

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 22<sup>nd</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 Friday, the 30<sup>th</sup> day of September, 2011 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, 2011, 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 Dr. B. Venkataraman, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri S. V. S. Juneja, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri K. K. Soni, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri S. C. Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
6. 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."

### SPECIAL BUSINESS:

7. **Approval for Revision in remuneration of Shri T. B. Gupta as Managing Director of the Company.**

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

**"RESOLVED THAT** the revision of remuneration of Shri T. B. Gupta as Managing Director as set out in explanatory statement annexed to this notice be and is hereby approved."

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

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

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 310 and 316 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and pursuant to Article No.108 of the Articles of Association of the Company, consent of the Company be and is hereby accorded for reappointment of Shri T. B. Gupta who is also Executive Director of VLS Capital Ltd. as Managing Director of the Company for a period of three years w.e.f. 30<sup>th</sup> September, 2011, on such remuneration and other terms and conditions as are expressed and contained in the agreement entered into for this purpose between the Company and the Managing Director.

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

9. **To approve the amendment in Objects Clause of Memorandum of Association of the Company.**

To consider and if thought fit, to pass the following resolution as a **Special Resolution through Postal Ballot**\*\* :-

**"RESOLVED THAT** pursuant to the provisions of Section 17 of the Companies Act, 1956 and other applicable provisions, if any, subject to such other approvals as may be required, the Clause III i.e. the Object Clause of the Memorandum of Association (MOA) of the Company be and is hereby altered in the following manner:-

- A. **By insertion of the following new sub-sub Clauses No. 57 to 65 consecutively in sub Clause C (i.e. other objects) of clause III of MOA of Company after sub-sub Clause 56 thereof:-**

57. To carry on the business of establishing, running, maintaining, otherwise deal in all type of educational institutions including schools, college, franchisee, accredited center for imparting education, training and placement of any level, to provide ancillary services for this purpose including to act as placement agents for supply of labour/manpower to various institutes, corporate, firms and individuals and to act as management consultants for corporate and other entities.

58. To carry on the business of providing information through holding, managing, running, operating and administering events, conferences, seminars, marketing surveys, meeting, exhibitions, displays, cinema, theater, shows,

street plays, rallies, demonstration, stalls and through print, vocal and cyber media, hoardings, playcards, posters, banners and other re-creative medias.

59. To carry on business of imparting education and skill training in martial arts, self defence, combat warfare and security related areas as permitted from time to time, to civilians, government law enforcement agencies, security personnel including military, paramilitary, industrial and private security, to act as consultants, advisors, trainers in security and related areas, to undertake research and development in security, warfare and related areas.

60. To carry on the business in India and abroad of providing security services, housekeeping and maintenance services of all type which expression shall include but not limited to renovate, repair, improve, enlarge, demolish, taking preventive measures or other activity for maintenance of equipments of all types whether industrial or otherwise, including plant and machinery, infrastructure, non-conventional energy driven appliances and sources thereof, buildings and other edifice whether constructed or not and for any other object for the time being in vogue, to undertake facility management for entities, equipments and other items of all types.

61. To carry on the business of providing infrastructure facilities of all types including road, highways, bridges, waterways, dams, reservoir, airports, ports, rail system, health centers, hospitals, research institute, educational institutions or any other public facility in vogue as may be decided by the company from time to time including water supply projects, energy, environment, irrigation, sanitation, sewerage system, communication systems, providing greenery and tree plantation and other things relating to the ecological, development and to acquire, promote, develop hill station and activities related to that, land and hereditaments and to erect and build thereon flats, houses, shops and other buildings and to hold occupy, exchange, underlet, mortgage, sell or otherwise deal with the same and to establish, maintain and operate shipping, air transport and road transport services and all ancillary services including any structural or architectural work of any kind, preparation of estimates, designs, plans, specification or models etc. for aforesaid purpose and project management.

62. To guide, inspire and act as consultants, advisors & surveyors for developing economic role models in the field of infrastructure, tourism, ventures and to provide bureaus, technology, literature, background material or any other service in relation thereto.

