



**SOUTH ASIAN  
ENTERPRISES LTD.**

# XXVI ANNUAL REPORT 2015-2016

## SOUTH ASIAN ENTERPRISES LIMITED

**REGISTERED OFFICE :** Mikky House, K-Block, Kidwai Nagar, Kanpur, (U.P.) - 208 011  
Ph. : 0512 - 2606859

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East of Kailash, New Delhi-110 065  
Ph. 011-46656666,  
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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  
Ph. 011-26387320-21-23, Fax : 011-26387322

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**email : southasianenterprises@gmail.com,**  
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# SOUTH ASIAN ENTERPRISES LIMITED

**TWENTY SEVENTH ANNUAL GENERAL MEETING**  
at Mikky House, K-Block Kidwai Nagar,  
Kanpur - 208 011 (U.P.)  
at 12:30 p.m.  
on Saturday, 10th September, 2016

## 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 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](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.  
Syndicate Bank

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# SOUTH ASIAN ENTERPRISES LTD.

## DIRECTORS' REPORT

Your Directors present the 27th Annual Report of your Company with the Audited Annual Accounts for the year ended 31<sup>st</sup> March, 2016.

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

|  | For the year ended<br>31st March, 2016 | For the year ended<br>31st March, 2015 |
|--|--|--|
| Total Income   | 236.95                                 | 225.27                                 |
| Less: Total Expenditure                                      | 208.11                                 | 190.64                                 |
| Less: Interest   | 1.06                                   | 0.53                                   |
| Gross Profit/(loss)  | 27.78                                  | 34.10                                  |
| Less: Depreciation   | 4.25                                   | 4.22                                   |
| Less: Provision for Taxation (Net)                           | 7.95                                   | 9.02                                   |
| Net Profit after tax   | 15.58                                  | 20.86                                  |
| Paid up Equity Share Capital<br>(excluding calls in arrears) | 399.90                                 | 399.90                                 |
| Reserves excluding revaluation reserve                       | 831.11                                 | *815.53                                |
| Earnings per share (Rs.)                                     | 0.39                                   | 0.52                                   |

\* 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.236.95 lacs and net profit of Rs. 15.58 lacs during the year under review compared to previous year's income of Rs. 225.27 lacs and profit of Rs. 20.86 lacs. The marketing of earthing products and execution of contracts for earthing and lightning protection systems continues to make a significant contribution to the total revenue of the Company and this segment is expected to witness better results in future.

Your Company's revenue from amusement parks has marginally improved as compared to previous year, but 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. Trading segment however, has the prospect of recording sustained performance.

Your Company is a subsidiary of VLS Capital Limited, a constituent of promoter group.

#### Industry Structure and Development

In the evolving legislative, policy and regulatory environment, consumer markets will continue to occupy a central position. Given the challenges in buildup of demand and simultaneous capacity addition with standard technology, the industry needs modern know-how and support of all stakeholders for establishing a path to confidence.

The contracts awarded to your Company by government agencies and other parties in the electrical engineering segment have successfully been executed. The power plants, electronics and other hi-tech centers where earthing is significantly important are the target customers of the Company apart from high-rise buildings, hotels, residential units, etc. The Company aims to further enhance its capabilities and record 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 footfall 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. However, the electrical engineering segment, viz. earthing and lightning protection systems business fared satisfactorily well 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.

Strong governance processes and stringent risk management strategies are adhered to; in order to safeguard our stakeholders' interest. The Company has a developed risk management framework that includes the identification of elements of risk which in the opinion of the Board may threaten the existence of the Company. Risk Management Policy has been approved and implemented. The objective of this policy is to ensure sustainable business growth with stability and to promote a proactive approach in evaluating, resolving and reporting risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management.

#### 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. In electrical engineering segment, the Company uses the latest technology for earthing and lightning protection installations, which has proven to give better results as compared to traditional techniques. 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 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 catagorised 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. 50.60 lacs and the Trading segment's revenue amounted to Rs. 170.34 lacs during the year under review.

While the entertainment segment has incurred a loss of Rs. 36.25 lacs, trading segment has earned a profit of Rs. 44.83 lacs. Coupled with the other income of Rs. 16.01 lacs, the Company has registered a net profit of Rs. 15.58 lacs after adjusting for unallocables and taxes. Your Board is hopeful of better performance in future.

# SOUTH ASIAN ENTERPRISES LTD.

## Human Resource/ Industrial Relations Front

People are the core assets of the Company. Your Company places engagement, development and retention of talent at its highest priority, to enable achievement of organisational vision. Your Company has continued to achieve structural balance by recruiting limited positions and strengthening the middle and junior management team of professionals. The Company has a team of able and experienced industry professionals. 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 32.

## 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.

## 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 year in the composition of Board of Directors and Key Managerial Personnel of your Company:

### i) Directorate:

Shri M.P. Mehrotra has been appointed as additional director on 09/11/2015. His candidature for appointment as Director of the Company liable to retire by rotation is proposed in the ensuing Annual General Meeting. The Board recommends his appointment as Director.

Further, 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. The Board recommends their re-appointments.

### ii) Key Managerial Personnel

There has been no change in the KMPs of the Company. Mr. Iqbaljeet Singh Aujla, a member of Institute of Company Secretaries of India was appointed as compliance officer of the Company w.e.f. 1<sup>st</sup> December, 2015. The Board in its meeting held on 8<sup>th</sup> February, 2016 has accorded its approval to the said appointment.

## 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, if any, are placed before the Audit committee and 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.

The summary of related party transactions has been disclosed under note no. 28 in the balance sheet of the Company as on 31/03/2016. 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. 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 31/03/2016, 4 (four) Board meetings were held with one meeting in every quarter on 29/05/2015, 10/08/2015, 07/11/2015 and 08/02/2016.

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. 2015-2016 |
|--------|---|--|--|
| 1      | Dr. B. Venkataraman                                   | Independent, Non-Executive Chairman                      | 4  |
| 2      | Shri T. B. Gupta                                      | Managing Director  | 4  |
| 3      | Shri K. K. Soni                                       | Non-Executive  | 2  |
| 4      | Dr. S. Ramesh   | Independent, Non-Executive                               | 4  |
| 5      | Shri Priya Brat                                       | Independent, Non-Executive                               | 4  |
| 6      | Shri S.V.S. Juneja                                    | Independent, Non-Executive                               | 4  |
| 7      | Shri P.K. Sharan                                      | Independent, Non-Executive                               | 4  |
| 8      | Shri R.K Goswami                                      | Independent, Non-Executive                               | 4  |
| 9      | Shri S. C. Agarwal                                    | Non- Executive   | 3  |
| 10     | Shri Anurag Bhatnagar                                 | Non- Executive   | 4  |
| 11     | Shri M. P. Mehrotra (appointed w.e.f. 07/11/2015)     | Non-Executive, Promoter                                  | 1  |
| 12     | Dr. (Mrs.) Neeraj Arora (appointed w.e.f. 29/05/2015) | Non-Executive  | 2  |

## 9. Audit Committee

As on 01/04/2015 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 31/03/2016, 4 (four) committee meetings were held with one meeting in every quarter on 29/05/2015, 10/08/2015, 07/11/2015, and 08/02/2016.

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. 2015-2016 |
|--------|----------------------|--------------------------|--|
| 1      | Shri P.K. Sharan     | Chairman                 | 4  |
| 2      | Dr. S. Ramesh        | Member                   | 4  |
| 3      | Shri K. K. Soni      | Member                   | 1  |
| 4      | Shri Priya Brat      | Member                   | 4  |
| 5      | Shri R.K Goswami     | Member                   | 4  |

**10. Nomination and Remuneration Committee**

As on 01/04/2015 the nomination and remuneration committee comprised of 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 31/03/2016, 2 (two) committee meetings were held on 29/05/2015 and 07/11/2015.

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. 2015-2016 |
|--------|----------------------|--------------------------|--|
| 1      | Shri S.V.S Juneja    | Chairman                 | 2  |
| 2      | Shri P. K. Sharan    | Member                   | 2  |
| 3      | Shri R. K. Goswami   | Member                   | 2  |
| 4      | Shri S. C. Agarwal   | Member                   | 1  |

**11. Stakeholders Relationship Committee**

As on 01/04/2015 the stakeholders relationship committee comprised of Shri P. K. Sharan, Shri S.V.S Juneja, and Shri T. B. Gupta. Majority of the members are independent directors including the Chairman of the Committee and during the year ended 31/03/2016, 10 (ten) committee meetings were held on 27/04/2015, 24/06/2015, 10/08/2015, 30/09/2015, 31/10/2015, 23/11/2015, 14/01/2016, 30/01/2016, 19/02/2016, and 21/03/2016.

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. 2015-2016 |
|--------|----------------------|--------------------------|--|
| 1      | Shri P. K. Sharan    | Chairman                 | 10   |
| 2      | Shri S.V.S. Juneja   | Member                   | 10   |
| 3      | Shri T. B. Gupta     | Member                   | 10   |

**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.

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 ensure their

continued effectiveness as corporate governance continues to advance and evolve.

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 industries performance are given to members of Board besides any other aspect relevant to business of 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.

**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:

- a. that in the preparation of the Annual Accounts for the financial year ended 31<sup>st</sup> March, 2016, 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 31<sup>st</sup> March, 2016 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**.

**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 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

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.

## 17. 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](http://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.
- d) 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.

# SOUTH ASIAN ENTERPRISES LTD.

## 18. Auditors

### Statutory Auditors

The Statutory Auditors, M/s. Anil Pariek & Garg, Chartered Accountants, (FRN: 01676C) 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 tenure of present auditors, if appointed would be upto conclusion of 28<sup>th</sup> AGM of the Company i.e. for the financial year 2016-17 where after they will be subjected to compulsory rotation of auditors as per the extant provisions of the Act.

### Secretarial auditor

The Board in its meeting held on 27/05/2016 has appointed Ms. Pooja Gandhi –Practicing Company Secretary (CoP: 11351) as secretarial auditor for the year 2016-17.

Ms. Pooja Gandhi, Practicing Company Secretary (CoP: 11351) was appointed to conduct the secretarial audit of the Company for the financial year 2015-2016, 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**.

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

## 19. 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.

## 20. Listing

The shares of the Company are listed only at the BSE Ltd., Mumbai. The Company has paid the annual listing fees for the financial year 2016-17 to the said stock exchange.

## 21. 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.

## 22. 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 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 [investordesksael@gmail.com](mailto: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.

## 23. 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 2015-2016 is required to be enclosed. Accordingly, there is no need of consolidation of accounts.

