

XX ANNUAL REPORT 2008-2009

SOUTH ASIAN ENTERPRISES LIMITED

REGISTERED OFFICE :

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

CORPORATE OFFICE :

2nd Floor,
13, Sant Nagar,
East of Kailash,
New Delhi-110 065

SHARE TRANSFER & INVESTOR SERVICES

RCMC Share Registry Pvt. Ltd.,
Unit: South Asian Enterprises Ltd.,
B-106, Sector-2, Noida,
U.P.-201301

SOUTH ASIAN ENTERPRISES LIMITED

TWENTIETH ANNUAL GENERAL MEETING
at Mikky House, K-Block Kidwai Nagar,
Kanpur - 208 011 (U.P.)
at 1.30 p.m.
on Wednesday, 2nd September, 2009

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

Our e-mail address :

For investor services : investordesk.sael@gmail.com
Other than above : southasianenterprises@gmail.com

BOARD OF DIRECTORS :

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

Chairman

Vice-Chairman & Managing Director

COMPANY SECRETARY

MS. POOJA GANDHI

Members are requested to take note of present address of Corporate Office of the Company as well as that of R&T agent for share transfer & investor related services.

EQUITY SHARES ARE LISTED AT :

THE BOMBAY STOCK EXCHANGE LTD.
PHIROZE JEEJEEBHAY TOWERS,
DALAL STREET,
MUMBAI-400 001

AUDITORS

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

BANKERS

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

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SOUTH ASIAN ENTERPRISES LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 20th Annual General Meeting of the Members of **SOUTH ASIAN ENTERPRISES LTD.** will be held at the Registered Office of the Company at Mikky House, K-Block, Kidwai Nagar, Kanpur-208 011 on Wednesday, the 2nd day of September, 2009 at 1.30 p.m. to transact the following business:-

ORDINARY BUSINESS:

- To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2009, the Profit & Loss Account for the year ended on that date together with the Reports of the Auditors and Directors thereon.
- To appoint a Director in place of Shri M. P. Mehrotra, who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Shri Gian Vijeshwar, who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Shri Rakesh Babbar, who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint the Auditors and to fix their remuneration and in this connection to consider and if thought fit, to pass following resolution, with or without modification(s), as an **Ordinary Resolution**:
***RESOLVED THAT** pursuant to the provisions of Section 224 and other applicable provisions of the Companies Act, 1956 M/s. Anil Pariek & Garg, Chartered Accountants, the present Statutory Auditors of the Company be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company and that the Board of Directors of the Company be and are hereby authorized to fix their remuneration."

SPECIAL BUSINESS:

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

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

***RESOLVED THAT** pursuant to the provisions of Sections 198, 269 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and pursuant to Article No.108 of the Articles of Association of the Company, consent of the Company be and is hereby accorded for re-appointment of Shri T. B. Gupta as Managing Director of the Company for a period of two years and eight months w.e.f. 30th January, 2009, on such remuneration and other terms and conditions as are expressed and contained in the agreement entered into for this purpose between the Company and the Managing Director.

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

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to take all necessary steps in this regard in order to comply with all the legal, procedural and other formalities and further to authorise any of its committee or any of its directors and/or any of the officer of Company to do all such acts, deeds or things to give effect to the aforesaid resolution."

*By Order of the Board
For South Asian Enterprises Ltd.
S. C. Agarwal
Director*

Place: New Delhi
Date: 16/07/2009

NOTES:-

- A member entitled to attend and vote is also entitled to appoint a proxy to attend and vote instead of himself/herself. The proxy need not be a member of the Company. The appointment of proxy in order to be effective must be lodged at the Registered Office of the Company not less than 48 hours before the commencement of the 20th Annual General Meeting in the form, enclosed hereto, duly filled and authenticated. A proxy may not vote except on a poll.
- The submission of form of proxy by a member does not preclude such member from attending and voting at the meeting. The proxy in such event shall not be eligible to attend the meeting. Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
- In case of joint holders attending the meeting, the vote of only such joint holder who is higher in the order of names will be counted and vote of other joint holders will be excluded. Corporate Members intending to send their authorized representative are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
- The Company has retained M/s. RCMC Share Registry Pvt. Ltd., ("Registrar & Transfer Agent") at B-16, Sector -2, Noida, U.P. 201301 (Phone Nos. 0120 - 4015880, 4015886) w.e.f. 01/04/2003 for entire shareholder services. All correspondence, therefore, may be addressed to the said Registrar & Transfer Agent. However, for any further assistance in said matters, queries may be addressed to the Company Secretary at Corporate Office at 2nd floor, 13, Sant Nagar, East of Kailash, New Delhi-110065. Phone No. 46656666 (5 lines), Fax: 46656629. Dedicated Investor Services e-mail: investor@desk.sael@gmail.com.
- SEBI vide circular ref. no. MRD/DoP/Cir-05/2009 dated May 20, 2009 had clarified that providing the PAN information will be mandatory for transactions in securities in physical form as well. Amongst others, all transactions involving transfer of shares in physical form of listed companies, whether off market or not will require copy of PAN card of transferee(s) be furnished to the Company/RTAs for transfer of shares. This is for information of all investors.
- The shares of the Company are being traded in Demat segment only, w.e.f. 24th July, 2000. The ISIN No. allotted to Company is **INE118B01010** for both the Depositories viz. The National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).
- Members, who are holding shares in identical order of names in more than one Folio, are requested to write to the 'Registrar & Transfer Agent' of the Company or the Company at its Corporate Office, to enable the Company to consolidate their holding under one Folio. Members can avail the facility of nomination in respect of shares held by them in physical form in accordance with the provisions of Section 109A of the Companies Act, 1956. Members desiring to avail of this facility may send their nomination in prescribed form No. 2B, duly filled in, to the 'Registrar & Transfer Agent' of Company. Members are also requested to intimate change in address, if any, to the Company's 'Registrar & Transfer Agent' or to the Company at its Corporate Office for shares held in physical mode. Members holding shares in Demat (Electronic) form are requested to notify any change in address, mandate/bank details/nominations to their Depository Participants.
- The Register of Members of the Company shall remain closed from 26th August, 2009 to 2nd September, 2009 (both days inclusive).
- All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all days between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting, except on Saturdays, Sundays and other Holidays.
- Member/Proxies are requested to bring their copies of the Annual Report to the meeting. As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting.
- The unclaimed & unpaid dividend upto financial year 1994-95 had been transferred to General Revenue Account of Central government and can be claimed from Central Government, through Registrar of Companies, U. P. & Uttarakhnad. The unclaimed & unpaid dividend for the period from 1995-96 to 1997-98 was transferred in time, to the Investor Education and Protection Fund (IEPF) of central government in accordance with section 205A and 205C of the Companies Act, 1956. Since no dividend had been declared for the year 1998-99 and in subsequent years till date, hence no unclaimed & unpaid dividend remains to be transferred to IEPF.

