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SOUTH ASIAN ENTERPRISES LIMITED

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XIII ANNUAL REPORT 2001-2002

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SOUTH ASIAN ENTERPRISES LIMITED

THIRTEENTH ANNUAL GENERAL MEETING
at Mikky House, K-Block Kidwai Nagar,
Kanpur - 208 011
at 1.30 p.m.
Saturday, the 13th July, 2002

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

BOARD OF DIRECTORS :

SHRI V.K. GOEL	*Chairman*
DR. B VENKATARAMAN	*Vice Chairman*
SHRI SOMESH MEHROTRA	
SHRI P.K. SHARAN	
SHRI S.V.S. JUNEJA	
SHRI A.K. RAY	
DR. S. RAMESH	
SHRI T.B. GUPTA	
SHRI G.N. MEHRA	

AUDITORS
M/s. Anil Pariek & Garg.
Chartered Accountants,
Kanpur

BANKERS
Punjab National Bank
Bank of Baroda
The Vysya Bank Ltd.
Union Bank of India

MANAGER
SHRI S.C. AGARWAL

COMPANY SECRETARY
SHRI R. RAMNATH

SHARES ARE LISTED AT :
U.P. STOCK EXCHANGE ASSOCIATION LTD.,
PADAM TOWER, 14/113, CIVIL LINES,
KANPUR-208 001

THE STOCK EXCHANGE, AHEMEDABAD
KAMDHENU COMPLEX,
NEAR POLYTECHNIC,
PANJARA POLE,
AHMEDABAD-380 015

THE DELHI STOCK EXCHANGE ASSOCIATION LTD.
3/1, ASAF ALI ROAD,
NEW DELHI-110 002

THE STOCK EXCHANGE, MUMBAI
PHIROZE JEEJEEBHOY TOWERS,
DALAL STREET,
MUMBAI-400 001

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REGISTERED OFFICE :
Mikky House, K-Block,
Kidwai Nagar,
Kanpur - 208 011

CORPORATE OFFICE :
C-489, Defence Colony
New Delhi-110 024

SHARE TRANSFER & INVESTOR SERVICES
Share Department,
South Asian Enterprises Ltd,
C-489, Defence Colony,
New Delhi-110 024

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 13th 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 13th day of July, 2002 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 31st March, 2002 and the Profit & Loss Account for the year ended on that date together with the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Shri S.V.S. Juneja, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri P.K. Sharan, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri T. B. Gupta, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint the Auditors and to fix their remuneration.
   The term of M/s. Anil Pariek & Garg, Chartered Accountants, the Statutory Auditors of the Company will end at the conclusion of the 13th Annual General Meeting and, being eligible, they offer themselves for re-appointment.

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution.**
   "RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act 1956, the Articles of Association of the Company be altered in the following manner:
   a) By inserting the following Article 69A after the existing Article 69.
   69A Passing the Resolution by Postal Ballot.
   Notwithstanding anything contained in these Articles, the Company shall adopt the mode of *passing resolution by its members by means of postal ballot (including voting by electronic* mode) and/or other ways as may be prescribed by the Central Government, from time to time, in this behalf in respect of resolutions relating to such business as the Central Government may, by notification, declare to be conducted only by postal ballot.
   The Company shall comply with such procedures for postal ballot and/or other ways as may be prescribed by the Central Government in this regard.
   b) By deleting the existing Article No. 112 and substituting following new Article No. 112 in its place.

112. The Company may commence any or all business listed in 'Other Objects' of its Memorandum of Association subject to compliance of provisions of section 149 of the Act and any other provisions/ regulations framed in this regard."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution.**

"RESOLVED THAT subject to such other approvals and permissions as may be required, the consent of the Members of the Company be and is hereby accorded in terms of provisions contained in section 149 (2A) of the Companies Act, 1956 and other applicable provisions, if any, for commencement of business stated in Clause Nos. 2, 3, 16, 20 and 49 of Other Objects in Part C of object Clause in part III of Memorandum of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to settle all queries, clarifications / doubts, if any, arising in this regard as it may in its absolute discretion deem fit and in case of need to seek further approval of the members, or authorization, to the end and intent that the members shall be deemed to have given their express approval by authority of this resolution."