## 24. 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.

## 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: 27/05/2016**  
**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, 2016, 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: 27/05/2016**  
**Place: New Delhi**

**P. K. Sharan**  
**Director**  
**DIN: 00107048**

**T.B. Gupta**  
**Managing Director**  
**DIN:00106181**

# SOUTH ASIAN ENTERPRISES LTD.

Annexure B

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

as on financial year ended on 31.03.2016

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<br>Kidwai Nagar,<br>Kanpur (U.P.)-208011<br>Phone Nos. 0512 – 2606859   |
|     | Address of the Corporate office & contact details                           | 2nd Floor, 13, Sant Nagar,<br>East of Kailash, New Delhi- 110065<br>Phone Nos. 011 – 46656666<br>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.,<br>B-25/1 First Floor,<br>Okhla Industrial Area Phase-II,<br>New Delhi-110020<br>Phone Nos. 011 – 26387320, 21, 23<br>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.<br>C-561, Defence Colony,<br>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 |                          |
| <b>A. Promoters</b>            |   |            |                |                   |   |            |                |                   |                          |
| (1) Indian                     |   |            |                |                   |   |            |                |                   |                          |
| a) Individual/HUF              | 56610   | 20         | 56630          | 1.42              | 56610                                     | 20         | 56630          | 1.42              | 0.00                     |
| 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             | 2384089                                   | 200        | 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                     |
| <b>SUB TOTAL:(A) (1)</b>       | <b>2440699</b>                                  | <b>220</b> | <b>2440919</b> | <b>61.02</b>      | <b>2440699</b>                            | <b>220</b> | <b>2440919</b> | <b>61.02</b>      | <b>0.00</b>              |

## SOUTH ASIAN ENTERPRISES LTD.

| 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 |                          |
| <b>(2) Foreign</b>  |   |          |         |                   |   |          |         |                   |                          |
| 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                     |
| <b>SUB TOTAL (A) (2)</b>  | 0   | 0        | 0       | 0.00              | 0   | 0        | 0       | 0.00              | 0.00                     |
| <b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>                            | 2440699   | 220      | 2440919 | 61.02             | 2440699                                   | 220      | 2440919 | 61.02             | 0.00                     |
| <b>B. PUBLIC SHAREHOLDING</b>   |   |          |         |                   |   |          |         |                   |                          |
| <b>(1) Institutions</b>   |   |          |         |                   |   |          |         |                   |                          |
| 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                     |
| <b>SUB TOTAL (B)(1):</b>  | 0   | 200      | 200     | 0.01              | 0   | 200      | 200     | 0.01              | 0.00                     |
| <b>(2) Non Institutions</b>   |   |          |         |                   |   |          |         |                   |                          |
| a) Bodies corporates  |   |          |         |                   |   |          |         |                   |                          |
| i) Indian   | 127089  | 256000   | 383089  | 9.58              | 148159                                    | 256000   | 404159  | 10.10             | 0.53                     |
| ii) Overseas  |   |          |         |                   |   |          |         |                   |                          |
| b) Individuals  |   |          |         |                   |   |          |         |                   |                          |
| i) Individual shareholders holding nominal share capital upto Rs.1 lakhs            | 495856  | 488345   | 984201  | 24.61             | 525955                                    | 482045   | 1008000 | 25.20             | 0.59                     |
| ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs | 162556  | 0        | 162556  | 4.06              | 145797                                    | 0        | 145797  | 3.64              | -0.42                    |
| 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  | 28535   | 0        | 28535   | 0.71              | 425                                       | 0        | 425     | 0.01              | -0.70                    |
| <b>SUB TOTAL (B)(2):</b>  | 814536  | 744345   | 1558881 | 38.97             | 820836                                    | 738045   | 1558881 | 38.97             | 0.00                     |
| <b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>                                 | 814536  | 744545   | 1559081 | 38.98             | 820836                                    | 738245   | 1559081 | 38.98             | 0.00                     |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                              | 0   | 0        | 0       | 0.00              | 0   | 0        | 0       | 0.00              | 0.00                     |
| <b>Grand Total (A+B+C)</b>  | 3255235   | 744765   | 4000000 | 100.00            | 3261535                                   | 738465   | 4000000 | 100.00            | 0.00                     |

## SOUTH ASIAN ENTERPRISES LTD.

### (ii) SHAREHOLDING OF PROMOTERS

| S.No | Shareholder's Name        | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % Change in share holding during the year |
|------|---------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
|      |                           | No. of Shares                             | % of total shares of the Company | % of Shares pledged/encumbered to total shares | No. of Shares                       | % of total shares of the Company | % of shares pledged/encumbered to total shares |   |
| 1    | Shri M. P. Mehrotra       | 6510                                      | 0.16%                            | 0.00   | 6510                                | 0.16%                            | 0.00   | 0.00%                                     |
| 2    | Shri Ramji Mehrotra       | 10  | 0.00%                            | 0.00   | 10                                  | 0.00%                            | 0.00   | 0.00%                                     |
| 3    | VLS Capital Ltd.          | 2384289                                   | 59.61%                           | 0.00   | 2384289                             | 59.61%                           | 0.00   | 0.00%                                     |
| 4    | Ms. Divya Mehrotra        | 50100                                     | 1.25%                            | 0.00   | 50110                               | 1.25%                            | 0.00   | 0.00%                                     |
| 6    | Dr. (Mrs) Sushma Mehrotra | 10  | 0.00%                            | 0.00   | 0                                   | 0.00%                            | 0.00   | 0.00%                                     |
| 7    | Shri Somesh Mehrotra      | 0   | 0.00%                            | 0.00   | 0                                   | 0.00%                            | 0.00   | 0.00%                                     |
| 8    | Mrs. Sushma Mehrotra      | 0   | 0.00%                            | 0.00   | 0                                   | 0.00%                            | 0.00   | 0.00%                                     |
| 9    | Mrs. Sadhana Mehrotra     | 0   | 0.00%                            | 0.00   | 0                                   | 0.00%                            | 0.00   | 0.00%                                     |
| 10   | VLS Commodities Pvt. Ltd. | 0   | 0.00%                            | 0.00   | 0                                   | 0.00%                            | 0.00   | 0.00%                                     |
| 11   | Pragati Moulders Ltd.     | 0   | 0.00%                            | 0.00   | 0                                   | 0.00%                            | 0.00   | 0.00%                                     |
| 12   | M. P. Mehrotra (HUF)      | 0   | 0.00%                            | 0.00   | 0                                   | 0.00%                            | 0.00   | 0.00%                                     |
| 13   | Ms. Daya Mehrotra         | 0   | 0.00%                            | 0.00   | 0                                   | 0.00%                            | 0.00   | 0.00%                                     |
| 14   | VLS Finance Ltd.          | 0   | 0.00%                            | 0.00   | 0                                   | 0.00%                            | 0.00   | 0.00%                                     |
| 15   | VLS Securities Ltd.       | 0   | 0.00%                            | 0.00   | 0                                   | 0.00%                            | 0.00   | 0.00%                                     |
| 16   | VLS Asset Management Ltd. | 0   | 0.00%                            | 0.00   | 0                                   | 0.00%                            | 0.00   | 0.00%                                     |
|      | <b>Total</b>              | 2440919                                   | 61.02%                           | 0.00   | 2440919                             | 61.02%                           | 0.00   | 0.00%                                     |

### (iii) CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE)

Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity etc)

| S.No | Shareholder's Name           | Date     | Shareholding at the beginning of the year |                                  | Cumulative Share holding during the year |                                  |
|------|------------------------------|----------|---|----------------------------------|--|----------------------------------|
|      |                              |          | No. of Shares                             | % of total shares of the Company | No. of Shares                            | % of total shares of the Company |
| 1    | Sushma Mehrotra              |          |   |                                  |  |                                  |
|      | At the beginning of the year |          | 10  | 0                                | 0  | 0                                |
|      | 07/08/2015                   | Transfer | -10                                       | 0                                | 0  | 0                                |
|      | At the end of the year       |          |   |                                  | 0  | 0                                |
| 2    | Divya Mehrotra               |          |   |                                  |  |                                  |
|      | At the beginning of the year |          | 50100                                     | 0                                | 0  | 0                                |
|      | 07/08/2015                   | Transfer | 10  | 0                                | 50110                                    | 1.25                             |
|      | At the end of the year       |          |   |                                  | 50110                                    | 1.25                             |

### (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| S.No | For Each of the Top 10 Shareholders |  | Shareholding at the beginning of the year |                                  | Cumulative Share holding during the year |                                  |
|------|-------------------------------------|--|---|----------------------------------|--|----------------------------------|
|      |                                     |  | No. of Shares                             | % of total shares of the Company | No. of Shares                            | % of total shares of the Company |
| 1    | DHAMPUR SUGAR MILLS LTD             |  |   |                                  |  |                                  |
|      | At the beginning of the year        |  | 250000                                    | 6.25                             | 250000                                   | 6.25                             |
|      | At the end of the year              |  |   |                                  | 250000                                   | 6.25                             |
| 2    | VSL SECURITIES PRIVATE LIMITED      |  |   |                                  |  |                                  |
|      | At the beginning of the year        |  | 78379                                     | 1.96                             | 78379                                    | 1.96                             |
|      | At the end of the year              |  |   |                                  | 78379                                    | 1.96                             |
| 3    | SANGEETHA S                         |  |   |                                  |  |                                  |
|      | At the beginning of the year        |  | 60060                                     | 1.5                              | 60060                                    | 1.5                              |
|      | At the end of the year              |  |   |                                  | 60060                                    | 1.5                              |

## SOUTH ASIAN ENTERPRISES LTD.

| S.No | For Each of the Top 10 Shareholders            |          | Shareholding at the beginning of the year |                                  | Cumulative Share holding during the year |                                  |
|------|--|----------|---|----------------------------------|--|----------------------------------|
|      |  |          | No. of Shares                             | % of total shares of the Company | No. of Shares                            | % of total shares of the Company |
| 4    | SARLA SINGHAL                                  |          |   |                                  |  |                                  |
|      | At the beginning of the year                   |          | 47749                                     | 1.19                             | 47749                                    | 1.19                             |
|      | 01/05/2015                                     | Transfer | -1000                                     | -0.03                            | 46749                                    | 1.17                             |
|      | 22/05/2015                                     | Transfer | -1000                                     | -0.03                            | 45749                                    | 1.14                             |
|      | At the end of the year                         |          |   |                                  | 45749                                    | 1.14                             |
| 5    | SANJAYKUMAR SARAWAGI                           |          |   |                                  |  |                                  |
|      | At the beginning of the year                   |          | 29896                                     | 0.75                             | 29896                                    | 0.75                             |
|      | 01/05/2015                                     | Transfer | 3257                                      | 0.08                             | 33153                                    | 0.83                             |
|      | 08/05/2015                                     | Transfer | 2594                                      | 0.06                             | 35747                                    | 0.89                             |
|      | 22/05/2015                                     | Transfer | 1641                                      | 0.04                             | 37388                                    | 0.93                             |
|      | 19/06/2015                                     | Transfer | 3900                                      | 0.1                              | 41288                                    | 1.03                             |
|      | 26/06/2015                                     | Transfer | -1300                                     | -0.03                            | 39988                                    | 1                                |
|      | At the end of the year                         |          |   |                                  | 39988                                    | 1                                |
| 6    | SATCO CAPITAL MARKETS LIMITED                  |          |   |                                  |  |                                  |
|      | At the beginning of the year                   |          | 27474                                     | 0.69                             | 27474                                    | 0.69                             |
|      | 31/07/2015                                     | Transfer | -27474                                    | -0.69                            | 0  | 0                                |
|      | At the end of the year                         |          |   | 0                                | 0  |                                  |
| 7    | ARUN KUMAR SANCHETI (HUF) .                    |          |   |                                  |  |                                  |
|      | At the beginning of the year                   |          | 12892                                     | 0.32                             | 12892                                    | 0.32                             |
|      | At the end of the year                         |          |   |                                  | 12892                                    | 0.32                             |
| 8    | PRITTY DEVI SARAWAGI                           |          |   |                                  |  |                                  |
|      | At the beginning of the year                   |          | 11959                                     | 0.3                              | 11959                                    | 0.3                              |
|      | 03/07/2015                                     | Transfer | 1300                                      | 0.03                             | 13259                                    | 0.33                             |
|      | 21/08/2015                                     | Transfer | 200                                       | 0.01                             | 13459                                    | 0.34                             |
|      | 31/03/2016                                     | Transfer | 1716                                      | 0.04                             | 15175                                    | 0.38                             |
|      | At the end of the year                         |          |   | 15175                            | 0.38                                     |                                  |
| 9    | GANDHI SECURITIES & INVESTMENT PRIVATE LIMITED |          |   |                                  |  |                                  |
|      | At the beginning of the year                   |          | 9600                                      | 0.24                             | 9600                                     | 0.24                             |
|      | At the end of the year                         |          |   |                                  | 9600                                     | 0.24                             |
| 10   | VIVEK KUMAR KHEMKA                             |          |   |                                  |  |                                  |
|      | At the beginning of the year                   |          | 9142                                      | 0.23                             | 9142                                     | 0.23                             |
|      | At the end of the year                         |          |   |                                  | 9142                                     | 0.23                             |
| 11   | MANAN TRADING COMPANY PRIVATE LIMITED          |          |   |                                  |  |                                  |
|      | At the beginning of the year                   |          | 0   | 0                                | 0  | 0                                |
|      | 03/04/2015                                     | Transfer | 200                                       | 0.01                             | 200                                      | 0.01                             |
|      | 08/01/2016                                     | Transfer | 28056                                     | 0.7                              | 28256                                    | 0.71                             |
|      | At the end of the year                         |          |   | 28256                            | 0.71                                     |                                  |
| 12   | Ganesh Shankar Dwivedi                         |          |   |                                  |  |                                  |
|      | At the beginning of the year                   |          | 0   | 0                                | 0  | 0                                |
|      | 03/04/2015                                     | Transfer | 6634                                      | 0.17                             | 6634                                     | 0.17                             |
|      | 20/11/2015                                     | Transfer | 100                                       | 0                                | 6734                                     | 0.17                             |
|      | 11/12/2015                                     | Transfer | 925                                       | 0.02                             | 7659                                     | 0.19                             |
|      | 18/12/2015                                     | Transfer | 575                                       | 0.01                             | 8234                                     | 0.21                             |
|      | 25/12/2015                                     | Transfer | 672                                       | 0.02                             | 8906                                     | 0.22                             |
|      | 18/03/2016                                     | Transfer | 700                                       | 0.02                             | 9606                                     | 0.24                             |
|      | 25/03/2016                                     | Transfer | 500                                       | 0.01                             | 10106                                    | 0.25                             |
|      | At the end of the year                         |          |   | 10106                            | 0.25                                     |                                  |

