



**SOUTH ASIAN
ENTERPRISES LTD.**

XXVI ANNUAL REPORT 2014-2015

South Asian Enterprises Limited

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

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SOUTH ASIAN ENTERPRISES LIMITED

TWENTY SIXTH ANNUAL GENERAL MEETING
at Mikky House, K-Block Kidwai Nagar,
Kanpur - 208 011 (U.P.)
at 12:30 p.m.
on Saturday, 26th September, 2015

BOARD OF DIRECTORS :

DR. B. VENKATARAMAN
SHRI T.B. GUPTA
SHRI P.K. SHARAN
SHRI S.V.S. JUNEJA
DR. S. RAMESH
SHRI PRIYA BRAT
SHRI R. K. GOSWAMI
SHRI K.K. SONI
SHRI S.C. AGARWAL
SHRI ANURAG BHATNAGAR
DR. (MRS.) NEERAJ ARORA

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
Other than above : southasianenterprises@gmail.com
website : www.saeltd.com

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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SOUTH ASIAN ENTERPRISES LTD.

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present the Twenty Sixth Annual Report of your Company with the Audited Annual Accounts for the year ended 31st March, 2015.

1. Financial Results (Rs. in Lacs)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Total Income	225.27	257.25
Less: Total Expenditure	190.64	239.95
Less: Interest	0.53	2.46
Gross Profit/(loss)	34.10	14.84
Less: Depreciation	4.22	5.57
Less: Provision for Taxation (Net)	9.02	6.92
Other provisions	0.00	0.00
Net Profit after tax	20.86	2.35
Paid up Equity Share Capital (excluding calls in arrears)	399.90	399.90
Reserves excluding revaluation reserve*	815.53	795.77
Earnings per share (Rs.)	0.52	0.06

* post adjustment for transitional provision for depreciation of fixed assets of Rs. 1.10 lacs.

2. Management Discussion and Analysis

Financial Review

Your Company recorded a total income of Rs.225.27 lacs during the year under review compared to previous year's figure of Rs. 257.25 lacs. The Company has earned a net profit of Rs. 20.86 lacs in the year under review as compared to previous year's figure of Rs. 2.35 lacs. 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 though there was decline in revenue generation in this segment compared to previous year. The Company expects good progress in this segment during the year and the coming years will witness better results.

In discussion on financial performance with respect to operational performance and segment wise performance, your Company's revenue from amusement parks is showing increasing trend for the last couple of years, though external factors have had an impact on the revenue generation and profit margins. Rising inflation, relatively low per capita incomes and other factors in the regions where amusement parks are located have major influence on earnings from this segment. Trading segment has shown continued performance and the Company is bullish in this segment. The Company is persistent in its efforts to weather out the negative bearings and advance its performance in these areas.

Your Company became subsidiary of VLS Capital Limited a group Company on February 3, 2015 after VLS Finance Limited sold its stake in Company to VLS Capital Limited.

Industry Structure and Development

Your Company has successfully executed contracts awarded to it by Government agencies and other parties in the electrical engineering segment and aims to further enhance its capabilities and record significant growth in future. The Company is closely monitoring the current market scenario and economic situation for sustaining its growth.

Outlook, Risks and Concerns

Emphasis on quality maintenance including renovations carried out at the amusement park at Kanpur during last year has given the place a new feel and has helped in increasing the footfalls. However, the increased cost of improvement/ new rides; the maintenance expenditure and stiff competition from other sources of entertainment have adversely affected the profitability of this segment. 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. With the imposition of 14% service tax and increase in entertainment tax it has become very challenging to boost 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 strained margins in amusement segment, the strategy is to focus on increasing the number of visitors, exploring avenues for diversification and accordingly appropriate 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. We have made a small beginning in exports, sensing good opportunities. 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.

Internal financial 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 complied with at all levels.

The Audit Committee reviews the internal control mechanisms periodically.

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. 49.86 lacs and the Trading segment's revenue amounted to Rs.158.83 lacs during the year under review.

The other income accounted for Rs. 16.63 lacs. The segment of entertainment incurred a loss of Rs. 21.77 lacs. However, the profit from trading segment of Rs. 35.54 lacs coupled with 'other' segment's income of Rs. 16.63 lacs resulted in a profit of Rs. 20.86 lacs after adjusting for unallocables and taxes. Your Board is hopeful of better performance in future.

Human Resource/ Industrial relations front

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 197 of the Companies Act 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, 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 35.

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 and Reserves

Due to inadequate profit, no dividend is recommended and no amount has been transferred to the general reserve.