63. To carry on business of running nursing homes, clinics, pharmacies, indoor and outdoor hospitals, medical, anatomical, orthopedic, surgical and X-ray units, laboratories, diagnostic centers, research establishments, nature cure centers, centers for treatment under alternative therapies and to acquire land, buildings, plants, equipments, accessories, instruments, gadgets, furniture and fittings and other facilities for treatment and nursing of patients of various types of diseases, ailments, sickness, illness and other body or mental troubles.

64. To carry on the business as producer, makers, dealers, analysers, investigator and consultants in public health and environmental engineering, wildlife conservation, water, sewage and effluent treatment, water, air and land pollution control, industrial engineering.

65. To carry on all or any of the business as manufacturers, producers, importers, exporters, buyers, sellers, stockiest, suppliers, distributors, repairers of and workers in motor cars, motor buses or mini-buses, motor lorries, motor trucks, motor cycles, scooters, jeeps, tractors, trolleys, trailers, cycles, tri-cycles, aeronautical and aerospace products, marine diesel engines, boats of every kind, aeroplanes, helicopters, ships, tramway, carriages and other conveyances of all kinds, to purchase, sell and deal in petrol, mobile oil, and kerosene oil and otherwise deal in petroleum products, lubricants, gasoline and other oils used in automobiles or machines of all kinds and to own service stations and petrol pumps.

**"RESOLVED FURTHER THAT** Sub sub-clause 47 contained in Other Objects aforesaid be and is hereby amended and after the words, "related therewith", the following words be inserted:

"to act as postal agent of Post & Telegraph Department or other agency for distribution of mail and allied services."

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do such things, deeds and acts and to resolve any question or doubts relating thereto, or otherwise considered necessary in the best interest of the Company including the modification (s), if any, suggested by the concerned authorities, 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 or any other person(s) to do all such acts, deeds or things as may be considered necessary, desirable or expedient for implementing the aforesaid resolution 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 therefor expressly by authority of this resolution."

10. **To approve the Commencement of certain business stated in the Other Objects of the Memorandum Of Association of the Company.**

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

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Act, 1956 and other applicable provisions if any, for commencement of business stated in Clause Nos. 57, 59, 60, 61, 63 and 64 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 perform all such acts, deeds, things and matters as in its absolute discretion, it may consider necessary, expedient or desirable including delegation of authority conferred herein, in order to give effect to the foregoing resolution and to settle any question or doubt that may arise in relation thereto, in the best interest of the Company and in case of need to seek further approval or authorization of the members, to the end and intent, 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.  
T. B. Gupta  
Managing Director

Place: New Delhi  
Date: 13/08/2011

\*\* Separate arrangement has been made for sending the proposed resolution alongwith requisite enclosures in respect of item to be passed through postal ballot in time to the members, as per applicable regulations of Companies (Passing of the resolutions by postal ballot) Rules 2011. The result may be declared at the Annual General Meeting on 30/9/2011.

## 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 22<sup>nd</sup> Annual General Meeting in the form, enclosed hereto, duly filled and authenticated. A proxy may not vote except on a poll.
- The submission of form of proxy by a member does not preclude such member from attending and voting at the meeting. The proxy in such event shall not be eligible to attend the meeting. Only bonafide members of the Company whose names appear on the Register of Members/ Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
- In case of joint holders attending the meeting, the vote of only such joint holder who is higher in the order of names will be counted and vote of other joint holders will be excluded. Corporate Members intending to send their authorized representative are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
- The relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 for item nos. 7 to 10 is annexed hereto and forms part of this notice. **Members may also note that the business at item no. 9 of the notice shall be transacted through postal ballot and thus shall not be considered again at the Annual General Meeting..**
- The Company has retained M/s RCMC Share Registry Pvt. Ltd., ("Registrar & Transfer Agent") at B-106, Sector -2, Noida, U.P. 201301 (Phone Nos. 0120 - 4015880, 4015886) w.e.f. 01/04/2003 for entire shareholder services. All correspondence, therefore, may be addressed to the said Registrar & Transfer Agent. However, for any further assistance in said matters, queries may be addressed to the 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: [investordesksael@gmail.com](mailto:investordesksael@gmail.com).
- SEBI vide circular ref. no. MRD/DoP/Cir-05/2009 dated May 20, 2009 had clarified that providing the PAN information will be mandatory for transactions in securities in physical form as well. Members may voluntarily also provide the details of PAN to Company for updating Company's records.
- The shares of the Company are being traded in Demat segment only, w.e.f. 24<sup>th</sup> July, 2000. **The ISIN No.** allotted to Company is **INE118B01010** for both the Depositories viz. The National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).
- Members, who are holding shares in identical order of names in more than one Folio, are requested to write to the 'Registrar & Transfer Agent' of the Company or the Company at its Corporate Office, to enable the Company to consolidate their holding under one Folio. Members can avail the facility of nomination in respect of shares held by them in physical form in accordance with the provisions of Section 109A of the Companies Act, 1956. Members desiring to avail of this facility may send their nomination in prescribed form No. 2B, duly filled in, to the 'Registrar & Transfer Agent' of Company. Members are also requested to intimate change in address, if any, to the Company's 'Registrar & Transfer Agent' or to the Company at its Corporate Office for shares held in physical mode. Members holding shares in Demat (Electronic) form are requested to notify any change in address, mandate/bank details/nominations to their Depository Participants.
- The Register of Members of the Company shall remain closed from **23<sup>rd</sup> September, 2011 to 30<sup>th</sup> September, 2011** (both days inclusive).
- All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all days between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting, except on Saturdays, Sundays and other Holidays.
- Member/Proxies are requested to bring their copies of the Annual Report to the meeting. As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting.