## SOUTH ASIAN ENTERPRISES LTD.

(v) Shareholding of Directors & KMP

| S.No | For Each of the Directors & KMP | Date | Shareholding at the end of the year |                                  | Cumulative Share holding during the year |                                  |
|------|---------------------------------|------|-------------------------------------|----------------------------------|--|----------------------------------|
|      |                                 |      | No. of Shares                       | % of total shares of the Company | No. of Shares                            | % of total shares of the Company |
| 1    | Dr. B. Venkataraman             |      |                                     |                                  |  |                                  |
|      | At the beginning of the year    |      | 600                                 | 0.02%                            | 600                                      | 0.02%                            |
|      | At the end of the year          |      | 600                                 | 0.02%                            | 600                                      | 0.02%                            |
| 2    | Shri M. P. Mehrotra             |      |                                     |                                  |  |                                  |
|      | At the beginning of the year    |      | 6510                                | 0.16%                            | 6510                                     | 0.16%                            |
|      | At the end of the year          |      | 6510                                | 0.16%                            | 6510                                     | 0.16%                            |

V INDEBTEDNESS

| Indebtedness of the Company including interest outstanding/accrued but not due for payment |                                  |                 |          |                    |
|--|----------------------------------|-----------------|----------|--------------------|
|  | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
| <b>Indebtness at the beginning of the financial year</b>                                   |                                  |                 |          |                    |
| i) Principal Amount  | 55576                            | 0               | 0        | 55576              |
| ii) Interest due but not paid  | 0                                | 0               | 0        | 0                  |
| iii) Interest accrued but not due  | 0                                | 0               | 0        | 0                  |
| <b>Total (i+ii+iii)</b>  | 55576                            | 0               | 0        | 55576              |
| <b>Change in Indebtedness during the financial year</b>                                    |                                  |                 |          |                    |
| Additions  | 562004                           | 0               | 0        | 562004             |
| Reduction  | 0                                | 0               | 0        | 0                  |
| <b>Net Change</b>  | 562004                           | 0               | 0        | 562004             |
| <b>Indebtedness at the end of the financial year</b>                                       |                                  |                 |          |                    |
| i) Principal Amount  | 617580                           | 0               | 0        | 617580             |
| ii) Interest due but not paid  | 0                                | 0               | 0        | 0                  |
| iii) Interest accrued but not due  | 0                                | 0               | 0        | 0                  |
| <b>Total (i+ii+iii)</b>  | 617580                           | 0               | 0        | 617580             |

## SOUTH ASIAN ENTERPRISES LTD.

### VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole time director and/or Manager:

| Sl.No | Particulars of Remuneration  | Name of the MD/WTD/ Manager | Total Amount |
|-------|--|-----------------------------|--------------|
| 1     | <b>Gross salary</b>  | Mr T. B. Gupta- MD          |              |
|       | (a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961. | 480000.00                   | 480000.00    |
|       | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961                   | 0.00                        | 0.00         |
|       | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961    | 0.00                        | 0.00         |
| 2     | Stock option   | 0.00                        | 0.00         |
| 3     | Sweat Equity   | 0.00                        | 0.00         |
| 4     | Commission   | 0.00                        | 0.00         |
|       | as % of profit   | 0.00                        | 0.00         |
|       | others (specify)   | 0.00                        | 0.00         |
| 5     | Others, please specify   | 0.00                        | 0.00         |
|       | <b>Total (A)</b>   | 480000.00                   | 480000.00    |
|       | <b>Ceiling as per the Act per annum</b>  | 3000000.00                  | 3000000.00   |

#### B. Remuneration to other directors:

| Sl.No | Particulars of Remuneration                        | Name of the Directors |                 |                    |                       |                             |                          | Total Amount |
|-------|--|-----------------------|-----------------|--------------------|-----------------------|-----------------------------|--------------------------|--------------|
| 1     | Independent Directors                              | Dr. B. Venkataraman   | Shri P K Sharan | Dr. S Ramesh       | Shri R. K. Goswami    | Shri Priya Brat             | Shri S.V.S. Juneja       |              |
|       | (a) Fee for attending board/ committee meetings    | 34000.00              | 73000.00        | 63000.00           | 73000.00              | 63000.00                    | 44000.00                 | 350000.00    |
|       | (b) Commission                                     | 0.00                  | 0.00            | 0.00               | 0.00                  | 0.00                        | 0.00                     | 0.00         |
|       | (c) Others, please specify                         | 0.00                  | 0.00            | 0.00               | 0.00                  | 0.00                        | 0.00                     | 0.00         |
|       | <b>Total (1)</b>                                   | 34000.00              | 73000.00        | 63000.00           | 73000.00              | 63000.00                    | 44000.00                 | 350000.00    |
| 2     | Other Non Executive Directors                      |                       |                 |                    |                       |                             |                          |              |
|       | Non Independent Directors                          | Shri M. P. Mehrotra # | Shri K. K. Soni | Shri S. C. Agarwal | Shri Anurag Bhatnagar | Dr. (Mrs.) Sushma Mehrotra* | Dr. (Mrs.) Neeraj Arora@ |              |
|       | (a) Fee for attending board/ committee meetings    | 8000.00               | 0.00            | 0.00               | 0.00                  | 0.00                        | 16000.00                 | 24000.00     |
|       | (b) Commission                                     | 0.00                  | 0.00            | 0.00               | 0.00                  | 0.00                        | 0.00                     | 0.00         |
|       | (c) Others, please specify.                        | 0.00                  | 0.00            | 0.00               | 0.00                  | 0.00                        | 0.00                     | 0.00         |
|       | <b>Total (2)</b>                                   | 8000.00               | 0.00            | 0.00               | 0.00                  | 0.00                        | 16000.00                 | 24000.00     |
|       | <b>Total (B)=(1+2)</b>                             | 42000.00              | 73000.00        | 63000.00           | 73000.00              | 63000.00                    | 60000.00                 | 374000.00    |
|       | <b>Total Managerial Remuneration</b>               | N.A.                  | N.A.            | N.A.               | N.A.                  | N.A.                        | N.A.                     |              |
|       | <b>Overall Ceiling as per the Act. Per meeting</b> | 100000.00             | 100000.00       | 100000.00          | 100000.00             | 100000.00                   | 100000.00                |              |

\* Ceased on 09/04/2015 # Appointed on 07/11/2015 @ Appointed on 29/05/2015

#### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD :

| Sl.No | Particulars of Remuneration  | Key Managerial Personnel |  |                         |        |
|-------|--|--------------------------|--|-------------------------|--------|
|       |  | CEO                      | Shri R. C. Pandey<br>Company Secretary | Shri S. P. Singh<br>CFO | Total  |
| 1     | <b>Gross Salary</b>  |                          |  |                         |        |
|       | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. | N. A.                    | 0                                      | 276120                  | 276120 |
|       | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961                       | N. A.                    | 0                                      | 15000                   | 15000  |
|       | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961        | N. A.                    | 0                                      | 0                       | 0      |
| 2     | Stock Option   | N. A.                    | 0                                      | 0                       | 0      |
| 3     | Sweat Equity   | N. A.                    | 0                                      | 0                       | 0      |
| 4     | Commission   | N. A.                    | 0                                      | 0                       | 0      |
|       | as % of profit   | N. A.                    | 0                                      | 0                       | 0      |
|       | others, specify  | N. A.                    | 0                                      | 0                       | 0      |
| 5     | Others, please specify (Professional Charges)  | N. A.                    | 60000                                  | 0                       | 60000  |
|       | <b>Total</b>   | N. A.                    | 60000                                  | 291120                  | 351120 |

## SOUTH ASIAN ENTERPRISES LTD.

### VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

| Type                                | Section of the Companies Act | Brief Description | Details of Penalty /Punishment/ Compounding fees imposed | Authority[RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|--|-----------------------------|------------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |  |                             |                                    |
| Penalty                             | N.A.                         | N.A.              | N.A.   | N.A.                        | N.A.                               |
| Punishment                          | N.A.                         | N.A.              | N.A.   | N.A.                        | N.A.                               |
| Compounding                         | N.A.                         | N.A.              | N.A.   | N.A.                        | N.A.                               |
| <b>B. DIRECTORS</b>                 |                              |                   |  |                             |                                    |
| Penalty                             | N.A.                         | N.A.              | N.A.   | N.A.                        | N.A.                               |
| Punishment                          | N.A.                         | N.A.              | N.A.   | N.A.                        | N.A.                               |
| Compounding                         | N.A.                         | N.A.              | N.A.   | N.A.                        | N.A.                               |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |  |                             |                                    |
| Penalty                             | N.A.                         | N.A.              | N.A.   | N.A.                        | N.A.                               |
| Punishment                          | N.A.                         | N.A.              | N.A.   | N.A.                        | N.A.                               |
| Compounding                         | N.A.                         | N.A.              | N.A.   | N.A.                        | N.A.                               |

#### Annexure-C

The information required under section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Board Report for the year ended March 31, 2016.

#### 1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16:

| Sl. No | Name of the Directors    | Designation                            | % increase of remuneration in 2016 as compared to 2015 | Ratio to the median remuneration for the year 2015-16 |
|--------|--------------------------|--|--|---|
| 1      | Dr. B. Venkataraman      | Non-Executive independent Chairman     | 36.00%   | 0.53:1  |
| 2      | Shri P. K. Sharan        | Non-Executive independent Director     | 32.73%   | 1.15:1  |
| 3      | Dr. S Ramesh             | Non-Executive independent Director     | 40.00%   | 0.99:1  |
| 4      | Shri S. V. S. Juneja     | Non-Executive independent Director     | 46.67%   | 0.69:1  |
| 5      | Shri Priyabrat           | Non-Executive independent Director     | 40.00%   | 0.99:1  |
| 6      | Shri R. K. Goswami       | Non-Executive independent Director     | 32.73%   | 1.15:1  |
| 7      | Shri M. P. Mehrotra #    | Non-Executive non-independent Director | 60.00%   | 0.13:1  |
| 8      | Dr. (Mrs) Neeraj Arora @ | Non-Executive non-independent Director | NA   | NA  |
| 9      | Mr. T. B. Gupta          | Managing Director                      | 0.00%  | 7.55:1  |
| 10     | Shri K. K. Soni          | Non-Executive non-independent Director | 0.00%  | 0.00  |
| 11     | Shri S. C. Agarwal       | Non-Executive non-independent Director | 0.00%  | 0.00  |
| 12     | Shri Anurag Bhatnagar    | Non-Executive non-independent Director | 0.00%  | 0.00  |

# Resigned on 08/09/2014 and re-appointed on 07/11/2015

@ Appointed on 29/05/2015

There was enhancement in sitting fees of the non-executive directors during the FY 2015-16.

