



SOUTH ASIAN ENTERPRISES LIMITED

XIV ANNUAL REPORT 2002-2003

REGISTERED OFFICE :

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

CORPORATE OFFICE :

C-489, Defence Colony,
New Delhi-110 024

SHARE TRANSFER & INVESTOR SERVICES

RCMC Share Registry Pvt. Ltd.,
Unit: South Asian Enterprises Ltd,
1515, 1st Floor, Bhishm Pitamah Marg,
Kotla Mubarakpur, Near South Extension,
New Delhi-110 003.

SOUTH ASIAN ENTERPRISES LIMITED

FOURTEENTH ANNUAL GENERAL MEETING
at Mikky House, K-Block Kidwai Nagar,
Kanpur - 208 011
at 1.30 p.m.
on Tuesday, the 30th September, 2003

BOARD OF DIRECTORS :
SHRI V.K. GOEL
DR. B. VENKATARAMAN
SHRI SOMESH MEHROTRA
SHRI P.K. SHARAN
SHRI S.V.S. JUNEJA
SHRI A.K. RAY
DR. S. RAMESH
SHRI T.B. GUPTA

Chairman
Vice-Chairman

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

AUDITORS

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

BANKERS

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

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, AHMEDABAD
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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SOUTH ASIAN ENTERPRISES LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 14th Annual General Meeting of the Members of SOUTH ASIAN ENTERPRISES LTD. will be held at the Registered Office of the Company at Midky House, K-Block, Kidwai Nagar, Kanpur-208 011 on Tuesday, the 30th Day of September, 2003 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, 2003, the Profit & Loss Account for the year ended on that date and the Consolidated financial statements for the said period together with the Reports of the Auditors and Directors thereon.
 - To appoint a Director in place of Shri Somesh Mehrotra, who retires by rotation, and being eligible, offers himself for re-appointment.
 - To appoint a Director in place of Dr. B. Venkataraman, who retires by rotation, and being eligible, offers himself for re-appointment.
 - To appoint a Director in place of S. Ramesh, who retires by rotation, and being eligible, offers himself for re-appointment.
 - 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 14th Annual General Meeting and, being eligible, they offer themselves for re-appointment.

SPECIAL BUSINESS:

6. VOLUNTARY DELISTING OF EQUITY SHARES OF THE COMPANY FROM DELHI, AHMEDABAD AND UTTAR PRADESH STOCK EXCHANGES.

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 consents, permissions, sanctions as may be required from any authority, statutory or otherwise, particularly from Securities and Exchange Board of India (SEBI) and pursuant to Section 61 and all other applicable provisions of the Companies Act, 1956 and Guidelines, Rules etc. framed by SEBI in this regard, Securities Contracts (Regulation) Act, 1956, and Rules framed thereunder, Listing Agreements and all other applicable laws and in supersession of approval given earlier in this regard, the consent of the Company be and is hereby accorded for delisting of securities of the Company from all or any of the stock exchanges stated hereinafter and the Board of Directors of the Company be and is hereby authorised to seek voluntary delisting of equity shares of the Company listed at Delhi, Ahmedabad and Uttar Pradesh Stock Exchanges whether simultaneously or in one or more tranches, as may be thought fit, and to approach the said stock exchanges and/or any other concerned authorities seeking its/their approval for voluntary delisting of equity shares from the said stock exchanges.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to settle all questions/difficulties/doubts as may arise in this regard as it may in its absolute discretion deem fit and in case being required to seek any further approval of the members or otherwise to end and intent that the members shall be deemed to have given their approval expressly by authority of this resolution.

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

By Order of the Board
For South Asian Enterprises Ltd.
R. Ramnath
Company Secretary