- The unclaimed & unpaid dividend upto financial year 1994-95 had been transferred to General Revenue Account of Central government and can be claimed from Central Government, through Registrar of Companies, U. P. & Uttarakhand. The unclaimed & unpaid dividend for the period from 1995-96 to 1997-98 was transferred in time, to the Investor Education and Protection Fund (IEPF) of Central Government in accordance with section 205A and 205C of the Companies Act, 1956. Since no dividend had been declared for the year 1998-99 and in subsequent years till date, hence no unclaimed & unpaid dividend remains to be transferred to IEPF.
- 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.
- 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.
- Information regarding Directors retiring by rotation and seeking re-appointment:

## (A)

S No.	Name of the Director	Date of Birth	Date of Appointment	Qualifications and Expertise in specific functional areas	Other Directorships	Membership in Committees of other Companies and designation, as on 31/03/2011.	Whether qualified u/s 274 (1) (g) of the Companies Act, 1956
1)	Dr. B. Venkataraman IAS (Retd.)	19/09/1925	26/12/1992	B. Sc. (H), M.A., D.Litt. He is Former Secretary to the Govt. of India, Ministry of Tourism and Civil Aviation, having over 5 decades of experience in administration and govt. affairs with rich experience in planning and development of Amusement Industry in India.	a) C.J. International Ltd. b) Indra-prastha Medical Corporation Ltd.	i) Audit Committee, Member ii) Management Committee, Member iii) Audit Committee, Chairman. iv) Shareholders/ Investor Grievance Committee - Member	Yes
2	Shri S. V. S. Juneja IAS (Retd)	13/05/1931	26/03/1993	B.A. Economics, MPA (Harvard). He has held several key positions in the Government of India and possesses over 50 years of experience in planning and administration. He had been the Chairman and Chief Executive Officer of the Noida and also the Director, Infrastructure Department and officer-in-charge Office of Environment, Asian Development Bank.	Nil	N.A.	Yes
3	Shri K. K. Soni	14/09/1953	30/01/2006	B.Com., FCA, FCS He is a qualified Chartered Accountant and Company Secretary with over 34 years experience in the area of Finance, Taxation, Corporate Planning and other corporate affairs.	a) VLS Capital Ltd. b) VLS Securities Ltd. c) VLS Asset Management Ltd. d) Om Sai Sports Ltd.	NIL Audit Committee- Member NIL NIL	Yes
4	Shri S. C. Agarwal	12/01/1962	30/01/2006	B.A. He has vast experience in field of Accounts, administration, running Amusement Parks and allied areas. He has been associated with the Company since inception in various capacities and was Chief Executive of Company till 29/01/2006 designated as Manager.	a) VLS Capital Limited b) VLS Asset Management Limited	a) Remuneration Committee - Member b) Audit Committee - Member NIL	Yes