4. Directors and Key Managerial Personnel (KMP):

Following changes have occurred during the relevant year in the composition of Board of Directors and Key Managerial Personnel of your Company:

i) Directorate:

Shri M.P. Mehrotra resigned as Director w.e.f. 08.09.2014. Shri Gian Vijeshwar resigned as Director w.e.f. 01.12.2014. Dr. (Mrs.) Sushma Mehrotra was appointed as Director in casual vacancy caused by the resignation of Shri M.P. Mehrotra on 12.02.2015 but due to her untimely demise, she ceased to be director w.e.f. 09.04.2015.

Dr. (Mrs.) Neeraj Arora has been appointed as Additional Director on 29/05/2015. Her candidature for appointment as Director of the Company, liable to retire by rotation has been proposed by a member. The Board recommends her appointment as Director of the Company.

ii) Key Managerial Personnel

Shri T. B. Gupta was appointed Managing Director through Special Resolution passed in previous Annual General Meeting on 27/09/2014 for a period of three years w.e.f. 30/09/2014 and also receives remuneration from the holding company i.e. VLS Capital Ltd.

Shri S. P. Singh was appointed as Chief Financial Officer w.e.f. 14/11/2014. Shri R. C. Pandey was appointed as Company Secretary w.e.f. 13/02/2014.

Further, Shri Anurag Bhatnagar - Director, will retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

5. Contracts with Related Party

The summary of related party transactions has been disclosed under note no. 27 annexed to the balance sheet of the Company as on 31/03/2015. Disclosure in form no. AOC-2 is enclosed as **Annexure-A** to this report.

6. Annual Return Extract

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as **Annexure-B**.

7. Corporate Governance and Compliance Certificate

Good governance practices stem from the dynamic culture and positive mindset of the organisation. The Company is committed to meet the aspirations of all of the stakeholders. Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are managed in a manner which ensures accountability, transparency and fairness in all transactions. The objective is to meet stakeholders' aspirations and societal expectations.

The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons. The revised clause 49 of the listing agreement stipulating

report on corporate governance is not applicable to the Company in terms of SEBI Circular No CIR/CFD/POLICY CELL/7/2014 dated 15/09/2014. Hence separate report on corporate governance has been dispensed with. The Company, however, continues to follow the best corporate governance practices.

8. Board Meetings

During the year ended 31/03/2015, 4 (Four) Board Meetings were held with one meeting in every quarter on 28/05/2014, 13/08/2014, 13/11/2014, and 12/02/2015.

9. Composition of Audit Committee

As on 01/04/2014 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 and during the year ended 31/03/2015, 4 (Four) Audit Committee Meetings were held with one meeting in every quarter on 28/05/2014, 13/08/2014, 13/11/2014, and 12/02/2015.

10. Composition of Corporate Social Responsibility Committee

Since the Company does not meet the criteria of applicability of provisions of section 135 of the Companies Act, 2013, it is not required to comply with provisions relating to Corporate Social Responsibility.

11. Evaluation of Board/Committees/Individual

The aim of the Board's evaluation was to assess the effectiveness of the Board's/Committee's processes, composition and arrangement in order to identify and realize any actions required to improve effectiveness. Clause 49 of the listing agreement mandates that the Board shall monitor and review the Board evaluation framework, the Companies Act 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The Board works with Nomination and Remuneration Committee to lay down the evaluation criteria for the performance of executive/non-executive / independent directors through a peer-evaluation effectiveness survey.

The evaluation process comprised:

- Board, Committee and management information and other relevant documentation
- Discussions with all Board directors, Committee members focusing on aspects of the Board's and Committee's composition; strategy, risk and controls; decision-making, roles and performance of the Chairman, independent directors, executive directors and other non-executive directors.

The evaluation concluded that the Board and its Committees were overall effective and recommendations were provided to ensure that the Board and its Committees remained fully effective as Corporate Governance continues to advance and evolve.

Given the experience and qualifications of the Board members, the Board did not consider it necessary to engage external persons to facilitate the evaluation process. Most directors come from a corporate environment and so they are accustomed to having their performance regularly evaluated.

Board conducts on an annual basis an evaluation of the performance of the directors. Making an annual assessment of whether each director has sufficient time to discharge his/her responsibilities, taking into consideration multiple Board representations and other principal commitments. The Board also exercises an oversight of the training of Board /Committee members.

12. Declaration by independent directors

Independent Directors of your company have complied with the relevant provisions of the law relating to their appointment and they continue to comply with the provisions of the Companies Act 2013 and the listing agreement. No independent director has been appointed by a special resolution by the Company, as all are in their first five year term.

