

# XXV ANNUAL REPORT



**SOUTH ASIAN  
ENTERPRISES LTD.**

## **SOUTH ASIAN ENTERPRISES LIMITED**

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

**CORPORATE OFFICE :**

2nd Floor, 13, Sant Nagar,  
East of Kailash, New Delhi-110 065  
Ph. 011-46656666,  
Fax : 011-46656699

**SHARE TRANSFER & INVESTOR SERVICES**

**RCMC Share Registry Pvt. Ltd.**  
B-25/1, First Floor, Okhla Industrial Area,  
Phase - II, New Delhi-110020  
Ph. 011-26387320-21-23, Fax : 011-26387322

**CIN : L91990UP1990PLC011753,**  
**email : southasianenterprises@gmail.com,**  
**website : sael.co.in**

# SOUTH ASIAN ENTERPRISES LIMITED

**TWENTY FIFTH ANNUAL GENERAL MEETING**  
at Mikky House, K-Block Kidwai Nagar,  
Kanpur - 208 011 (U.P.)  
at 12:30 p.m.  
on Saturday, 27th September, 2014

## BOARD OF DIRECTORS :

DR. B. VENKATARAMAN  
SHRI T.B. GUPTA  
SHRI M.P. MEHROTRA  
SHRI P.K. SHARAN  
SHRI S.V.S. JUNEJA  
DR. S. RAMESH  
SHRI PRIYA BRAT  
SHRI R. K. GOSWAMI  
SHRI GIAN VIJESHWAR  
SHRI K.K. SONI  
SHRI S.C. AGARWAL  
SHRI ANURAG BHATNAGAR

Chairman

Vice-Chairman & Managing Director

Member are requested to bring their copy of the Annual Report at the Annual General Meeting.

Our e-mail address :

For investor services : [investordesk.sael@gmail.com](mailto:investordesk.sael@gmail.com)  
Other than above : [southasianenterprises@gmail.com](mailto:southasianenterprises@gmail.com)  
website : [www.sael.co.in](http://www.sael.co.in)

## COMPANY SECRETARY

Shri R. C. Pandey

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

## EQUITY SHARES ARE LISTED AT :

**BSE LTD. (formerly The Bombay Stock Exchange, Mumbai)**  
PHIROZE JEEJEEBHOY TOWERS,  
DALAL STREET,  
MUMBAI-400 001

## AUDITORS :

M/s. Anil Pariek & Garg.  
Chartered Accountants  
33, Anand Bazar,  
Swaroop Nagar,  
Kanpur-208002 (U.P.)

## BANKERS

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

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## DIRECTORS' REPORT TO THE MEMBERS

Your Directors present the Twenty Fifth Annual Report of your Company with the Audited Annual Accounts for the year ended 31<sup>st</sup> March, 2014.

### 1. Financial Results

|                                         | (Rs. in Lacs)                                      |                                                    |
|-----------------------------------------|----------------------------------------------------|----------------------------------------------------|
|                                         | For the year ended<br>31 <sup>st</sup> March, 2014 | For the year ended<br>31 <sup>st</sup> March, 2013 |
| Total Income                            | 257.25                                             | 157.28                                             |
| Less: Total Expenditure                 | 239.95                                             | 153.99                                             |
| Less: Interest                          | 2.46                                               | 1.15                                               |
| Gross Profit/(loss)                     | 14.84                                              | 2.14                                               |
| Less: Depreciation                      | 5.57                                               | 10.32                                              |
| Less: Provision for Taxation (Net)      | 6.92                                               | (1.57)                                             |
| Other provisions                        | 0.00                                               | 1.72                                               |
| Net Profit after tax                    | 2.35                                               | (8.33)                                             |
| Paid up Equity Share Capital            | 399.90                                             | 399.90                                             |
| (excluding calls in arrears)            |                                                    |                                                    |
| Reserves, excluding revaluation reserve | 795.77                                             | 793.42                                             |
| Earnings per share (Rs.)                | 0.06                                               | (0.21)                                             |

### 2. Management Discussion and Analysis

#### Financial Review

Your Company recorded a total income of Rs.257.25 lacs during the year under review compared to previous year's figure of Rs. 157.28 lacs. The Company has earned a net profit of Rs. 2.35 lacs in the year under review. The Company incurred a net loss of Rs. 8.33 lacs in the previous year. The marketing of earthing products and execution of contracts for earthing and lightning protection systems continued to make a significant contribution to the total revenue of the Company keeping in view significant increase in revenue generation in this segment compared to previous year. The Company expects good progress in this segment during the year and in the coming years will witness better results.

The revenue from amusement parks showed a marginal decrease compared to previous year. 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

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. In the electrical engineering segment i.e. earthing and lightning protection system, the Company has been able to develop inroads in Government agencies and has successfully executed contracts awarded to it albeit at small scale.

#### Outlook, Risks and Concerns

Following the keyword "Something new" for survival in amusement industry, the Company took measures to renovate the park at Kanpur during the year under review. In the process apart from beautification of park as a whole, the outer side of boundary wall of the park has been decorated by mural painting in which school children from local school were encouraged to participate with support from Kanpur Nagar Mahapalika. To retain the attraction of amusement park and increase the footfalls, both disposable income per person and constant innovation whether by inducting new rides or promotional programs etc. are equally important. However, the increased cost of improvement/new rides, the maintenance expenditure and stiff competition from other sources of entertainment have put profit margins of this segment under pressure. Your Company already operates on thin margins and infusion of funds on improvement/ new rides is a constant challenge. The entry costs have to be kept low to keep the parks within the reach of masses that have further stressed the cash flows. The entertainment tax of 30% continues to be additional burden and a challenge for boosting revenue. The recurrent loss in this segment is being monitored closely to keep it to the minimum. The electrical engineering segment viz. earthing and lightning protection systems business has responded well as the Company has executed orders to the customers' satisfaction including for some government departments. The power plants, electronics and other hi-tech centers where earthing is significantly important are target customers of Company apart from high rise buildings, hotels and residential units etc. The Company is exploring all possible areas in order to establish strong foothold in this arena. Additionally, some of the new areas where Company can have possibilities of revenue generation are being examined.