Place: New Delhi
Date: 28/07/2003

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 meeting. In the form, enclosed hereto, duly filled and authenticated.
- The Register of Members of the Company shall remain closed from 26th September, 2003 to 30th September, 2003 (both days inclusive).
- Members, who are holding shares in identical order of names in more than one Folio, are requested to write to the Registrars of the Company or the Company at its Corporate Office stated hereinafter to enable the Company to consolidate their holdings under one Folio.
- 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).
- The Company has appointed **M/s RCMC Share Registry Pvt. Ltd., 1515, 1st floor, Bhashm Pitamah Marg, Kotla Mubarakpur, Near South Extension, New Delhi-110003 (Phone No. 24692346, 24601017) as its Registrar & Transfer Agents w.e.f. 01/04/2003** for entire shareholder services viz. processing request for transfer, other shareholder services, dematerialisation of holding, providing connectivity services with depositories in compliance of SEBI's circular No.D&CC/ITTC/CIR-15/2002 dated 27/12/2002. All correspondence, therefore, may be addressed to the said Registrar. However, for any further assistance in said matters, queries may be addressed to the Company Secretary at Corporate Office :- C-489, Defence Colony, New Delhi-110024, Phone No. 51553081 (5 lines).
- Members are requested to intimate the change in address, if any, to the Company's Registrars or 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.**
- 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.
- 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.
- The relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, for Item No. 6 of the notice is annexed hereto and forms part of this notice. **Members may also note that the business at item no. 6 of the notice shall be transacted through postal ballot, necessary documents whereof are being dispatched to the members.**
- 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.
- Shareholders are hereby informed that after the amendment of the Companies Act, 1956 w.e.f. 31.10.1998, the Company is 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.

- 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 dividends warrants/ revalidation of instruments.

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	Rate of Dividend	Date of transfer to Unpaid Dividend A/c	Due for Transfer to fund on
31/03/1996	02/08/1996	10%	13/09/1996	12/09/2003
31/03/1997	10/09/1997	5%	23/10/1997	22/10/2004
31/03/1998	23/09/1998	5%	04/11/1998	03/11/2005
31/03/1999	28/09/1999	NIL	N.A.	N.A.
31/03/2000	29/09/2000	NIL	N.A.	N.A.
31/03/2001	22/09/2001	NIL	N.A.	N.A.
31/03/2002	13/07/2002	NIL	N.A.	N.A.

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

S. N.	Name of the Director	Date of Birth	Date of Appointment	Qualifications and Expertise in specific functional areas	Other Directorships	Membership in committees of other Companies and designation as on 28/07/2003.	Whether qualified U/S 274 (1) (g) of the Companies Act, 1956
1	Shri Somesh Mehrotra	06/04/1967	06/06/1994	M. Com. Industrialist having over 10 years experience in financial services, administration and amusement industry.	a) VLS Finance Ltd. b) VLS Capital Ltd.	i) Shareholders Grievance Committee, Member. ii) Remuneration Committee, Member iii) Audit Committee, Member. i) Audit Committee, Member	Yes
2	Dr. B. Venkataraman IAS (Retd.)	19/09/1925	26/12/1992	D.Litt. He is Former Secretary to the Govt. of India, Ministry of Tourism and Civil Aviation, having over 4 decades of experience in administration, govt. affairs with exposure for planning and development of Amusement Industry in India.	a) C.J. International Ltd. b) Indraprastha Medical Corporation Ltd.	i) Audit Committee, Member i) Management Committee, Member ii) Audit Committee, Member	Yes
3	Dr. S. Ramesh IAS (Retd.)	28/10/1936	30/06/2001	Ph.D. He is former Secretary to the Govt. of U.P. having over 4 decades of experience in administration, planning and govt. affairs.	a) VLS Finance Ltd. b) Uttaranchal Jal Vidyut Nigam Ltd. Dehradun	i) Audit Committee, Member i) Audit Committee, Member	Yes

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956. ITEM NO. 6

The Equity shares of your Company are presently listed in stock exchanges at Delhi, Mumbai, Ahmedabad and Kanpur in Uttar Pradesh. It has been observed that trading of shares of your Company on Delhi, Ahmedabad and Uttar Pradesh Stock Exchanges has been negligible. Your Company is spending considerable amount of money on listing fee and on communication in form of fax, courier charges with these stock exchanges. Since investors do not get any benefit despite Company spending this amount, therefore it is proposed that listing on these stock exchanges be discontinued. Investors in these regions will not suffer due to delisting since with the introduction of screen based trading on the Stock Exchange, Mumbai, trading in the Company's shares can be easily done all over the Country.

