



# XX ANNUAL REPORT 2008-2009

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## **SOUTH ASIAN ENTERPRISES LIMITED**

### **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

**TWENTIETH ANNUAL GENERAL MEETING**  
at Mikky House, K-Block Kidwai Nagar,  
Kanpur - 208 011 (U.P.)  
at 1.30 p.m.  
on Wednesday, 2nd September, 2009

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

Our e-mail address :

For investor services : [investordesk.sael@gmail.com](mailto:investordesk.sael@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 PRIYA BRAT  
SHRI R. K. GOSWAMI  
SHRI GIAN VIJESHWAR  
SHRI RAKESH BABBAR  
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 present 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 JEEJEEBOY 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 20<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 Wednesday, the 2<sup>nd</sup> day of September, 2009 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, 2009, 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 Shri M. P. Mehrotra, who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Shri Gian Vijeshwar, who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Shri Rakesh Babbar, 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."

## SPECIAL BUSINESS:

- Approval of Re-appointment of Shri T. B. Gupta as Managing Director of the Company.**

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

**\*RESOLVED THAT** pursuant to the provisions of Sections 198, 269 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and pursuant to Article No.108 of the Articles of Association of the Company, consent of the Company be and is hereby accorded for re-appointment of Shri T. B. Gupta as Managing Director of the Company for a period of two years and eight months w.e.f. 30<sup>th</sup> January, 2009, on such remuneration and other terms and conditions as are expressed and contained in the agreement entered into for this purpose between the Company and the Managing Director.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to vary and/or revise the remuneration of the Managing Director within the permissible limits under the provisions of the Companies Act, 1956 or any statutory amendment/modification thereof, from time to time, to settle any question or difficulty in connection therewith or incidental thereto and to do all such things deeds and acts including delegation of powers herein to any person/committee as may be necessary or expedient for giving effect to said appointment and in case required to obtain the consent of Company in this regard, to and with intent that it shall be deemed to have been accorded expressly by authority of this resolution.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to take all necessary steps in this regard in order to comply with all the legal, procedural and other formalities and further to authorise any of its committee or any of its directors and/or any of the officer of Company to do all such acts, deeds or things to give effect to the aforesaid resolution."

By Order of the Board  
For South Asian Enterprises Ltd.  
S. C. Agarwal  
Director

Place: New Delhi  
Date: 16/07/2009

## 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 20<sup>th</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-26, 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. 46566666 (5 lines), Fax: 46566629. Dedicated Investor Services e-mail: [investor@desk.sael@gmail.com](mailto:investor@desk.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 of shares in physical form of listed companies, whether off market or not will require copy of PAN card of transferee(s) 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 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 26<sup>th</sup> August, 2009 to 2<sup>nd</sup> September, 2009 (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.