### Opportunities and Threats

The Company is exposed to normal industry risks attributable to respective segments. In order to meet the challenge of sustaining itself despite of thinning of margins in amusement segment, the strategy is to focus on increasing the number of visitors, exploring avenues for diversification and accordingly measures are being initiated/implemented. In electrical engineering segment, the Company uses the latest technology for earthing and lightning protection installations which are proven to give better results as compared to traditional techniques. However, due to relatively higher cost and lack of awareness about said technology amongst target clients, there is tough competition. To meet the challenge, the Company aims not only to educate or spread awareness about its products but also secure credentials from its clients about the superiority of its products.

#### Adequacy of Internal Control Systems

The Company has in place a proper and adequate system of internal control to monitor proper recording of transactions authorized according to policies and procedures laid down by the Company. The Company ensures that all regulatory guidelines are being complied with at all levels.

The Audit Committee reviews the internal control mechanisms periodically.

#### Segment wise Performance

The Company's venture of dealing in earthing materials and lightning protection systems in the electrical engineering segment has been categorised under the head "Trading" for the purpose of segment reporting in the Annual Accounts for the year under review. Similarly, other income has been categorised under the head "Others". Segment wise, the entertainment sector generated revenue of Rs. 45.52 lacs and the Trading segment's revenue amounted to Rs.189.82 lacs during the year under review.

The other income accounted for Rs. 21.90 lacs. The segment of entertainment incurred a loss of Rs. 34.17 lacs. However, the profit from trading segment of Rs. 24.00 lacs coupled with 'other' segment's profit of Rs. 21.90 lacs culminated into profit of Rs. 2.35 lacs after adjusting for unallocables and taxes. Your Board is hopeful of better performance in future.

#### Human Resource

The relationship with employees continued to be cordial during the year. The Directors place on record their sincere appreciation to the employees at all levels. In terms of the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, there was no employee during the year drawing remuneration more than the stipulated amount in the said rules. The Company has a team of able and experienced industry professionals. The number of employees on the Company's rolls stood at 33.

#### Cautionary Statement

Statement in the "Management Discussion and Analysis" describing the Company's projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that would make a difference to the Company's operations include changes in government regulations, tax regimes, economic developments within the country and abroad and such other factors.

### 3. Dividend

Due to inadequate profit, no dividend is recommended.

### 4. Directors

Shri K. K. Soni and Shri S. C. Agarwal - Directors, will retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. To enable the Company to obtain their continued valuable direction, guidance and assistance in the conduct of the affairs of your Company, the Board recommends their re-appointment.

Your Board at its meeting held on 12<sup>th</sup> August, 2014, on the recommendation of the Nomination and Remuneration Committee, has recommended for the approval of the Members the appointment of Dr. B. Venkataraman, Shri P. K. Sharan, Shri Priya Brat, Dr. S. Ramesh, Shri S. V. S. Juneja, Shri R. K. Goswami and Shri Gian Vijeshwar as an Independent Directors in terms of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, and Clause 49 of the Listing Agreement, with effect from the date of the ensuing AGM of your Company. Your Board at the said meeting, on the recommendation of the Nomination and Remuneration Committee, has re-appointed Shri T. B. Gupta (aged about 74 years) as Managing Director of the Company for next 3 years w.e.f. 30/09/2014 subject to members' approval by Special Resolution in

terms of extant provisions of the Companies Act, 2013 and that during his tenure he shall be liable to retire by rotation in order to comply with provisions of section 152 of the Companies Act, 2013.

Appropriate resolutions seeking your approval to the aforesaid appointments are appearing in the Notice convening the 25<sup>th</sup> AGM of the Company Dr. B. Venkataraman, Shri P. K. Sharan, Shri Priya Brat, Dr. S. Ramesh, Shri S. V. S. Juneja, Shri R. K. Goswami and Shri Gian Vijeshwar by virtue of being Independent Directors of your Company in terms of the provisions of the Companies Act, 2013, will not be liable to retire by rotation for the residual period of their respective terms of appointment approved by the Members of the Company.

## 5. Directors' Responsibility Statement

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, the Directors hereby state:

- that in the preparation of the Annual Accounts for the financial year ended 31<sup>st</sup> March, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- that they have taken proper and sufficient care for the maintenance of proper accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- that they have prepared the Annual Accounts for the financial year ended 31<sup>st</sup> March, 2014 on a going concern basis.

## 6. Corporate Governance and Compliance Certificate

As the equity shares of the Company are listed with BSE, in terms of Clause 49 of the Listing Agreement with Stock Exchange, requisite compliance report on corporate governance along with the Auditors' Certificate is enclosed with this Report as **Annexure -1**. In line with the requirements of Clause 49 of Listing Agreement, the management discussion and analysis is also provided in this Report.

## 7. Auditors

The 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 139 of the Companies Act, 2013 to act as the Auditors of the Company, if appointed. Concurring with the recommendation of the Audit Committee, the Board of Directors recommends their appointment as Statutory Auditors for the next term. The Board may also be authorised to fix their remuneration. In terms of section 139 (2) read with Rule 6 of Companies (Audit and Auditors) Rules, 2014 the present auditors can be appointed for three consecutive terms of one year each starting from present proposal before being subjected to compulsory rotation of Auditors.

## 8. Auditors' Report

The observations made by the Auditors in their report have been adequately dealt with in the relevant notes on accounts and need no further comments from the Directors.

## 9. Listing

The shares of the Company are listed only at the BSE Ltd., formerly The Bombay Stock Exchange, Mumbai. The Company has paid the annual listing fees for the financial year 2014-2015 to the said Exchange.

## 10. Statutory Information

The information as required under the Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 with respect to Conservation of Energy and Technology Absorption is enclosed as **Annexure-2** and forms part of this report. The requisite Compliance Certificate in terms of Section 383A of Companies Act, 1956 from a Practising Company Secretary is enclosed as **Annexure-3**. There was no proposal during the year under review for buy back of shares by the Company.

## 11. Fixed Deposits

The Company has not accepted any fixed deposit, during the year under review. Also, the Company has no plans to accept any deposits in future.

## 12. Green Initiative in Corporate Governance:

As a continuing endeavor towards the Go Green Initiative, the Company proposes to send future correspondence and documents like the notice

calling the general meeting, audited financial statements, directors' report, auditors' report etc. in electronic form, to the email address provided by the Members and made available to us by the Depositories. Members who hold shares in physical form are requested to register their e-mail addresses and intimate any change in e-mail id, with the Company or with the Registrar & Share Transfer Agents, RCMC Share Registry Pvt. Ltd. In respect of electronic holdings, members are requested to register their e-mail addresses with the Depository through their concerned Depository Participants. However, in case you desire to receive Company's communication and documents in physical form, you are requested to intimate us through email at [investordesk.sael@gmail.com](mailto:investordesk.sael@gmail.com). You may kindly note that as a Member of the Company, you will be entitled to be furnished, free of cost, a printed copy of the Annual Report of the Company, upon receipt of a requisition from you, at any time.