12. Information regarding Directors retiring by rotation and seeking re-appointment:

(A)

S. No.	Name of the Director	Date of Birth	Date of Appointment	Qualifications and Expertise in specific functional areas	List of Companies in which Directorship held as on 16/07/2009.	Chairman/Member of the committees of other companies as on 16/07/2009	Whether qualified as 74(1) (g) of the Companies Act, 1956
1	Shri M. P. Mehrotra	26/09/1937	30/05/2007	B. Com., LL.B., FCA. He is a Chartered Accountant by profession and a Law graduate with over 45 years of rich experience in areas of taxation, administration and financial services.	a) Empee Distilleries Ltd. b) VLS Capital Ltd. c) Gaurav Overseas Export Pvt. Ltd. d) Pragati Moulders Ltd. e) Champur Sugar Mills Ltd. f) India Securities Ltd. g) Empee Sugars & Chemicals Ltd. h) VLS Finance Ltd. i) Deltan Cables Ltd. j) Maan Infrazon Pvt. Ltd. k) Moon Rock Hospitality Pvt. Ltd.	i) Audit Committee-Member ii) Audit Committee-Chairman iii) Remuneration Committee-Chairman iv) Audit Committee-Chairman v) Audit Committee-Monitor vi) Nomination Committee-Member	Yes
2	Shri Gian Vijeshwar	02/03/1945	30/01/2007	M.A. (Public Administration). He is an eminent figure in Indian amusement industry and had pioneered in establishment of amusement parks in India, the first being Aggar Ghar in Delhi. He has over 40 years of rich experience in general management, financial administration and project management.	a) International Amusement Ltd. b) International Recreation Parks Pvt. Ltd. c) United Amusement Parks Ltd. d) Aggar Ghar Entertainment Pvt. Ltd. e) Aggar Ghar Holdings Pvt. Ltd. f) Aggar Ghar Recreation Parks Pvt. Ltd. g) Aggar Ghar Securities & Solutions Pvt. Ltd. h) International Amusement Solutions Ltd. i) Onus Infrastructures & Developers Pvt. Ltd. j) GROW Corporate Solutions Pvt. Ltd. k) D.B. Holding Pvt. Ltd. l) International Commodities Traders Pvt. Ltd. m) International Amusement & Infrastructures Ltd. n) VLS Capital Ltd. o) VLS Finance Ltd. p) GK Games-Member	a) Share Application Committee-Chairman b) Share Allocation Committee-Chairman c) Share Transfer Committee-Chairman d) Audit Committee-Chairman e) International Recreation Parks Pvt. Ltd. f) United Amusement Parks Ltd. g) Aggar Ghar Entertainment Pvt. Ltd. h) Aggar Ghar Holdings Pvt. Ltd. i) Aggar Ghar Recreation Parks Pvt. Ltd. j) Aggar Ghar Securities & Solutions Pvt. Ltd. k) International Amusement Solutions Ltd. l) Onus Infrastructures & Developers Pvt. Ltd. m) Vision Distribution Pvt. Ltd. n) International Amusement & Infrastructures Ltd. o) VLS Capital Ltd. p) VLS Finance Ltd. q) Aggar Ghar Build Tech & Infrastructures Pvt. Ltd. r) Team Builders Pvt. Ltd.	Yes
3	Shri Rakesh Babbar	03/07/1955	30/01/2007	B. Com. He is a well known personality in amusement industry with about two decades of rich managerial experience in running amusement parks in India.	a) International Amusement Ltd. b) International Recreation Parks Pvt. Ltd. c) United Amusement Parks Ltd. d) Aggar Ghar Entertainment Pvt. Ltd. e) Aggar Ghar Holdings Pvt. Ltd. f) Aggar Ghar Recreation Parks Pvt. Ltd. g) Aggar Ghar Securities & Solutions Pvt. Ltd. h) International Amusement Solutions Ltd. i) Onus Infrastructures & Developers Pvt. Ltd. j) Vision Distribution Pvt. Ltd. k) International Amusement & Infrastructures Ltd. l) VLS Capital Ltd. m) VLS Finance Ltd. n) Aggar Ghar Build Tech & Infrastructures Pvt. Ltd. o) Team Builders Pvt. Ltd.	a) Share Application Committee-Member b) Share Allocation Committee-Member c) Share Transfer Committee-Member d) Audit Committee-Member e) Remuneration Committee-Chairman f) International Recreation Parks Pvt. Ltd. g) United Amusement Parks Ltd. h) Aggar Ghar Entertainment Pvt. Ltd. i) Aggar Ghar Holdings Pvt. Ltd. j) Aggar Ghar Recreation Parks Pvt. Ltd. k) Aggar Ghar Securities & Solutions Pvt. Ltd. l) International Amusement Solutions Ltd. m) Onus Infrastructures & Developers Pvt. Ltd. n) Vision Distribution Pvt. Ltd. o) International Amusement & Infrastructures Ltd. p) VLS Capital Ltd. q) VLS Finance Ltd. r) Aggar Ghar Build Tech & Infrastructures Pvt. Ltd. s) Team Builders Pvt. Ltd.	Yes

(B) Shareholding of above stated Directors (As on 16-07-2009):

S.No.	Name of Directors	No. of Equity Shares held in the Company	Percentage of voting capital
1)	Shri M. P. Mehrotra	6510	0.163
2)	Shri Gian Vijeshwar	NI	NI
	Shri Rakesh Babbar	NI	NI

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

ITEM NO. 6:

The Board had re-appointed Shri T. B. Gupta as the Managing Director of the Company on 23/01/2009 for Two years and eight months w.e.f. 30/01/2009 since his term was upto 28/01/2009. He is M.Tech. from IIT, Kharagpur. He has over 45 years of experience in Electrical & Amusement industry, securities market and financial services and has held senior positions with various public and private sector undertakings. He has been associated with the Company since the very beginning and was Managing Director till October 1999. Shri T.B. Gupta is also the Executive Director of VLS Capital Ltd. and continues to hold that position. He is on the board of VLS Securities Ltd., VLS Investments Ltd. and Arun (New Delhi) Pvt. Ltd.

Shri T.B. Gupta's re-appointment as Managing Director w.e.f. 30/01/2009 was made in accordance with the conditions specified in Part I of Schedule XIII and the remuneration payable is within the ceilings laid down in Part II thereof and the requirements of Part III thereof are being complied with. The total remuneration of Shri T. B. Gupta i.e. including remuneration drawn from VLS Capital Ltd. is also within the limits prescribed in Schedule XIII of the Companies Act, 1956. The term of Shri T. B. Gupta as Managing Director will expire on 29/09/2011. The abstract of agreement with Shri T.B. Gupta pursuant to provisions of section 302 of the Companies Act 1956, had already been sent to the members on 05/02/2009.

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

- Period of agreement: 2 (Two) years and 8 (Eight) months w.e.f. 30th January, 2009.
- Salary: A salary of Rs.20000/- (Rupees Twenty Thousand only) per month.
- Perquisites: In addition to the aforesaid salary, no perquisites shall be paid to the Managing Director.
- Remuneration: Besides the above, the Managing Director shall be entitled to the reimbursement of out of pocket expenses incurred for performance of his official duties.
- Sitting Fees: The Managing Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or Committee thereof.

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

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

The re-appointment of Shri T. B. Gupta as Managing Director on the terms and conditions as set out in the agreement entered into between Shri T. B. Gupta and the Company is subject to the approval of the members. The Board recommends his appointment as set out in Item no. 6 of the accompanying Notice.

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

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

*By Order of the Board
For South Asian Enterprises Ltd.
S. C. Agarwal
Director*

Place : New Delhi
Date : 16/07/2009

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present the Twentieth Annual Report of your Company with the Audited Statement of Accounts for the year ended 31st March, 2009.

