



**SOUTH ASIAN
ENTERPRISES LTD.**

XXVIII ANNUAL REPORT 2016-2017

South Asian Enterprises Limited

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

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SHARE TRANSFER & INVESTOR SERVICES

RCMC Share Registry Pvt. Ltd.

B-25/1, First Floor, Okhla Industrial Area,
Phase - II, New Delhi-110020
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SOUTH ASIAN ENTERPRISES LIMITED

TWENTY EIGHTH ANNUAL GENERAL MEETING
at Mikky House, K-Block Kidwai Nagar,
Kanpur - 208 011 (U.P.)
at 12:30 p.m.
on Friday, 22nd September, 2017

BOARD OF DIRECTORS :

DR. B. VENKATARAMAN
SHRI T.B. GUPTA
SHRI M. P. MEHROTRA
SHRI P.K. SHARAN
DR. S. RAMESH
SHRI PRIYA BRAT
SHRI S.C. AGARWAL
SHRI R. K. GOSWAMI
SHRI K.K. SONI
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.sael.co.in

COMPANY SECRETARY

Shri R. C. Pandey

COMPLIANCE OFFICER

Shri IJS Auja

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 JEEJEEBOY 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.
Syndicate Bank

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DIRECTORS' REPORT

Your Directors present the 28th Annual Report of your Company with the Audited Annual Accounts for the year ended 31st March, 2017.

1. Financial Results

(Rs. in Lacs)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Total Income	187.63	236.95
Less: Total Expenditure	209.09	208.11
Less: Interest	1.12	1.06
Gross Profit/(loss)	(22.58)	27.78
Less: Depreciation	4.53	4.25
Less: Provision for Taxation (Net)	15.69	7.95
Net Profit after tax	(42.80)	15.58
Paid up Equity Share Capital (excluding calls in arrears)	399.90	399.90
Reserves excluding revaluation reserve	7.88	831.11
Earnings per share (Rs.)	(1.07)	0.39

2. Management Discussion and Analysis**Financial Review**

Your Company recorded a total income of Rs. 187.63 lacs and net loss of Rs. 42.80 lacs during the year under review compared to previous year's income of Rs. 236.95 lacs and profit of Rs. 15.58 lacs. The marketing of earthing products and execution of contracts for earthing and lightning protection systems continue to make a significant contribution to the total revenue of the Company. However the revenue generation in this segment was lower by about Rs. 32 lacs as compared to previous year due to some orders under execution the revenue from which will be realized in the coming year leading to witness better results in future.

Your Company's revenue from amusement parks has marginally dipped as compared to previous year and taxes, rising inflation, relatively low per capita income and other factors in the regions, where amusement parks are located, have major influence on earnings from this segment.

Industry Structure and Development

Your Company maintained good track record of executing contracts awarded to it by government agencies and other parties in the electrical engineering segment. The power plants, electronics and other hi-tech centers where earthing is significantly important are its target customers apart from high-rise buildings, hotels, residential units, etc. The Company aims to further enhance its capabilities and expects significant growth in this segment in future. The Company is closely monitoring the current market scenario and economic situation for sustaining its growth. In amusement park segment, since public response continues to be sluggish, the thrust is on attaining regular footfalls besides initiating appropriate measures to boost the revenue.

Outlook, Risks and Concerns

Regular maintenance including renovations carried out at the amusement park at Kanpur has helped in increasing the footfalls. With the imposition of stiff service tax and corresponding increase in entertainment tax as per U.P. Government's policy, the profitability has further eroded and it has become extremely challenging to meet the parks running expenses. The increased cost of new rides, maintenance, etc. 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 for improvement/new rides has been a constant challenge. The entry costs have to be kept low to keep the parks within reach of masses that have further

stressed the cash flows. The recurrent loss in this segment is being closely monitored to keep it to the minimum. With goods & service tax coming into force from 01/07/2017 and entertainment tax abolished, the tax burden has lightened marginally. The management is closely monitoring the responses on footfalls and is simultaneously taking steps to boost inflows. The electrical engineering segment, viz. earthing and lightning protection systems business has fared satisfactorily as the Company has executed orders to the customers' satisfaction. The Company has been exploring all possible areas in order to establish strong foothold in this segment.