Members are advised to convert their shares from Physical Form to Dematerialized Form. Dematerialization of shares provides several benefits to the shareholders. The transaction of shares can be carried out quickly and in an easy way. Holding securities in Demat Form helps the investors to get immediate transfer of securities. No stamp duty is payable on transfer of shares held in Demat Form and the brokerage involved is also lower. The incidence of non-delivery or bad delivery and the risks associated such as forged transfers that occurs for the shares when held in physical form at is totally avoided. Further, the sale and purchase of Company's shares through a stock exchange is possible if the shares are held in dematerialized form only. Hence, members holding in physical form can not sell the shares through stock exchange unless the physical shares are converted in dematerialized form.

## 13. Subsidiary Company and Consolidated Statements

There being no subsidiary of the Company, no statement pursuant to Section 212 (1)(e) read with sub-section (3) of the said section of the Companies Act, 1956 for the Financial year 2013-2014 is required to be enclosed. Accordingly, there is no need of consolidation of accounts.

## 14. Acknowledgement

Your Directors wish to express their sincere appreciation and gratitude to the Company's bankers, Kanpur Nagar Mahapalika, Lucknow Vikas Pradhikaran and all associates of the Company including the clients of trading business for their valuable cooperation and continued support. They are also thankful to you for the trust you have reposed in the Board.

**For and on behalf of the Board of Directors**

**Date: 12/8/2014**  
**Place: New Delhi**

**P. K. Sharan**  
**Director**

**T.B. Gupta**  
**Managing Director**

**Annexure-1 : Please refer page no. 3.**

**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 Directors' Report for the year ended 31<sup>st</sup> March, 2014.**

### **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   | : | Rs. 12,69,373/- |

**For and on behalf of the Board of Directors**

**Date: 12/8/2014**  
**Place: New Delhi**

**P. K. Sharan**  
**Director**

**T.B. Gupta**  
**Managing Director**

# SOUTH ASIAN ENTERPRISES LTD.

## Annexure-1

### REPORT ON CORPORATE GOVERNANCE

#### CORPORATE PHILOSOPHY

The philosophy of the Company is to enhance the long-term economic value of the Company, its stakeholders and the society at large by adopting better corporate practices in a fair and transparent manner and align the Company's interests with that of its shareholders and other key stakeholders. Your Company has been practicing the principles of good Corporate Governance over the years and strives to reward its shareholders to the maximum.

#### 1. BOARD OF DIRECTORS

- a) The present strength of the Board is 12 Directors, comprising 1 (One) Promoter Director, 7 (Seven) Independent Directors and 4 (Four) Non-Independent Directors headed by a Non-Executive Chairman who is an Independent Director. All the Directors except the Managing Director are Non- Executive. With majority of the Board members being Independent Directors, the present constitution of Board adequately complies with requirement of Clause-49 of Listing Agreement and Section 149 of the Companies Act, 2013, which stipulates that at least one third of the Board members should be Independent if the Chairman is Non-Executive Director.

| S. No. | Name of the Director                                            | Whether Promoter, Executive or Non-Executive/ Independent | No. of Board Meetings attended during 2013-2014 | Whether Attended AGM held on 28/09/2013 | No. of Directorships in other Public Limited Companies as on 12/08/2014 | No. of Committee position held in other Public Limited Company \$ |        |
|--------|-----------------------------------------------------------------|-----------------------------------------------------------|-------------------------------------------------|-----------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------|--------|
|        |                                                                 |                                                           |                                                 |                                         |                                                                         | Chairman                                                          | Member |
| 1.     | Dr. B. Venkataraman<br><i>Chairman</i>                          | Non-Executive, Independent                                | 3                                               | NO                                      | 2                                                                       | 1                                                                 | 2      |
| 2.     | Shri T.B. Gupta<br><i>Vice-Chairman &amp; Managing Director</i> | Executive, Non-Independent                                | 4                                               | NO                                      | 2                                                                       | -                                                                 | 1      |
| 3.     | Shri S.V.S. Juneja                                              | Non-Executive, Independent                                | 3                                               | NO                                      | -                                                                       | -                                                                 | -      |
| 4.     | Shri P.K. Sharan                                                | Non-Executive, Independent                                | 4                                               | YES                                     | 1                                                                       | -                                                                 | -      |
| 5.     | Dr. S. Ramesh                                                   | Non-Executive, Independent                                | 4                                               | NO                                      | 1                                                                       | 1                                                                 | -      |
| 6.     | Shri Priya Brat                                                 | Non-Executive, Independent                                | 4                                               | NO                                      | 3                                                                       | 2                                                                 | 3      |
| 7.     | Shri R. K. Goswami                                              | Non-Executive, Independent                                | 4                                               | NO                                      | 1                                                                       | -                                                                 | -      |
| 8.     | Shri K. K. Soni                                                 | Non-Executive, Non- Independent                           | 2                                               | NO                                      | 5                                                                       | -                                                                 | 1      |
| 9.     | Shri S. C. Agarwal                                              | Non-Executive, Non- Independent                           | 4                                               | NO                                      | 2                                                                       | -                                                                 | 1      |
| 10.    | Shri Gian Vijeshwar                                             | Non-Executive, Independent                                | 0                                               | NO                                      | 7                                                                       | 1                                                                 | 2      |
| 11.    | Shri M. P. Mehrotra                                             | Non-Executive, Promoter                                   | 2                                               | NO                                      | 9                                                                       | 2                                                                 | 3      |
| 12.    | Shri Anurag Bhatnagar                                           | Non-Executive, Non- Independent                           | 4                                               | NO                                      | 1                                                                       | -                                                                 | -      |

\$ Memberships of only Audit Committee and Shareholders/Investors Grievance Committee have been considered. None of the Directors is member of more than 10 Board-level committees, or a Chairman of more than five such committees, as required under Clause 49 of the Listing Agreement.