1. Financial Results	(Rs. in Lacs)	
	For the year ended 31st March, 2009	For the year ended 31st March, 2008
Total Income	162.85	53.69
Total Expenditure	125.09	59.79
Interest	0.00	0.00
Gross Profit/(loss)	37.76	(6.10)
Depreciation	32.92	18.25
Provision for taxation (Net)	(5.71)	(6.90)
Other provisions	(8.15)	0.00
Net Profit after tax	18.70	(17.45)
Paid up Equity Share Capital (excluding calls in arrears)	399.90	399.90
Reserves, excluding revaluation reserve	804.91	785.71
Earnings per share (Rs.)	0.47	(0.44)

2. Management Discussion and Analysis

Financial Review

Your Company recorded a total income of Rs.162.85 lacs during the year under review compared to previous year's figure of Rs. 53.69 lacs. The Company has posted a net profit of Rs. 18.70 lacs as against the loss of Rs. 17.45 lacs in the previous year. The marketing of earthing products and execution of contracts for earthing and lightning protection systems have made a significant contribution in the total revenue of the Company. The Company has made good progress in this segment and incoming years will witness better results.

The revenue from amusement parks continued to get the hit due to extreme weather conditions. The slow down of Indian economy particularly in Uttar Pradesh where Company's amusement parks are located, coupled with negativity in perception about future due to recessionary trends, also perhaps, added to reduction in foot falls in amusement parks. The Company is working on some stimulus packages to increase the revenue though the perception of common man and available disposable income in its hands shall remain the key factor.

Industry Structure and Development

During the year under review, the general slow down in Indian economy coupled with global recessionary trend had its impact on amusement industry at large. In spite of the growing interest of masses towards Malls, multiplexes and amusement parks with latest gadgetry in rides, the subdued spending outlay of common man on amusement indicates cautionary attitude for this activity. In spite of such odds the outlook for the sector is encouraging with investments being made in the form of theme parks, water parks, family entertainment centers, multiplexes, interactive arcades, food bazaar and sports zones. Your Company intends to make out the best out of opportunities available vis-à-vis the means at its disposal and the available options are being examined.

Outlook, risks and concerns

Due to rise in per capita income, the spending on amusement in India has risen significantly as compared to last decade. To retain the attraction of amusement park and increase the footfalls, both disposable income per person and constant innovation whether by inducting new rides or promotional programs etc. are equally important. The increased cost due to need for continuous innovation, maintenance expenditure and the stiff competition from other sources of entertainment have put profit margins of the industry under pressure. Further, imposition of 30% entertainment tax on amusement parks by the government of Uttar Pradesh in February 2009 will add to the pressure on operating margins because the consequent increase in entry fee is not commercially viable. Your Company already operates on thin margins as it needs to constantly upgrade itself by introduction of new features and rides. But the high cost of rides and low revenue inflow from parks pose additional challenge in this regard. Further, due to relatively low per capita income in the regions where your company operate amusement parks, entry costs have to be kept low to keep the parks within the reach of masses that has further stressed the cash flows. Your Company is monitoring the situation closely and is exploring other viable sources of entertainment. The electrical engineering segment viz. Earthing and lightning protection systems business has responded well as the Company has executed orders to the customers' satisfaction including for some government departments. The power plants, electronics and other hi-tech centers where earthing is significantly important are target customers of Company apart from high rise buildings, hotels and residential units. The management is going full thrust to explore all possible areas in order to establish strong foothold in this arena.

Opportunities and threats

Your Company foresees good potential in the amusement sector with further encouragement from the government by providing the right support and enabling facilities. It is perceived that by providing substantial entertainment tax relief and acknowledgement of amusement industry as a vital part of social infrastructure would go a long way in enhancing revenues. The Company is exposed to normal industry risks attributable to respective segments. In order to meet the challenge of sustaining itself in spite of thinning of margins in amusement segment, the strategy is to focus on increasing the volume of visitors, exploring avenues for diversification and accordingly measures are being developed/implemented. In electrical engineering segment, the Company uses the latest technology for earthing and lightning protection installations which are proven to give better results as compared to traditional techniques. However, due to relatively higher cost and lack of awareness about said technology in target clients, there is tough competition. To meet the challenge, the Company aims not only to educate or spread awareness about its product but also secure credentials from its clients about its performance.

Adequacy of Internal Control Systems

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

The Audit Committee reviews the internal control mechanisms periodically.

Segment wise Performance

The Company's recent venture of dealing in earthing materials and lightning protection systems

in the electrical engineering segment has been categorised under the head "Trading" for the purpose of segment reporting in the Annual Accounts for the year under review. Similarly, other income has been categorised under the head "Others". Segment wise, the Amusement Parks generated a revenue of Rs. 41.97 Lacs and the Trading segment's revenue amounted to Rs. 32.03 lacs during the year under review. The other income accounted for Rs. 88.85 lacs. The segment of Amusement Parks incurred a loss of Rs. 93.02 lacs. However, the profit from Trading segment of Rs. 9.00 lacs coupled with other segment's profit of Rs. 88.85 lacs culminated into net profit of Rs. 4.83 lacs. Keeping in view the encouraging results from Trading segment, in the current year, your Board is hopeful of better performance.

Human Resources

The relationship with employees continued to be cordial during the year. The Directors place on record their sincere appreciation to the employees at all levels. In terms of the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, there was no employee during the year drawing remuneration more than the stipulated amount in the said rules. The Company has a team of able and experienced industry professionals. The number of employees on the Company's rolls stood at 41.

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 security laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that would make a difference to the Company's operations include changes in government regulations, tax regimes, economic developments within the country and abroad and such other factors.

3. Dividend

In order to conserve resources, no dividend is recommended.

4. Directors

Shri Priya Brat was appointed as Director by the Board on 23/01/2009 in the casual vacancy caused by sad demise of Shri A. R. Gangal. As per provision of section 262 of the Companies Act, 1956 Shri Priya Brat will hold office upto the date Shri A. R. Gangal would have held it. Accordingly the tenure of Shri Priya Brat will end on conclusion of Annual General Meeting to be held in the year 2010.

Shri T.B. Gupta was reappointed as Managing Director of the Company on 23/01/2009 w.e.f. 30/01/2009 for a period of two years and eight months subject to approval of members. The item relating to re-appointment of Shri T. B. Gupta as Managing Director is set out in the notice convening the ensuing Annual General Meeting together with requisite information. Your directors recommend appointment of Shri T. B. Gupta as Managing Director.

Shri M. P. Mehrotra, Shri Gian Vjeshwar and Shri Rakesh Babbar - Directors, will retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment. To enable the Company to obtain their continued valuable direction, guidance and assistance in the conduct of the affairs of your Company, the Board recommends their reappointment.

5. Directors' Responsibility Statement

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

- that in the preparation of the annual accounts for the financial year ended 31st March, 2009, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- that they have taken proper and sufficient care for the maintenance of proper accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- that they have prepared the annual accounts for the financial year ended 31st March, 2009 on a going concern basis.

6. Corporate Governance and Compliance Certificate

As the equity shares of the Company are listed with BSE, in terms of clause 49 of the listing agreement with Stock Exchange, compliance report along with the Auditors' Certificate is provided in the Corporate Governance section of this Report as Annexure -1. In line with the requirements of clause 49 of listing agreement, the management discussion and analysis is also provided in this Report.

7. Auditors

The tenure of the Statutory Auditors, M/s. Anil Pariek & Garg, Chartered Accountants, will end at the forthcoming Annual General Meeting scheduled to be held on 2nd September, 2009. The Company has received a Certificate from the Auditors that they are qualified under Section 224 (1B) of the Companies Act, 1956 to act as the Auditors of the Company, if appointed.