13. Training of directors/independent directors

The directors are kept abreast of requisite information about business activities of the Company and risks involved therein to enable them to discharge their responsibilities in best possible manner. Further, at the time of appointment, the Company issues a formal appointment letter outlining his/her role, duties and responsibilities as a director. The format of the letter of appointment is available on Company's website.

14. Directors Responsibility Statement

Pursuant to the provisions of Section 134(3) of the Companies Act, 2013, the Directors hereby confirm:

- a. that in the preparation of the Annual Accounts for the financial year ended 31st March, 2015, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
- b. 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;
- c. that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. that they have prepared the Annual Accounts for the financial year ended 31st March, 2015 on a 'going concern' basis.
- e. Internal Financial controls were adequate and effective.
- f. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating

Disclosure relating to ratio of the remuneration of each director to the median employee's remuneration is attached as **Annexure C**

15. Policies (weblink: www.saelltd.com)

The Board has approved following policies to facilitate operations and achieving optimal performance:

A. Vigil Mechanism

Section 177 of the Companies Act, 2013 require every listed company to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed. The Company has adopted the following policy for implementing Vigil Mechanism.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. Vigil (whistleblower) mechanism provides a channel to the employees and directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct or policy. The mechanism provides for adequate safeguards against victimization of directors and employees to who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

This policy applies to all directors and employees of the Company. All directors and employees of the Company are eligible to make

disclosures under this Policy in relation to matters concerning the Company.

B. Nomination and Remuneration Policy

Title:

This Policy shall be called '**Nomination and Remuneration Policy**.'

Objective:

The provisions in the Companies Act, 2013 and corresponding provisions in the revamped Clause 49 of the Listing Agreement have ushered Indian corporate system in to a new era of Corporate Governance placing onerous governance responsibilities on the shoulders of the Board of Directors and Key Managerial Personnel of the Companies.

Section 178 of the Companies Act, 2013 and clause 49 of the Listing Agreement provide the necessary legal impetus for companies to have a policy and criteria for various matters like the remuneration of directors, key managerial persons and other employees, training of Independent Directors and performance evaluation of directors.

Considering this it is necessary to ensure quality of persons on the Board of Directors of the Company as well as in the Key Managerial personnel, as these are the persons who are entrusted with the responsibility of policy formulation for, direction to and execution of the business and operations of the Company.

Definitions:

Board means the Board of Directors of **South Asian Enterprises Limited**.

Company means **South Asian Enterprises Limited** .

Committee means Nomination and Remuneration Committee of Board of Directors

Director means a person who has been appointed as such on the Board of the Company and includes Executive as well as Non-Executive Directors.

Executive Director means a Director who is in the whole time employment of the Company and includes a Managing Director as well as a Whole time Director and Manager, if member of the Board.

Government includes Central Government as well as any of the State Governments, any statutory authority, tribunal, board or a governmental or semi-governmental authority or any authority or agency recognized by the Government.

HR Department means the Human Resource Department of the Company.

HR Policy means the Policy of the Company defining the criteria and process for the recruitment, training, appraisal etc. and dealing with other matters concerning the employees of the Company.

Key Managerial Person means a person appointed as such by the Board under Section 203 of the Companies Act, 2013.

Nomination & Remuneration Committee means the Committee of the Board constituted as such under the provisions of Section 178 of the Companies Act, 2013.

Non-Executive Director means a Director who is not in the whole time employment of the Company and includes an Independent Director, Promoter Director and Nominee Director.

Policy means this policy, as amended from time to time.

Contents

This Policy contains following:

- a) Process for the selection and appointment of Directors and Key Managerial Personnel;
- b) Criteria for determining remuneration of the Directors, Key Managerial Personnel and other employees of the Company;
- c) Training of Independent Directors.

(I) Selection of Directors and Key Managerial Personnel

In case of Executive Directors and Key Managerial Personnel, the selection can be made in either of the ways given below:

- a) by way of recruitment from outside;
- b) from within the Company hierarchy; or
- c) Upon recommendation by the Chairman or other Director.

The appointment may be made either to fill up a vacancy caused by retirement, resignation, death or removal of an existing Executive Director or it may be a fresh appointment.

In case of Non-Executive Directors the selection can be made in either of the ways given below:

- a) by way of selection from the data bank of Independent Directors maintained by the Government.
- b) Upon recommendation by Chairman or other Director.

The appointment may be made either to fill up a vacancy caused by resignation, death or removal of an existing Non-Executive Director or it may be appointment as an additional director or an alternate director.