- b) During the year ended on 31/03/2014, 4 (Four) Board Meetings were held with at least one meeting in every quarter i.e., on 27/5/2013, 23/7/2013, 13/11/2013 and 14/2/2014.
- c) The information regarding pecuniary transaction or relationship with the Executive Director has been disclosed in Annual Accounts for the year under review under the head "Related Party Disclosure" stated in Notes forming part of financial statements (Note no. 27).
- d) Information supplied to the Board:

All relevant information including those envisaged in Clause 49 of Listing Agreement was regularly provided to the Board and Committees thereof. The requisite CEO certification was placed before the Board alongwith the quarterly and the annual accounts for the year under review as required under Clause 41 and Clause 49 respectively of Listing Agreement. The day-to-day affairs of the Company are managed by Shri T.B. Gupta- Vice-Chairman & Managing Director. The Board of Directors oversees the business conduct and continuously examines its governance practices to protect investor trust and enhance Board's effectiveness. Further, Agenda for Board Meetings is circulated well in advance to all the Directors and every Board member is free to suggest items for inclusion in the Agenda.

#### e) Statement of Directors' Remuneration paid during the year ended on 31/03/2014:

| Name of the Director | Salary (in Rs.) | Perquisites (in Rs.) | Sitting fee (in Rs.) | Commissions (in Rs.) | Total (in Rs.) |
|----------------------|-----------------|----------------------|----------------------|----------------------|----------------|
| Dr.B. Venkataraman   | N.A.            | N.A.                 | 35,000               | N.A.                 | 35,000         |
| Shri S. V. S. Juneja | N.A.            | N.A.                 | 35,000               | N.A.                 | 35,000         |
| Shri P. K. Sharan    | N.A.            | N.A.                 | 40,000               | N.A.                 | 40,000         |
| Shri T. B. Gupta     | 4,80,000        | NIL                  | NIL                  | N.A.                 | 4,80,000       |
| Dr. S. Ramesh        | N.A.            | N.A.                 | 40,000               | N.A.                 | 40,000         |
| Shri Priya Brat      | N.A.            | N.A.                 | 40,000               | N.A.                 | 40,000         |
| Shri R. K. Goswami   | N.A.            | N.A.                 | 40,000               | N.A.                 | 40,000         |
| Shri K. K. Soni      | N.A.            | N.A.                 | NIL                  | N.A.                 | NIL            |
| Shri S. C. Agarwal   | N.A.            | N.A.                 | NIL                  | N.A.                 | NIL            |
| Shri Gian Vijeshwar  | N.A.            | N.A.                 | NIL                  | N.A.                 | NIL            |
| Shri M. P. Mehrotra  | N.A.            | N.A.                 | 10,000               | N.A.                 | 10,000         |

#### Notes:

- Currently, the Company does not have any stock option scheme.
- No other remuneration, except sitting fee is paid to Non-Executive Directors.
- Dr. B. Venkataraman (together with spouse) and Shri M. P. Mehrotra held 600 and 6510 equity shares of the Company respectively as on 31/03/2014. No other Director held any shares of the Company on that date.
- The service contract in case of Managing Director, is 3 years, expiring on 29/09/2014 with notice period of one month. All the Directors other than Independent Directors will be liable to retire by rotation.

#### f) Code of Conduct

The Code of Conduct is applicable on all Directors and Senior Management Personnel of the Company with certain provision like insider trading restriction are applicable to all the employees of Company. The declaration from Managing Director of compliance with the code of conduct by all Board members is appended to and forms part of this report.

#### Declaration under Clause 49 I (D) for compliance with the Code of Conduct

As provided under Clause 49 of Listing Agreement with the Stock Exchanges, the Board of Directors and the Senior Management Personnel have confirmed compliance with the code of conduct for the period under review, which ended on 31/03/2014.

Date: 12/8/2014

T. B. Gupta

Place: New Delhi

Managing Director

#### g) Disclosures regarding appointment or re-appointment of Directors

Shri K. K. Soni and Shri S. C. Agarwal - Directors, will retire by rotation at the forthcoming Annual General Meeting and being eligible have offered themselves for re-appointment. The profile of Directors proposed to be re-appointed at ensuing Annual General Meeting is given in the notes forming part of notice of forthcoming Annual General Meeting.

The Board in its meeting held on 12/08/2014 had appointed Dr. B. Venkataraman, Shri P. K. Sharan, Shri Priya Brat, Dr. S. Ramesh, Shri S. V. S. Juneja, Shri R. K. Goswami and Shri Gian Vijeshwar as an Independent Directors in terms of Section 149 of the Companies Act, 2013, with effect from the date of the ensuing AGM of your Company. Your Board at the said meeting, on the recommendation of the Nomination and Remuneration Committee also recommended for the approval of the Members for re-appointment of Shri T. B. Gupta as Managing Director of the company for a period of 3 years w.e.f. 30/09/2014 and that the Managing Director would be liable to retire by rotation during his tenure notwithstanding anything contrary contained in the Articles of Association of Company.

#### 2. AUDIT COMMITTEE

##### a) Composition

As on 01/04/2013 the Audit Committee comprised Shri P. K. Sharan (Chairman of the Committee) with Shri R. K. Goswami, Shri K. K. Soni, Shri Priya Brat and Dr. S. Ramesh as members. Majority of the members are Independent Directors including Chairman of the committee.

The majority of members possess rich financial management expertise as envisaged in Clause 49 of Listing Agreement. Dr. S. Ramesh is a retired IAS officer and has adequate knowledge of financial matters.

**b) Terms of reference**

The role, terms of reference, authority and powers of the Audit Committee are in conformity with Clause 49 of the Listing Agreement read with Section 292A of the Companies Act, 1956. The Company Secretary is the Secretary of the Committee. The Statutory Auditor is regularly invited for meetings of Audit Committee. The Internal Auditor, the Managing Director and the functional head of finance department are also invited to its meetings, whenever required. The Board had accepted all the recommendations made by Audit Committee for appropriate implementation during the year under review. The terms of reference of Audit Committee had been revised by the Board on 28/05/2014 to conform to provisions of Section 177 of the Companies Act, 2013 and Clause 49 of Listing Agreement which is envisaged to be effective from 1/10/2014. No change in constitution of committee was made as present constitution complies with the extant norms specified for this purpose.

The minutes of Audit Committee meetings are regularly placed before the Board.

**c) Meetings and attendance**

During the year ended on 31/03/2014, 4 (Four) Audit Committee Meetings were held on 27/5/2013, 23/7/2013, 13/11/2013 and 14/2/2014. The summary of attendance of members is as under:

| Name                     | Shri R. K. Goswami | Shri P. K. Sharan | Dr. S. Ramesh | Shri K. K. Soni | Shri Priya Brat |
|--------------------------|--------------------|-------------------|---------------|-----------------|-----------------|
| No. of Meetings attended | 4                  | 4                 | 4             | 1               | 4               |

**3. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE**

**a) Composition and terms of reference**

The Shareholders/Investors Grievance Committee consists of Shri P.K. Sharan, Chairman of the Committee with Shri S.V.S. Juneja and Shri T.B. Gupta as members.