The Audit Committee in its meeting held on 29th May, 2009 had recommended the re-appointment of M/s. Anil Pariek & Garg, Chartered Accountants, as Statutory Auditors for the next term. The Board, concurring with the Audit Committee's recommendation, recommends their reappointment as the Statutory Auditors of the Company. The Board may also be authorised to fix their remuneration.

8. Auditors' Report

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

9. Listing

The shares of the Company are listed only at the Bombay Stock Exchange, Mumbai. The Company has paid the Annual Listing fees for the financial year 2009-2010 to the said Exchange.

10. Statutory Information

The information as required under the Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 with respect to Conservation of Energy and Technology Absorption is enclosed as Annexure-2 and forms part of this report.

SOUTH ASIAN ENTERPRISES LIMITED

11. Fixed Deposits

The Company has neither held, nor accepted any fixed deposit, during the year under review. Also, the Company has no plans to accept any deposits in future.

12. Subsidiary Company

There being no subsidiary of the Company, no statement pursuant to Section 212 (1)(e) read with sub-section (3) of the said section of the Companies Act, 1956 for the Financial year 2008-2009 is required to be enclosed.

13. Consolidated Financial Statements

As stated above, there is no subsidiary of the Company, so there is no need of Consolidation of accounts.

14. Group

Group for inter se transfer of shares under Clause 3 (e) of Securities & Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 1997:

- | | |
|--|---------------------------------------|
| a. Shri M. P. Mehrotra | b. Dr. (Mrs.) Sushma Mehrotra |
| c. Shri Somesh Mehrotra | d. Ms. Divya Mehrotra |
| e. Mrs. Sadhana Mehrotra | f. Ms. Daya Mehrotra |
| g. Shri Ramji Mehrotra | h. Mrs. Sushma Mehrotra |
| i. VLS Capital Ltd. | j. Gaurav Overseas Exports Pvt. Ltd. |
| k. Needle Eye Plastic Industries Pvt. Ltd. | l. Pragati Moulders Ltd. |
| m. M. P. Mehrotra (HUF) | n. VLS Finance Ltd. |
| o. VLS Securities Ltd. | p. VLS Investments Ltd. |
| q. VLS Asset Management Ltd. | r. VLS Investments INC, Delaware USA. |

15. Acknowledgement

Your Directors wish to express their sincere appreciation and gratitude to the Company's bankers, Kanpur Nagar Mahapalika, Ayodhya Faizabad Vikas Pradhikaran, 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 : 16/07/2009
Place : New Delhi

P. K. Sharan
Director

T.B. Gupta
Vice-Chairman &
Managing Director

Annexure-1

REPORT ON CORPORATE GOVERNANCE

CORPORATE PHILOSOPHY

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

1. BOARD OF DIRECTORS

- a) The present strength of the Board is 12 Directors, comprising of 1 (One) Promoter Director, 8 (Eight) Independent Directors and 3 (Three) Non-Independent Directors headed by a Non-Executive Chairman who is an independent Director. All the Directors except the Managing Director are Non- Executive. With two third of the Board members being independent Directors, the present constitution of Board adequately complies with requirement of Clause-49 of Listing agreement, which stipulates that at least one third of the Board Members should be independent if the Chairman is Non-Executive director.

S. No.	Name of the Director	Whether Promoter, Executive or Non-Executive/Independent	No. of Board Meetings attended during 2008-2009	Whether attended AGM held on 12/09/2008	No. of Directorships in other Public Limited Companies	No. of Committee Position held in other Public Limited Company \$	
						Chairman	Member
1.	Dr. B. Venkataraman Chairman	Non-Executive, Independent	3	NO	2	1	2
2.	Shri T.B. Gupta Vice-Chairman & Managing Director	Executive Non-Independent	4	NO	3	-	1
3.	Shri S.V.S. Juneja	Non-Executive, Independent	4	NO	-	-	-
4.	Shri P.K. Sharan	Non-Executive, Independent	4	NO	1	-	-
5.	Dr. S. Ramesh	Non-Executive, Independent	4	NO	3	1	2
6.	Shri Priya Brat (w.e.f. 23/01/2009)	Non-Executive, Independent	1	NO	3	2	3
7.	Shri R. K. Goswami	Non-Executive, Independent	4	NO	1	-	-
8.	Shri K. K. Soni	Non-Executive, Non-Independent	1	NO	4	-	1
9.	Shri S. C. Agarwal	Non-Executive, Non-Independent	1	YES	2	-	1
10.	Shri Gian Vijeshwar	Non-Executive, Independent	0	NO	6	2	-
11.	Shri Rakesh Babbar	Non-Executive, Independent	0	NO	6	0	2
12.	Shri M. P. Mehrotra	Non-Executive, Promoter	3	NO	8	3	2

\$ Memberships of only Audit Committee and Shareholders/Investor Grievance Committee have been considered.

None of the directors is member of more than 10 Board-level committees, or a Chairman of more than five such committees, as required under Clause 49 of the listing agreement.

- b) During the year ended on 31/03/2009, 4 (Four) Board Meetings were held with at least

one meeting in every quarter i.e., on 28/05/2008, 30/07/2008, 23/10/2008 and 23/01/2009.

- c) The information regarding pecuniary transaction or relationship with the non-executive Directors have been disclosed in Annual Accounts for the year under review in 'Clause 2 (ii)' under the head "Related Party Disclosure" stated in Notes to Accounts (Schedule 11).

- d) Information supplied to the Board:

The Board has unfettered and complete access to all information within the Company and to any employee of the Company. The Board of Directors oversees the business conduct and continuously examines its governance practices to protect investor trust and enhance Board's effectiveness. Further, Agenda for Board meetings is circulated well in advance to all the directors and every Board member is free to suggest items for inclusion in the Agenda.

All relevant information including those envisaged in Clause 49 of Listing Agreement was regularly provided to the Board and Committees thereof. The requisite CEO and CFO certification was also placed before the Board along with the annual accounts for the year under review as required under Clause 49 of Listing Agreement. The day-to-day affairs of the Company are managed by Shri T.B. Gupta, Vice-Chairman & Managing Director.

- e) Statement of Directors' Remuneration paid during the year ended on 31/03/2009:

Name of the Directors	Salary (in Rs.)	Perquisites (in Rs.)	Sitting fee (in Rs.)	Commissions (in Rs.)	Total (in Rs.)
Dr.B. Venkataraman	N.A.	N.A.	10,000	N.A.	10,000
Shri S. V. S. Juneja	N.A.	N.A.	14,000	N.A.	14,000
Shri P. K. Sharan	N.A.	N.A.	22,000	N.A.	22,000
Shri T. B. Gupta	2,40,000	NIL	NIL	N.A.	2,40,000
Dr. S. Ramesh	N.A.	N.A.	20,000	N.A.	20,000
Shri Priya Brat	N.A.	N.A.	4,000	N.A.	4,000
Shri R. K. Goswami	N.A.	N.A.	22,000	N.A.	22,000
Shri K. K. Soni	N.A.	N.A.	NIL	N.A.	NIL
Shri S. C. Agarwal	N.A.	N.A.	NIL	N.A.	NIL
Shri Gian Vijeshwar	N.A.	N.A.	NIL	N.A.	NIL
Shri Rakesh Babbar	N.A.	N.A.	NIL	N.A.	NIL
Shri M. P. Mehrotra	N.A.	N.A.	8,000	N.A.	8,000

Notes:

- Currently, the Company does not have any stock option scheme.
- No other remuneration, except sitting fee is paid to Non-Executive Directors.
- Dr. B. Venkataraman (together with spouse) and Shri M. P. Mehrotra held 600 and 6510 equity shares of the Company respectively as on 31.3.2009. No other Director held any shares of the Company on that date.
- The service contract in case of Executive Director is 2 years and 8 months with notice period of one month. All the Non-Executive Directors are liable to retire by rotation.