## 12. 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	List of Companies in which Directorship held as on 16/07/2009.	Chairman/Member of the committees of other companies as on 16/07/2009	Whether qualified as 74(1) (g) of the Companies Act, 1956
1	Shri M. P. Mehrotra	26/09/1937	30/05/2007	B. Com., LL.B., FCA. He is a Chartered Accountant by profession and a Law graduate with over 45 years of rich experience in areas of taxation, administration and financial services.	a) Empee Distilleries Ltd. b) VLS Capital Ltd. c) Gaurav Overseas Export Pvt. Ltd. d) Pragati Moulders Ltd. e) Champur Sugar Mills Ltd. f) India Securities Ltd. g) Empee Sugars & Chemicals Ltd. h) VLS Finance Ltd. i) Deltan Cables Ltd. j) Maan Infrazon Pvt. Ltd. k) Moon Rock Hospitality Pvt. Ltd.	i) Audit Committee-Member j) Audit Committee-Chairman k) Remuneration Committee-Chairman l) Audit Committee-Chairman m) Audit Committee-Monitor n) Nomination Committee-Member	Yes
2	Shri Gian Vijeshwar	02/03/1945	30/01/2007	M.A. (Public Administration). He is an eminent figure in Indian amusement industry and had pioneered in establishment of amusement parks in India, the first being Aggar Ghar in Delhi. He has over 40 years of rich experience in general management, financial administration and project management.	a) International Amusement Ltd. b) International Recreation Parks Pvt. Ltd. c) United Amusement Parks Ltd. d) Aggar Ghar Entertainment Pvt. Ltd. e) Aggar Ghar Holdings Pvt. Ltd. f) Aggar Ghar Recreation Parks Pvt. Ltd. g) Aggar Ghar Securities & Solutions Pvt. Ltd. h) International Amusement Solutions Ltd. i) Onus Infrastructures & Developers Pvt. Ltd. j) GROW Corporate Solutions Pvt. Ltd. k) D.B. Holding Pvt. Ltd. l) International Commodities Traders Pvt. Ltd. m) International Amusement & Infrastructures Ltd. n) VLS Capital Ltd. o) VLS Finance Ltd. p) GK Games-Member	a) Share Application Committee-Chairman b) Share Allocation Committee-Chairman c) Share Transfer Committee-Chairman d) Audit Committee-Chairman e) Audit Committee-Member f) Audit Committee-Member g) Audit Committee-Member h) Audit Committee-Member i) Audit Committee-Member j) Audit Committee-Member k) Audit Committee-Member l) Audit Committee-Member m) Audit Committee-Member n) Audit Committee-Member o) Audit Committee-Member p) Audit Committee-Member	Yes
3	Shri Rakesh Babbar	03/07/1955	30/01/2007	B. Com. He is a well known personality in amusement industry with about two decades of rich managerial experience in running amusement parks in India.	a) International Amusement Ltd. b) International Recreation Parks Pvt. Ltd. c) United Amusement Parks Ltd. d) Aggar Ghar Entertainment Pvt. Ltd. e) Aggar Ghar Holdings Pvt. Ltd. f) Aggar Ghar Recreation Parks Pvt. Ltd. g) Aggar Ghar Securities & Solutions Pvt. Ltd. h) International Amusement Solutions Ltd. i) Onus Infrastructures & Developers Pvt. Ltd. j) Vision Distribution Pvt. Ltd. k) International Amusement & Infrastructures Ltd. l) VLS Capital Ltd. m) VLS Finance Ltd. n) Aggar Ghar Build Tech & Infrastructures Pvt. Ltd. o) Team Builders Pvt. Ltd.	a) Share Application Committee-Member b) Share Allocation Committee-Member c) Share Transfer Committee-Member d) Audit Committee-Member e) Audit Committee-Member f) Audit Committee-Member g) Audit Committee-Member h) Audit Committee-Member i) Audit Committee-Member j) Audit Committee-Member k) Audit Committee-Member l) Audit Committee-Member m) Audit Committee-Member n) Audit Committee-Member o) Audit Committee-Member	Yes

## (B) Shareholding of above stated Directors (As on 16-07-2009):

S.No.	Name of Directors	No. of Equity Shares held in the Company	Percentage of voting capital
1)	Shri M. P. Mehrotra	6510	0.163
2)	Shri Gian Vijeshwar	NI	NI
	Shri Rakesh Babbar	NI	NI

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

## ITEM NO. 6:

The Board had re-appointed Shri T. B. Gupta as the Managing Director of the Company on 23/01/2009 for Two years and eight months w.e.f. 30/01/2009 since his term was upto 28/01/2009. He is M.Tech. from IIT, Kharagpur. He has over 45 years of experience in Electrical & Amusement industry, securities market and financial services and has held senior positions with various public and private sector undertakings. He has been associated with the Company since the very beginning and was Managing Director till October 1999. Shri T. B. Gupta is also the Executive Director of VLS Capital Ltd. and continues to hold that position. He is on the board of VLS Securities Ltd., VLS Investments Ltd. and Arjan (New Delhi) Pvt. Ltd.

Shri T. B. Gupta's re-appointment as Managing Director w.e.f. 30/01/2009 was made in accordance with the conditions specified in Part I of Schedule XIII and the remuneration payable is within the ceilings laid down in Part II thereof and the requirements of Part III thereof are being complied with. The total remuneration of Shri T. B. Gupta i.e. including remuneration drawn from VLS Capital Ltd. is also within the limits prescribed in Schedule XIII of the Companies Act, 1956. The term of Shri T. B. Gupta as Managing Director will expire on 29/09/2011. The abstract of agreement with Shri T. B. Gupta pursuant to provisions of section 302 of the Companies Act 1956, had already been sent to the members on 05/02/2009.

The agreement entered into by the Company with Shri T. B. Gupta inter-alia contains the following terms and conditions:-

- Period of agreement: 2 (Two) years and 8 (Eight) months w.e.f. 30<sup>th</sup> January, 2009.
- Remuneration:
  - Salary: A salary of Rs.20000/- (Rupees Twenty Thousand only) per month.
  - Perquisites: In addition to the aforesaid salary, no perquisites shall be paid to the Managing Director.
  - Reimbursement: Besides the above, the Managing Director shall be entitled to the reimbursement of out of pocket expenses incurred for performance of his official duties.
- Sitting Fees: The Managing Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or Committee thereof.

In terms of Article 109 of the Articles of Association of the Company, Shri T. B. Gupta shall not be liable to retire by rotation during his tenure as Managing Director of the Company.