The Committee is vested with the requisite powers and authority in accordance with the requirements of Listing Agreement and apart from approval of share transfer and related aspects, it specifically looks into the redressal of the shareholders and investors' grievances.

As a step towards providing better services to its shareholders, individual members exercising the authority delegated by the Committee, regularly approve demat requests during the intervening period between two Committee meetings. Thus, the time gap between the demat approvals on an average is less than 15 days. The summary of dematerialisation request approved by the members is regularly placed before the Committee. The minutes of Committee meetings are regularly placed before the Board.

The Board in its meeting held on 28/05/2014 had renamed the said committee as Stakeholders Relationship Committee under Section 178 of Companies Act, 2013. The composition of the said committee remained unchanged as present constitution complies with the requirements of applicable regulations.

**b) Meetings and attendance**

During the year ended on 31/03/2014, 5 (Five), meetings of Shareholders/ Investors Grievance Committee were held i.e. on 08/04/2013, 07/05/2013, 13/11/2013, 27/02/2014 and 24/03/2014. Details of attendance of Members are as under:

| Name                     | Shri P. K. Sharan | Shri S. V. S. Juneja | Shri T. B. Gupta |
|--------------------------|-------------------|----------------------|------------------|
| No. of Meetings attended | 5                 | 4                    | 5                |

**c) Shareholder's Complaints**

The Company has not received any complaints during the financial year ended 31<sup>st</sup> March, 2014.

General correspondence e.g. change of address, enquiry on dividend for the year, ISIN No. of the Company etc. has not been included in complaints.

**4. GENERAL BODY MEETINGS**

**a) Details of the last three Annual General Meetings are given below.**

| Financial year ended | Date               | Time       | Venue                                             |
|----------------------|--------------------|------------|---------------------------------------------------|
| March 31, 2013       | September 28, 2013 | 12:30 p.m. | Mikky House, K-Block Kidwai Nagar, Kanpur (U.P.). |
| March 31, 2012       | September 29, 2012 | 1:30 p.m.  | Mikky House, K-Block Kidwai Nagar, Kanpur (U.P.). |
| March 31, 2011       | September 30, 2011 | 1:30 p.m.  | Mikky House, K-Block Kidwai Nagar, Kanpur (U.P.). |

**b) Special Resolution passed in previous 3 Annual General Meetings (AGM)**

No matter was required to be dealt/passed by the Company by special resolution or through postal ballot in the annual general meeting held for financial years 2011-12 and 2012-13.

In the Annual General Meeting held on 30/9/2011, Special Resolution relating to commencement of business under other objects clause nos. 57,59,60,61,63 and 64 was passed in terms of section 149(2A) of the Companies Act, 1956. Additionally, a special resolution for amendment of Objects Clause of Memorandum of Association was passed through Postal Ballot.

**c) Postal Ballots:**

No matter was required to be dealt/passed by the Company through postal ballot during the financial year 2013-2014.

**5. DISCLOSURES**

**a) Related party transactions**

There were no transactions with Promoters, Directors and related persons, which were materially significant, having conflict with the interest of Company at large, during the financial year under review. However, in compliance of AS-18, necessary disclosure of related party transaction has been made in Audited Financial Accounts for the year under review under the head forming part of financial statements (Note No. 27).

**b) Statutory compliance, penalties, strictures and Legal proceedings**

The Company has complied with all the requirements of Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets and no penalties or strictures have been imposed on the Company during the last three years.

None of the pending cases in which Company is a party are material in nature, hence not reported here.

**c) Compliance of Non Mandatory requirements**

i. The Company does not maintain separate office for the Non- Executive Chairman. However, he may claim reimbursement of expenses incurred for performance of duties as Chairman. No expenses on this account have been claimed during the year under review.

**ii. Remuneration Committee:**

The Remuneration Committee was constituted primarily to formulate the remuneration package for managerial personnel including Executive Director for approval of the Board. However, it also discharges such assignments as may be given by the Board from time to time. The Remuneration Committee as on 1/04/2013 had Shri S.V.S. Juneja, Shri P.K. Sharan, Shri R. K. Goswami and Shri S. C. Agarwal with Shri S. V. S. Juneja as Chairman of the Committee. The Company Secretary is Secretary designated for the Committee. The constitution of committee conforms to requirement of Clause 49 of Listing Agreement. There was no change in constitution of said committee and no meeting of Remuneration Committee was held during the year under review. The Board in its meeting held on 28/05/2014 had renamed the said committee as Nomination and Remuneration Committee under Section 178 of Companies Act, 2013 with terms of reference modified accordingly.

iii. The periodic results were not sent to every member. However, they have been published in newspapers as prescribed in the Listing Agreement and the periodic reporting is also done on [www.corpfiling.co.in](http://www.corpfiling.co.in) in terms of Clause 52 of the Listing Agreement as well as on Company's website namely [www.sael.co.in](http://www.sael.co.in) in time.

iv. The Board has so far not adopted Peer group evaluation of Directors and restricting the tenure of Independent Directors to nine years in aggregate. However, since the Board is vested with strategic supervision of the Company, the individual contribution made by Non-Executive Directors for fulfilling this responsibility is basis of evaluation by the Board, of its members. The Directors are kept abreast of requisite information about business activities of the Company and risks involved therein to enable the Directors to discharge their responsibilities in best possible manner.

v. There was no qualification in the Auditor's Report on the Annual Accounts of the Company for the year under review.

vi. The Company does not have a whistle blower policy at present, but no employee is denied access to the Audit Committee. The existing working setup also provides unfettered approach to management by the employees in reporting any matter envisaged to be covered in the whistle blower policy.

**6. COMMUNICATION TO SHAREHOLDERS**

a) The Company publishes un-audited quarterly results in prescribed format and other information in The Pioneer (in English) and Swatantra Bharat (Vernacular language).

