

SOUTH ASIAN ENTERPRISES LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 21st 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 18th 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 31st 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 21st 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: investordesksael@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) 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. 24th 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 14th September, 2010 to 18th 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. & Uttarakhand. 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	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), Ph.D. 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) Uttarakhand Jal Vidyut Nigam Ltd., c) Uttarakhand Power Corporation Ltd.	i) Audit Committee, Chairman ii) Remuneration Committee - Member iii) Audit Committee, Member	Yes
2	Shri P.K. Sharan, IRS (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

13. 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 Expertise 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 iii. 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 31st 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	399.90	399.90
(excluding calls in arrears)		
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 inspite 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 31st 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 31st 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 18th 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 27th 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.