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

R. RAMNATH
COMPANY SECRETARY

Place: New Delhi
Date: 28/05/2002

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 meeting in the form, enclosed hereto, duly filled and authenticated.
2. The Register of Members of the Company shall remain closed from 9th July, 2002 to 12th July, 2002 (both days inclusive).
3. Members are requested to intimate the change in address, if any, to the Company at its Corporate Office at C-489, Defence Colony, New Delhi- 110 024, for shares held in physical mode. **Members holding shares in Demat (Electronic) form are requested to notify any change in address, mandate/bank details to their Depository Participants.**
4. 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).
5. All correspondence with regard to share transfers/dividends/ dematerialisation and matters related thereto may be addressed to the Company at its corporate office for prompt redressal.
6. Members, who are holding shares in identical order of names in more than one Folio, are requested to write to the Company at its Corporate Office stated above to enable the Company to consolidate their holdings under one Folio.
7. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours 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.
8. Member/Proxies are requested to bring their copies of the Annual Report to the meeting, and the attendance slip duly filled in for attending the meeting. As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting.
9. The relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, for items No.6 and 7 of the notice is annexed hereto and forms part of this notice.
10. Pursuant to Section 205A of the Companies Act, 1956 ("the Act") all unclaimed/unpaid dividends up to the financial year 1994-95 has been credited to the General Revenue Account of the Central Government. The members who have not encashed their dividend warrants for the said year could claim the amount from the Registrar of Companies Uttar Pradesh and Uttaranchal, West Cott Building, M. G. Road, Kanpur (U.P.). For any assistance, the members may write to the Company Secretary at the Corporate Office of the Company.
11. Shareholders are hereby informed that after the amendment of the Companies Act, 1956 w.e.f. 31.10.1998, the Company is required to transfer any money lying in the Unpaid Dividend Account, 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 ("the Fund") established by the Central Government. In accordance with Section 205C of the Act, no claim shall lie against the Company or Fund in respect of individual amounts of dividend remaining unclaimed and unpaid for a period of seven years from the date they became first due for payment and no payment shall be made in respect of any such claims.
12. The members who have not encashed their dividend warrants for the financial year ended on 31.03.1996 or for any subsequent financial years are advised to write to the company at its corporate office for obtaining duplicate dividend warrants/ revalidation instrument. The Unpaid Dividends and the date they are due for transfer to Investor Education & Protection Fund are as follows:

Financial year Ended on	AGM Date	Date of transfer to Unpaid Dividend A/c	Due for Transfer to fund on
31/03/1996	02/08/1996	13/09/1996	12/09/2003
31/03/1997	10/09/1997	23/10/1997	22/10/2004
31/03/1998	23/09/1998	04/11/1998	03/11/2005
31/03/1999	28/09/1999	NIL#	NIL#
31/03/2000	29/09/2000	NIL#	NIL#
31/03/2001	22/09/2001	NIL#	NIL#

No dividend was declared in the financial years 1998-1999, 1999-2000 and 2000-2001.

13. The Company's Refund Account No. 4045 with Punjab National Bank, E.C.E. House, New Delhi has been closed on 23/3/2002 pursuant to provisions of Section 205 C of the Companies Act, 1956 and the balance of Rs. 4135/- standing to its credit, being the unclaimed application money/brokerage for public issue of the Company has been transferred to Investor Education and Protection Fund of the Central Government. The relevant Return with the Registrar of Companies (Uttar Pradesh and Uttaranchal) has also been filed on 10.4.2002.
14. Information regarding Directors retiring by rotation and seeking re-appointment:

S. No.	Name of the Director	Other Directorships	Membership in Committees of other Companies and designation	Qualified u/s 274(1)(g) of the Companies Act, 1956
1.	Shri S.V.S. Juneja IAS (Retd.)	NIL	NIL	Yes
2.	Shri P.K. Sharan, IRS (Retd.), B.Com., M.A., LL.B	NIL	NIL	Yes
3.	Shri T.B. Gupta M Tech (Electrical)	a) VLS Finance Ltd.	Shareholders / Investors Grievance Committee, *Member*	Yes
		b) VLS Securities Ltd.	N.A.	
		c) VLS Investments Ltd.	N.A.	
		d) South Asian Securities Ltd.	N.A.	
		e) VLS International S.A., Luxembourg.	N.A.	

EXPLANATORY STATEMENT
Pursuant to section 173(2) of the Companies Act, 1956

Item No. 6

To Amend Articles of Association of the Company

As per Section 192A of the Companies Act, 1956 a new concept has been introduced for ascertaining the preference of shareholders, in the case of certain matters, which the Central Government may notify to be conducted only through postal ballot, in case of listed Company, instead of transacting the business in General Meetings. Accordingly, the Article of Association of the Company have to be amended by inserting the aforesaid provisions to enable the Company to make use of these provisions whenever required to do so.

Further the existing Article No. 112 of the Company restricts commencement of business contained in 'Other Objects' of Memorandum of Association of Company except by complying with requirement of section 149 (2B) of the Companies Act. However keeping in view the frequent amendment/ enactment of regulations, it is proposed to amend the said article to make it more adaptable to rapidly changing scenario.

None of the Directors of the Company is, in any way, concerned or interested in the Resolution. The Board recommends the Resolution for approval of Members.

A copy of Memorandum and Articles of Association of the Company together with the proposed alterations is available for inspection, by the members of the Company, at its Registered Office between 11 a.m. and 1 p.m. on all days except on Saturdays, Sundays and other Holidays.

Item No. 7.

To consider commencement of new business contained in Other Objects of Memorandum of Association.

At present, apart from the activities specified in the Main Object Clause of Memorandum of Association, the Company is authorized to pursue business envisaged in Clause 22 (farming etc.), Clause 31 (financiers etc.), Clause 43 (investment activities) and Clause 46 (importer/exporter) of the other objects of Memorandum of Association. In order to augment its income sources and explore opportunities in diversified areas where investment required is relatively small, it is proposed to commence business stated in clauses 2, 3, 16, 20 and 49 of the other objects. In terms of provisions contained in Section 149 of the Companies Act, the approval of the Members is required before commencement of any such business contained in other objects. The business envisaged in Clauses 2, 3, 16, 20 and 49 are reproduced below for reference.

Clause 2. To carry on, in any mode, the business of storekeepers in all its branches and in particular to buy, sell, manufacture and deal in goods, stores, consumable articles, chattels and effects of all kinds, both wholesale and retail.

Clause 3. To carry on the business as traders, agents, suppliers and commission agents, of products and commodities and materials in any form or shape manufactured or supplied by any company, firm, association of persons, body, whether incorporate or not, individuals, government, semi-government or any local authority.

Clause 16. To carry on business as tourists, agents and contractors, and to facilitate travelling and to provide conveniences for tourists and travellers and promote the provision of conveniences of all kinds in the way of through tickets circular tickets, sleeping cars or berth reserved places, hotel and lodging accommodation, guides, safe deposits, inquiry bureaus, libraries, lavatories, reading room, baggage transport and otherwise.

Clause 20. To carry on all or any of the business of transport, cartage and haulage contractors, garage proprietors, owners and charters of road vehicles, aircrafts, ships, tugs, barges, and boats of every descriptions, lightermen, carriers of goods and passengers by road, rail, water or air Carmen, cartage contractors, stevedores, wharfingers, cargo superintendents, packers, hauliers, warehousemen, store keepers and jobmasters.