- f) Code of Conduct:

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

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

As provided under Clause 49 of Listing Agreement with the Stock Exchanges, the Board of Directors and the senior management personnel have confirmed compliance with the code of conduct for the period under review, which ended on 31/03/2009.

Date : 16/07/2009

Place : New Delhi

T. B. Gupta
Vice-Chairman and Managing Director

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

Shri M. P. Mehrotra, Shri Gian Vijeshwar and Shri Rakesh Babbar - Directors will retire by rotation at the forthcoming Annual General Meeting and being eligible have offered themselves for reappointment. The profile of directors proposed to be reappointed at ensuing Annual General Meeting is given in the notes forming part of notice of forthcoming Annual General Meeting.

Shri Priya Brat was appointed as Director by the Board on 23/01/2009 in casual vacancy caused by demise of Shri A. R. Gangal and will hold office up to the date till which Shri A. R. Gangal would have held it in terms of Section 262 of the Companies Act, 1956. Accordingly, the term of Shri Priya Brat shall be upto the end of Annual General Meeting to be held in the year 2010.

2. AUDIT COMMITTEE

a) Composition

There was no change in constitution of Audit Committee during the year under review. The Audit Committee has Shri P. K. Sharan as Chairman of the Committee with Shri R. K. Goswami, Shri K. K. Soni and Dr. S. Ramesh as the members of the Committee.

Shri P.K. Sharan, IRS (Retd.), is a tax expert, Shri K. K. Soni is qualified Chartered Accountant & Company Secretary and Shri R. K. Goswami is retired banker. They possess rich financial management expertise as envisaged in Clause 49 of listing agreement. Dr. S. Ramesh is a retired IAS officer and has adequate knowledge of financial matters.

b) Terms of reference

The role, terms of reference, authority and powers of the Audit Committee are in conformity with Clause 49 of the listing agreement read with Section 292A of the Companies Act, 1956. The Company Secretary is the Secretary of the Committee. The Statutory Auditor is regularly invited for meetings of Audit Committee. The Internal Auditor, the Chief Executive i.e. the Managing Director and the functional head of Finance department are also invited to its meetings, whenever required. The Board had accepted all the recommendations made by Audit Committee for appropriate implementation during the year under review.

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

c) Meetings and attendance

During the year ended on 31/03/2009, 4 (Four) Audit Committee Meetings were held on 28/05/2008, 30/07/2008, 23/10/2008 and 23/01/2009. The summary of attendance of members is as under:

Name	Shri R.K. Goswami	Shri P.K. Sharan	Dr. S. Ramesh	Shri K.K. Soni
No of Meetings attended	4	4	4	2

3. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

a) Composition and terms of reference

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

The Committee is vested with the requisite powers and authority in accordance with the requirements of Listing Agreement and apart from approval of share transfer and related aspects, it specifically looks into the redressal of the shareholders and investors' grievances. Ms. Pooja Gandhi - Company Secretary is designated as the Compliance Officer for this purpose and is secretary of committee.

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

b) Meetings and attendance

During the year ended on 31/03/2009, 11 (Eleven), meetings of Shareholders/ Investors Grievance Committee were held i.e. on 30/04/2008, 21/05/2008, 23/06/2008, 24/07/2008, 30/08/2008, 06/09/2008, 06/10/2008, 22/10/2008, 22/01/2009, 24/02/2009 and 24/03/2009. Details of attendance of Members are as under:

Name	Shri P.K. Sharan	Shri S. V. S. Juneja	Shri T. B. Gupta
No of Meetings attended	11	11	11

c) Shareholder's Complaints

The Company received Two complaints during the financial year ended 31st March, 2009 that were promptly resolved.

All other communications received through SEBI, Stock Exchange or members during the year, were duly replied and none remained outstanding at the end of the year under report.

Nature of Complaints**	Received	Redressed
Non-receipt of Dividend	0	0
Non-receipt of shares after transfer	1	1
Non-receipt of Annual Report	0	0
Non-receipt of Name change sticker	0	0
Non-receipt of share certificate after rejection of Demat request	1	1
Processing of Demat request	0	0
Total	2	2

** For the purpose of reporting here, the complaint received from multiple sources e.g. from SEBI, Stock Exchange etc. are treated as single complaint but a complaint, if sent again by SEBI/ Stock Exchange the same is treated as fresh complaint.

General correspondence e.g. change of address, enquiry on dividend for the year, ISIN No. of the Company etc. have been excluded from above.

4. GENERAL BODY MEETINGS

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

Financial year ended	Date	Time	Venue
March 31, 2008	September 12, 2008	1.30 p.m.	Mikky House, K-Block Kidwai Nagar, Kanpur (U.P.)
March 31, 2007	September 24, 2007	1.30 p.m.	Mikky House, K-Block Kidwai Nagar, Kanpur (U.P.)
March 31, 2006	September 29, 2006	1.30 p.m.	Mikky House, K-Block Kidwai Nagar, Kanpur (U.P.)

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

There were no matters required to be dealt/passed by the Company by special resolution or through postal ballot during the financial years 2005-2006 and 2007-2008. In the year 2006-2007, special resolution was passed in terms of section 149(2A) of the Companies Act, 1956 for commencement of business stated in clause no. 4, 5 and 6 of the other objects in the objects clause of Memorandum of Association of Company.

c) Postal Ballots:

No item was transacted through the process of postal Ballot during the year under review and no item is proposed to be passed through postal ballot in the ensuing Annual General Meeting.

5. DISCLOSURES

a) Related party transactions

There were no transactions with promoters, Directors and related persons, which were materially significant, having conflict with the interest of Company at large, during the financial year under review. However, in compliance of AS-18, necessary disclosure of related party transaction has been made in Audited Financial Accounts for the year under review under the head "Notes on Accounts".

b) Statutory compliance, penalties, strictures and Legal proceedings

The Company has complied with all the requirements of Stock Exchanges, SEBI and

other statutory authorities on all matters related to capital markets and no penalties or strictures have been imposed on the Company during the last three years.

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

c) Whistle blower policy

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

d) Compliance of Non Mandatory requirements

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

ii. Remuneration Committee:

The Remuneration Committee was constituted primarily to formulate the remuneration package for managerial personnel including Executive Director for approval of the Board. However, it also discharges such assignments as may be given by the Board from time to time. In accordance with terms of Schedule XIII of the Companies Act, 1956 read with Clause 49 of the listing agreement, the Remuneration Committee should have at least three directors all being non-executive and independent and the Chairman being an independent Director. The Remuneration Committee as on 01/04/2009 had Shri S.V.S. Juneja, Shri P.K. Sharan, Shri R. K. Goswami and Shri S. C. Agarwal with Shri S. V. S. Juneja as Chairman of the Committee. The Company Secretary is secretary designated for the Committee. On 23/01/2009 a meeting of committee was held to recommend the remuneration package for Shri T. B. Gupta who was proposed to be re-appointed as Managing Director. The meeting was attended by all the members. The committee recommended the same remuneration as was being paid to Shri T. B. Gupta for next term, as well. The recommendation of the Committee was accepted by the Board.

iii. The periodic results were not sent to every shareholder. However, they have been published in newspapers as prescribed in the listing agreement and posted on website www.sebidifar.nic.in in terms of Clause -51 of listing agreement.

iv. The Board has so far not adopted Peer group evaluation of Directors and restricting the tenure of Independent Directors to nine years in aggregate. Your Directors being seasoned and highly experienced personalities in their field, keep themselves abreast of latest developments in their area of expertise and in the area of technology, management etc. However, the Directors are also kept abreast of requisite information about business activities of the Company and risks involved therein to enable the Directors to discharge their responsibilities in best possible manner.