Robust governance practices and appropriate risk management strategies are further to safeguard our stakeholders' interests. The Company has a developed risk management framework that includes identification and mitigation of risks. The Company is implementing Risk Management Policy at ensuring sustainable business growth and promoting a proactive approach in evaluating and resolving risks associated with the business.

Opportunities and Threats

The Company is exposed to normal industry risks attributable to respective segments. In order to meet the challenge of strained margins in amusement segment, the strategy is to achieve increase in the number of visitors and simultaneously to explore avenues for diversification for which appropriate measures are being initiated. In electrical engineering segment, the Company deploys the latest technology for earthing and lightning protection installations, which leads to better protection from electrical hazards. However, due to relatively high cost and lack of awareness about the said technology amongst target clients, there is tough competition. To meet the challenge, the Company aims to educate or spread awareness about its products and 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 prescribed policies and procedures. 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 dealings in earthing materials and lightning protection systems in the electrical engineering have been categorised under the head "Trading" for the purpose of segment reporting in the annual accounts for the year under review. Segment wise, the entertainment sector has generated revenue of Rs. 50.20 lacs and the Trading segment Rs. 128.98 lacs during the year under review.

Human Resource/ Industrial Relations Front

The relationship with the employees has remained cordial during the year and the Directors place on record their sincere appreciation in this regard.

Under 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 number of employees on the Company's rolls stood at 33 as on 31/03/2017.

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 relevant factors.

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3. Dividend and Reserves

In view of loss incurred in period under review, 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 year in the composition of Board of Directors and Key Managerial Personnel of your Company:

i) Directorate:

Shri S.V.S. Juneja (DIN: 00125271) ceased to be Director w.e.f. 27/09/2016 due to his demise. Ms. Divya Mehrotra (DIN: 00006494) was appointed as an additional director on 12/11/2016 but she resigned on 02/12/2016 due to personal reasons. Shri Anurag Bhatnagar (DIN:00115108) resigned w.e.f. 19/07/2017 due to other pre- occupations.

Shri T. B. Gupta (DIN: 00106181) - Managing 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.

Further, the Board in its meeting held on 01/08/2017, on the recommendation of the Nomination and Remuneration Committee, has re-appointed Shri T. B. Gupta as Managing Director of the Company for next 3 years w.e.f. 30/09/2017 inter-alia on the terms and conditions details whereof are contained in the notice convening the forthcoming Annual General Meeting, subject to members' approval. The Board recommends his re-appointment as Managing Director.

ii) Key Managerial Personnel (KMP)

The position of Chief Financial Officer was vacated by Shri S. P. Singh who has ceased to be in employment of Company w.e.f. from 31/03/2017. Shri M. S. Siddiqui has been appointed by the Board as Chief Financial Officer w.e.f. 01/08/2017 in its meeting held on 01/08/2017. There is no other change in the KMPs of the Company.

5. Contracts with Related Party

There are no materially significant related party transactions made by the Company with promoters, directors or key managerial personnel etc. which may have potential conflict of interest of the Company at large. The related party transactions, procedurally, are placed before the Audit committee and if required, the Board, specifying the nature, value and terms and conditions of the transactions and in-principal approval is obtained for the transactions which are foreseen and repetitive in nature. Where such transactions are entered in terms of omnibus approval given by Audit Committee, the details are placed before the Audit Committee in its next meeting.

The summary of related party transactions has been disclosed under note no. 28 in the balance sheet of the Company as on 31/03/2017. Disclosure in form 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 are given in **annexure B** to this report.

7. Corporate Governance

Good governance practices stem from the dynamic culture and positive mindset of the organisation. The Company is committed to meet the aspirations of all its 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 corporate governance provisions of the SEBI listing

regulations are not applicable to the Company at present. 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 31/03/2017, 4 (four) Board meetings were held with one meeting in every quarter on 27/05/2016, 27/07/2016, 12/11/2016, and 14/02/2017.