Clause 49. To act as Investors, financiers, traders, agent, factors, brokers, whargingers, exporters, importers, shippers, surveyors, liquidators, builders, underwriters in any other city in India or elsewhere.

Your Directors recommend the said resolution for your approval. None of the Directors of the Company is, in any way, concerned or interested in the Resolution.

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

R. RAMNATH
COMPANY SECRETARY

Place: New Delhi
Date: 28/05/2002

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DIRECTORS' REPORT TO THE MEMBERS

Your Directors are pleased to present the Twenty-Fourth Annual Report of South Asian Enterprises Limited with the audited statement of accounts for the year ended 31st March, 2002.

1. Financial Results **(Rs. in Lakhs)**

	For the year ended 31st March, 2002	For the year ended 31st March, 2001
Total Income	105.97	102.73
Total Expenditure	67.95	75.79
Interest	NIL	2.48
Gross Profit	38.02	24.46
Depreciation	78.95	69.83
Provision for taxation	NIL	2.50
Other provisions	0.63	NIL
Net Profit after tax	(40.30)	(47.87)
Paid up Equity Share Capital (excluding calls in arrears)	399.90	399.90
Reserves, excluding revaluation reserve	1120.19	1194.68
Earnings per share (Rs.)	-	-

2. **Operations**
The Company registered a total income of Rs. 105.97 Lacs during the year under review. It is marginally higher by Rs. 3.24 Lacs as compared to income of Rs. 102.73 Lacs in the previous year.
However, the Company has incurred a net loss of Rs. 40.30 Lacs even though it has posted cash profit of Rs. 38.02 Lacs. The political instability in the State of Uttar Pradesh and critical Law & Order situation in the later months of financial year under review impacted adversely on the revenue generation process leading to substantial decline in the revenues in that period.
Further, the amusement park at Ayodhya that was commissioned w.e.f. 1st January, 2002 had to be temporarily shut down for public as it was requisitioned for stationing of security forces by the State Government. With the improvement in the overall situation, the operations are steadily picking up. Your Directors are optimistic about returns from Amusement Park at Ayodhya as and when the law and order situation returns to normal and the activities of the Park are conducted at full strength.
In order to augment income from other avenues it is proposed to explore more opportunities in diversified areas including trading in merchandise and activity as Tourist Agents. The relevant resolution has been set out in the notice convening the meeting together with the background information. Your Directors recommend the proposal for your approval.

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

4. **Directors**
Shri Gyan Vijeshwar, who was on the Board since March 21, 1991 tendered his resignation, effective 1st February, 2002. The Board has accepted his resignation and expresses its appreciation of the invaluable contribution made by him during his tenure.
Shri S.V.S. Juneja, Shri T. B. Gupta and Shri P.K. Sharan, Directors will retire by rotation at the forthcoming Annual General Meeting and all, being eligible, offer themselves for reappointment. To enable the Company to obtain their continued valuable direction, guidance and assistance in conduct of the affairs of your Company, it is recommended that their reappointment be approved.
Shri G. N. Mehra, who would have retired at the ensuing Annual General Meeting has expressed his unwillingness to be re-appointed due to other preoccupations. The Board takes this opportunity to express its sincere thanks and gratitude to Mr. G. N. Mehra for his valuable guidance and advice all through his association with the Company. In compliance of provision of Section 255 & 256, of the Companies Act, 1956, therefore, Mr. T. B. Gupta will retire at ensuing Annual General Meeting, being longest in office and item relating to his re-appointment has being suitably incorporated in notice convening the Annual General Meeting.

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:
1. that in the preparation of the annual accounts for the financial year ended 31st March, 2002, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
2. 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 or loss of the Company for that period;
3. 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
4. that they have prepared the annual accounts for the financial year ended 31st March, 2002 on a going concern basis.