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

6. COMMUNICATION TO SHAREHOLDERS

a) The Company does not send newsletter to shareholders on quarterly or half yearly basis. The Company publishes un-audited quarterly results in prescribed format and other information in The Pioneer (in English) and Swatantra Bharat (vernacular language).

b) The Management discussion and analysis forms part of Annual Report for year under review. The Company, however, assumes no responsibility in respect of forward looking statements, which may be amended or modified in future on the basis of subsequent developments or events.

c) The Company does not maintain its website. However, the quarterly/ Annual results of Company and other information as prescribed are posted regularly at www.sebidifar.nic.in, the website maintained under the aegis of The Securities & Exchange Board of India. Further, any disclosures pursuant to the listing agreement are promptly communicated to the concerned Stock Exchange. The documents filed by the Company with Registrar of Companies can be inspected at MCA's website namely www.mca.gov.in and the Company identification number (CIN) of Company is L91990UP1990PLC011753.

d) The Company also dedicated an e-mail ID exclusively for redressal of Investor Complaints in compliance of Clause 47 (f) of listing agreement namely www.investordesk.sael@gmail.com.

e) The Company did not make any presentation to the institutional investors or the analysts during the year under review.

7. SHAREHOLDERS INFORMATION

a) Annual General Meeting:

- **Date and Time** : Wednesday, 2nd September 2009 at 1.30 p.m.
- **Venue** : Mikky House, K- Block, Kidwai Nagar, Kanpur-208011 (U.P.)
- **Financial Year** : April to March
- **Date of Book Closure** : From 26/08/2009 to 02/09/2009 (both days inclusive)
- **Buy back of shares** : There was no proposal for buy back of shares by the Company, during the year under review.
- **Dividend Payment Date** : Not applicable as no dividend has been recommended by the Board.

b) Listing at Stock Exchanges:

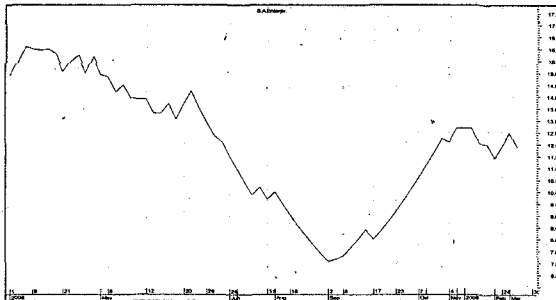
The Company's equity shares are listed at The Bombay Stock Exchange Ltd., Mumbai, (Stock Code-526477). Listing fees has been paid up to the financial year 2009-10.

SOUTH ASIAN ENTERPRISES LIMITED

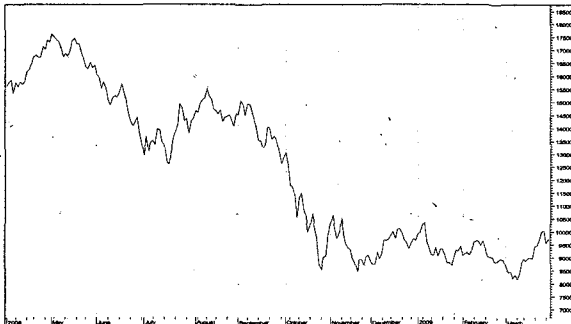
c) Stock Market data related to shares listed in India: (Source: Metastock)
Monthly highs, lows and trading volume for Financial Year 2008-2009

The Bombay Stock Exchange Ltd.			
MONTH	High Rs.	Low Rs.	Volume No. of shares
Apr-08	16.85	13.65	6169
May-08	15.65	12.10	7575
Jun-08	11.50	11.50	100
Jul-08	10.95	9.70	930
Aug-08	10.00	7.44	1223
Sep-08	10.11	6.94	4778
Oct-08	12.24	10.60	4
Nov-08	12.09	12.09	1
Dec-08	12.68	12.68	10
Jan-09	12.68	11.50	292
Feb-09	11.95	11.41	420
Mar-09	12.49	11.87	201
TOTAL			21703

Company's Share Price at BSE-Graphical



BSE SENSEX



d) Registrar and Transfer Agents & Investors correspondence:

The Company has retained M/s. RCMC Share Registry Pvt. Ltd., as its Registrar & Transfer Agents w.e.f. 01/04/2003 for entire shareholder services viz., processing request for transfer, other shareholder services, dematerialisation of holding, providing connectivity services with depositories in compliance with SEBI's circular No.D&CC/F/TT/CIR-15/2002 dated 27/12/2002.

For any query relating to transfer/transmission of shares, dematerialisation, change of address etc., please write to M/s. RCMC Share Registry Pvt. Ltd., (the "Registrar") at B-106, Sector-2, Noida U.P. 201301 (Phone Nos. 0120-4015880, 4015886).

For any further assistance in said matters, queries may also be addressed to the Company Secretary at the Corporate office of the Company at: 2nd Floor, 13, Sant Nagar, East of Kailash, New Delhi-110065 Phone : 46656666 (5 lines), Fax: 46656699.

e) Distribution of shareholding as on March 31, 2009.

Slab of share holdings (No. of Shares)	No. of share holders	%age	Nominal value of shares held (Rs.)	%age
1-500	5895	96.39	7642610.00	19.1065
501-1000	119	1.95	937570.00	2.3439
1001-2000	48	0.78	711340.00	1.7784
2001-3000	6	0.10	156670.00	0.3917
3001-4000	12	0.20	433140.00	1.0829
4001-5000	8	0.13	386060.00	0.9652
5001-10000	14	0.23	947600.00	2.3690
10001 and above	14	0.23	28785010.00	71.9625
Total	6116	100.00	40000000.00	100.0000

According to categories of shareholders as on March 31, 2009

Serial No.	Categories	No. of Shares	Amount In Rs.	Percentage of shareholding
1	Promoters, Directors and Relatives	2440919	24409190.00	61.023
2	Financial Institutions and Banks	200	2000.00	0.005
3	Mutual Fund	0	0.00	0.000
4	FII's	0	0.00	0.000
5	Corporate Bodies	341177	3411770.00	8.529
6	Indian Public	1215418	12154180.00	30.385
7	Clearing Member	2286	22860.00	0.057
Grand Total		4000000	40000000.00	100.000

f) Dematerialisation of Shares and liquidity:

80.18 % of the total holdings of equity shares have been dematerialized up to 31.03.2009. Trading in Company's shares is permitted only in demat form w.e.f. 24-07-2000.

g) There were no ADRs/GDRs/ Warrants or other convertible instruments outstanding as on 31/03/2009.

h) The Amusement Parks of the Company are located as under:

1. Mikky House, K-Block, Kidwai Nagar, Kanpur-208011 U.P.
2. Gautam Buddha Park, Lucknow -226003, U.P.
3. Naya Ghat, Ayodhya- 224123, U.P.

i) Financial Calendar (Tentative)

Quarter ending June 30, 2009	End of July, 2009
Quarter ending September 30, 2009	End of October, 2009
Quarter ending December 31, 2009	End of January, 2010
Year ending March 31, 2010 #	End of May, 2010
Annual General Meeting for the year ended March 31, 2009	2nd September, 2009

For the quarter ending 31/03/2010 un-audited results may not be published and only audited results will be published, unless decided otherwise.

j) Subsidiary Company

As already informed in the Annual Report of the Company for the year 2005-2006 the only subsidiary which company had namely South Asian Securities Ltd. is in the process of being struck off from the records of Registrar of Companies, U.P. & Uttarakhnad upon the said subsidiary's application for dissolution under 'Simplified Exit Scheme - 2005' of Ministry of Company Affairs, Government of India.