(II) Qualifications, Experience and Positive Attributes of Directors

- a) While appointing a Director, it shall always be ensured that the candidate possesses appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company's business.
- b) In case of appointment as an Executive Director, the candidate must have the relevant technical or professional qualifications and experience as are considered necessary based on the job description of the position. In case no specific qualification or experience is prescribed or thought necessary for the position then, while recommending the appointment, the HR Department shall provide the job description to the Committee and justify that the qualifications, experience and expertise of the recommended candidate are satisfactory for the relevant appointment. In such circumstances, the Committee may, if considered necessary, call for an expert opinion on the appropriateness of the qualifications and experience of the candidate for the position of the Executive Director.
- c) In case of appointment as a Non-Executive Director, the candidate must be a graduate or possess diploma or a professional qualification in the field of his practice / profession / service and shall have not less than five years of working experience in such field as a professional in practice, advisor, consultant or as an employee, provided that the Board may waive the requirements of qualification and / or experience under this paragraph for a deserving candidate.
- d) The Board, while making the appointment of a Director, shall also try to assess from the information available and from the interaction with the candidate that he is a fair achiever in his chosen field and that he is a person with integrity, diligence and open mind.

(III) Process for Appointment of Directors and Key Managerial Personnel

(A) Process for the appointment of Executive Directors and Key Managerial Personnel:

- a) A proposal for the appointment of an Executive Director / Key Managerial Personnel with such details as may be prescribed shall be submitted for the consideration of the Committee. The proposal with recommendation of committee will be placed before the Board.
- b) The Board shall, based on the information available in the proposal and recommendation of committee deliberate upon the necessity for appointment, expertise, skill and knowledge of the candidate and reasonableness of the remuneration.
- c) The Board may call and seek the help of any other Company Official including the recommender or a Key Managerial Personnel while finalizing the appointment. The recommender shall not take part in the discussion or voting on the appointment of a Key Managerial Personnel.

(B) Process for the appointment of Non- Executive Directors:

- a) A proposal for the appointment of a Non-Executive Director with such details as may be prescribed shall be submitted for the consideration of the committee. The proposal with recommendation of committee will be placed before the Board.
- b) The Board, based on the information available in the proposal, shall deliberate upon the necessity for appointment, integrity, qualifications, expertise, skill and knowledge of the candidate.

(IV) Remuneration of Directors, Key Managerial Personnel and Other Employees

- a) While determining the remuneration of Executive Directors and Key Managerial Personnel, the Board shall consider following factors:
 - i) Criteria / norms for determining the remuneration of such employees prescribed in applicable statutory provisions and Company's internal criteria for remuneration.
 - ii) Existing remuneration drawn.
 - iii) Industry standards, if the data in this regard is available.
 - iv) The job description.
 - v) Qualifications and experience levels of the candidate,
 - vi) Remuneration drawn by the outgoing employee, in case the appointment is to fill a vacancy on the death, resignation, removal etc. of an existing employee.
 - vii) The remuneration drawn by other employees in the grade with matching qualifications and seniority, if applicable.
- b) The determination of remuneration for other employees shall be governed by the HR Policy.
- c) The proposal for the appointment of an Executive Director / Key Managerial Personnel shall provide necessary information in this regard including recommendation of Committee to the Board in arriving at the conclusion as to whether or not the remuneration offered to the candidate is appropriate, reasonable and balanced as to the fixed and variable portions (including the commission).
- d) The remuneration payable to the Executive Directors, including the Commission and value of the perquisites, shall not exceed the permissible limits as are mentioned within the provisions of the Companies Act, 2013.
- e) The Executive Directors shall not be eligible to receive sitting fees for attending the meetings of the Board or committees thereof.
- f) The Non-Executive Directors shall not be eligible to receive any remuneration /salary from the Company. However, the

Non-Executive Directors shall be paid sitting fees for attending the meeting of the Board or committees thereof and commission, as may be decided by the Board / shareholders from time to time.

The Non-Executive Directors shall also be eligible to receive reimbursement of reasonable out-of-pocket expenses incurred by them for attending the meetings of the Board, committees or shareholders, including travelling and lodging & boarding expenses or such other expense incurred by them regarding the affairs of the Company on an actual basis.

- g) The amount of sitting fee and commission payable to Non-Executive Directors shall not exceed the limits prescribed therefor under the provisions of the Companies Act, 2013.

Explanation: For the purposes of this Policy, Remuneration shall mean the Cost to the Company and shall include the salary, allowances, perquisites, performance incentive and any other facility provided or payment made to the employee.

(V) Training of Independent Directors

The Company shall arrange to provide training to Independent Directors to familiarize them with the Company, their roles, rights and responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc.

