



**SOUTH ASIAN  
ENTERPRISES LTD.**

# **XXIII Annual Report 2011-12**

## **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

## TWENTY THIRD ANNUAL GENERAL MEETING

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

at 1.30 p.m.

on Saturday, 29th September, 2012

## BOARD OF DIRECTORS :

DR. B. VENKATARAMAN

Chairman

SHRI T.B. GUPTA

Vice-Chairman & Managing Director

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 K.K. SONI

SHRI S.C. AGARWAL

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)

website : [www.sael.co.in](http://www.sael.co.in)

In order to improve investor services, we request you to update / register your postal and email address with Company in case of holding in physical form. The holders in demat (electronic) form may register the same with concerned depository participant.

## EQUITY SHARES ARE LISTED AT :

BSE LTD. (formerly The Stock Exchange, Mumbai)

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 23<sup>rd</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 29<sup>th</sup> day of September, 2012 at 1.30 p.m. to transact the following business: -

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2012, the statement of Profit & Loss for the year ended on that date together with the Report of Auditors and Directors thereon.
2. To appoint a Director in place of Shri M. P. Mehrotra, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Gian Vijeshwar who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri P.K. Sharan who retires by rotation and being eligible, offers himself for re-appointment.
5. 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's 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."

**By Order of the Board**  
For South Asian Enterprises Ltd.  
T. B. Gupta  
Managing Director

Place: New Delhi  
Date: 7/8/2012

### NOTES: -

1. 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 23<sup>rd</sup> Annual General Meeting in the form, enclosed hereto, duly filled and authenticated. A proxy may not vote except on a poll.
2. 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.
3. 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.
4. 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 Secretarial Department 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).

5. 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. Members may voluntarily also provide the details of PAN to Company for updating Company's records.
6. 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).
7. Members, who are holding shares in identical order of names in more than one Folio i.e. physical form, 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.
8. The Register of Members of the Company shall remain closed **from 22<sup>nd</sup> September, 2012 to 29<sup>th</sup> September, 2012** (both days inclusive).
9. 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.
10. 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.
11. 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. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its member. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their Depository Participant. Members holding shares in physical form are requested to send their e-mail addresses to the Registrar and Transfer Agents M/s RCMC Share Registry Pvt. Ltd., at B-106, Sector -2, Noida, U.P. 201301.
13. The Company in adherence to its policy to provide par excellence Investor service, periodically undertakes to locate members whose share certificate are lying undelivered and promptly sends share certificates upon identification of members. With the advent of clause 5A in the Listing agreement, the undelivered shares will be credited to "Unclaimed Suspense Account" with a depository participant in due course. As a consequence inter-alia, the voting rights in respect of such shares shall be stand frozen till shares are restored to members. The members are, therefore requested to update their address in Company's records by informing respective depository participant, in case shares are held in demat (electronic) form and where shares are held in physical form by writing to Company or its Registrar and Transfer Agent.

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

[illegible]

S. No.	Name of Director	No. of Equity Shares held in Company	Percentage of voting Capital
1)	Shri M.P. Mehrotra	6510	0.163
2)	Shri Gian Vijeshwar	Nil	Nil
3)	Shri P. K. Sharan	Nil	Nil

T. B. Gupta  
Managing Director



## DIRECTORS' REPORT TO THE MEMBERS

Your Directors present the Twenty Third Annual Report of your Company with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2012.

	For the year ended 31 <sup>st</sup> March, 2012	For the year ended 31 <sup>st</sup> March, 2011
Total Income	166.00	198.52
Less: Total Expenditure	158.88	174.87
Less: Interest	1.25	1.52
Gross Profit/(loss)	5.87	22.13
Less: Depreciation	15.90	15.95
Less: Provision for Taxation (Net)	(2.56)	0.82
Other provisions	0.30	0.32
Net Profit after tax	(7.78)	5.03
Paid up Equity Share Capital (excluding calls in arrears)	399.90	399.90
Reserves, excluding revaluation reserve	801.74	809.52
Earnings per share (Rs.)	(0.19)	0.13

## 2. Management Discussion and Analysis

### Financial Review

Your Company recorded a total income of Rs. 166.00 lacs during the year under review compared to previous year's figure of Rs. 198.52 lacs. The Company has incurred a net loss of Rs. 7.78 lacs as against the net profit of Rs. 5.03 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 inspite of marginal decrease in revenue generation in this segment compared to previous year. The Company expects good progress in this segment and incoming years will witness better results.

The revenue from amusement parks remained at same level with a marginal increase compared to previous year. 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. The rising inflation and relatively low per capita income in the regions where amusement parks are located have significant bearing on revenue from this segment. Notwithstanding the odds, the Company is continuing its efforts to sustain and improve its performance in this area.

### Industry Structure and Development

During the year under review, inspite 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. 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

"Something new" is the keyword for survival in amusement industry. To retain the attraction of amusement park and increase the footfalls, both disposable income per person and constant innovation whether by inducing new rides or promotional programs etc. are equally important. However, the increased cost of improvement/new rides, the maintenance expenditure and the stiff competition from other sources of entertainment have put profit margins of the industry under pressure. Your Company already operates on thin margins and infusion of funds on improvement/new rides is constant challenge. Further, due to relatively low per capita income in the regions where your company operates amusement parks, entry costs have to be kept low to keep the parks within the reach of masses that have further stressed the cash flows. The entertainment tax of 30% continues to be additional burden and a challenge for boosting revenue. The recurrent loss in this segment is being monitored closely to keep it to the minimum. 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. Additionally, some of the new areas where Company can explore possibilities of revenue generation are being examined by management.

### 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 lightening 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 revenue of Rs. 43.06 Lacs and the Trading segment's revenue amounted to Rs. 112.57 lacs during the year under review.

The other income accounted for Rs. 10.38 lacs. The segment of entertainment incurred a loss of Rs. 38.20 lacs. However, the profit from trading segment of Rs. 19.14 lacs coupled with 'other' segment's profit of Rs. 10.38 lacs culminated into loss of Rs. 10.04 lacs after adjusting for unallocables. Your Board is hopeful of better performance in future.

### 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 loss sustained, no dividend is recommended.

### 4. Directors

Shri M. P. Mehrotra, Shri Gian Vijeshwar and Shri P.K. Sharan - 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, 2012, 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