Certificate on Corporate Governance

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

Annexure-2

Annexure to Directors' Report

Information as per Section 217(1)(e) read with Companies (Disclosure of Particulars in report of Board of Directors) Rules, 1988 and forming part of Directors' Report for the year ended 31st March, 2009.

CONSERVATION OF ENERGY

- | | |
|--|-----|
| a) Energy conservation measure taken | NII |
| b) Proposals under implementation for reduction in consumption of energy | NII |

TECHNOLOGY ABSORPTION

- | | |
|---|-----|
| a) Research and development | NII |
| b) Technology absorption, adoption and innovation | NII |

FOREIGN EXCHANGE EARNINGS AND OUTGO

- | | |
|----------------------------|-----|
| a) Foreign Exchange Earned | NII |
| b) Foreign Exchange Used | NII |

For and on behalf of the Board of Directors

Date: 16/07/2009

P. K. Sharan

T.B. Gupta

Place: New Delhi

Director

Vice-Chairman & Managing Director

CERTIFICATE

To THE MEMBERS OF

SOUTH ASIAN ENTERPRISES LIMITED

We have examined the compliance of conditions of Corporate Governance by SOUTH ASIAN ENTERPRISES LIMITED, for the year ended on 31st March, 2009, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

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

FOR ANIL PARIEK & GARG

CHARTERED ACCOUNTANTS

H.K. PARIEK

PARTNER

M. No. 70250

PLACE : KANPUR

DATE : 16 JUL 2009

AUDITORS' REPORT

To,
The Members

SOUTH ASIAN ENTERPRISES LIMITED

KANPUR

We have audited the attached Balance Sheet of SOUTH ASIAN ENTERPRISES LIMITED as at 31st MARCH, 2009 and also the Profit and Loss Account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclosed in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order, to the extent applicable to the company.
2. Further to our comments in the annexure referred to in paragraph 1 above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the 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 appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and cash flow statement dealt with by this report are in agreement with the books of accounts;
 - (d) In our opinion, the Balance Sheet, Profit & Loss Account and cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors, as on 31st March, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (i) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2009;
 - (ii) In the case of the Profit and Loss account of the profit of the Company for the year ended on that date, and
 - (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**FOR ANIL PARIEK AND GARG
CHARTERED ACCOUNTANTS**

PLACE : NEW DELHI

DATE : 29.05.2009

(H.K. PARIEK)

PARTNER

M.No. 70250

ANNEXURE TO THE AUDITORS' REPORT

REFERRED TO IN PARAGRAPH (1) OF OUR REPORT OF EVEN DATE

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The company has a regular programme of physical verification of fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were physically verified by the management during the year and we are informed that no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, the Company has not disposed off substantial part of fixed assets having effect on going concern.
2. (a) The Inventories has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given

to us, the procedure of physical verification of inventory followed by the management were found reasonable and adequate in relation to the size of the company and the nature of its business.

- (c) In our opinion and according to information and explanation given to us, the company has maintained proper records of its inventories. The discrepancies noticed on verification between the physical stocks and book records which are not material in relation to the company, have been properly dealt with in the books of accounts.
3. The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, the company has an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and with regard to sale of goods and services. During the course of our Audit, no major weakness has been noticed in the internal control system in respect of these areas.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements that need to be entered into the register in pursuance of Section 301 of the Act, have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupee Five Lakhs in respect of any party during the year have been made, at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The company has not accepted any deposits from the public during the year within the meaning of section 58A & 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.
7. In our opinion, the company has an internal audit system, commensurate with its size and nature of its business.
8. In our opinion and according to the information and explanation given to us, maintenance of cost records as prescribed by the Central Govt. under section 209 (1) (d) of the Act, is not required as the Company is not in the manufacturing activity.
9. (a) The company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and any other statutory dues with the appropriate authorities. There were no outstanding dues for a period exceeding six months against any undisputed statutory dues as on 31.03.2009.
- (b) According to information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.
10. The Company neither have any accumulated losses as at the end of the year nor incurred any cash losses during the current financial year. However, it has incurred cash losses in the immediately preceding Financial Year.
11. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of securities by way of pledge of shares, debentures or other securities.
12. The company has maintained proper records for investments made in shares, securities, debentures and other investments and timely entries have been made therein. The shares, securities, debentures and the other investments have been held by the company in its own name except to the extents of exemption granted under section 49 of the Act. However, some of the investments made in shares are under process for transfer in the name of the Company.
13. In our opinion and according to the information and explanations given to us, the Company has not given any Guarantee for loans taken by others from Banks or Financial Institutions.
14. The Company has not raised any Term Loan during the year.
15. According to the records examined by us and the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
16. To the best of our knowledge and information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.
17. The provisions of clauses Nos. 4 (xi), (xiii), (xviii), (xix) and (xx) of paragraph 4 of the Companies (Auditors' Report) (Amendment) Order, 2004 are not applicable to the company for the current year.

**FOR ANIL PARIEK AND GARG
CHARTERED ACCOUNTANTS**

PLACE : NEW DELHI

DATE : 29.05.2009

(H.K. PARIEK)

PARTNER

M.No. 70250

SOUTH ASIAN ENTERPRISES LIMITED

BALANCE SHEET AS AT 31st MARCH, 2009

	Schedule No.	As at 31 March, 2009	(Amount in Rupees) As at 31st March, 2008
I. SOURCES OF FUNDS			
1 Share Holders' Funds			
a) Share Capital	1	3,99,90,500	3,99,90,500
b) Reserves & Surplus	2	8,04,41,038	7,85,70,915
2 Deferred Tax Liability(Net)		26,22,536	32,68,364
TOTAL		12,30,54,074	12,18,29,779
II. APPLICATION OF FUNDS			
1. Fixed assets			
(a) Gross Block	3	9,10,87,044	9,10,82,384
(b) Less: Depreciation and Impairment		7,89,54,100	7,56,61,688
(c) Net Block		1,21,32,944	1,54,20,696
2. Investments	4	9,98,42,506	9,97,48,500
3. Current Assets, Loans & Advances	5		
a) Inventories		22,27,312	5,37,548
b) Sundry Debtors		6,31,151	7,27,872
c) Cash & Bank Balances		3,45,641	8,28,223
d) Loans & Advances		1,20,37,218	61,10,339
		1,52,41,322	82,03,982
Less: Current Liabilities & Provisions	6	41,62,698	15,43,399
Net Current Assets		1,10,78,624	66,60,583
TOTAL	11	12,30,54,074	12,18,29,779
Notes on Accounts			
As per our report of even date For Anil Parlek and Garg Chartered Accountants			
For & on behalf of the Board			
H.K. Parlek Partner M.No. 70250 Place: New Delhi Date: 29th May, 2009	T. B. Gupta Managing Director	P.K. Sharan Director	S.C. Agarwal Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009