Details of meetings attended by the Directors in the relevant period are as below:

S. No.	Name of the Director	Whether Promoter/ Executive or Non-Executive/Independent	No. of Board Meetings attended during F.Y. 2016-2017
1	Dr. B. Venkataraman	Independent, Non-Executive Chairman	2
2	Shri T. B. Gupta	Managing Director	4
3	Shri K. K. Soni	Non-Executive	4
4	Dr. S. Ramesh	Independent, Non-Executive	2
5	Shri Priya Brat	Independent, Non-Executive	4
6	Shri S.V.S. Juneja*	Independent, Non-Executive	0
7	Shri P.K. Sharan	Independent, Non-Executive	3
8	Shri R.K. Goswami	Independent, Non-Executive	4
9	Shri S. C. Agarwal	Non- Executive	2
10	Shri Anurag Bhatnagar #	Non- Executive	3
11	Shri M. P. Mehrotra	Non-Executive, Promoter	3
12	Dr. (Mrs.) Neeraj Arora	Non-Executive	3
13	Ms. Divya Mehrotra **	Non-Executive, Promoter	0

* Shri S. V. S. Juneja ceased to be Director w.e.f. 27/09/2016 on his demise.

** Ms. Divya Mehrotra appointed on 12/11/2016 but resigned on 02/12/2016.

Shri Anurag Bhatnagar resigned w.e.f. 19/07/2017.

9. Audit Committee

As on 01/04/2016 the Audit Committee comprised Shri P. K. Sharan, Shri R. K. Goswami, Shri K. K. Soni, Shri Priya Brat and Dr. S. Ramesh. Majority of the members are independent directors including the Chairman of the Committee and during the year ended 31/03/2017, 4 (four) committee meetings were held with one meeting in every quarter on 27/05/2016, 27/07/2016, 12/11/2016, and 14/02/2017.

Details of meetings attended by the Directors in the relevant period are as below:

S. No.	Name of the Director	Whether Chairman/ Member	No. of Meetings attended during F.Y. 2016-2017
1	Shri P.K. Sharan	Chairman	3
2	Dr. S. Ramesh	Member	2
3	Shri K. K. Soni	Member	3
4	Shri Priya Brat	Member	4
5	Shri R.K. Goswami	Member	4

10. Nomination and Remuneration Committee

As on 01/04/2016 the Nomination and Remuneration Committee comprised Shri S.V.S Juneja, Shri P. K. Sharan, Shri R. K. Goswami and Shri S. C. Agarwal. Majority of the members are independent directors including the Chairman of the Committee and during the year ended 31/03/2017, 3 (three) committee meetings were held on 27/05/2016, 12/11/2016 and 14/02/2017. The Board in its meeting held on 12/11/2016 had nominated Shri Priya Brat in the Committee. Shri Priya Brat is Chairman of the Committee.

Details of meetings attended by the Directors in the relevant period are as below:

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S. No.	Name of the Director	Whether Chairman/ Member	No. of Meetings attended during F.Y. 2016-2017
1	Shri S.V.S Juneja*	Chairman	0
2	Shri P. K. Sharan	Member	3
3	Shri R. K. Goswami	Member	3
4	Shri S. C. Agarwal	Member	2
5	Shri Priya Brat #	Member	1

* Shri S. V. S. Juneja ceased to be Director w.e.f. 27/09/2016 on his demise.

Shri Priya Brat was elected to be Chairman of the Committee by the members on 14/02/2017.

11. Stakeholders Relationship Committee

As on 01/04/2016 the Stakeholders Relationship Committee comprised Shri P. K. Sharan, Shri S.V.S Juneja, and Shri T. B. Gupta. Majority of the members were independent directors including the Chairman of the Committee and during the year ended 31/03/2017, 4 (four) committee meetings were held on 27/04/2016, 27/10/2016, 12/01/2017 and 10/03/2017. The Board in its meeting held on 12/11/2016 had nominated Shri Anurag Bhatnagar as member of the committee.

Details of meetings attended by the Directors in the relevant period are as below:

S. No.	Name of the Director	Whether Chairman/ Member	No. of Meetings attended during F.Y. 2016-2017
1	Shri S.V.S Juneja*	Chairman	0
2	Shri P. K. Sharan	Member	4
3	Shri T. B. Gupta	Member	4
4	Shri Anurag Bhatnagar #	Member	2

* Shri S. V. S. Juneja ceased to be Director w.e.f. 27/09/2016 on his demise.

Shri P. K. Sharan was elected to be Chairman of the Committee by the members in its meeting held on 12/01/2017.

\$ Ceased to be member w.e.f. 19/07/2017 upon resignation as Director.

12. Corporate Social Responsibility Committee

The Company is not required to comply with provisions relating to corporate social responsibility since it does not meet the criteria of applicability of provisions of Section 135 of the Companies Act, 2013.