- b) The Management discussion and analysis forms part of Annual Report for year under review. The Company, however, assumes no responsibility in respect of forward looking statements, which may be amended or modified in future on the basis of subsequent developments or events.
- c) The Company has its official website namely [www.sael.co.in](http://www.sael.co.in). The requisite information under Listing Agreement has been posted on the website including financial results. The periodic financial reporting is also being done on [www.corpfiling.co.in](http://www.corpfiling.co.in). Further, disclosures pursuant to the Listing Agreement are promptly communicated to the Stock Exchanges. The documents filed by the Company with Registrar of Companies can be inspected at MCA's website namely [www.mca.gov.in](http://www.mca.gov.in) and the Company Identification Number (CIN) of Company is **L91990UP1990PLC011753**.
- d) The Company has dedicated an e-mail ID exclusively for redressal of Investor Complaints in compliance of Clause 47 (f) of Listing Agreement namely [www.investordesk.sael@gmail.com](mailto:www.investordesk.sael@gmail.com).

## 7. SHAREHOLDERS INFORMATION

### a) Annual General Meeting:

- **Date and Time** : Saturday, 27<sup>th</sup> September, 2014 at 12:30 p.m.
- **Venue** : Mikky House, K- Block, Kidwai Nagar, Kanpur-208011 (U.P.)
- **Financial Year** : April to March
- **Date of Book Closure** : From 20/09/2014 to 27/09/2014 (both days inclusive)
- **Buy back of shares** : There was no proposal for buy back of shares by the Company, during the year under review.
- **Dividend Payment Date** : Not applicable as no dividend has been recommended by the Board.

### b) Listing at Stock Exchanges:

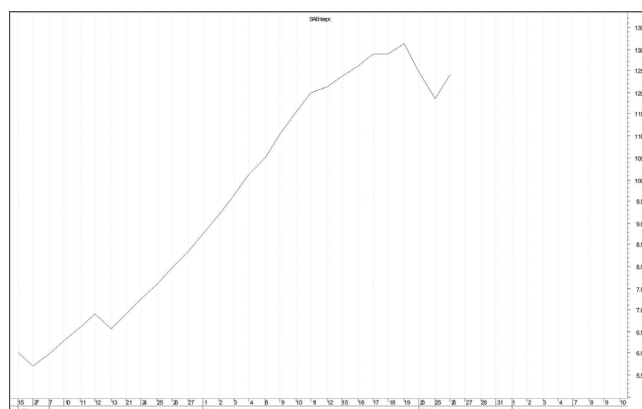
The Company's equity shares are listed at BSE Ltd., formerly The Bombay Stock Exchange, Mumbai, (Stock Code-526477). Listing fees to said Stock Exchange has been paid up to the financial year 2014-2015.

### c) Stock Market data related to shares listed in India: (Source: Metastock)

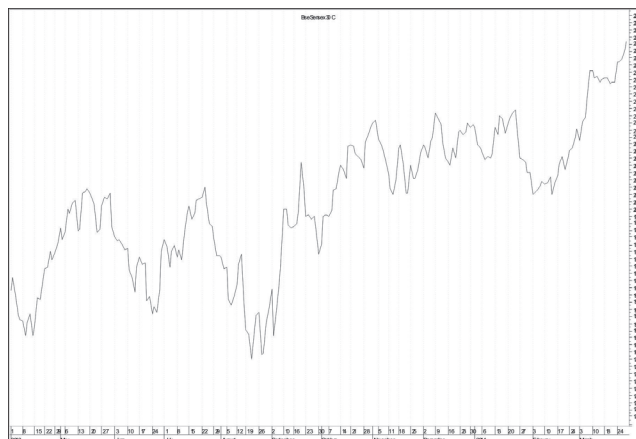
Monthly highs, lows and trading volume for Financial Year 2013-2014

| BSE Ltd. |          |         |                      |
|----------|----------|---------|----------------------|
| MONTH    | High Rs. | Low Rs. | Volume No. of Shares |
| Apr-13   | 0.00     | 0.00    | 0                    |
| May-13   | 6.02     | 5.71    | 250                  |
| Jun-13   | 8.35     | 5.99    | 615                  |
| Jul-13   | 13.12    | 8.76    | 975                  |
| Aug-13   | 0.00     | 0.00    | 0                    |
| Sep-13   | 0.00     | 0.00    | 0                    |
| Oct-13   | 0.00     | 0.00    | 0                    |
| Nov-13   | 0.00     | 0.00    | 0                    |
| Dec-13   | 0.00     | 0.00    | 0                    |
| Jan-14   | 0.00     | 0.00    | 0                    |
| Feb-14   | 0.00     | 0.00    | 0                    |
| Mar-14   | 12.99    | 11.85   | 2650                 |
| TOTAL    |          |         | 4490                 |

Company's Share Price at BSE- Graphical



BSE Sensex



### d) Registrar and Transfer Agents & Investors correspondence:

The Company has retained M/s. RCMC Share Registry Pvt. Ltd., 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 with SEBI's circular No.D&CC/F/TT/CIR-15/2002 dated 27/12/2002.

For any query relating to transfer/transmission of shares, dematerialisation, change of address etc., please write to M/s. RCMC Share Registry Pvt. Ltd., ("the Registrar") at B-25/1, First Floor, Okhla Industrial Area, Phase-II, New Delhi-110020 (Phone Nos. 011-26387320, 26387321, 26387323 Fax: 011-26387322). For any further assistance in said matters, queries may also be addressed to the Secretarial Department at the Corporate Office of the Company at: 2<sup>nd</sup> Floor, 13, Sant Nagar, East of Kailash, New Delhi-110065 Phone:46656666, Fax: 46656699.

### e) Distribution of shareholding as on March 31, 2014.

| Slab of share holdings (No. of shares) | No. of share holders | %age   | Nominal value of shares held (Rs.) | %age    |
|----------------------------------------|----------------------|--------|------------------------------------|---------|
| 1-500                                  | 5556                 | 96.48  | 7133730.00                         | 17.8343 |
| 501-1000                               | 112                  | 1.94   | 869360.00                          | 2.1734  |
| 1001-2000                              | 38                   | 0.66   | 559670.00                          | 1.3992  |
| 2001-3000                              | 12                   | 0.21   | 302740.00                          | 0.7569  |
| 3001-4000                              | 6                    | 0.10   | 214480.00                          | 0.5362  |
| 4001-5000                              | 7                    | 0.12   | 334510.00                          | 0.8363  |
| 5001-10000                             | 16                   | 0.28   | 1115330.00                         | 2.7883  |
| 10001 and above                        | 12                   | 0.21   | 29470180.00                        | 73.6755 |
| Total                                  | 5759                 | 100.00 | 40000000.00                        | 100     |

