY SHARES ARE LISTED AT :

**THE BOMBAY STOCK EXCHANGE LTD.**  
PHIROZE JEEJEEBHAY TOWERS,  
DALAL STREET,  
MUMBAI-400 001

## AUDITORS

M/s. Anil Pariek & Garg,  
Chartered Accountants,  
33, Anand Bazar,  
Swaroop Nagar,  
Kanpur-208002.

## BANKERS

Punjab National Bank  
Bank of Baroda  
Union Bank of India  
HDFC Bank Ltd.

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## SOUTH ASIAN ENTERPRISES LIMITED

### NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 19<sup>th</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 Friday, the 12<sup>th</sup> day of September, 2008 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 31st March, 2008, 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. B. Venkataraman, who retires by rotation, and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Shri S. V. S. Juneja, who retires by rotation, and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Shri K. K. Soni, who retires by rotation, and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Shri S. C. Agarwal 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, 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."

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

Place : New Delhi  
Date : 30/07/2008

Pooja Gandhi  
Company Secretary

#### 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 19th 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 2nd 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). Members are requested to take note of new address for communication and telephone numbers of Registrar & Transfer Agent as well as the corporate office of the Company as given above. The address of corporate office was earlier notified to be as : Building no. 13, 2<sup>nd</sup> floor, Raja Dheer Sen Marg, Sant Nagar, New Delhi-110065. The said address being incomplete may please be ignored/updated.
- The shares of the Company are being traded in Demat segment only, w.e.f. 24th July, 2000. Members who still hold the shares of Company in physical form are advised to contact their depository participant for dematerialization of their holdings in their own interest. **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 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 8th September, 2008 to 12th September, 2008 (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. & Uttarakhand. As per provisions of Section 205A & 205C of the Companies Act, 1956 the Company is required to transfer any money lying in the Unpaid Dividend Account, from the year 1995-96 onwards, which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the Unpaid Dividend Account, to the credit of Investor Education and Protection Fund ("IEPF") established by the Central Government and no claim shall lie against the Company or the said fund after such transfer to IEPF. The unclaimed & unpaid dividend for the period from 1995-96 to 1997-98 was transferred to IEPF in time. 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.

#### 11. 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 Expertise in specific functional areas	Other Directorships	Membership in Committees of other Companies and designation as on 31/03/2008	Whether qualified u/s 274(1) (g) of the Companies Act, 1956
1	Dr. B. Venkataraman IAS (Retd.)	19/08/1925	26/12/1992	B. Sc. (H), M.A., D. Litt. He is former Secretary to the Govt. of India, Ministry of Tourism and Civil Aviation, having over 4 decades of experience in administration and govt. affairs with rich experience in planning and development of Amusement Industry in India.	a) C.J. International Ltd. b) Indraprastha Medical Corporation Ltd.	i) Audit Committee, Member ii) Management Committee, Member iii) Audit Committee, Chairman iv) Shareholders/Investor Grievance Committee - Member	Yes
2	Shri S. V. S. Juneja IAS (Retd.)	13/05/1931	26/03/1993	B.A. Economics, MPA (Harvard). He has held several key positions in the Government of India and possesses over 40 years of experience in planning and administration. He had been the Chairman and Chief Executive Officer of the Noida and also the Director, Infrastructure Department and officer - in-charge Office of Environment, Asian Development Bank.	Nil	N.A.	Yes
3	Shri K. K. Soni	14/06/1953	30/01/2006	B.Com., FCA, FCS He is a qualified Chartered Accountant and Company Secretary with over 28 years experience in the area of Finance, Taxation, Corporate Planning and other corporate affairs.	a) VLS Capital Ltd. b) AFD Laboratories Pvt. Ltd. c) Paritosh Industrial Finance Ltd. d) VLS Securities Limited e) VLS Asset Management Limited	Nil Nil Nil Audit Committee - Member Nil	Yes
4	Shri S. C. Agarwal	12/01/1962	30/01/2006	B.A. He has vast experience in field of Accounts, administration, running Amusement Parks and allied areas. He has been associated with the Company since inception in various capacities and was Chief Executive of Company till 28/01/2006 designated as Manager.	a) VLS Capital Limited b) VLS Asset Management Limited	a) Remuneration Committee - Member b) Audit Committee - Member Nil	Yes

#### (B) Shareholding of above stated Directors (As on 30-07-2008):

S.No.	Name of Directors	No. of Equity Shares held in the Company	Percentage of voting capital
1)	Dr. B. Venkataraman	100	0.0025
2)	Shri S. V. S. Juneja	Nil	Nil
3)	Shri K. K. Soni	Nil	Nil
4)	Shri S. C. Agarwal	Nil	Nil

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

Place : New Delhi  
Date : 30/07/2008

Pooja Gandhi  
Company Secretary

## SOUTH ASIAN ENTERPRISES LIMITED

## DIRECTORS' REPORT TO THE MEMBERS

Your Directors present the Nineteenth Annual Report of your Company with the Audited Statement of Accounts for the year ended 31st March, 2008.