13. Evaluation of Board/Committees/Individual Directors

The aim of the Board's evaluation is 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. The Companies Act, 2013 states that a formal annual evaluation needs to be carried out by the Board of its own performance and that of its committees and individual directors. Besides the Nomination and Remuneration Committee is required to evaluate the performance of individual directors as well. Further, 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. Independent Directors have to carry out evaluation of non-independent directors, chairman and of the Board as a whole.

The Board through its Nomination and Remuneration Committee has laid down the evaluation criteria for the performance of executive/ non-executive / independent directors through a peer-evaluation mechanism.

The evaluation process comprises:

The Board through its Nomination and Remuneration Committee has laid down the evaluation criteria for the performance of executive/ non-executive / independent directors through a peer-evaluation mechanism.

The evaluation process comprises:

- Board, Committee and management information and other relevant documentation.
- Discussions with all Board members, 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 has concluded that the Board and its Committees are overall effective and all concerned are fully committed to their tasks to ensure healthy corporate governance.

Given the experience and qualifications of the Board members, the Board has not considered it necessary to engage external persons to facilitate the evaluation process as they themselves are accustomed to having their performance regularly evaluated. However, regular updates relating to regulatory and industry's performance are provided to members of Board besides any other aspect relevant to business of the Company.

Board conducts on an annual basis an evaluation of the performance of the directors as to 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.

14. 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 regulations. No independent director has been appointed by a special resolution by the Company, as all are in their first five year term. During the year ended 31/03/2017, 1 (one) meeting of Independent Directors was held on 14/03/2017.

Details of meeting(s) attended by the Independent Directors in the relevant period are as below:

S. No.	Name of the Director	Whether Chairman/ Member	No. of Meetings attended during F.Y. 2016-2017
1	Dr. B. Venkataraman	Chairman	1
2	Dr. S. Ramesh	Member	1
3	Shri P. K. Sharan	Member	1
4	Shri R. K. Goswami	Member	1
5	Shri Priya Brat	Member	1

15. 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 the best possible manner. Further, at the time of appointment, the Company issues a formal appointment letter outlining his/her role, duties and responsibilities as an independent director. The format of the letter of appointment is available on Company's website.

16. Directors Responsibility Statement

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

- that in the preparation of the Annual Accounts for the financial year ended 31st March, 2017, 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 loss of the Company for that period;
- 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
- that they have prepared the Annual Accounts for the financial year ended 31st March, 2017 on a 'going concern' basis;

- e. Internal Financial controls are adequate and effective.
- f. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating.

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

17. Vigil Mechanism

Section 177 of the Companies Act, 2013 requires 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 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 those 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.

18. Policies

The Board has approved the following policies to facilitate operations and achieving optimal performance. These policies can also be accessed at www.sael.co.in

A. 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.
- e) 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.

B. 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 women Director on the Board. There were no complaints received from any employee during the year under review and no complaints were pending as on 31/03/2016.

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

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19. Auditors

Statutory Auditors

The term of the Statutory Auditors, M/s. Anil Pariek & Garg-Chartered Accountants, (FRN: 01676C), will end at the forthcoming annual general meeting and they are subject to compulsory retirement as per provisions of section 139 of the Companies Act, 2013 and rules thereunder. Hence, they are not eligible for reappointment as Statutory Auditors. It is proposed to appoint M/s. Agiwal & Associates- Chartered Accountants, (FRN: 000181N) to act as statutory auditors of the Company. The Company has received a certificate from the M/s. Agiwal & Associates-Chartered Accountants that they are qualified under section 139 of the Companies Act, 2013 ('Act') to act as the Auditors of the Company, if appointed.

Concurring to the recommendation of the Audit Committee, the Board of Directors recommends their appointment. The Board may also be authorised to fix their remuneration. In terms of section 139 read with Companies (Audit and Auditors) Rules, 2014 M/s. Agiwal & Associates-Chartered Accountants will be appointed for a period of 5 years i.e. upto conclusion of 33rd Annual General Meeting of the Company subject to their appointment being ratified by the members every year.

Secretarial Auditor

Ms. Pooja Gandhi, Practicing Company Secretary (CoP: 11351) was appointed to conduct the secretarial audit of the Company for the financial year 2016-2017, as required under section 204 of the Companies Act, 2013 and rules thereunder. The secretarial audit report submitted by the Secretarial Auditor is enclosed as a part of this report as **annexure D**. There are no adverse comments/observations in the report of Secretarial Auditor, requiring comments from Board of Directors.