#### The percentage increase in remuneration of chief financial officer, company secretary in the financial year 2015-2016:

| Sl. No | Name of the CFO and Company Secretary | Designation       | % increase of remuneration in 2016 as compared to 2015 |
|--------|---------------------------------------|-------------------|--|
| 1      | Mr. S. P. Singh                       | CFO               | @  |
| 2      | Mr. Ramesh C. Pandey                  | Company Secretary | 0.00%  |

\* % increase does not include payment made towards leave encashment, payment of post arrears and perquisites yet to be claimed after the date of balance sheet pertaining to financial year 2015-2016.

@ Appointed as CFO w.e.f 12/11/2014, hence figures taken for part of the year for 2014-2015. Accordingly, the figures are not comparable.

The Company did not have a manager or a person designated as Chief Executive Officer during the period under review.

#### 3. The percentage increase in the median remuneration of employees in the financial year:

There was percentage increase in the median remuneration of employees in the financial year of around 54.53%.

#### 4. The number of permanent employees on the rolls of company:

32 (Thirty two)

#### 5. The explanation on the relationship between average increase in remuneration and company performance:

On an average, employees received an increase in remuneration of 15.72%, though the revenue increased by 5.19% as compared to last year. The profit before tax declined by 21.22% times and profit after tax (PAT) by 25.35% as compared to last year. The increase in remuneration of employees is in line with

## SOUTH ASIAN ENTERPRISES LTD.

the market trends.

**6. Comparison of the remuneration of the key Managerial Personnel against the performance of the company:**

In the financial year 2015-2016, revenue of the company registered a increase of 5.19% but there was no increase in managerial remuneration.

**7. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average increase in percentile of salaries of employees other than the managerial personnel in 2015-2016 was about 9.34%.

There was no increase in remuneration of key managerial personnel during the year.

**8. Comparison of remuneration of each of the key Managerial Personnel against the performance of the company for the financial year 2015-2016:**

The % the remuneration of each KMP to the Profit After Tax (PAT) is given below:

| SI.No. | Name of the KMP      | Designation       | Percentage as PAT |
|--------|----------------------|-------------------|-------------------|
| 1      | Mr. T. B. Gupta      | Managing Director | 30.81             |
| 2      | Mr. S. P. Singh      | CFO               | 15.60             |
| 3      | Mr. Ramesh C. Pandey | Company Secretary | 3.85              |

**9. the ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year:** No such employee, thus not applicable.

**10. Affirmation that the remuneration is as per the remuneration policy of the company:**

The remuneration is as per the Remuneration policy of the Company.

**11. Variation in the market capitalisation of the Company, price earning ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares if the company in comparison to the rate at which the company came out with the last public offer in case of listed companies.**

Market capitalisation decreased from Rs.3.21 crore as on 31/03/2015 of FY 15 to Rs.2.44 crore as on 31/03/2016 of FY 16. The stock price of the Company as of FY 16 has decreased by 79.60% to Rs. 6.12 over the last public offering in 1994 at a price of Rs.30/- per share.

For and on behalf of the Board of Director

Place : New Delhi  
Date : 27/05/2016

**P.K. Sharan**                      **T.B. Gupta**  
Director                              Managing Director  
DIN:00107048                      DIN:00106181

## Annexure-D

**Form MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

[Pursuant to section 204(1) of the Companies Act, 2013  
and Rule 9 of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
South Asian Enterprises Limited  
Corp. Office: 2<sup>nd</sup> Floor, 13, Sant Nagar  
East of Kailash  
New Delhi-110065.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **South Asian Enterprises Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing my opinion thereon.

Based on my verification of **South Asian Enterprises Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31st March, 2016** complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanisms in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2016** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (not applicable for the financial year under review);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) The Company had properly complied the other laws viz. Income tax Act 1961, Service tax law, labour laws, Insurance Act, The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, Air (Prevention and Control of Pollution) Act, 1981 and rules made thereunder, Water (Prevention and control of Pollution) Act, 1974 and rules made thereunder, Environment (Protection) Act, 1986, local revenue laws, etc as applicable to it.

I have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company

Secretaries of India,

- ii) The Listing Agreements entered into by the Company with the BSE Limited under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015,
- iii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 promulgated w.e.f. 01/12/2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

### I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices are given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions were passed unanimously and were captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period, the company has not taken any action having major bearing on affairs of the Company pursuant to above referred laws.

CS Pooja Gandhi  
Company Secretary  
ACS No.:20092  
C P No.:11351

**Place: New Delhi**

**Date: 17<sup>th</sup> May, 2016**

This report is to be read with my letter of even date which is annexed as '**Annexure 1**' and forms an integral part of this report.

### Annexure 1

To,  
The Members,  
South Asian Enterprises Limited  
Corp. Office: 2<sup>nd</sup> Floor, 13, Sant Nagar  
East of Kailash  
New Delhi-110065.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

CS Pooja Gandhi  
Company Secretary  
ACS No.:20092  
C P No.:11351

**Place: New Delhi**

**Date: 17<sup>th</sup> May, 2016**

**Annexure-E**

**Annexure to Directors' Report**

**Information as per Section 134(3)(m) of the Companies Act, 2013 read with Rules, and forming part of Directors' Report for the year ended 31<sup>st</sup> March, 2016.**

**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. 10,20,350/-

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

**Date: 27/05/2015  
 Place: New Delhi**

**P. K. Sharan  
 Director  
 DIN: 00107048**

**T.B. Gupta  
 Managing Director  
 DIN:00106181**

**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 comprise the Balance Sheet as at 31 March 2016, 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 Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing

specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

**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, of the state of affairs of the Company as at 31 March 2016 and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the Balance sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) on the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B; and
  - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i) The Company does not have any pending litigations which would impact its financial position.
- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **ANIL PARIK & GARG**  
Chartered Accountants  
FRN 01676C

**H.K. PARIK**  
Partner  
Membership No.070250

Place: New Delhi

Date: 27/5/2016

**ANNEXURE A TO THE AUDITOR'S REPORT**  
**(Referred to in paragraph (1) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)**

- i. a. The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b. The company has a regular programme of physical verification of its 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. There are no immovable properties with the Company. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.
- ii. The physical verification of inventory has been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to books records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act in respect of loans, investments made and guarantee/ security provided by it as applicable.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- vii. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, in

- our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable, with the appropriate authorities.
- b. According to the information and explanations given to us, there are no material dues of income tax, sales tax, service tax, duty of excise, duty of customs, value added tax and cess, which have not been deposited with the appropriate authorities on account of any dispute.
- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any bank. The Company has not taken any loans from the Government. It has not issued any debentures.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered in to transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18- 'Related Party Disclosures' specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts Rules), 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **ANIL PARIK & GARG**  
Chartered Accountants  
FRN 01676C

**H.K. PARIK**  
Partner  
Membership No.070250

Place: New Delhi

Date: 27/5/2016

**ANNEXURE B TO THE AUDITOR'S REPORT**  
**(Referred to in paragraph (2)(f) under 'Report on Other Legal and**  
**Regulatory Requirements' of our report of even date)**  
**Report on the Internal Financial Controls under Clause (i) of Sub-**  
**section 3 of Section 143 of the Act.**

We have audited the internal financial controls over financial reporting of **South Asian Enterprises Limited** ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **ANIL PARIK & GARG**  
*Chartered Accountants*  
FRN 01676C

**H.K. PARIK**  
*Partner*  
Membership No.070250

Place: New Delhi  
Date: 27/05/2016

# SOUTH ASIAN ENTERPRISES LTD.

## BALANCE SHEET AS AT 31ST MARCH, 2016

Amount (In Rs.)

| Particulars                        | Note No. | As at<br>31.03.2016 | As at<br>31.03.2015 |
|------------------------------------|----------|---------------------|---------------------|
| <b>I. EQUITY AND LIABILITIES</b>   |          |                     |                     |
| <b>(1) Shareholder's Funds</b>     |          |                     |                     |
| (a) Share Capital                  | 3        | 3,99,90,500         | 3,99,90,500         |
| (b) Reserves and Surplus           | 4        | 8,31,11,412         | 8,15,53,674         |
| <b>Total 1</b>                     |          | <b>12,31,01,912</b> | <b>12,15,44,174</b> |
| <b>(2) Non-Current Liabilities</b> |          |                     |                     |
| (a) Deferred Tax Liabilities (Net) | 5        | 4,03,172            | 4,85,777            |
| (b) Long-Term Provisions           | 6        | 1,15,387            | 1,96,929            |
| <b>Total 2</b>                     |          | <b>5,18,559</b>     | <b>6,82,706</b>     |
| <b>(3) Current Liabilities</b>     |          |                     |                     |
| (a) Short-Term Borrowings          | 7        | 6,17,580            | 55,576              |
| (b) Trade Payables                 | 8        | 3,20,108            | 8,184               |
| (c) Other Current Liabilities      | 9        | 11,04,488           | 9,49,519            |
| (d) Short-Term Provisions          | 10       | 3,13,565            | 12,86,479           |
| <b>Total 3</b>                     |          | <b>23,55,741</b>    | <b>22,99,758</b>    |
| <b>Total (1+2+3)</b>               |          | <b>12,59,76,212</b> | <b>12,45,26,638</b> |
| <b>II. ASSETS</b>                  |          |                     |                     |
| <b>(1) Non-Current Assets</b>      |          |                     |                     |
| <i>(a) Fixed Assets</i>            |          |                     |                     |
| Tangible Assets                    | 11       | 21,59,571           | 25,45,122           |
| (b) Non-Current Investments        | 12       | 10,02,00,705        | 10,02,00,705        |
| (c) Long-Term Loans and Advances   | 13       | 80,972              | 78,050              |
| (d) Other Non-Currents Assets      | 14       | 66,15,312           | 5,650,000           |
| <b>Total 4</b>                     |          | <b>10,90,56,560</b> | <b>10,84,73,877</b> |
| <b>(2) Current Assets</b>          |          |                     |                     |
| (a) Inventories                    | 15       | 34,00,345           | 25,07,413           |
| (b) Trade Receivables              | 16       | 34,84,568           | 40,62,441           |
| (c) Cash and Bank Balances         | 17       | 92,33,464           | 58,89,221           |
| (d) Short-Term Loans and Advances  | 18       | 4,12,412            | 16,79,361           |
| (e) Other Current Assets           | 19       | 3,88,863            | 19,14,325           |
| <b>Total 5</b>                     |          | <b>1,69,19,652</b>  | <b>1,60,52,761</b>  |
| <b>Total (4+5)</b>                 |          | <b>12,59,76,212</b> | <b>12,45,26,638</b> |

Significant Accounting Policies and Notes forming part of Financial Statements

1 to 38

As per our report of even date

**For Anil Pariek and Garg**

Chartered Accountants

FRN : 01676C

**H. K. Pariek**

Partner

Membership No. 070250

Place: New Delhi

Date : 27/05/2016

For & on behalf of the Board

**T. B. Gupta**  
Managing Director  
DIN: 00106181

**P. K. Sharan**  
Director  
DIN:00107048

**S. C. Agarwal**  
Director  
DIN:00108493

**R.C. Pandey**  
Company Secretary  
PAN: AJRPP6072H

**S.P. Singh**  
Chief Financial Officer  
PAN:BMGPS6300E

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Amount (In Rs.)