The Board may from time to time, review and if deemed fit, revise the remuneration payable to the Managing Director within the limits permissible and in the manner permitted under the Companies Act, 1956 or any other applicable law, in force, for the time being. The other terms and conditions of Shri T. B. Gupta's re-appointment as Managing Director may be varied, altered or otherwise revised from time to time by the Board as it may in its discretion deem fit, subject to the provisions of the Companies Act, 1956 and other applicable laws, for the time being in force.

The re-appointment of Shri T. B. Gupta as Managing Director on the terms and conditions as set out in the agreement entered into between Shri T. B. Gupta and the Company is subject to the approval of the members. The Board recommends his appointment as set out in Item no. 6 of the accompanying Notice.

A copy of agreement entered into between the Company and Shri T. B. Gupta is available for inspection by the members of the Company at Registered office of the Company between 11:00 a.m. and 1:00 p.m. on all working days till the date of the Annual General Meeting except on Saturdays, Sundays and Holidays.

Shri T. B. Gupta does not hold any shares of the Company. None of the Directors except Shri T. B. Gupta is concerned or interested in the resolution.

By Order of the Board  
For South Asian Enterprises Ltd.  
S. C. Agarwal  
Director

Place : New Delhi  
Date : 16/07/2009



## SOUTH ASIAN ENTERPRISES LIMITED

## DIRECTORS' REPORT TO THE MEMBERS

Your Directors present the Twentieth Annual Report of your Company with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2009.

	(Rs. in Lacs)	
1. Financial Results	For the year ended 31st March, 2009	For the year ended 31st March, 2008
Total Income	162.85	53.69
Total Expenditure	125.09	59.79
Interest	0.00	0.00
Gross Profit/(loss)	37.76	(6.10)
Depreciation	32.92	18.25
Provision for taxation (Net)	(5.71)	(6.90)
Other provisions	(8.15)	0.00
Net Profit after tax	18.70	(17.45)
Paid up Equity Share Capital (excluding calls in arrears)	399.90	399.90
Reserves, excluding revaluation reserve	804.91	785.71
Earnings per share (Rs.)	0.47	(0.44)

## 2. Management Discussion and Analysis

### Financial Review

Your Company recorded a total income of Rs.162.85 lacs during the year under review compared to previous year's figure of Rs. 53.69 lacs. The Company has posted a net profit of Rs. 18.70 lacs as against the loss of Rs. 17.45 lacs in the previous year. 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.

The revenue from amusement parks continued to get the hit due to extreme weather conditions. The slow down of Indian economy particularly in Uttar Pradesh where Company's amusement parks are located, coupled with negativity in perception about future due to recessionary trends, also perhaps, added to reduction in foot falls in amusement parks. The Company is working on some stimulus packages to increase the revenue though the perception of common man and available disposable income in its hands shall remain the key factor.

### Industry Structure and Development

During the year under review, the general slow down in Indian economy coupled with global recessionary trend had its impact on amusement industry at large. In spite of the growing interest of masses towards Malls, multiplexes and amusement parks with latest gadgetry in rides, the subdued spending outlay of common man on amusement indicates cautionary attitude for this activity. In spite of such odds the 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 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

Due to 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. 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 in February 2009 will add to the pressure on operating margins because the consequent increase in entry fee is not commercially viable. 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 entertainment. 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

Your Company foresees good potential in the amusement 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 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 developed/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 recent 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 Amusement Parks generated a revenue of Rs. 41.97 Lacs and the Trading segment's revenue amounted to Rs. 32.03 lacs during the year under review. The other income accounted for Rs. 88.85 lacs. The segment of Amusement Parks incurred a loss of Rs. 93.02 lacs. However, the profit from Trading segment of Rs. 9.00 lacs coupled with other segment's profit of Rs. 88.85 lacs culminated into net profit of Rs. 4.83 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 41.

### 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 order to conserve resources, 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 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 Annual General Meeting to be held in the year 2010.

Shri T.B. Gupta was reappointed as Managing Director of the Company on 23/01/2009 w.e.f. 30/01/2009 for a period of two years and eight months subject to approval of members. The item relating to re-appointment of Shri T. B. Gupta as Managing Director is set out in the notice convening the ensuing Annual General Meeting together with requisite information. Your directors recommend appointment of Shri T. B. Gupta as Managing Director.

Shri M. P. Mehrotra, Shri Gian Vjeshwar and Shri Rakesh Babbar - 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, 2009, 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, 2009 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 2<sup>nd</sup> September, 2009. 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 29<sup>th</sup> May, 2009 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 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 2009-2010 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.