6. **Corporate Governance**
The provisions relating to Corporate Governance will be applicable to your Company from Financial Year 2002-2003 i.e. the Company has to comply with mandatory requirements on or before 31/3/2003. However, your Company has taken steps in this regard and as already reported in previous year's Directors' Report, the Statutory Committees viz. the Audit Committee was constituted on 30/1/2001, the Remuneration Committee & the Shareholders/Investors Grievance Committee on June 28, 2001. In furtherance of Management's commitment to adopt good Corporate practices with emphasis on transparency, integrity and accountability a report on the steps taken for implementing Code of Corporate Governance is provided as Annexure 1 to this report.

7. **Auditors**
The Auditors, M/s. Anil Pariek & Garg, Chartered Accountants, will retire at the forthcoming Annual General Meeting. 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 reappointed. The Audit Committee in its meeting held on 28/5/2002 has recommended the re-appointment of M/s. Anil Pariek & Garg, Chartered Accountants, as Statutory Auditors for the next term. The Board concurring to Audit Committee's recommendation recommends the reappointment of M/s Anil Pariek & Garg, Chartered Accountants, 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. **Statutory Information**
During the year, no employee of the Company drew remuneration exceeding the limits laid down u/s 217(2A) of the Companies Act, 1956 read with relevant rules framed thereunder.
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 shares of Company are listed at 1) U.P Stock Exchange, Kanpur, 2) Delhi Stock Exchange, 3) The Stock Exchange Mumbai, 4) The Stock Exchange, Ahmedabad. The Company has paid the Annual Listing fees for the year 2002-2003 to the stock exchanges at Kanpur and Mumbai.

10. **Fixed Deposits**
The Company has neither held, nor accepted any fixed deposit, during the year under review. As on date, the Company has no plans to solicit and accept any deposits in future also.

11. **Subsidiary Company**
A 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 2001-2002 in respect of South Asian Securities Ltd. is enclosed.

12. **Acknowledgements**
Your Directors wish to express their sincere appreciation and gratitude to the Company's Bankers, UPFC, Kanpur Nagar Mahapalika, Kanpur Vikas Pradhikaran and Lucknow Vikas Pradhikaran for their continued valuable cooperation and support. Your Directors also wish to place on record their sincere appreciation of the contribution made by employees at all levels and are also thankful to you for the trust you have reposed in them.

For and on behalf of the Board of Directors

Date : 28th May, 2002
Place : New Delhi

T. B. Gupta
Director

Dr. B. Venkantaraman
Director

Annexure-1

CORPORATE GOVERNANCE

The philosophy of the Company is to enhance the long term economic value of the Company, its stake holders and the society at large by adopting better corporate practice in fair and transparent manner by aligning interest of the Company with its shareholders and other key stake holders. Your Company has been practicing the principles of good Corporate Governance over the years and endeavor to reward its shareholders to the maximum.

(i) Board of Directors:

a) The total strength of the Board is 9 Directors all being non-executive, comprising of 2 (Two) Promoter Directors, 6 (Six) Independent Directors and 1 (One) Non-Independent Director.

S. No.	Name of the Director	Whether Promoter, Executive or Non - Executive/ Independent	No. of Board Meeting attended during 2001-2002	Whether attended AGM held on 22/09/2001	No of Directorships in other Public Limited	No. of Committee Position held in other Public Ltd. Company Companies	
						Chairman	Member
1.	Shri V.K. Goel	Non-Executive, Promoter	0	NO	12	1	-
2.	Dr.B. Venkataraman	Non-Executive, Independent	4	NO	2	-	3
3.	Shri S.V.S. Juneja	Non-Executive, Independent	3	NO	-	-	-
4.	Shri Somesh Mehrotra	Non-Executive, Promoter	2	NO	6	-	4
5.	Shri A.K. Ray	Non-Executive, Independent	5	YES	-	-	-
6.	Shri P.K. Sharan	Non-Executive, Independent	3	NO	-	-	-
7.	Shri G.N. Mehra	Non-Executive, Independent	5	NO	7	2	-
8.	Shri T.B. Gupta	Non-Executive Non- Independent	5	YES	4	-	1
9.	Dr. S. Ramesh	Non-Executive, Independent	5	NO	2	-	-

b) During the year ended on 31.03.2002, 5 (Five) Board Meetings were held with at least one meeting in every Quarter on 28.06.2001, 29.06.2001, 26.07.2001, 31.10.2001 and 30.01.2002.