Considering the facts cited above the Board of Directors propose to delist the shares from Delhi, Ahmedabad and Uttar Pradesh Stock Exchanges and put before you the special resolution set out herein above for approval. The approval of members for this purpose though had already been given vide resolution passed in the Annual General Meeting held on 13/07/2002, is however again sought because the Ahmedabad Stock Exchange has stipulated that the members approval for delisting of shares from said exchange should be by way of special resolution passed by postal ballot, after commencement of new guidelines issued by Securities and Exchange Board of India on 15.02.2003 for delisting of shares by companies. It is perceived that the other stock exchanges may also stipulate similar condition. Attention of members is also invited to clause 5.2 of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, which provides that exit opportunity need not be given to members where the securities of the Company continue to be listed in a stock exchange having nation wide terminals. Further, in the explanation to said clause, it is provided that stock exchanges having nation wide terminals means The Stock Exchange, Mumbai, The National Stock Exchange and any other stock exchange which may be specified by the Securities and Exchange Board of India. As the securities of the Company will remain listed on the Stock Exchange, Mumbai, there is no need to give exit opportunity to the members of the regions covered by the Stock Exchanges in Delhi, Ahmedabad and Kanpur (U.P.).

Your Directors recommend the special resolution for your approval through the process of postal ballot. The result of postal ballot will be announced at the ensuing Annual General Meeting scheduled to be held on 30.09.2003.

Your attention is also invited to Sub-section 3 of Section 192A of the Companies Act, 1956 read with clause (f) of Rule 5 of the Companies (Passing of Resolution by Postal Ballot) Rules, 2001 requiring the member to forward his/her vote in respect of each item to the Scrutinizer so as to reach on or before 30th day of posting of the notice. Any communication received after the stipulated day will be treated as if it has not been received at all. Accordingly, the members are requested to forward requisite papers at the earliest so as to reach the Scrutinizer on or before 27/09/2003.

None of the Directors of your Company are concerned or interested in the resolution except as members of the Company.

By Order of the Board
For South Asian Enterprises Ltd.

Place: New Delhi
Date: 28/07/2003

R. Ramnath
Company Secretary

SOUTH ASIAN ENTERPRISES LIMITE

DIRECTORS' REPORT TO THE MEMBERS

Your Directors are pleased to present the Fourteenth Annual Report of your Company with the audited statement of accounts for the year ended 31st March, 2003.

1. Financial Results

	(Rs. in Lakhs)	
	For the year ended 31 st March, 2003	For the year ended 31 st March, 2002
Total Income	83.12	105.97
Total Expenditure	61.43	67.95
Interest	0.23	NIL
Gross Profit	21.46	38.02
Depreciation	89.00	78.95
Provision for taxation	NIL	NIL
Other provisions	(0.20)	0.63
Net Profit after tax	(67.74)	(40.30)
Paid up Equity Share Capital (excluding calls in arrears)	399.90	399.90
Reserves, excluding revaluation reserve	1152.49	1120.19
Earnings per share (Rs.)		

2. Management Discussion and Analysis

Financial Review

The Company registered a total income of Rs. 83.12 lakhs during the year under review. It is materially lower by Rs. 22.85 lakhs, as compared to the total income of Rs. 105.97 lakhs in the previous year.

The Company has incurred a net loss of Rs. 67.74 lakhs after providing for depreciation of Rs. 89.00 lakhs, even though it has posted cash profit of Rs. 21.46 lakhs. The political instability in the State of Uttar Pradesh and deteriorating law and order situation during financial year under review impacted adversely on the revenue generation process leading to substantial decline in the revenues during the relevant period.

On account of the continued politico-religious turmoil on the Ayodhya issue during the period under review, there was a further decline in visitors to the Company's amusement park at Ayodhya. Further, due to extreme climatic conditions both in summer and winter season during the year under review, the clientele at Lucknow and Kanpur amusement park also dwindled considerably. In the current year, however, the Directors are hopeful of a better response in view of good monsoon and an overall resurgence in the Indian economy, although in the first quarter of the current year, due to extreme heat wave the performance was adversely affected. During the year under review, the Company has, inspite of many constraints, settled the dues of financial institutions viz. U. P. Financial Corporation (UPFC) and Pradeshya Industrial Development Corporation of U.P. Ltd. (PICUP). Your Company is now practically a debt free Company.

Industry Structure and Development

The amusement industry was severely hit by recession in recent times and has now started looking up in view of overall improvement in scenario. However, the political turmoil and instability and climatic conditions have taken their toll and the progress of industry has been considerably slowed. Your Company is exploring various avenues for boosting operations keeping in view the prevailing conditions.