The Board in its meeting held on 11/05/2017 has appointed Ms. Pooja Gandhi-Practicing Company Secretary (CoP: 11351) as secretarial auditor for the year 2017-18.

The provisions relating to Cost Records and Audit are not applicable to your company.

20. 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 Statutory Auditor requiring comments from Directors.

21. Listing

The shares of the Company are listed at the BSE Ltd., Mumbai only. The Company has paid the annual listing fees for the financial year 2017-2018 to the said stock exchange.

22. 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.

23. 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 addresses provided by the members directly or 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 **investordesksael@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.

24. 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 2016-

2017 is required to be enclosed. Accordingly, there is no need of consolidation of accounts.

265. Statutory Information

1. The information as required under Section 134(3)(m) of 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 in terms of Section 131(1) of the Companies Act, 2013.
7. No material orders were passed during the year under review impacting the going concern of the status and operations of the Company.

26. 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: 1/08/2017
Place: New Delhi

P. K. Sharan
Director
DIN: 00107048

T.B. Gupta
Managing Director
DIN:00106181

Annexure A

Form 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, 2017, 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.

For and on behalf of the Board of Directors

Date: 01/08/2017
Place: New Delhi

P. K. Sharan
Director
DIN: 00107048

T.B. Gupta
Managing Director
DIN:00106181

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Annexure B

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

i	CIN	L91990UP1990PLC011753
ii	Registration Date	21/03/1990
iii	Name of the Company	South Asian Enterprises Limited
iv	Category/Sub-category of the Company	Public Limited Company
v	Address of the Registered office & contact details	Mikky House, K-Block Kidwai Nagar, Kanpur (U.P.)-208011
	Address of the Corporate office & contact details	2nd Floor, 13, Sant Nagar, East of Kailash, New Delhi- 110065 Phone Nos. 011 – 46656666 Fax 011-46656699
vi	Whether listed company	Yes
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	M/s. RCMC Share Registry Pvt. Ltd., B-25/1 First Floor, Okhla Industrial Area Phase-II, New Delhi-110020 Phone Nos. 011 – 26387320, 21, 23 Fax 011-26387322

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Amusement Park and Electrical Engg Services	99546199	22.9
2	Trading		77.1

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES -

S. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1	VLS Capital Ltd. C-561, Defence Colony, New Delhi- 110024	U67190DL1985PLC022302	Holding Company	59.61	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as % of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	56610	20	56630	1.42	58720	10	58730	1.47	0.05
b) Central Govt.or State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporates	2384089	200	2384289	59.61	2384289	0	2384289	59.61	0.00
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL:(A) (1)	2440699	220	2440919	61.02	2440699	10	2443019	61.08	0.05

SOUTH ASIAN ENTERPRISES LTD.

SHARE HOLDING PATTERN – Cont'd...

Category of Shareholders	No. of shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	2440699	220	2440919	61.02	2440699	10	2443019	61.08	0.05
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks/FI	0	200	200	0.01	0	200	200	0.01	0.00
c) Central govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (B)(1):	0	200	200	0.01	0	200	200	0.01	0.00
(2) Non Institutions									
a) Bodies corporates									
i) Indian	148159	256000	404159	10.10	133702	256000	389702	9.74	-0.36
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	525955	482045	1008000	25.20	537636	476345	1013981	25.35	0.15
ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	145797	0	145797	3.64	141997	0	141997	3.55	-0.10
c) Others (specify)									0.00
a) NRI / OCB	500	0	500	0.01	500	0	500	0.01	0.00
b) Foreign National	0	0	0	0.00	0	0	0	0.00	0.00
c) Clearing Member	425	0	425	0.01	10601	0	10601	0.27	0.25
SUB TOTAL (B)(2):	820836	738045	1558881	38.97	824436	732345	1556781	38.92	-0.05
Total Public Shareholding (B)= (B)(1)+(B)(2)	820836	738245	1559081	38.98	824436	732545	1556981	38.92	-0.05
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	3261535	738465	4000000	100.00	3265135	732555	4000000	100.00	0.00

No. of Members as on 31/03/2016 – 5673

No. of Members as on 31/03/2017 – 5625