c) The Company did not have any pecuniary relationship or transactions with the non executive Directors during 2001-2002.

d) During the year following changes have taken place in Board:
1) Shri M. P. Mehrotra, Director and Shri Gyan Vijeshwar, Director have resigned from the Board.

(ii) Audit Committee:
The Audit Committee comprises of Shri A. K. Ray (Chairman of the Committee), Dr. S Ramesh and Shri T. B. Gupta. The role, terms of reference, authority and powers of the Audit Committee are in conformity with the listing agreement. The Company Secretary is the Secretary of the Committee.
During the year ended on 31.03.2002, 3 (Three) Audit Committee Meetings were held on 28.06.2001, 30.10.2001 and 29.01.2002, in which all the members were present.

(iii) Shareholders/Investors Grievance Committee:
The then existing share transfer committee of directors was re-designated as Shareholders/ Investors Grievance Committee w.e.f. 28.06.2001 and comprises of Shri T. B. Gupta (Chairman of the Committee), Shri A.K Ray, Shri Somesh Mehrotra and Shri P. K. Sharan. The Committee is vested with the requisite powers and authority in accordance with requirements of Listing Agreement and specifically looks into the redressal of the shareholders and investor's grievances. The Board has designated the Company Secretary as the Compliance Officer and Secretary of Committee.
During the year ended on 31.03.2002, 8 (Eight) Shareholders/ Investors Grievance Committee Meetings were held on 01.05.2001, 28.06.2001, 10.08.2001, 16.10.2001, 17.12.2001, 11.02.2002 and 18.03.2002. Shri A. K. Ray and Shri T. B. Gupta were present in all the meetings, Shri P.K. Sharan was present in all the meetings except on 01/05/2001 and Shri Somesh Mehrotra was granted leave in all the meetings.

(iv) Remuneration Committee:
The Remuneration Committee comprises of Shri G. N. Mehra, Shri Somesh Mehrotra and Shri T. B. Gupta. The committee shall recommend the remuneration package of Executive Director(s) / Whole time Director(s) that may be appointed and perform other roles detailed out in the listing agreements executed with the Stock Exchanges.

(v) Shareholders information :

A. Annual General Meeting
Date and Time : 13th July, 2002 at 1.30 p.m.
Venue : Mikky House, K- Block
Kidwai Nagar- Kanpur-208011

B. Book Closure : from 09/07/2002 to 12/07/2002

C. Registrar and Transfer Agents:
The Company has in-house set up for processing request for transfer and other shareholders services including Dematrialisation of shareholding. However for connectivity Services with Depositories, the Company has appointed M/s RCMC Share Registry Pvt. Ltd., 1515, 1st floor, Bhisham Pitamah Marg, Kotla Mubarakpur, Near South Extention, New Delhi-110003 (Phone No. 4692346, 4601017). For any assistance in said matters, queries may be addressed to the Company Secretary at Corporate Office: – C-489, Defence Colony, New Delhi-110024, Phone No. 4601910.

D. Dematerialisation of Shares and liquidity:
52.82 % of the total share holdings of equity shares have been dematerialized up to 31.03.2002. Trading in Company's shares is permitted only in demat form w.e.f. 24.07.2000 as per notification issued by the Securities and Exchange Board of India.