Outlook, Risks and Concerns

The Company, apart from improving existing rides, is contemplating to induct items like video games to attract clientele at its amusement parks. In this direction, the company has already commissioned water rides at Kanpur park in recent years. The Company is exposed to normal industry risk factors of economic, political and social risk. The Company will however meet these challenges by adopting more prudent business policies and practices.

Opportunities and threats:

With decline in recessionary trends, the Company envisages an overall increase in customer inflow. The good monsoon in current year is expected to boost economic growth with resultant improvement in overall situation across all sectors. The major area of concern is political instability and social turmoil. The Company can minimize such an impact by extensive marketing and by making amusement parks more attractive.

Adequacy of Internal Control Systems

The Company has 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

As against a layout of Rs. 249.29 lakhs in Amusement park segment, the total revenue earned was Rs. 54.73 lakhs. In the Service division segment revenue earned stood at Rs. 26.70 lakhs on a layout of Rs. 104.59 lakhs, and in the segment of Investments etc., the capital employed was 1095.66 lakhs and the revenue from the said segment was 1.69 lakhs during the year under review. The losses in respective segments prior to interest and tax stood at Rs. 18.81 lakhs and Rs. 44.37 lakhs respectively. The profit from investment segment was 1.69 lakhs.

3. Dividend

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

4. Directors

Shri Somesh Mehrotra, Dr. B. Venkataraman and Dr. S Ramesh, 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.

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, 2003, 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 or loss of the Company for that period;
- that they have taken proper and sufficient care for the maintenance of proper accounting

records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. that they have prepared the annual accounts for the financial year ended 31st March, 2003 on a going concern basis.

6. Corporate Governance

The Report on Corporate Governance, in terms of Clause 49 of the Listing Agreement is annexed 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 Tuesday, the 20th day of May, 2003 has recommended the re-appointment of M/s. Anil Pariek & Garg, Chartered Accountants, as Statutory Auditors for the next term. The Board, concurring with the Audit Committee's recommendation, recommends 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 the Company are listed at

- 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 2003-2004 to the Stock Exchanges at Delhi, Mumbai and Kanpur.

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.

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 2002-2003 in respect of South Asian Securities Ltd. is enclosed.

12. Acknowledgement

Your Directors wish to express their sincere appreciation and gratitude to the Company's bankers, financial institutions, Kanpur Nagar Mahapalika, Kanpur Vikas Pradhikaran and Lucknow Vikas Pradhikaran for their valuable cooperation and continued 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 : 28/07/2003
Place : New Delhi

A.K. Ray
Director
B. Venkataraman
Director

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 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:

- The total strength of the Board is 8 Directors all being non-executive, comprising of 2 (Two) Promoter Directors, 5 (Five) Independent Directors and 1 (One) Non-Independent Director.

S. No.	Name of the Director	Whether Promoter, Executive or Non-Executive/Independent	No. of Board Meetings attended during 2002-2003	Whether attended AGM held on 13/07/2002	No of Directorships in other Public Limited Companies	No. of Committee Position held in other Public Ltd. Companies	
						Chairman	Member
1.	Shri V.K. Goel	Non-Executive, Promoter	0	NO	9	-	-
2.	Dr. B. Venkataraman	Non-Executive, Independent	3	NO	2	-	2
3.	Shri S.V.S. Juneja	Non-Executive, Independent	4	NO	-	-	-
4.	Shri Somesh Mehrotra	Non-Executive, Promoter	2	NO	2	-	4
5.	Shri A.K. Ray	Non-Executive, Independent	4	YES	-	-	-
6.	Shri P.K. Sharan	Non-Executive, Independent	3	NO	-	-	-
7.	Shri T.B. Gupta	Non-Executive, Non-Independent	3	NO	4	-	2
8.	Dr. S. Ramesh	Non-Executive, Independent	4	NO	2	-	2
9.	Shri G.N.Mehra*	Non-Executive, Independent	1	NO	-	-	-

* Since Resigned w.e.f. 30/05/2002

None of the directors is a 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.

- During the year ended on 31.03.2003, 4 (Four) Board Meetings were held with at least one meeting in every Quarter on 28.05.2002, 29.07.2002, 26.10.2002 and 22.01.2003.

- The information regarding pecuniary transaction or relationship with the non executive Directors have been disclosed in Annual Accounts for the year under review in "Clause 4 under the head "Significant Accounting policies stated in Notes on Accounts (Schedule 13)".