1. Financial Results	(Rs. in Lacs)	
	For the year ended 31st March, 2008	For the year ended 31st March, 2007
Total Income	53.69	41.63
Total Expenditure	59.79	54.03
Interest	0.00	0.00
Gross Profit/(loss)	(6.10)	(12.40)
Depreciation	18.25	18.12
Provision for taxation (Net)	(6.90)	(2.21)
Other provisions	0.00	0.00
Net Profit after tax	(17.45)	(28.31)
Paid up Equity Share Capital	399.90	399.90
(excluding calls in arrears)		
Reserves, excluding revaluation reserve	785.71	803.16
Earnings per share (Rs.)	(0.44)	(0.71)

## 2. Management Discussion and Analysis

## Financial Review

Your Company recorded a total income of Rs. 53.69 lacs during the year under review. It is better than previous year's figure of Rs. 41.63 lacs. However, inspite of best efforts the Company has suffered a loss of Rs. 17.45 lacs. The Company had during the year started independently, the marketing of earthing products and execution of contracts for earthing and lightning protection systems. The arrangement with Falcon International Petrotech Pvt. Ltd. was terminated during the year. It is heartening to note that the Company has made good progress in this segment and coming years will witness better results. The Company's venture of T.V. Serial and film production in collaboration with AUM Sportainment Pvt. Ltd. is underway. For the release of Feature Film titled "Come December", the negotiations are on with distributors. The Company is also looking forward for a tie-up with 'Aasha' channel for telecast of 52 episodes of its serial titled 'Shirdi Sai Baba- Sai Bhakton ki Sacchi Kahaniyan'.

In view of rising expenses and negligible income from amusement park at Ayodhya, the Board had considered the option of closing down the said park. However, the Ayodhya Vikas Pradhikaran has advised the Company to continue the operation of park and had assured all cooperation including relocation of park at more centralized place, if need be, in the course of time. Although there is no significant improvement in earnings of said park, however, in order to cut down expenses, the same is being operated with minimum personnel.

## Industry Structure and Development

During the year under review going with the general upbeat in Indian economy mainly during first three quarters of the year under review, the development of Indian amusement industry showed upward trend. The growing interest of masses towards Malls, multiplexes and amusement parks with latest gadgetry in rides, points at positive future for the industry. However, the capital markets' meltdown in later part of the year coupled with rising inflation has visibly subdued the spending outlay of common man on amusement. In spite of such odds the outlook for the sector is bright with investments manifesting in the form of theme parks, water parks, family entertainment centers, multiplexes, interactive arcades, food bazaar and sports zones. Your Company intends to make out the best out of opportunities available vis-à-vis the means at its disposal and the available options are being examined.

## Outlook, risks and concerns

With the growth in Indian Economy and rise in per capita income the spending on amusement in India has risen significantly 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. However, apart from bureaucratic delays and local government policy restrictions posing hindrance in the growth, 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. Your Company also 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 low per capita income in these regions, 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 entertainment.

## Opportunities and threats

Your Company foresees huge potential in the sector with further encouragement from the government by providing the right support and enabling facilities. It is perceived that by providing substantial entertainment tax relief and acknowledgement of amusement industry as a vital part of social infrastructure would go a long way in enhancing revenues. The Company is exposed to normal industry risks. In order to meet the challenge of sustaining itself inspite of thinning of margins, the strategy is to focus on increasing the volume of visitors, exploring avenues for diversification and accordingly measures are being developed/implemented.

## 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

There was single segment in the previous financial year viz, 2006-07. During the year under review, the Company started dealing in earthing materials in the segment of earthing and Lightning protection systems and the said business has been categorised under the head "Trading" for the purpose of segment reporting in the Annual Accounts for the said period.

Similarly, other income has been categorised under the head "Others". Segment wise, the Amusement Parks generated a revenue of Rs. 49.80 Lacs and the Trading segment's revenue amounted to Rs. 2.42 lacs during the year under review. The other income accounted for Rs. 1.46 lacs. The segment of Amusement Parks incurred a loss of Rs. 26.70 lacs. However, the profit from Trading segment of Rs. 0.88 lacs coupled with other segments profit of Rs. 1.46 lacs culminated into net loss of Rs. 24.35 lacs. Keeping in view the encouraging results from Trading segment, in the current year, your Board is hopeful of better performance.

## Human Resources

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 39.

## 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 security 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

In view of the loss suffered by the Company during the year under review, no dividend is recommended.

## 4. Directors

Shri A. R. Gangal, Director of the Company left for heavenly abode on 12.04.2008. It is prayed that the departed soul may rest in peace. Your Board places on record its sincere thanks for invaluable guidance and contribution made by Shri A.R. Gangal during his tenure as Director.

Dr. B. Venkataraman, Shri S.V.S. Juneja, Shri K.K. Soni and Shri S.C. Agarwal - 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 31st March, 2008, 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 loss 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 31st March, 2008 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 12th September, 2008. 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 28th May, 2008 has 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 within 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 2008-2009 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 enclosed as Annexure-2 and forms part of this report.

The Corporate Office of the Company has been shifted from C-489 Defence Colony, New Delhi-110024 to 2<sup>nd</sup> Floor, 13, Sant Nagar, East of Kailash, New Delhi-110065 with effect from 12th June, 2008 pursuant to Board's decision to this effect on 28th May, 2008.