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E. Listing at Stock Exchanges

The details regarding payment of listing fee to Stock Exchanges is given below:

S. No.	NAME OF THE STOCK EXCHANGE	LISTING FEE PAID UPTO
1.	The Stock Exchange, Mumbai	2002-2003
2.	The Delhi Stock Exchange Association Ltd., Delhi	2001-2002
3.	The U.P. Stock Exchange Association Ltd. Kanpur	2002-2003
4.	The Stock Exchange, Ahmedabad	2001-2002

F. Investors Correspondence

For any query relating to transfer/transmission of shares, dematerilisation, change of address etc. please write to :

The Company Secretary
South Asian Enterprises Ltd.
Corporate office : C-489. Defence Colony,
New Delhi-110024
Phone: 4601910, Fax: 4616224

G. Shareholders Complaints.

All complaints received through SEBI, Stock Exchange or Individual during the year, were redressed to the satisfaction of Investors and none remained outstanding at the end of the year under report.

H. Financial Calendar

Financial reporting for:	
Quarter ending June 30, 2002	End of July 2002
Quarter ending September 30, 2002	End of October 2002
Quarter ending December 31, 2002	End of January 2003
Year ending March 31, 2003	End of May 2003
Annual General Meeting for the year ended March 31, 2002	13th July 2002

I. Distribution of shareholding as at March 31, 2002

Slab of Shareholdings No. of Shares	No. of Shareholders	%	Amount in Rs.	%
1- 500	7720	97.70	9811070.00	24.53
501- 1000	123	1.56	936090.00	2.34
1001- 2000	41	0.52	583240.00	1.46
2001- 3000	4	0.05	94000.00	0.24
3001- 4000	3	0.04	105000.00	0.26
4001- 5000	1	0.01	50000.00	0.13
5001-10000	3	0.04	2201000.00	0.55
Above 10000	7	0.09	28200500.00	70.50
Total	7902	100.00	40000000.00	100.00

According to categories of shareholders as at March 31, 2002

Categories	No. of shares	Amount in Rs.	Percentage of shareholding
Promoters, Directors and Relatives	2748080	27480800.00	68.7020
Financial Institution and Banks	200	2000.00	0.0050
Mutual Fund	0	0.00	0.0000
FIIs	0	0.00	0.0000
Corporate Bodies	20692	206920.00	0.5173
Indian Public	1231028	12310280.00	30.7757
NRI/OCBs	0	0.00	0.0000
	4000000	40000000.00	100.0000

(vi) Disclosures

(a) Disclosure on materially significant related party transactions i.e. transactions of the company of material nature, with its Promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large. None.

(b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years. None.

Annexure-2

ANNEXURE TO DIRECTORS' REPORT

INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN REPORT OF BOARD OF DIRECTORS) RULES 1988 AND FORMING PART OF DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2002.

CONSERVATION OF ENERGY

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

TECHNOLOGY ABSORPTION

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

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

For and on behalf of the Board of Directors

Date : 28th May, 2002 — T. B. Gupta, Director — Dr. B. Venkantaraman, Director
Place : New Delhi

AUDITORS' REPORT

To,
The Members
SOUTH ASIAN ENTERPRISES LIMITED
KANPUR

We have audited the attached Balance Sheet of SOUTH ASIAN ENTERPRISES LIMITED as at 31st MARCH, 2002 and also Profit and Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit, also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Manufacturing & Other Companies (Auditors' Report) order, 1988 Issued by the Company Law Board in terms of section 227 (4A) of the Companies Act, 1956. We enclose in the Annexure a statement on the matters specified in paragraphs 4&5 of the said order.
2. Further to our comments in the annexure referred to in paragraphs 1 above, we report that:
   (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
   (c) The Balance Sheet and Profit, and Loss Account dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the Balance Sheet and Profit &c Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
   (e) On the basis of written representations received from the directors, as on 31st March, 2002, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2002 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956,
   (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, subject to;
      (a) Note 3 of schedule 13 regarding Leave encashment on retirement which is accounted for on accrual basis vis-a-vis on cash basis upto the immediately preceding accounting year, thus overstating the loss by Rs. 90366.00.
      (b) Note 4 of schedule 13 regarding an aggregate amount of Rs. 34.18 Lace has been transferred from General Reserve to Profit & Loss Account towards adjustment, of Bad Debts written off of Rs. 3418081. Had this adjustment not been made, the General Reserve would have been higher and loss for the period would have also been higher by Rs. 34.18 Lacs.

   and read together with other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India ;
   (i) In the case of the Balance Sheet of the state of affairs of the company as at 31st March, 2002; and,
   (ii) In the case of the Profit and Loss account of the Loss of the company for the year ended on that date.