- During the year following changes have taken place in Board:

- Shri G.N. Mehra, Director had resigned from the Board w.e.f. 30.05.2002.

SOUTH ASIAN ENTERPRISES LIMITED

Regd. Office: Mikky House, K-Block, Kidwai Nagar, Kanpur, U.P.-208011
Corp. Office : C-489, Defence Colony, New Delhi-110024.

NOTICE

NOTICE is hereby given that in the 14th Annual General Meeting of the Members of SOUTH ASIAN ENTERPRISES LTD. which will be held at Mikky House, K-Block, Kidwai Nagar, Kanpur-208 011 on Tuesday, the 30th Day of September, 2003 at 1.30 p.m. the following item will be transacted through the process of Postal Ballot pursuant to Section 192A of the Companies Act, 1956 read with Companies (Passing of Resolution by Postal Ballot) Rules, 2001: -

SPECIAL BUSINESS

VOLUNTARY DELISTING OF EQUITY SHARES OF THE COMPANY FROM DELHI, AHMEDABAD AND UTTAR PRADESH STOCK EXCHANGES.

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 consents, permissions, sanctions as may be required from any authority, statutory or otherwise, particularly from Securities and Exchange Board of India (SEBI) and pursuant to Section 61 and all other applicable provisions of the Companies Act, 1956 and Guidelines, Rules etc. framed by SEBI in this regard, Securities Contracts (Regulation) Act, 1956, and Rules framed thereunder, Listing Agreements and all other applicable laws and in supersession of approval given earlier in this regard, the consent of the Company be and is hereby accorded for delisting of securities of the Company from all or any of the stock exchanges stated hereinafter and the Board of Directors of the Company be and is hereby authorised to seek voluntary delisting of equity shares of the Company listed at Delhi, Ahmedabad and Uttar Pradesh Stock Exchanges whether simultaneously or in one or more trenches, as may be thought fit, and to approach the said stock exchanges and/or any other concerned authorities seeking its/their approval for voluntary delisting of equity shares from the said stock exchanges.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to settle all questions/difficulties/doubts as may arise in this regard as it may in its absolute discretion deem fit and in case being required to seek any further approval of the members or otherwise to end and intent that the members shall be deemed to have given their approval expressly by authority of this resolution.

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

By Order of the Board
For South Asian Enterprises Ltd.

Place: New Delhi
Date: 28/07/2003

R. Ramnath
Company Secretary

NOTES: -

1. (a) Members are requested to send their assent or dissent in writing to the Scrutinizer appointed for this purpose by Postal Ballot in the prescribed Postal Ballot Form enclosed herewith. A postage prepaid envelope addressed to the Scrutinizer is also enclosed herewith. You are requested to read the instructions given in the Ballot Form before exercising your vote. **Photocopies/True Copies of the Ballot Form will be summarily rejected.** However, members may obtain duplicate ballot form from the Company by addressing their request to the Company Secretary.
- (b) Postal Ballot shall not be exercised by a Proxy.
- (c) In accordance with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, Postal Ballot(s) received after 27/09/2003 shall be treated as if the reply from the members has not been received and the same shall not be considered.
- (d) Incomplete, unsigned or incorrectly ticked Postal Ballot forms shall be rejected.
2. PROCEDURE TO BE FOLLOWED FOR CONDUCTING BUSINESS THROUGH POSTAL BALLOT:
 - (a) The Company has appointed Shri R. K. Pandey as Scrutinizer who, in the opinion of Board, can conduct the Postal Ballot voting process in a fair and transparent manner as scrutinizer. Shri R.K. Pandey is former Executive President of the Delhi Stock Exchange and a senior Company Secretary of repute. Shri R.K Pandey has vide letter dated 22/07/2003

consented to act as scrutinizer for the aforesaid purpose.

- (b) The Scrutinizer will be in position to complete the compilation by 29/09/2003 and will submit his final report on or before the said date to the chairman.
 - (c) The Scrutinizer will be available at the office of the Company for the purpose of ascertaining the requisite majority and the Postal Ballots and all other papers relating to postal Ballots will be under his safe custody till the chairman of the meeting considers, approves and signs the minutes of the meeting.
3. All documents referred to in the accompanying notice are open for inspection at the registered office of the Company on all working days between 11.00 A.M. to 1.00 P.M. up to the date of the Annual General Meeting, except on Saturdays, Sundays and other Holidays.
4. The relevant explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in respect of above item is annexed hereto and forms part of this notice.