| Particulars   | Note No. | For the Year<br>ended 31.03.2016 | For the Year<br>ended 31.03.2015 |
|---|----------|----------------------------------|----------------------------------|
| I. Revenue from Operations                              | 20       | 2,20,94,109                      | 2,08,63,386                      |
| II. Other Income  | 21       | 16,00,936                        | 16,63,129                        |
| <b>III. Total Revenue (I +II)</b>                       |          | <b>2,36,95,045</b>               | <b>2,25,26,515</b>               |
| <b>IV. Expenses:</b>                                    |          |                                  |                                  |
| Purchase of Stock-in-Trade                              |          | 80,45,555                        | 66,54,937                        |
| Changes in Inventories of Stock-in-Trade                | 22       | (892,932)                        | 585,394                          |
| Employee Benefit Expense                                | 23       | 47,94,437                        | 40,12,651                        |
| Finance Cost  | 24       | 1,06,310                         | 53,164                           |
| Depreciation and Amortization Expense                   | 11       | 4,24,745                         | 4,22,051                         |
| Other Expenses  | 25       | 88,63,697                        | 78,11,376                        |
| <b>Total Expenses (IV)</b>                              |          | <b>2,13,41,812</b>               | <b>1,95,39,573</b>               |
| V. Profit/(Loss) before tax (III-IV)                    |          | 23,53,233                        | 29,86,942                        |
| <b>VI. Less: Tax Expenses</b>                           |          |                                  |                                  |
| (1) Current Tax   |          | 8,78,100                         | 10,50,000                        |
| (2) Deferred Tax  |          | (82,605)                         | (149,795)                        |
| VII. Profit (Loss) For The Year (V-VI)                  |          | 15,57,738                        | 20,86,737                        |
| <b>VIII. Earning Per Equity Share (of Rs.10/- each)</b> |          |                                  |                                  |
| Basic and Diluted                                       | 30       | 0.39                             | 0.52                             |

Significant Accounting Policies and Notes forming part of the Financial Statements

1 to 38

As per our report of even date

**For Anil Pariek and Garg**

Chartered Accountants

FRN : 01676C

**H. K. Pariek**

Partner

Membership No. 070250

Place: New Delhi

Date : 27/05/2016

For & on behalf of the Board

**T. B. Gupta**  
Managing Director  
DIN: 00106181

**P. K. Sharan**  
Director  
DIN:00107048

**S. C. Agarwal**  
Director  
DIN:00108493

**R.C. Pandey**  
Company Secretary  
PAN: AJRPP6072H

**S.P. Singh**  
Chief Financial Officer  
PAN:BMGPS6300E

# SOUTH ASIAN ENTERPRISES LTD.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2016.

### Note 1

#### Corporate Overview:

South Asian Enterprises Ltd. was incorporated in 1991 to run Amusement parks and engage in other activities of Amusement Industry. Presently, it has amusement Parks in Kanpur and Lucknow. The other activities include Trading in Earthing & Lightning Protection Systems, which segment has shown promising results.

### Note 2

#### Significant Accounting Policies:

##### a) General:

The accompanying financial statements have been prepared on historical cost convention and conform to the statutory provisions and practices prevailing in the country.

##### b) Revenue recognition:

Items of income and expenditure are generally accounted for on accrual basis unless otherwise stated. Dividend income is accounted for when the right to receive the same is established.

##### c) Fixed assets:

- i) All the fixed assets are stated at cost less accumulated depreciation.
- ii) Depreciation on tangible assets is provided on the straight line method over the useful lives of assets in accordance with Part C of Schedule II of the Companies Act, 2013. There are no intangibles with the company as at 31.03.2016.
- iii) Fixed Assets costing Rs. 5,000/- or less are fully depreciated in the year of acquisition.

##### d) Investments:

Investments are classified into long-term and current Investments. Long-term investments are stated at cost and income thereon is accounted for when accrued. The company follows 'FIFO method' for calculating the cost of each investment sold by the company for computing the profit or loss thereon Provision for diminution in value of investments is made to recognize a decline other than temporary in nature.

##### e) Inventory:

Inventories are valued at cost or net realisable value whichever is lower. Cost is arrived at on FIFO basis and comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition.

##### f) Operating Lease:

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating leases. Lease rentals under operating leases are recognized in the Statement of Profit and Loss on a straight-line basis over the term of lease.

##### g) Taxation

- i) Deferred tax resulting from timing difference between book and taxable profit is accounted for using the tax rates and law that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized only to the extent that there is a virtual certainty that there would be adequate future taxable income against which such deferred tax assets can be realized. The deferred tax liability is recognized on having a reasonable certainty for crystallization of the same.
- ii) Provision for taxation is made on the basis of the taxable profits computed for the current accounting period in accordance with the Income Tax Act, 1961.

##### h) Retirement Benefit Costs:

- i) In respect of Provident Fund, monthly contribution is paid to Government and is charged to revenue.
- ii) Company's Gratuity and Leave Encashment Schemes are defined benefit plans.

##### Gratuity Fund:

The cost of providing benefits is determined using the Project unit credit method, with actuarial valuations being carried out at each Balance Sheet date. Gratuity benefits are funded through a trust with Life Insurance Corporation of India Group Gratuity Scheme.

##### Unencashed Leave salary:

Leave Encashment Scheme is not funded. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation.

##### i) Impairment Loss:

Impairment loss is provided to the extent the carrying amount of assets exceeds their recoverable amounts. Recoverable amount is the higher of an asset's net selling price or its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount attainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. A previously recognised impairment loss is increased or reversed depending on changes in the circumstances.

##### j) Business Segments:

The Company has three reportable segments viz. Entertainment, Trading and Others which have been identified in line with the Accounting Standard 17 in Segment Reporting, taking into account the organizational structure as well as differential risk and return of these segments.

Amount (in Rs.)

### Note 3

#### Share Capital

Authorised

50,00,000 Equity Shares of Rs.10/- each

Issued, Subscribed & Called Up Capital

Issued, Subscribed & Paid up

40,00,000 Equity Shares of Rs.10/- each

Less: Calls-in -Arrears-by others

|  | As at<br>31.03.2016 | As at<br>31.03.2015 |
|--|---------------------|---------------------|
|  | 5,00,00,000         | 5,00,00,000         |
|  | <u>5,00,00,000</u>  | <u>5,00,00,000</u>  |
|  | 4,00,00,000         | 4,00,00,000         |
|  | <u>4,00,00,000</u>  | <u>4,00,00,000</u>  |
|  | 9,500               | 9,500               |
|  | <u>3,99,90,500</u>  | <u>3,99,90,500</u>  |
|  | <u>3,99,90,500</u>  | <u>3,99,90,500</u>  |

#### a. Reconciliation of shares outstanding at the beginning and at the end of the reporting year

##### Equity Shares

At the beginning of the year

Issued during the year

Outstanding at the end of the year

| As at 31.03.2016 |                    | As at 31.03.2015 |                    |
|------------------|--------------------|------------------|--------------------|
| No. of shares    | Rupees             | No. of shares    | Rupees             |
| 40,00,000        | 3,99,90,500        | 40,00,000        | 3,99,90,500        |
| -                | -                  | -                | -                  |
| <u>40,00,000</u> | <u>3,99,90,500</u> | <u>40,00,000</u> | <u>3,99,90,500</u> |

##### b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

##### c. Details of shareholders holding more than 5% shares in the company

VLS Capital Ltd.\*

The Dhampur Sugar Mills Ltd.

| As at 31.03.2016 |              | As at 31.03.2015 |              |
|------------------|--------------|------------------|--------------|
| No. of shares    | % of holding | No. of shares    | % of holding |
| 23,84,289        | 59.61        | 23,84,289        | 59.61        |
| 2,50,000         | 6.25         | 2,50,000         | 6.25         |

##### d. Details of shares held by Holding Company

23,84,289 (Previous year 23,84,289) Equity Shares held by VLS Capital Limited\*

\* Holding Company since 03.02.2015.

## SOUTH ASIAN ENTERPRISES LTD.

### NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd..)

|  | As at<br>31.03.2016 | As at<br>31.03.2015 |
|--|---------------------|---------------------|
| <b>Amount (In Rs.)</b>   |                     |                     |
| <b>Note 4</b>  |                     |                     |
| <b>Reserves &amp; Surplus</b>  |                     |                     |
| <b>Securities Premium Reserves</b>   |                     |                     |
| As per Last Balance Sheet  | 6,00,00,000         | 6,00,00,000         |
| Less: Calls Unpaid - by other  | (28,500)            | (28,500)            |
| <b>Total (A)</b>   | <b>5,99,71,500</b>  | <b>5,99,71,500</b>  |
| <b>General Reserve</b>   |                     |                     |
| As per Last Balance Sheet  | 1,84,89,145         | 1,85,99,415         |
| Less : Adjustment relating to Fixed Assets   | -                   | 1,10,270            |
| <b>Total (B)</b>   | <b>1,84,89,145</b>  | <b>1,84,89,145</b>  |
| <b>Surplus in statement of Profit and Loss</b>                                     |                     |                     |
| As per Last Balance Sheet  | 30,93,029           | 10,06,292           |
| Add: Profit/(Loss) for the year  | 15,57,738           | 2,086,737           |
| <b>Total (C)</b>   | <b>46,50,767</b>    | <b>30,93,029</b>    |
| <b>Total (A+B+C)</b>   | <b>8,31,11,412</b>  | <b>8,15,53,674</b>  |
| <b>Note 5</b>  |                     |                     |
| <b>Deferred Tax</b>  |                     |                     |
| a. Deferred Tax Liabilities  |                     |                     |
| - Depreciation on Fixed Assets   | 4,61,780            | 5,68,814            |
| b. Deferred Tax Assets   |                     |                     |
| - Employee Benefits  | 43,858              | 68,287              |
| - Provision for bad & doubtful debts   | 14,750              | 14,750              |
| <b>Net Deferred Tax Liabilities</b>  | <b>4,03,172</b>     | <b>4,85,777</b>     |
| <b>Note 6</b>  |                     |                     |
| <b>Long Term Provisions</b>  |                     |                     |
| Provision for Employee Benefits  | 1,15,387            | 1,96,929            |
| <b>Total</b>   | <b>1,15,387</b>     | <b>1,96,929</b>     |
| <b>Note 7</b>  |                     |                     |
| <b>Short Term Borrowings</b>   |                     |                     |
| Secured Working Capital Loans from Banks*  | 6,17,580            | 55,576              |
| *Secured against Pledge of Fixed Deposit   | 6,17,580            | 55,576              |
| <b>Total</b>   | <b>6,17,580</b>     | <b>55,576</b>       |
| <b>Note 8</b>  |                     |                     |
| <b>Trade Payables</b>  |                     |                     |
| Micro, Small and Medium Enterprises  | -                   | -                   |
| Trade Payables   | 3,20,108            | 8,184               |
| <b>Total</b>   | <b>3,20,108</b>     | <b>8,184</b>        |
| <b>Note 9</b>  |                     |                     |
| <b>Other Current Liabilities</b>   |                     |                     |
| Others Payables  | 10,68,128           | 9,05,519            |
| Security Deposits  | 29,000              | 44,000              |
| Advance from Customers   | 7,360               | -                   |
| <b>Total</b>   | <b>11,04,488</b>    | <b>9,49,519</b>     |
| <b>Note 10</b>   |                     |                     |
| <b>Short Term Provisions</b>   |                     |                     |
| For Income Tax (Net of Advance income tax Rs. 25,67,084/-<br>(P.Y. Rs. 7,13,587/-) | 2,87,016            | 12,62,413           |
| Provision for Employees Benefits   | 26,549              | 24,066              |
| <b>Total</b>   | <b>3,13,565</b>     | <b>12,86,479</b>    |