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### (B) Shareholding of above stated Directors (As on 31-03-2011):

S. No.	Name of Director	No. of Equity Shares held in Company	Percentage of voting Capital
1)	Dr. B. Venkataraman	100	0.0025
2)	Shri S. V. S. Juneja	Nil	Nil
3)	Shri K. K. Soni	Nil	Nil
4)	Shri S. C. Agarwal	Nil	Nil

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

#### ITEM NO. 7:

In its meeting held on 13/8/2011, the Board, concurring to the recommendations made by Remuneration Committee had approved the revision in the remuneration payable to Shri T.B. Gupta - Managing Director effective from 1<sup>st</sup> April, 2011, subject to the approval of the members as set out hereinafter. All other terms and conditions of service of Managing Director will remain unchanged.

The present remuneration of Shri T.B. Gupta is Rs. 31,000/- (Rupees Thirty One Thousand only). The revised remuneration of Shri T. B. Gupta – Managing Director, if approved, will be as under:

#### A: Salary

A salary of Rs.40,000/- (Rupees Forty Thousand only) per month.

#### B: Perquisites

In addition to the aforesaid salary, no perquisites shall be paid to the Managing Director.

Besides the above, the Managing Director shall be entitled to the reimbursement of out of pocket expenses incurred for performance of his official duties.

#### C: Sitting Fees

The Managing Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or Committee thereof.

Shri T.B. Gupta is also the Executive Director of VLS Capital Ltd. and draws remuneration from that Company. The overall remuneration of Shri T.B. Gupta shall be within the prescribed limits of the relevant provisions of the Companies Act, 1956. In terms of Section 269 read with other applicable provisions of the Companies Act, 1956 any modification in terms and conditions of appointment including remuneration is subject to the approval of members. This Statement may also be construed as an abstract of variation in terms and conditions of appointment of Managing Director in terms of Section 302 of the Companies Act, 1956.

A copy of the resolution passed by the Board of Directors on 13/8/2011 modifying the remuneration of Shri T. B. Gupta as Managing Director is available for inspection by the members of the Company at Registered office of the Company between 11:00 a.m. and 1:00 p.m. on all working days till the date of the Annual General Meeting except on Saturdays, Sundays and Holidays.

The Board of Directors recommends the resolution for your approval. Shri T. B. Gupta does not hold any shares in the Company.

None of the Directors except Shri T. B. Gupta is concerned or interested in the resolution.

#### ITEM NO. 8:

The Board had re-appointed Shri T. B. Gupta as the Managing Director of the Company on 13/08/2011 subject to approval of members and other permissions required, if any, for Three years since his present term would expire on 29/9/2011. The next term of Shri T.B. Gupta as Managing Director, will be from 30/09/2011 to 29/9/2014. He is M.Tech., from IIT, Kharagpur. He has over 48 years of experience in Electrical & Amusement Industry, securities market and financial services and has held senior positions with various public and private sector undertakings. He has been associated with the Company since the very beginning and was earlier also Managing Director till October 1999. Shri T.B. Gupta is also the Executive Director of VLS Capital Ltd. and continues to hold that position. He is Non- Executive Director of VLS Securities Ltd., and Arien (New Delhi) Pvt. Ltd.

Shri T.B. Gupta's re-appointment as Managing Director w.e.f. 30/09/2011 has been made in accordance with the conditions specified in Part I of Schedule XIII and the remuneration payable is within the ceilings laid down in Part II thereof and the requirements of Part III thereof are being complied with. The total remuneration of Shri T.B. Gupta i.e. including remuneration drawn from VLS Capital Ltd. is also within the limits prescribed in Schedule XIII of the Companies Act, 1956.

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

I. **Period of agreement:** 3 years w.e.f. 30<sup>th</sup> September, 2011.

### II. Remuneration:

#### A) Salary

A salary of Rs.40,000/- (Rupees Forty Thousand only) per month.

#### B) Perquisites

In addition to the aforesaid salary, no perquisites shall be paid to the Managing Director.

Besides the above, the Managing Director shall be entitled to the reimbursement of out of pocket expenses incurred for performance of his official duties.