The training may be provided in any of the ways given below:

- a) By providing reading material to the Independent Director(s) giving all relevant information about the Company, industry and the role of Independent Directors.
- b) An induction program devised for the Independent Director(s) wherein structured training is provided to the Independent Director(s) either exclusively or with other officials of the Company who are due for such induction / training.
- c) Such other manner as may be prescribed by applicable law or decided by the Board.

Interpretation:

- a) Any words used in this policy but not defined herein shall have the same meaning prescribed to it in the Companies Act, 2013 or Rules made thereunder, SEBI Act or Rules and Regulations made thereunder, Listing Agreement, Accounting Standards or any other relevant legislation / law applicable to the Company.
- b) The reference to the male gender in the Policy shall be deemed to include a reference to female gender.
- c) In case of any dispute or difference upon the meaning / interpretation of any word or provision in this Policy, the same shall be referred to the Committee and the decision of the Committee in such a case shall be final. In interpreting such term/provision, the Committee may seek the help of any of the officers of the Company or an outside expert as it deems fit.

Amendments:

The Board of Directors shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with new provisions or replace this Policy entirely with a new Policy

C. Anti-sexual harassment mechanism

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All women employees inter alia (permanent, contractual, temporary, trainees) are covered under this policy.

The Internal Complaints Committee is headed by woman Director on the Board. There were no complaints received from any employee during

the year under review and no complaints were pending as on 31/03/2015.

16. Risk Management Policy

The Company has formulated a Risk Management Policy to ensure appropriate risk management within its systems and culture. The Company operates in a competitive environment and is generally exposed to various risks at different times such as technological risks, business risks, operational risks, financial risks, etc. The Board of Directors and the Audit Committee of the Company periodically reviews the Risk Management Policy of the Company so that the Management controls the risk through properly defined network.

The Company has a system based approach to business risk management backed by strong internal control systems. A strong independent Internal Audit Function at the corporate level carries out risk focused audits across all businesses, enabling identification of areas where risk managements processes may need to be improved. The Board reviews internal audit findings, and provided strategic guidance on internal controls, monitors the internal control environment within the Company and ensures that Internal Audit recommendations are effectively implemented.

The combination of policies and procedures adequately addresses the various risks associated with your Company's businesses.

17. Auditors

Statutory 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 stating 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 two consecutive terms of one year each starting from present proposal before being subjected to compulsory rotation of Auditors.

Secretarial auditor

Ms. Pooja Gandhi, Practicing Company Secretary was appointed to conduct the secretarial audit of the Company for the financial year 2014-15, as required under section 204 of the Companies Act, 2013 and rules thereunder. The Secretarial Audit Report submitted by Company Secretary in Practice is enclosed as a part of this report as **Annexure D.**

18. Auditors' Report

The observations made by the Statutory Auditor in their report have been adequately dealt with in the relevant notes on accounts and need no further comments from the Directors. There is no adverse remark in the report of Secretarial Auditor requiring comments from directors.

19. 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 2015-16 to the said stock exchange.

20. Deposits

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

21. 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. 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 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.

22. Subsidiary Company and Consolidated Statements

There being no subsidiary of the Company, no statement pursuant to Section 129 (3) of the Companies Act, 2013 for the Financial Year 2014-2015 is required to be enclosed. Accordingly, there is no need of consolidation of accounts.

23. Statutory Information

1. The information as required under Section 134(3)(m) if the Companies Act, 2013 read with rules thereunder, with respect to Conservation of Energy and Technology Absorption is enclosed as **Annexure E** and forms part of this report.
2. There was no proposal during the year under review for buy back of shares by the Company.
3. Your company has not made any investment or provided any loan or guarantee exceeding the limits under section 186 of the Act, nor has it issued equity shares with differential voting rights or

has any scheme of stock options for its employees. Hence no disclosure is required.

4. Company does not have any subsidiaries or associates in terms of section 134 read with rule 8(1) of the Companies (Accounts) Rules, 2014.
5. Your company has not approved any scheme relating to provision of money to be held in a trust for the benefit of the employees in terms of section 67(3)(b) of the Companies Act, 2013.
6. No revision of financial statements or boards report has been made.(S.131(1))
7. No material orders were passed during the year under review impacting the going concern of the status and operations of the Company.

24. 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: 10/8/2015
Place: New Delhi

P. K. Sharan
Director
DIN: 00107048

T.B. Gupta
Managing Director
DIN:00106181

Annexure A**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis:-

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2015, which were not at arm's length basis with related parties.
2. Details of material contracts or arrangement or transactions at arm's length basis.

None.