### **Note 11: Fixed Assets**

| Description                          | Plant and machinery | Building         | Vehicle         | Furniture & Fixtures | Office Equipment | Computers       | Total              |
|--------------------------------------|---------------------|------------------|-----------------|----------------------|------------------|-----------------|--------------------|
| Balance as at 01 April 2014          | 1,74,95,418         | 85,79,133        | 1,00,845        | 6,66,433             | 5,40,881         | 2,07,029        | 2,75,89,739        |
| Additions                            | 59,063              | -                | -               | -                    | 13,997           | -               | 73,060             |
| Deduction                            | -                   | -                | -               | -                    | -                | -               | -                  |
| <b>Balance as at 31 March 2015</b>   | <b>1,75,54,481</b>  | <b>85,79,133</b> | <b>1,00,845</b> | <b>6,66,433</b>      | <b>5,54,878</b>  | <b>2,07,029</b> | <b>2,76,62,799</b> |
| Balance as at 01 April 2015          | 1,75,54,481         | 85,79,133        | 1,00,845        | 6,66,433             | 5,54,878         | 2,07,029        | 2,76,62,799        |
| Additions                            | -                   | -                | -               | -                    | 39,194           | -               | 39,194             |
| Deduction                            | -                   | -                | -               | -                    | -                | -               | -                  |
| <b>Balance as at 31 March 2016</b>   | <b>1,75,54,481</b>  | <b>85,79,133</b> | <b>1,00,845</b> | <b>6,66,433</b>      | <b>5,94,072</b>  | <b>2,07,029</b> | <b>2,77,01,993</b> |
| <b>Depreciation &amp; Impairment</b> |                     |                  |                 |                      |                  |                 |                    |
| Balance as at 01 April 2014          | 1,64,67,828         | 67,50,364        | 70,126          | 6,66,433             | 4,59,697         | 1,70,908        | 2,45,85,356        |
| Depreciation for the year            | 1,84,759            | 2,20,816         | 5,119           | -                    | 11,357           | -               | 4,22,051           |
| Adjustments                          | -                   | 3,663            | -               | -                    | 70,486           | 36,121          | 1,10,270           |
| Deduction                            | -                   | -                | -               | -                    | -                | -               | -                  |
| <b>Balance as at 31 March 2015</b>   | <b>1,66,52,587</b>  | <b>69,74,843</b> | <b>75,245</b>   | <b>6,66,433</b>      | <b>5,41,540</b>  | <b>2,07,029</b> | <b>2,51,17,677</b> |
| Balance as at 01 April 2015          | 1,66,52,587         | 69,74,843        | 75,245          | 6,66,433             | 5,41,540         | 2,07,029        | 2,51,17,677        |
| Depreciation for the year.           | 1,87,428            | 2,20,816         | 5,119           | -                    | 11,382           | -               | 4,24,745           |
| <b>Balance as at 31 March 2016</b>   | <b>1,68,40,015</b>  | <b>71,95,659</b> | <b>80,364</b>   | <b>6,66,433</b>      | <b>5,52,922</b>  | <b>2,07,029</b> | <b>2,55,42,422</b> |
| <b>Net block</b>                     |                     |                  |                 |                      |                  |                 |                    |
| As at 31 March 2015                  | 9,01,894            | 16,04,290        | 25,600          | -                    | 13,338           | -               | 25,45,122          |
| As at 31st March 2016                | 7,14,466            | 13,83,474        | 20,481          | -                    | 41,150           | -               | 21,59,571          |

## SOUTH ASIAN ENTERPRISES LTD.

### NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

#### Note 12 Non-Current Investments

Amount (in Rs.)

| PARTICULARS   | As at<br>31.03.2016 | As at<br>31.03.2015 |
|---|---------------------|---------------------|
| <b>A- Non trade -At cost-Fully paid up</b>                                    |                     |                     |
| <b>I- (QUOTED)</b>  |                     |                     |
| <b>Investment in Equity Instruments of Other entities</b>                     |                     |                     |
| 5 (P.Y. 1) Equity Shares of Rs. 2/- each (P.Y. Rs. 10 each) of Bank of Baroda | 251                 | 251                 |
| 200 Equity Shares of Rs.10/- each of Tata Steel Limited                       | 1,38,235            | 1,38,235            |
| 500 Equity Shares of Rs.5/- each of Reliance Mediaworks Ltd                   | 1,12,085            | 1,12,085            |
| 110 Equity Shares of Rs.10/- each of Reliance Industries Limited              | 1,07,879            | 1,07,879            |
| Total (A)   | <b>3,58,450</b>     | 3,58,450            |
| <b>II- UNQUOTED</b>   |                     |                     |
| 50,000 Equity Shares of Rs.10/- each of Indhra Dhan Agro Products Ltd.        | 5,00,000            | 5,00,000            |
| 15,00,000 Equity Shares of Rs.10/- each of Hotline Electronics Ltd.           | 1,50,00,000         | 1,50,00,000         |
| 10,00,000 Equity Shares of Rs.10/- each of VLS Capital Ltd.*                  | 6,00,00,000         | 6,00,00,000         |
| 35,000 Equity Shares of Rs.100/- each of Alok Fintrade (P) Ltd.               | 35,00,000           | 35,00,000           |
| Total (B)   | <b>7,90,00,000</b>  | 7,90,00,000         |
| <b>Total Non-Current Investment (A+B)</b>                                     | <b>7,93,58,450</b>  | 7,93,58,450         |
| <b>B- Investment in Property (Real Estate) (At Cost)</b>                      | 2,08,42,255         | 2,08,42,255         |
| Total (C)   | 2,08,42,255         | 2,08,42,255         |
| <b>Total Non - Current Investments (A+B+C)</b>                                | <b>10,02,00,705</b> | 10,02,00,705        |
| Aggregate amount of quoted investments  | 3,58,450            | 3,58,450            |
| Aggregate market value of quoted investments                                  | 2,09,547            | 3,31,365            |
| Aggregate amount of unquoted investments                                      | 7,90,00,000         | 7,90,00,000         |

\* Holding Company w.e.f. 03.02.2015

Amount (In Rs.)

|  | As at<br>31.03.2016 | As at<br>31.03.2015 |
|--|---------------------|---------------------|
|--|---------------------|---------------------|

#### Note 13

##### Long-term loans and advances

(Unsecured, considered good)

Deposits with Others

80,972

78,050

Total

80,972

78,050

#### Note 14

##### Other Non-Current Assets

(Unsecured, considered good)

Non-current bank balance(Refer Note-17)

66,15,312

5,650,000

Total

66,15,312

5,650,000

#### Note 15

##### Inventories

Stock in Trade

34,00,344

25,07,412

Music album

1

1

Total

34,00,345

25,07,413

#### Note 16

##### Trade Receivables

(Unsecured, considered good)

Debts outstanding for a period exceeding 6 months

from the date they are due for payment

86,184

14,68,203

Less : Provision made for doubtful debts

47,734

38,450

47,734

1,420,469

Others

34,46,118

26,41,972

Total

34,84,568

40,62,441

## SOUTH ASIAN ENTERPRISES LTD.

Amount (in Rs.)

| NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd..)                     | As at<br>31.03.2016 | As at<br>31.03.2015 |
|--|---------------------|---------------------|
| <b>Note 17</b>   |                     |                     |
| <b>Cash &amp; Bank Balances</b>  |                     |                     |
| <b>Cash and Cash Equivalents</b>   |                     |                     |
| Cash on hand   | 182,975             | 2,89,415            |
| <b>Balance with Bank</b>   |                     |                     |
| In current account   | 352,682             | 3,90,706            |
| <b>Other Bank Balances</b>   |                     |                     |
| Fixed deposit with maturity more than 12 months                          | 8,151,807           | 50,50,000           |
| Fixed deposit with maturity more than 12 months*                         | 6,615,312           | 56,50,000           |
| Fixed deposit with bank (held as margin money)                           | 546,000             | 1,59,100            |
| Less : Amount disclosed under other non-current asset<br>(Refer Note-14) | 6,615,312           | 56,50,000           |
| *Pledged with bank against bank overdraft.                               |                     |                     |
| <b>Total</b>   | <b>92,33,464</b>    | <b>58,89,221</b>    |
| <b>Note 18</b>   |                     |                     |
| <b>Short Term Loans &amp; Advances</b>                                   |                     |                     |
| <b>(Unsecured, considered good)</b>                                      |                     |                     |
| Security Deposit   | 1,20,653            | 10,00,496           |
| Prepaid Expenses   | 2,78,759            | 2,63,083            |
| Others #   | 13,000              | 4,15,782            |
| # Includes primarily Advance to trade creditors                          |                     |                     |
| <b>Total</b>   | <b>4,12,412</b>     | <b>16,79,361</b>    |
| <b>Note 19</b>   |                     |                     |
| <b>Other Current Assets</b>  |                     |                     |
| Interest Accrued on Deposits   | 3,88,863            | 19,14,325           |
| <b>Total</b>   | <b>3,88,863</b>     | <b>19,14,325</b>    |
| <b>Note 20</b>   |                     |                     |
| <b>Revenue From Operations</b>   |                     |                     |
| Park Receipts  | 50,59,960           | 49,79,905           |
| Sales (Traded Goods)   | 1,47,32,679         | 1,35,72,610         |
| Income from Installation, Erection & Supervision                         | 23,01,470           | 23,10,871           |
| <b>Total</b>   | <b>2,20,94,109</b>  | <b>2,08,63,386</b>  |
| <b>Note 21</b>   |                     |                     |
| <b>Other Income</b>  |                     |                     |
| Interest on fixed deposit  | 11,81,654           | 9,91,751            |
| Dividend Income-non trade-non current investments                        | 3,871               | 3,056               |
| Misc. Income   | 4,15,411            | 2,56,756            |
| Unspent liabilities/ Unclaimed balance written back                      | -                   | 2,91,566            |
| Provision for doubtful debts written back                                | -                   | 1,20,000            |
| <b>Total</b>   | <b>16,00,936</b>    | <b>16,63,129</b>    |
| <b>Note 22</b>   |                     |                     |
| <b>Change in inventories of Stock in Trade</b>                           |                     |                     |
| Stock -in - Trade  |                     |                     |
| At the beginning of financial year                                       | 25,07,413           | 30,92,807           |
| At the end of financial year   | 34,00,345           | 25,07,413           |
| <b>Net [(Increase)/Decrease] Total</b>                                   | <b>(892,932)</b>    | <b>5,85,394</b>     |
| <b>Note 23</b>   |                     |                     |
| <b>Employee Benefits Expenses</b>  |                     |                     |
| Salaries and Wages   | 39,31,847           | 32,99,304           |
| Staff Welfare Expenses   | 3,13,396            | 2,84,906            |
| Contribution to Provident and other Funds                                | 5,49,194            | 4,28,441            |
| <b>Total</b>   | <b>47,94,437</b>    | <b>40,12,651</b>    |
| <b>Note 24</b>   |                     |                     |
| <b>Finance Costs</b>   |                     |                     |
| Interest on overdraft with Bank  | 47,061              | 53,164              |
| Interest on Others   | 59,249              | -                   |
| <b>Total</b>   | <b>1,06,310</b>     | <b>53,164</b>       |

# SOUTH ASIAN ENTERPRISES LTD.

Amount (in Rs.)

## NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

For the  
Year Ended  
31.03.2016

For the  
Year Ended  
31.03.2015

### Note 25

#### Other Expenses

|                                       |                  |                  |
|---------------------------------------|------------------|------------------|
| Repair & Maintenance:                 |                  |                  |
| - Building                            | 56,319           | 23,409           |
| - Machinery                           | 70,450           | 1,40,142         |
| - Others                              | 22,966           | 31,947           |
| - Power and Fuel                      | 5,93,808         | 4,91,985         |
| - Lease Rent & Hire Charges           | 11,90,415        | 11,68,895        |
| - Park Running & Maintenance          | 2,76,305         | 2,71,835         |
| - Rent                                | 1,80,000         | 1,29,250         |
| - Rates & Taxes                       | 2,45,670         | 1,37,974         |
| - Consultation & Professional Charges | 7,47,592         | 5,45,259         |
| - Postage & Telephone                 | 2,22,753         | 2,30,068         |
| - Advertising & Selling Expenses      | 3,14,999         | 2,60,685         |
| - Travelling Expenses                 | 7,84,726         | 8,30,878         |
| - Director's Sitting Fee              | 3,69,000         | 2,60,000         |
| - Auditors Remuneration               |                  |                  |
| - Statutory Audit                     | 25,763           | 25,281           |
| - Tax Audit                           | 14,313           | 14,045           |
| - For expenses                        | 25,553           | 24,234           |
| - Insurance Charges                   | -                | 12,904           |
| - Miscellaneous Expenses              | 7,17,045         | 6,70,692         |
| - Freight - Inward/Outward            | 4,53,230         | 4,18,456         |
| - Installation & Supervision Expenses | 20,72,558        | 20,43,647        |
| - Bank Charges                        | 28,427           | 20,867           |
| - Rebate and Discount                 | 2,07,685         | 58,923           |
| - Miscellaneous Written Off           | 2,44,120         | -                |
| <b>Total</b>                          | <b>88,63,697</b> | <b>78,11,376</b> |

### 26. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil (Previous Year Rs. Nil).

### 27. Contingent liabilities in respect of

Counter Guarantee given against Bank Guarantees – Rs.5,46,000/- (Previous Year- Rs.1,59,100/-)

### 28. Related Party Disclosure

Following are the related parties:

|                           |   |   |
|---------------------------|---|---|
| Holding Company           | : | VLS Capital Ltd.                                  |
| Key Managerial Personnel: | - | Shri T. B Gupta (Managing Director)               |
|                           | - | Shri Surya Pratap Singh (Chief Financial Officer) |
|                           | - | Shri Ramesh Chandra Pandey (Company Secretary)    |

Summary of transactions with the above related parties is as follows:

| Particulars   | Holding Company  |                  | Key Managerial Personnel |                  |
|---|------------------|------------------|--------------------------|------------------|
|   | As at 31.03.2016 | As at 31.03.2015 | As at 31.03.2016         | As at 31.03.2015 |
| Remuneration to KMP   | -                | -                | Rs. 7,83,000             | Rs. 7,71,120     |
| No. of equity shares of Rs.10/- each fully paid up held by the company at end of the year | 23,84,289        | 23,84,289        | -                        | -                |

As at 31.03.2016      As at 31.03.2015

10,00,000                      10,00,000

a) Number of Equity Shares of Rs. 10/- each fully paid up of Holding Company

### 29. Operating Leases

The Company has taken Land on lease for setting up parks from Local Development Authorities. The lease rental expense under such operating leases is Rs.11,90,415/- (Previous Year Rs.11,68,895/-). Future minimum lease payments on non-cancellable lease agreements as at 31.03.2016 are as follows:

| Particulars                                  | As at 31.03.2016   | As at 31.03.2015   |
|--|--------------------|--------------------|
|  | Amount (in Rs.)    | Amount (in Rs.)    |
| Not later than 1 year                        | 12,19,883/-        | 11,86,933/-        |
| Later than 1 year and not later than 5 years | 40,91,219/-        | 46,73,850/-        |
| Later than 5 year and above                  | 5,47,698/-         | 11,84,949/-        |
| <b>Total</b>                                 | <b>58,58,800/-</b> | <b>70,45,732/-</b> |

### 30. Earnings Per Share :

Calculation of EPS (Basic and Diluted)

| Particulars              | Equivalent No. of Shares |                       |
|--------------------------|--------------------------|-----------------------|
|                          | Year ended 31.03.2016    | Year ended 31.03.2015 |
| <b>Basic and Diluted</b> |                          |                       |
| Face value of per share  | Rs. 10/-                 | Rs. 10/-              |
| Total Shares Outstanding | 40,00,000                | 40,00,000             |
| Profit after Taxes       | 15,57,738/-              | 20,86,737/-           |
| EPS (In Rs.)             | 0.39                     | 0.52                  |

## SOUTH ASIAN ENTERPRISES LTD.

### NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd..)

#### 31. Segment Reporting :

(Amount in Rs.)

| Particulars   | 2015 – 2016         | 2014 - 2015         |
|---|---------------------|---------------------|
| <b>Segment Revenue</b>                              |                     |                     |
| a) Entertainment                                    | 50,59,960           | 49,79,905           |
| b) Trading  | 1,70,34,149         | 1,58,83,481         |
| c) Others   | 16,00,936           | 16,63,129           |
| <b>Total</b>  | <b>2,36,95,045</b>  | <b>2,25,26,515</b>  |
| <b>Segment Results</b>                              |                     |                     |
| Profit/ (Loss) before interest and tax              |                     |                     |
| a) Entertainment                                    | (36,24,464)         | (21,76,915)         |
| b) Trading  | 44,83,071           | 35,53,892           |
| c) Others   | 16,00,936           | 16,63,129           |
| <b>Total Profit/ (Loss) before interest and tax</b> | <b>24,59,543</b>    | <b>30,40,106</b>    |
| Less: Interest                                      | 1,06,310            | 53,164              |
| Other Un-allocable expenditure net off              | -                   | -                   |
| <b>Net Profit before Tax</b>                        | <b>23,53,233</b>    | <b>29,86,942</b>    |
| Less/(Add) : Taxes expenses (credits)               | 7,95,495            | 9,00,205            |
| <b>Net Profit after Tax</b>                         | <b>15,57,738</b>    | <b>20,86,737</b>    |
| <b>Segment Assets</b>                               |                     |                     |
| a) Entertainment                                    | 1,82,23,942         | 1,65,48,750         |
| b) Trading  | 75,51,565           | 77,77,183           |
| c) Others   | 10,02,00,705        | 10,02,00,705        |
| <b>Total Assets</b>                                 | <b>12,59,76,212</b> | <b>12,45,26,638</b> |
| <b>Segment Liabilities</b>                          |                     |                     |
| a) Entertainment                                    | 13,96,304           | 23,38,820           |
| b) Trading  | 10,74,824           | 1,57,867            |
| c) Others   | Nil                 | Nil                 |
| <b>Total Liabilities</b>                            | <b>24,71,128</b>    | <b>24,96,687</b>    |

32. The management has technically appraised the recoverable amount of the cash generating assets being used at its amusement parks and is of the opinion that considering the future cash flow expected to arise, impairment loss is NIL on assets as required by the Accounting Standard -28 on "Impairment on Assets" issued by the Institute of Chartered Accountants of India (ICAI) is sufficient and no further provision is required.

33. Employee Benefits: In accordance with AS-15 - 'Accounting for Retirement Benefits', actuarial valuation was done in respect of defined benefit plan of gratuity and leave encashment.

**i) Defined Contribution Plans:**

Amount of Rs.2,96,669/-(Previous Year Rs. 2,58,349/-) contributed to provident funds is recognised as an expense and included in Contribution to Provident & Other Funds under Employee Cost in the Statement of Profit and Loss.

**ii) Defined Benefit Plans:**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service subject to a maximum payment of Rs. 10 lakhs. The gratuity plan is funded.

#### Long Term Compensated Absences/Gratuity as per actuarial valuation as on 31.03.2016

(Amount in Rs.)

| Actuarial Assumptions   | Gratuity                 |                          | Leave Encashment         |                          |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
|   | As at<br>31.03.2016      | As at<br>31.03.2015      | As at<br>31.03.2016      | As at<br>31.03.2015      |
| Discount rate (per annum)                                     | 8%                       | 9%                       | 8% PA                    | 9% PA                    |
| Future salary increase  | 5%                       | 5%                       | 5% PA                    | 5% PA                    |
| Expected rate of return on plan assets                        | 8%                       | 8.75%                    | NA                       | NA                       |
| Mortality   | IALM 2006-08<br>Ultimate | IALM 2006-08<br>Ultimate | IALM 2006-08<br>Ultimate | IALM 2006-08<br>Ultimate |
| <b>I. Expenses recognized in statement of profit and loss</b> |                          |                          |                          |                          |
| Current service cost  | 85,609                   | 76,447                   | 10,416                   | 7,031                    |
| Interest cost   | 1,05,350                 | 70,060                   | 9,312                    | 4,824                    |
| Expected return on plan assets                                | (1,09,387)               | (1,03,500)               | —                        | —                        |
| Net actuarial loss/ (gain) recognized in the year             | 96,209                   | 3,45,866                 | 5,810                    | 44,239                   |
| <b>Net expenses recognized</b>                                | <b>1,77,781</b>          | <b>3,88,873</b>          | <b>25,538</b>            | <b>56,094</b>            |

# SOUTH ASIAN ENTERPRISES LTD.

## NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

Amount (in Rs.)

|   |                  |                   |                   |                   |
|---|------------------|-------------------|-------------------|-------------------|
| <b>II. Net liability/(assets) recognized in the balance sheet at the year end</b> |                  |                   |                   |                   |
| Present value of obligation at the end of period                                  | 14,65,375        | 13,16,869         | 1,41,936          | 1,16,398          |
| Fair value of the plan asset at the end of period                                 | 15,22,398        | 12,12,272         | —                 | —                 |
| Funded status [(surplus/(deficit))]   | 57,023           | (1,04,597)        | (1,41,936)        | (1,16,398)        |
| <b>Net asset/(liability) as at 31<sup>st</sup> March, 2016</b>                    | <b>57,023</b>    | <b>(1,04,597)</b> | <b>(1,41,936)</b> | <b>(1,16,398)</b> |
| <b>III. Change in present value of obligation during the year</b>                 |                  |                   |                   |                   |
| Present value of obligation at the beginning of period                            | 13,16,869        | 8,75,756          | 1,16,398          | 60,304            |
| Current service cost  | 85,609           | 76,447            | 10,416            | 7,031             |
| Interest cost   | 1,05,350         | 70,060            | 9,312             | 4,824             |
| Benefits paid   | (1,23,116)       | (51,260)          | —                 | —                 |
| Actuarial loss/ (gain) on obligations   | 80,663           | 3,45,866          | 5,810             | 44,239            |
| <b>Present value of obligation at the year end</b>                                | <b>14,65,375</b> | <b>13,16,869</b>  | <b>1,41,936</b>   | <b>1,16,398</b>   |
| <b>IV. Change in present value of fair value of plan assets</b>                   |                  |                   |                   |                   |
| Fair value of plan assets as at the beginning of period                           | 12,12,272        | 11,60,032         | —                 | —                 |
| Expected return on plan assets  | 1,09,387         | 1,03,500          | —                 | —                 |
| Contributions   | 3,39,401         | —                 | —                 | —                 |
| Benefits paid   | (1,23,116)       | (51,260)          | —                 | —                 |
| Actuarial loss/ (gain)  | (15,546)         | —                 | —                 | —                 |
| <b>Fair value of plan assets at the year end</b>                                  | <b>15,22,398</b> | <b>12,12,272</b>  | <b>—</b>          | <b>—</b>          |

### 34. (a) Value of Imports calculated on CIF basis

| Particulars                          | As at 31.03.2016 | As at 31.03.2015 |
|--------------------------------------|------------------|------------------|
|                                      | Amount (in Rs.)  | Amount (in Rs.)  |
| CIF Value of Import (Stock-in-Trade) | 10,20,350/-      | 3,50,283/-       |

### (b) Earnings in Foreign Exchange

| Particulars                          | As at 31.03.2016 | As at 31.03.2015 |
|--------------------------------------|------------------|------------------|
|                                      | Amount (in Rs.)  | Amount (in Rs.)  |
| FOB Value of Export (Stock-in-Trade) | Nil              | 21,62,194/-      |

35. (a) In the absence of necessary information with the company, relating to the registration status of suppliers under the micro, small and medium enterprises development ACT, 2006, the information required under the said act could not be complied and disclosed.