#### C) Sitting Fees: - The Managing Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or Committee thereof.

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

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

The re-appointment of Shri T.B. Gupta as Managing Director on the terms and conditions as set out in the agreement entered into between Shri T. B. Gupta and the Company is subject to the approval of the members. The Board recommends his appointment as set out in Item no. 8 of the accompanying Notice. This may also be construed as the abstract of agreement with Shri T.B. Gupta pursuant to provisions of section 302 of the Companies Act 1956.

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

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

#### ITEM NO. 9:

The Company in past had endeavored to diversify its activities because the objects for corresponding activity were available in charter of the Company i.e. in object clause of Memorandum of Association. With new activities coming in vogue in the course of time, it is proposed to incorporate some of these activities in said charter to enable the Company to undertake the activities as and when opportunity comes by. In absence of availability of said activities, the same can not be pursued by the Company being ultra virus or illegal to proceed with activities not covered in object clause in Memorandum of Association. It is, therefore, proposed to incorporate inter-alia the following activities in objects clause:

1. Activities for running educational institutions, providing infrastructure facilities, hospital services, advertising and allied services.
2. Activities relating to security training including for Military (combat and non combat) and similar activities whether for civilians or other security personnel.

In terms of sub section (1) and (2) of section 192A of the Companies Act 1956, read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, the amendment in object clause of Memorandum of Association of Company is require to be approved by members through postal ballot and not by voting in general Meeting, if any, convened for this purpose. Accordingly, your approval is sought by means of postal ballot for amendment in object clause of Memorandum of Association as set out in the proposed resolution. The Board has not opted for permitted alternative means of voting i.e. electronic voting. Members are requested to carefully follow the instructions for filling postal ballot form before exercising vote as photocopy etc. of postal ballot form shall be invalid and shall be summarily rejected.

Your attention is also invited to sub-section 3 of Section 192A of the Companies Act, 1956 read with clause (f) of Rule 6 of the Companies (Passing of Resolution by Postal Ballot) Rules, 2011 requiring the member to forward his/her vote in respect of each item to the Scrutinizer so as to reach on or before 30<sup>th</sup> 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. The members are requested to forward requisite papers at the earliest so as to reach the Scrutinizer on or before 28/09/2011.

The Board recommends the resolution for approval of the members.

None of the Directors of your Company are concerned or interested in the resolution except as members of the Company to the extent of their

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shareholding. The result of Postal Ballot may be declared at the ensuing Annual General Meeting scheduled to be held on 30.09.2011.

## ITEM NO. 10:

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 2 (Store-keeper), Clause 3 (Exporters, Importers), Clause 4 (Electrical Engineers), Clause 5 (Mechanical Engineers), Clause 6 (Electronics), Clause 16 (Tourist Agents), Clause 19 (Real Estate), Clause 20 (Carriers), Clause 22 (Food, Fruits and related products), Clause 31 (Finance), Clause 43 (Investment), Clause 46 (Exporter, Importer) and Clause 49 (Agents, Factors) of the other objects of Memorandum of Association. Keeping in view the diversification possibilities in new ventures undertaken namely marketing/trading of lightning protection system etc., it is proposed to commence business stated in clauses 57, 59, 60, 61, 63 and 64 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 57, 59, 60, 61, 63 and 64 are reproduced below for reference:

57. To carry on the business of establishing, running, maintaining, otherwise deal in all type of educational institutions including schools, college, franchisee, accredited center for imparting education, training and placement of any level, to provide ancillary services for this purpose including to act as placement agents for supply of labour/manpower to various institutes, corporate, firms and individuals and to act as management consultants for corporate and other entities.
59. To carry on business of imparting education and skill training in martial arts, self defence, combat warfare and security related areas as permitted from time to time, to civilians, government law enforcement agencies, security personnel including military, paramilitary, industrial and private security, to act as consultants, advisors, trainers in security and related areas, to undertake research and development in security, warfare and related areas.
60. To carry on the business in India and abroad of providing security services, housekeeping and maintenance services of all type which expression shall include but not limited to renovate, repair, improve, enlarge, demolish, taking preventive measures or other activity for maintenance of equipments of all types whether industrial or otherwise, including plant and machinery, infrastructure, non-conventional energy driven appliances and sources thereof, buildings and other edifice whether constructed or not and for any other object for the time being in vogue, to undertake facility management for entities, equipments and other items of all type.
61. To carry on the business of providing infrastructure facilities of all types including road, highways, bridges, waterways, dams, reservoir, airports, ports, rail system, health centers, hospitals, research institute, educational institutions or any other public facility in vogue as may be decided by the company from time to time including water supply projects, energy, environment, irrigation, sanitation, sewerage system, communication systems, providing greenery and tree plantation and other things relating to the ecological, development and to acquire, promote, develop hill station and activities related to that, land and hereditaments and to erect and build thereon flats, houses, shops and other buildings and to hold occupy, exchange, underlet, mortgage, sell or otherwise deal with the same and to establish, maintain and operate shipping, air transport and road transport services and all ancillary services including any structural or architectural work of any kind, preparation of estimates, designs, plans, specification or models etc. for aforesaid purpose and project management.
63. To carry on business of running nursing homes, clinics, pharmacies, indoor and outdoor hospitals, medical, anatomical, orthopedic, surgical and X-ray units, laboratories, diagnostic centers, research establishments, nature cure centers, centers for treatment under alternative therapies and to acquire land, buildings, plants, equipments, accessories, instruments, gadgets, furniture and fittings and other facilities for treatment and nursing of patients of various types of diseases, ailments, sickness, illness and other body or mental troubles.
64. To carry on the business as producer, makers, dealers, analysers, investigator and consultants in public health and environmental engineering, wildlife conservation, water, sewage and effluent treatment, water, air and land pollution control, industrial engineering.

The Board recommends the resolution for approval of members. None of the Directors of your Company are concerned or interested in the resolution except as members of the Company to the extent of their shareholding.

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

Place: New Delhi  
Date: 13/08/2011

## DIRECTORS' REPORT TO THE MEMBERS

Your Directors present the Twenty Second Annual Report of your Company with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2011.

### 1. Financial Results (Rs. in Lacs)

	For the year ended 31 <sup>st</sup> March, 2011	For the year ended 31 <sup>st</sup> March, 2010
Total Income	198.52	135.94
Less: Total Expenditure	174.87	119.08
Less: Interest	1.52	0.36
Gross Profit/(loss)	22.13	16.50
Less: Depreciation	15.95	15.68
Less: Provision for Taxation (Net)	0.82	0.74
Other provisions	0.32	0.00
Net Profit after tax	5.03	0.08
Paid up Equity Share Capital (excluding calls in arrears)	399.90	399.90
Reserves, excluding revaluation reserve	809.52	804.49
Earnings per share (Rs.)	0.13	0.002

### 2. Management Discussion and Analysis

#### Financial Review

Your Company recorded a total income of Rs.198.52 lacs during the year under review compared to previous year's figure of Rs. 135.94 lacs. The Company has posted a net profit after tax of Rs. 5.03 lacs as against the profit of Rs. 0.08 lacs in the previous year. The marketing of earthing products and execution of contracts for earthing and lightning protection systems have made a significant contribution in the total revenue of the Company. The Company has made good progress in this segment and in coming years will witness better results as well.

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, while there was uptrend in Indian economy and 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. Despite of such odds, with investments continued to be made in the form of water parks, family entertainment centers, multiplexes, interactive arcades, food bazaar and sports zones the growth of amusement industry is foreseen. 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 due to need for continuous innovation, maintenance expenditure and the stiff competition from other sources of entertainment have put profit margins of the industry under pressure. Your Company already operates on thin margins as it needs to constantly upgrade itself by introduction of new features and rides. But the high cost of rides and low revenue inflow from parks pose additional challenge in this regard. Further, due to relatively low per capita income in the regions where your company 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. Your Company thus, exploring other viable sources of earning. The electrical engineering segment viz. Earthing and lightning protection systems business has responded well as the Company has executed orders to the customers' satisfaction including for some government departments. The power plants, electronics and other hi-tech centers where earthing is significantly important are target customers of Company apart from high rise buildings, hotels and residential units. The management is going full thrust to explore all possible areas in order to establish strong foothold in this arena. Additionally, some of the new areas where Company can explore possibilities of revenue generation have been identified, which require your approval for commencement thereof after necessary amendment in charter of the Company. The management, taking cue from success of electrical