FOR ANIL PARIEK&GARG
CHARTERED ACCOUNTANTS

PLACE: CAMP, NEW DELHI — **(H.K. PARIEK)**
DATE : 28.05.2002 — **PARTNER**

ANNEXURE TO THE AUDITORS' REPORT
REFERRED TO IN PARAGRAPHS (1) OF OUR REPORT OF EVEN DATE

1. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. All the assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification.
2. The fixed assets of the company have not been revalued during the year.
3. The stock of food beverages and stores have been physically verified at reasonable intervals during the year by the management.
4. In our opinion and according to the information and explanations given to us, the procedure of physical verification of stocks followed by the management were found reasonable and adequate in relation to the size of the company and nature of it's business.
5. The discrepancies noticed on physical verification of stocks as compared to the book records were not significant and were properly dealt within the books of accounts.
6. There is no stock-in-trade at close of the year.
7. The company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. We have been informed that there are no Companies under the same management as defined under section 370(1B) of the Companies Act, 1956.
8. The Company has not granted any loans to firms and other parties listed in the register maintained under section 301 of the Companies Act, 1956 except that a loan to a Company listed in the register maintained under section 301, the terms and conditions of the which were rescheduled and re-negotiated during the year and same are prima facie not prejudicial to the interest of the Company.
9. The parties to whom loans and advances in the nature of loans have been given by the Company are repaying the principal amounts as stipulated. However, some parties are not regular in payment of interest, wherever applicable.
10. In our opinion and according to the Information and explanations given to us there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchases of stores, plant and machinery, equipments and other assets and with regard to the sale of goods and services.
11. According to the information and explanations given to us, there are no transaction of purchase of goods and materials and sale of goods, Materials and services required to be entered in the registered maintained under Section 301 of the Companies Act, 1956.
12. As explained to us, the company has a regular procedure for determination of unserviceable or damaged stores and eatables.
13. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits within the meaning of the provisions to Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975.
14. As explained to us and according to the information and explanations given to us, the company has neither any by-products nor it has generated any scraps.
15. The Company has an adequate internal audit system commensurate with its size and nature of business
16. The Central Government has not prescribed the maintenance of cost records by the company under Section 209(1) (d) of the Companies Act, 1956, for its products.
17. According to the records of the Company, Provident Fund and ESI Dues have been regularly deposited with the appropriate authorities except that there are some minor delays in few cases.
18. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty were outstanding as at 31st March, 2002 for a period of more than six months from the date they became payable.
19. According to the information and explanations given to us, no personal expenses of employees or Directors have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practices.
20. The Company is not a sick industrial Company within the meaning of Clause 3(O) of sub-section (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
21. The service activities of the Company does not involve consumption of materials and hence the question of reporting on the existence or otherwise of a reasonable system to record the receipts, issues and consumption of materials does not arise.
22. In our opinion and on the basis of information and explanations given to us, the services rendered by the Company do not require any allocation of man-hours.
23. There were no damaged goods in the case of goods purchased by the Company for resale.
24. The Company has not invested any surplus funds during the year. The shares, securities, debentures and other investments have been held by the Company in its own name except to the extent of the exemption, if any, granted under section 49 of the Companies Act, 1956 (1 of 1956).

FOR ANIL PARIEK&GARG
CHARTERED ACCOUNTANTS

PLACE: CAMP, NEW DELHI — **(H.K. PARIEK)**
DATE : 28.05.2002 — **PARTNER**

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