(b) The Company has become the subsidiary company of VLS Capital Ltd. in the last year w.e.f. 03.02.2015. In terms of Section 19 of Companies Act, 2013 voting rights of shares, if any, held by subsidiary in Holding Company prior to becoming subsidiary stand frozen from the date it becomes subsidiary. The company holds 10,00,000 equity shares of Rs.10/- each of its holding company viz. VLS Capital Ltd., prior to the company became subsidiary of VLS Capital Ltd.

(c) Details of Investments made pursuant to requirements of Section 186(4) of the Companies Act, 2013 are given in Note No. 12.

36. Park receipts of Rs.50,59,960/- (PY Rs.49,79,905/-) is net off of entertainment tax of Rs.14,48,562/- (PY. Rs.7,96,518/-) & Service Tax of Rs.4,45,869/- (PY. Nil).

### 37. Purchases of stock-in-trade

| Particulars                  | As at 31.03.2016   | As at 31.03.2015   |
|------------------------------|--------------------|--------------------|
|                              | Amount (in Rs.)    | Amount (in Rs.)    |
| Lightning Protection Systems | 17,21,198/-        | 7,29,327/-         |
| Earthing Compound            | 27,97,659/-        | 25,56,855/-        |
| Others                       | 35,26,698/-        | 33,68,755/-        |
| <b>Total</b>                 | <b>80,45,555/-</b> | <b>66,54,937/-</b> |

38. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with current year's classification/disclosure.

As per our report of even date

**For Anil Pariek & Garg**

Chartered Accountants

FRN 01676C

**H. K. Pariek**

Partner

Membership No. 070250

**For & on behalf of the Board**

**T. B. Gupta**  
Managing Director  
DIN: 00106181

**P. K. Sharan**  
Director  
DIN:00107048

**S. C. Agarwal**  
Director  
DIN:00108493

**R.C. Pandey**  
Company Secretary  
PAN: AJRPP6072H

**S.P. Singh**  
Chief Financial Officer  
PAN:BMGPS6300E

Place: New Delhi

Date : 27/05/2016

## SOUTH ASIAN ENTERPRISES LTD.

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Amount (in Rs.)

|   | As at<br>31.03.2016 | As at<br>31.03.2015 |
|---|---------------------|---------------------|
| <b>A. Cash Flow from Operating Activities</b>                                 |                     |                     |
| Net Profit before Tax   | 23,53,233           | 29,86,942           |
| Adjustments for:-   |                     |                     |
| Dividend Income   | (3,871)             | (3,056)             |
| Depreciation  | 4,24,745            | 4,22,051            |
| Provision for Employee Benefits   | (79,059)            | 1,60,691            |
| Interest Income   | (1,181,654)         | (991,751)           |
| Finance Cost  | 1,06,310            | 53,164              |
|   | <u>(733,529)</u>    | <u>(358,901)</u>    |
| <b>Operating Profit before Working Capital Changes</b>                        | <b>16,19,704</b>    | <b>26,28,041</b>    |
| Adjustments for:  |                     |                     |
| Decrease/ (Increase) in Inventories   | (892,932)           | 5,85,394            |
| Increase/ (Decrease) in Trade Payables, other liabilities and provisions      | 4,66,893            | (1,313,120)         |
| Decrease/ (Increase) in Trade Receivables, loans & advances & other assets    | 28,61,996           | 16,56,272           |
|   | <u>24,35,957</u>    | <u>9,28,546</u>     |
| <b>Cash Generated from Operations</b>   | <b>40,55,661</b>    | <b>35,56,587</b>    |
| Tax paid  | (1,059,203)         | (713,587)           |
| <b>Net Cash Flow from Operating Activities</b>                                | <b>29,96,458</b>    | <b>28,43,000</b>    |
| <b>B. Cash Flow from Investing Activities</b>                                 |                     |                     |
| Additions in Fixed Assets   | (39,194)            | (73,060)            |
| Dividend Income   | 3,871               | 3,056               |
| Interest Received   | 11,81,654           | 9,91,751            |
| Investment in bank deposits (having original maturity for more than 3 months) | (4,454,019)         | (3,207,600)         |
| <b>Net Cash used in Investing Activities</b>                                  | <b>(3,307,688)</b>  | <b>(2,285,853)</b>  |
| <b>C. Cash Flow from Financing Activities</b>                                 |                     |                     |
| Proceeds from borrowing   | 5,62,004            | (450,334)           |
| Interest paid   | (106,310)           | (53,164)            |
| <b>Net Cash Flow from Financing Activities</b>                                | <b>4,55,694</b>     | <b>(503,498)</b>    |
| <b>Net increase/ (decrease) in Cash &amp; Cash Equivalents</b>                | <b>144,464</b>      | <b>53,649</b>       |
| <b>Cash &amp; Cash Equivalents at the beginning of the year</b>               | <b>6,80,121</b>     | <b>6,26,472</b>     |
| <b>Cash &amp; Cash Equivalents at the end of the year</b>                     | <b>5,35,657</b>     | <b>6,80,121</b>     |

**Note:**

1 The above Cash Flow Statement has been prepared under the 'Indirect Method' set out in the Accounting Standard 3 "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.

|                                       |                  |                  |
|---------------------------------------|------------------|------------------|
| 2 Cash & Cash Equivalents as above    | 5,35,657         | 6,80,121         |
| Other bank balances                   | <u>86,97,807</u> | <u>5,209,100</u> |
| Cash and Bank balances as per Note 17 | <u>92,33,464</u> | <u>5,889,221</u> |

As per our report of even date

**For Anil Pariek and Garg**

Chartered Accountants

FRN 01676C

**H. K. Pariek**

Partner

Membership No. 070250

**For & on behalf of the Board**

**T. B. Gupta**  
Managing Director  
DIN: 00106181

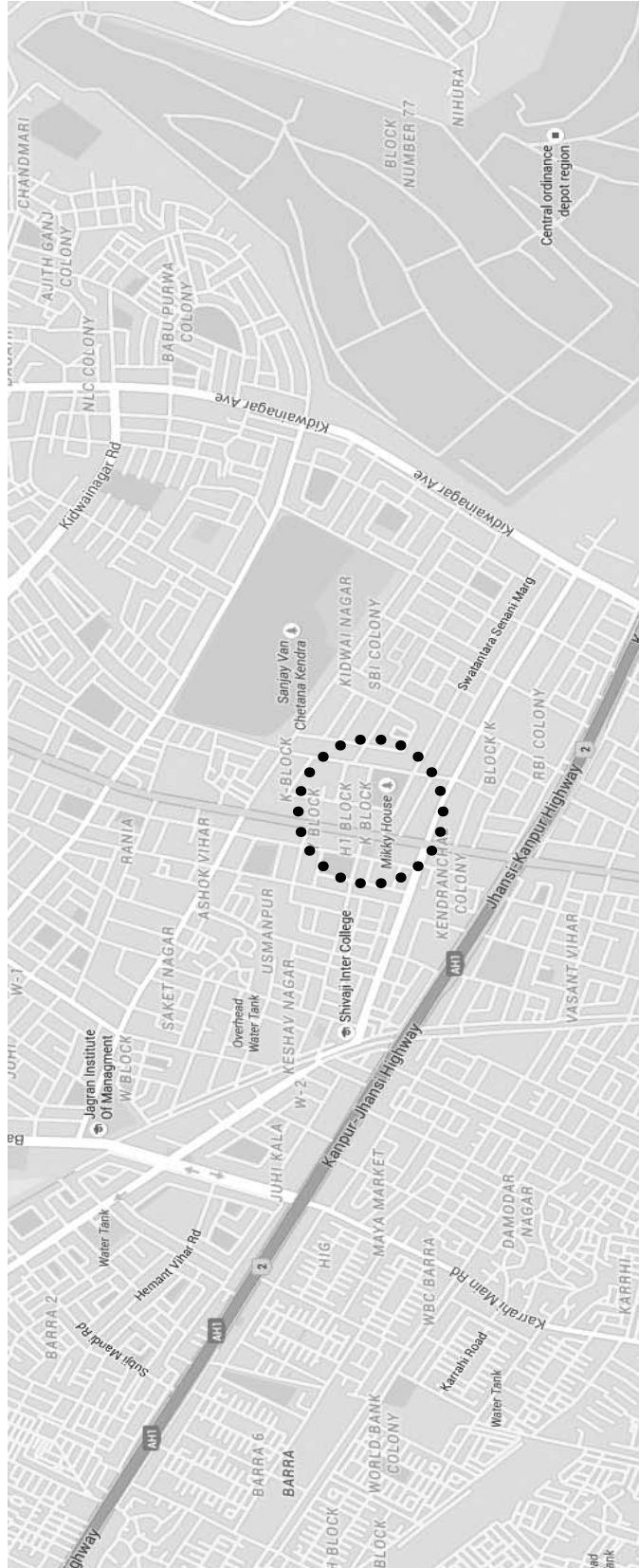
**P. K. Sharan**  
Director  
DIN:00107048

**S. C. Agarwal**  
Director  
DIN:00108493

**R.C. Pandey**  
Company Secretary  
PAN: AJRPP6072H

**S.P. Singh**  
Chief Financial Officer  
PAN:BMGPS6300E

Place: New Delhi  
Date : 27/05/2016



∴∴ Mikky House, K Block, Kidwai Nagar, Kanpur (U.P.)

# SOUTH ASIAN ENTERPRISES LIMITED

CIN: L91990UP1990PLC011753

Regd. Office: Mikky House, K-Block, Kidwai Nagar, Kanpur -208 011 (U.P.) Phone: 0512-2606859

Corporate Office: 2<sup>nd</sup> Floor, 13, Sant Nagar, East of Kailash, New Delhi-110065.

email: [southasianenterprises@gmail.com](mailto:southasianenterprises@gmail.com), website: [www.sael.co.in](http://www.sael.co.in), Phone: 011-46656666, FAX: 011-46656699

## ATTENDANCE CARD

Twenty Seventh Annual General Meeting  
Saturday, the 10<sup>th</sup> day of September, 2016

|  |  |
|--|--|
| NAME OF THE ATTENDING MEMBER(S)<br>(IN BLOCK LETTERS)  |  |
| * Folio No.  |  |
| DP ID  |  |
| Client ID  |  |
| No. of Shares Held   |  |
| NAME OF PROXY (IN BLOCK LETTERS,<br>TO BE FILLED IN IF THE PROXY ATTENDS<br>INSTEAD OF MEMBER) |  |

I hereby record my presence at the 27<sup>th</sup> Annual General Meeting of the Company at Mikky House, K-Block, Kidwai Nagar, Kanpur - 208 011 (U.P.) at 12.30 p.m. on Saturday, the 10<sup>th</sup> day of September, 2016.

\* Applicable in case of shares held in physical form.

\_\_\_\_\_  
Member/ Proxy Signature

### NOTES:

1. Member/Proxy wishing to attend the meeting must present this card duly filled in at the Entrance of the Venue.
2. No Gift/Coupon or equivalent will be given to members who are present in the meeting.
3. For convenience of members, persons other than member/proxy will not be allowed inside the Venue.

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**SOUTH ASIAN ENTERPRISES LIMITED**  
2nd Floor, 13, Sant Nagar, East of Kailash,  
New Delhi - 110 065 Ph. 011-4665 6666

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