### According to categories of shareholders as on March 31, 2014

| Serial No.  | Categories                         | No. of shares | Amount in Rs. | Percentage of shareholding |
|-------------|------------------------------------|---------------|---------------|----------------------------|
| 1           | Promoters, Directors and Relatives | 2440919       | 24409190.00   | 61.023                     |
| 2           | Financial Institutions and Banks   | 200           | 2000.00       | 0.005                      |
| 3           | Mutual Fund                        | 0             | 0.00          | 0.000                      |
| 4           | FII's                              | 0             | 0.00          | 0.000                      |
| 5           | Corporate Bodies                   | 377417        | 3774170.00    | 9.435                      |
| 6           | Indian Public                      | 1177028       | 11770290.00   | 29.426                     |
| 7           | Clearing Member                    | 3935          | 39350.00      | 0.098                      |
| 8           | NRI/OCBs                           | 500           | 5000.00       | 0.013                      |
| Grand Total |                                    | 4000000       | 40000000.00   | 100.000                    |

### f) Dematerialisation of Shares and liquidity:

80.89 % of the total holdings of equity shares have been dematerialized up to 31/03/2014. Trading in Company's shares is permitted only in demat form w.e.f. 24/07/2000.

### g) There were no ADRs/GDRs/ Warrants or other convertible instruments outstanding as on 31/03/2014.

## SOUTH ASIAN ENTERPRISES LTD.

- h) The Amusement Parks of the Company are located as under:
1. Mikky House, K-Block, Kidwai Nagar, Kanpur-208011 (U.P.)
  2. Gautam Buddha Park, Lucknow -226003, (U.P.)

i) **Financial Calendar (Tentative)**

|                                                          |                                  |
|----------------------------------------------------------|----------------------------------|
| Quarter ending June 30, 2014                             | Mid of August, 2014              |
| Quarter ending September 30, 2014                        | Mid of November, 2014            |
| Quarter ending December 31, 2014                         | Mid of February, 2015            |
| Year ending March 31, 2015 #                             | End of May, 2015                 |
| Annual General Meeting for the year ended March 31, 2014 | 27 <sup>th</sup> September, 2014 |

# For the quarter ending 31/03/2014 un-audited results may not be published and only audited results will be published, unless decided otherwise.

j) **Subsidiary Company**

The Company has no Subsidiary.

**Certificate on Corporate Governance**

As required by Clause 49 of the Listing Agreement, the requisite certificate is annexed hereto.

### CERTIFICATE

To  
The Members of  
SOUTH ASIAN ENTERPRISES LIMITED  
We have examined the compliance of conditions of Corporate Governance by South Asian Enterprises Limited, for the year ended on 31<sup>st</sup> March, 2014, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the abovementioned Listing Agreement.

We state that no investor grievance was pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

FOR ANIL PARIEK & GARG  
CHARTERED ACCOUNTANTS  
(Firm Registration No. 01676C)

PLACE: New Delhi  
DATE: 12.08.2014

(H. K. PARIEK)  
PARTNER  
M. No. 70250

Anil Pariek & Garg, Chartered Accountants, 33, Anand Bazar, Swaroop Nagar, Kanpur-208002, (U.P.)

### **COMPLIANCE CERTIFICATE FINANCIAL YEAR 2013-14**

CIN: L91990UP1990PLC011753

NOMINAL CAPITAL : 5,00,00,000  
ISSUED & SUBSCRIBED : 4,00,00,000  
CALLS UNPAID : 9,500  
PAID UP CAPITAL : 3,99,90,500

**The Members**

**South Asian Enterprises Limited**

I have examined the registers, records, books and papers of **South Asian Enterprises Limited ("the Company")** as required to be maintained under the Companies Act, 1956 ("the Act") and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March, 2014. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of financial year 2013-14:

1. The Company has kept and maintained all statutory registers as per the provisions of the Act and the rules made there under and the rules made thereunder and all entries therein have been duly recorded. The registers in which relevant transactions during the year were entered are stated in **Annexure 'A'** to this certificate.
2. The Company has filed the forms and returns as stated in **Annexure 'B'** to this certificate with the Registrar of Companies within the time prescribed under the Act and the rules made thereunder, as mentioned in **Annexure 'B'**.
3. The Board of Directors duly met 4 (four) times on 27/5/2013, 23/7/2013, 13/11/2013 and 14/2/2014 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
4. The Company closed its Register of Members from 21/09/2013 to 28/09/2013 (both days inclusive) and necessary compliance of section 154 of the Act has been made.
5. The Annual General Meeting for the financial year ended on 31<sup>st</sup> March, 2013 was held on 28<sup>th</sup> September, 2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in minutes book maintained for the purpose.
6. No Extraordinary General Meeting(s) was held during the year.

7. The Company has not advanced any loan to its Directors and/or persons or firms or companies referred in the section 295 of the Act, during the financial year and as per section 185 of the Companies Act, 2013.
  8. The Company has duly complied with the provisions of section 297 of the Act, in respect of contracts specified in that section.
  9. The Company has made necessary entries in the register maintained under section 301 of the Act.
  10. No Director and other member(s) hold any place of profit in the Company in terms of section 314 of the Act.
  11. The duly constituted committee of Board namely Shareholder's / Investor's Grievance committee has approved transfer/ transmission of shares, Remat/Demat of shares, issue of share certificates, etc. and is authorized to settle other shareholder related issues.
  12. i) The Company has:
    - (a) Delivered all the certificates lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act.
    - (b) Duly complied with the requirements of section 217 of the Act.ii) No amount was deposited in a separate bank account as no dividend was declared during the financial year.
  - iii) No warrant was posted to any member of the Company as no dividend was declared during the financial year.
  - iv) No amount outstanding in respect of unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interests accrued thereon which have remain unclaimed or unpaid for the period of seven years and liable to be transferred to Investor Education Protection Fund.
13. The Board of Directors of the Company is duly constituted.
14. There was no appointment of Managing Directors or other managerial personnel during the financial year under scrutiny except that of Shri R. C. Pandey as Company Secretary.
15. There was no appointment of sole-selling agents during the financial year under scrutiny.
16. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as prescribed under the various provisions of the Act and applicable regulations.
17. The Directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
18. The Company has not issued any shares/debentures during the financial year under scrutiny.
19. The Company has not bought back any shares during the financial year under scrutiny.
20. There was no redemption of preference shares and debentures during the financial year under scrutiny.
21. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, right shares and bonus shares pending registration of transfer of shares.
22. The Company has not invited/accepted any deposits falling within the purview of Section 58A and the rules made there under during the financial year.
23. No amount was borrowed by the Company from Directors, members, public financial institutions, banks and others during the financial year ending 31/03/2014 except short term working capital from bank.
24. The Company has not made loans or advances or given guarantees or provided securities to other bodies corporate during the year in compliance with the provisions of section 372A of the Act.
25. The Company has not altered provisions of Memorandum of Association with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
26. During the year the Company has not altered provisions of Memorandum of Association with respect to the objects of the Company.
27. The Company has not altered provisions of Memorandum of Association with respect to name of the Company during the year under scrutiny.
28. The Company has not altered provisions of Memorandum of Association with respect to share capital of the Company during the year under scrutiny.
29. The Company has not altered its Articles of Association during the financial year.
30. There was no prosecution initiated against or show cause notice received by the Company, for any offences under the Act and no fines and penalties or any other punishment imposed on the Company.
31. The Company has not received any amount as security from its employees during the year under certification.
32. The Company has deposited both employees' and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