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

ITEM NO. 1

The Equity shares of your Company are presently listed in stock exchanges at Delhi, Mumbai, Ahmedabad and Kanpur in Uttar Pradesh. It has been observed that trading of shares of your Company on Delhi, Ahmedabad and Uttar Pradesh Stock Exchanges has been negligible. Your Company is spending considerable amount of money on listing fee and on communication in form of fax, courier charges with these stock exchanges. Since Investors do not get any benefit despite Company spending this amount, therefore it is proposed that listing on these stock exchanges be discontinued. Investors in these regions will not suffer due to delisting since with the introduction of screen based trading on the Stock Exchange, Mumbai, trading in the Company's shares can be easily done all over the Country.

Considering the facts cited above the Board of Directors propose to delist the shares from Delhi, Ahmedabad and Uttar Pradesh Stock Exchanges and put before you the special resolution set out herein above for approval. The approval of members for this purpose though had already been given vide resolution passed in the Annual General Meeting held on 13/07/2002, is however again sought because the Ahmedabad Stock Exchange has stipulated that the members approval for delisting of shares from said exchange should be by way of special resolution passed by postal ballot, after commencement of new guidelines issued by Securities and Exchange Board of India on 15.02.2003 for delisting of shares by companies. It is perceived that the other stock exchanges may also stipulate similar condition. Attention of members is also invited to clause 5.2 of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, which provides that exit opportunity need not be given to members where the securities of the Company continue to be listed in a stock exchange having nation wide terminals. Further, in the explanation to said clause, it is provided that stock exchanges having nation wide terminals means The Stock Exchange, Mumbai, The National Stock Exchange and any other stock exchange which may be specified by the Securities and Exchange Board of India. As the securities of the Company will remain listed on the Stock Exchange, Mumbai, there is no need to give exit opportunity to the members of the regions covered by the Stock Exchanges in Delhi, Ahmedabad and Kanpur (U.P.).

Your Directors recommend the special resolution for your approval through the process of postal ballot. The result of postal ballot will be announced at the ensuing Annual General Meeting scheduled to be held on 30.09.2003.

Your attention is also invited to Sub-section 3 of Section 192A of the Companies Act, 1956 read with clause (f) of Rule 5 of the Companies (Passing of Resolution by Postal Ballot) Rules, 2001 requiring the member to forward his/her vote in respect of each item to the Scrutinizer so as to reach on or before 30th day of posting of the notice. Any communication received after the stipulated day will be treated as if it has not been received at all. Accordingly, the members are requested to forward requisite papers at the earliest so as to reach the Scrutinizer on or before 27/09/2003.

None of the Directors of your Company are concerned or interested in the resolution except as members of the Company.

By Order of the Board
For South Asian Enterprises Ltd.

Place: New Delhi
Date: 28/07/2003

R. Ramnath
Company Secretary

SOUTH ASIAN ENTERPRISES LTD.

REGISTERED OFFICE: MIKKY HOUSE, 'K' BLOCK, KIDWAI NAGAR, KANPUR - 208011, (U.P.)
 CORPORATE OFFICE: C-489, DEFENCE COLONY, NEW DELHI- 110024

Serial No. :

8000

POSTAL BALLOT FORM

(Please read the instructions carefully given overleaf before exercising your vote)

1 Name(s) of the Shareholder(s): _____
 (in block letters)
 including joint holder(s), if any

2 Registered address of sole/
 first named shareholder: _____

3 Registered Folio No./
 DP ID No. & Client ID No. #: _____
 (# Applicable to investors holding
 shares in dematerialized form)

4 Number of Shares held (in words): _____

5 I/We hereby exercise my/ our vote in respect of the Special Resolution to be passed through Postal Ballot for the business stated in the Postal Ballot Notice of the Company by sending my/our assent or dissent to the said Special Resolution by placing the tick (✓) mark at the appropriate * box below:

Item No.	Description	No. of Shares (in figures)	I/We assent to the resolution (Vote in favour)	I/We dissent to the resolution (Vote Against)
1	Special Resolution for voluntary delisting of securities of the Company from Stock Exchanges at Ahmedabad, Delhi and Kanpur.			

Place:

Date:

Signature of the Shareholder (s)
 (Refer instruction No. 2 overleaf)

*Ticks in both the boxes would render your Ballot Form invalid.