Place: New Delhi  
Date: 01/08/2014

V.B.AGGARWAL  
Company Secretary  
C.P.NO. 1583

**Annexure 'A'**

**Registers maintained by the Company:**

1. Register of Members under section 150 of the Companies Act, 1956.
2. Register of Director's under section 303 of the Companies Act, 1956.
3. Minutes Book of Annual General Meeting, Extraordinary Meeting, Board and Audit Committee Shareholder's/Investor Grievances Committee Meeting and Remuneration committee under section 193 of the Companies Act, 1956.
4. Register of Share Transfer.

# SOUTH ASIAN ENTERPRISES LTD.

## Annexure 'B'

### Forms and Returns as filed by the Company with the Registrar of Companies during the financial year ending 31/3/2014.

1. Annual return (Form-20B) u/s 159 of the Act, for financial year ended on 31/3/2013 filed vide SRN Q23867799 dt. 19/11/2013.
2. Form-66 for compliance Certificate filed vide SRN. Q17166679 dt. 25/10/2013 for the financial year ended on 31/03/2013.
3. Balance sheet (Form-23AC XBRL) u/s 220 of the Act, for financial year ended on 31/3/2013 filed vide SRN Q17716226 dt. 26/10/2013.
4. Profit & Loss Account (Form-23ACA XBRL) u/s 220 of the Act, for financial year ended on 31/3/2013 filed vide SRN Q17716226 dt. 26/10/2013.
5. Form No. 32 in respect of appointment of Shri Anurag Bhatnagar as Director has been filed vide SRN B87843496 dt. 26/10/2013.
6. Form No. 32 in respect of appointment of Shri R. C. Pandey as Company Secretary has been filed vide SRN B98618309 dt. 14/03/2014.

### Covering letter of the annual audit report to be filed with the stock Exchange

#### FORM A

|    |                                               |                                 |
|----|-----------------------------------------------|---------------------------------|
| 1. | Name of the Company                           | South Asian Enterprises Limited |
| 2. | Annual financial statement for the year ended | 31st March 2014                 |
| 3. | Type of Audit observation                     | Un-Qualified                    |
| 4. | Frequency of Observation                      | Not Applicable                  |

**T.B. Gupta**  
Managing Director  
**For Anil Pariek and Garg**  
**Chartered Accountants**  
**H.K. Pariek**  
Partner  
Membership No. 070250

**Yogesh Kumar Ray**  
Accounts Head

**P.K. Sharan**  
Chairman-Audit Committee

### Independent Auditor's Report to the Members of SOUTH ASIAN ENTERPRISES LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of **South Asian Enterprises Limited** ("the Company"), which comprises the Balance Sheet as at March 31 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act"), read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014 and
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

As required by section 227(3) of the Act, 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 purpose 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, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.

- e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of section 274(1)(g) of the Act.

For ANIL PARIEK & GARG  
Chartered Accountants  
ICAI Firm Registration No. 01676C  
H.K. PARIEK  
Partner  
Membership No.070250

Place: New Delhi  
Date: 28/05/2014

### ANNEXURE TO THE AUDITORS' REPORT REFERRED TO IN OUR REPORT OF EVEN DATE

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The company has a regular programme of physical verification of fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were physically verified by the management during the year and we are informed that no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, the Company has not disposed off substantial part of fixed assets having effect on going concern.
2. (a) The Inventories have been physically verified during the year by the management. In our opinion, the frequency of physical verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management were found reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and according to information and explanations given to us, the company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
3. The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, the Company has an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our Audit, no major weakness has been noticed in the internal control system in respect of these areas.
5. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during this year to be entered in the register required to be maintained under that section. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise.
6. The company has not accepted any deposits from the public during the year within the meaning of section 58A & 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.
7. In our opinion, the company has an internal audit system, commensurate with its size and nature of its business.
8. In our opinion and according to the information and explanation given to us, maintenance of cost records as prescribed by the Central Govt. under section 209 (1) (d) of the Act, is not required as the Company is not in the manufacturing activity.
9. (a) The company is regular in depositing undisputed statutory dues like provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and any other statutory dues with the appropriate authorities. There were no outstanding dues for a period exceeding six months against any undisputed statutory dues as on 31.03.2014.
- (b) According to information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.
10. The Company neither have any accumulated losses as at the end of the year nor incurred any cash losses during the current financial year, or in the immediately preceding Financial Year.
11. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of securities by way of pledge of shares, debentures or other securities.
12. The company has maintained proper records for investments made in shares, securities, debentures and other investments and timely entries have been made therein. The shares, securities, debentures and the other investments have been held by the company in its own name except to the extents of exemption granted under section 49 of the Act. However, some of the investments made in shares are under process for transfer in the name of the Company.
13. In our opinion and according to the information and explanations given to us, the Company has not given any Guarantee for loans taken by others from Banks or Financial Institutions.
14. The Company has not raised any Term Loan during the year.
15. According to the records examined by us and the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
16. To the best of our knowledge and information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.
17. The provisions of clauses Nos. 4 (xi), (xii), (xvii), (xix) and (xx) of paragraph 4 of the Companies (Auditors' Report) (Amendment) Order, 2004 are not applicable to the company for the current year.

For ANIL PARIEK & GARG  
Chartered Accountants  
ICAI Firm Registration No. 01676C  
H.K. PARIEK  
Partner  
Membership No.070250

Place: New Delhi  
Date: 28/05/2014