	Schedule No.	For the year ended 31st March, 2009	(Amount in Rupees) for the year ended 31st March, 2008
INCOME			
Park Receipts		41,96,869	49,80,223
Sale of Traded Goods		27,06,847	2,42,312
Other Income	7	5,40,441	1,46,801
Bad Debts Recovery		88,40,495	-
Total		1,62,84,652	53,69,336
EXPENDITURE			
Employee's Cost	8	22,47,048	19,40,592
Operating & Other Expenses	9	98,92,368	38,85,241
Purchase of Trading Materials		17,99,322	6,91,224
(Increase)/ Decrease in Stock	10	(1,689,764)	(537,548)
Depreciation and Impairment	3	32,92,412	18,24,977
Provision for Bad and Doubtful Debts		2,60,000	-
Total		1,58,01,386	78,04,486
PROFIT/(LOSS) BEFORE TAX AND PRIOR PERIOD ITEMS		4,83,266	(2,435,150)
Add/ (Less): Provision for Taxation- Deferred		6,45,828	7,19,148
Add/ (Less): Provision for Taxation- Current		(49,663)	-
Add/ (Less): Fringe Benefit Tax		(24,750)	(29,001)
PROFIT/(LOSS) AFTER TAX AND BEFORE PRIOR PERIOD ITEM		10,54,681	(1,745,003)
Add/ (Less): Prior Period Item		8,15,442	-
PROFIT AFTER TAX		18,70,123	(1,745,003)
Transfer From General Reserve		-	17,45,003
SURPLUS CARRIED TO BALANCE SHEET		18,70,123	-
Earning Per Share (Basic and Diluted)		0.47	(0.44)
Notes to Accounts			
As per our report of even date For Anil Parlek and Garg Chartered Accountants			
For & on behalf of the Board			
H.K. Parlek Partner M.No. 70250 Place: New Delhi Date: 29th May, 2009	T. B. Gupta Managing Director	P.K. Sharan Director	S.C. Agarwal Director

SOUTH ASIAN ENTERPRISES LIMITED

SCHEDULES TO BALANCE SHEET

(Amount in Rs.)

As at
31st March, 2009

As at
31st March, 2008

SCHEDULE 1 SHARE CAPITAL

AUTHORISED CAPITAL

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

5,00,00,000

5,00,00,000

ISSUED, SUBSCRIBED & CALLED UP CAPITAL

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

4,00,00,000

4,00,00,000

PAID-UP CAPITAL

40,00,000 Equity Shares of Rs. 10/- each fully paid up in cash

4,00,00,000

4,00,00,000

Less: Calls unpaid

9,500

9,500

Total (a)

3,99,90,500

3,99,90,500

SCHEDULE 2 RESERVES & SURPLUS

A) SECURITIES PREMIUM ACCOUNT

As per last Balance Sheet

6,00,00,000

6,00,00,000

Less: Calls Unpaid

28,500

28,500

5,99,71,500

5,99,71,500

b) GENERAL RESERVE

As per last Balance Sheet

1,85,99,415

2,03,44,418

Less: Transfer to Profit & Loss Account

-

17,45,003

Total (b)

1,85,99,415

1,85,99,415

c) PROFIT AND LOSS ACCOUNT

As per last Balance Sheet

18,70,123

-

Add: Transfer From Profit & Loss Account

18,70,123

-

Total (c)

18,70,123

-

Total (a) +(b)+(c)

8,04,41,038

7,85,70,915

SCHEDULE 3: FIXED ASSETS

Particulars	Gross Block			Depreciation				Impairment	Net Block	
	Opening Balance as on 01.04.2008	Additions During the year	As at 31.03.2009	Upto 31.03.2008	For the year	Adjustment	As at 31.03.2009	As at 31.03.2009	As at 31.03.2009	As at 31.03.2008
A. Assets for own use										
Building	85,79,133	-	85,79,133	39,04,806	2,74,342	-	41,79,148	-	43,99,985	46,74,327
Plant & Machinery	3,08,02,052	2,760	3,08,04,812	2,02,17,224	14,65,857	-	2,16,83,081	15,18,524	76,03,207	1,05,84,828
Vehicles	48,490	-	48,490	45,417	650	-	46,067	-	2,423	3,073
Furniture & Fixtures & Office Equipments	11,23,509	1,900	11,25,409	10,00,000	32,001	5,552	10,26,449	-	98,960	1,23,509
Computers	93,240	-	93,240	58,281	6,590	-	64,871	-	28,369	34,959
B. Assets on Lease										
Plant & Machinery	5,04,35,960	-	5,04,35,960	5,04,35,960	-	-	5,04,35,960	-	-	-
Total	9,10,82,384	4,660	9,10,87,044	7,56,61,688	17,79,440	5,552	7,74,35,576	15,18,524	1,21,32,944	1,54,20,696
Previous Year	9,09,24,788	157,596	9,10,82,384	7,38,36,711	18,24,977	-	7,56,61,688	-	1,54,20,696	1,70,88,077

SCHEDULE 4: INVESTMENTS (LONG - TERM)

PARTICULARS	As on 01.04.2008 (Nos.)	Purchased during the year (Nos.)	Sold /Adjusted during the year (Nos.)	As on 31.03.2009 (Nos.)	Book Value	
					As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
Non Trade investments (At Cost)						
Quoted Investments						
A) Equity Share of Rs.10 each (fully paid up unless otherwise stated)						
i) Bank of Baroda	-	1	-	1	251	-
Unquoted Investments						
A) Equity Share of Rs.10 each (fully paid up)						
i) Indhra Dhan Agro Products Ltd.	5,000	-	-	5,000	5,00,000	5,00,000
ii) Hotline Electronics Ltd.	15,00,000	-	-	15,00,000	1,50,00,000	1,50,00,000
iii) VLS Capital Ltd.	10,00,000	-	-	10,00,000	6,00,00,000	6,00,00,000
B) Equity Share of Rs.100 each (fully paid up)						
i) Alok Fintrade (P) Ltd.	35,000	-	-	35,000	35,00,000	35,00,000
Investment in Real Estate						
					2,08,42,255	2,07,48,500
Total					9,98,42,506	9,97,48,500
NOTE : Aggregate value of Quoted Investments : Book Value Rs. 251/- (Previous Year- Nil) : Market Value Rs. 235/- (Previous Year- Nil)						

SOUTH ASIAN ENTERPRISES LIMITED

Schedules to Balance Sheet (cont'd.)

(Amount in Rs.)

As at 31st March, 2009

As at 31st March, 2008

SCHEDULE 5 CURRENT ASSETS, LOANS & ADVANCES

CURRENT ASSETS

Inventories -

a) Trading Goods	9,01,312		5,37,548
b) Music Album	13,26,000		
		22,27,312	537,548

Sundry Debtors

(Unsecured, considered good)

a) Debts outstanding for a period exceeding six months	1,26,797		6,87,845
b) Other Debts	5,04,354		40,027
		6,31,151	7,27,872

Cash & Bank Balances

a) Cash in hand	96,072		92,059
b) Balance with Banks			
In Current Accounts	2,49,569		3,36,164
In Fixed Deposits		3,45,641	4,00,000
			8,28,223

LOANS AND ADVANCES

(Unsecured considered good)

Advances recoverable in cash or kind for which value to be received.	1,24,85,603		63,20,218
Less: Provisions made for doubtful advance	5,00,000		2,40,000
	1,19,85,603		60,80,218
Prepaid Taxes: Advance FBT	24,750		27,001
Tax Deducted at Source	26,865	1,20,37,218	3,120
			61,10,339

Total

1,52,41,322 82,03,981

SCHEDULE 6 CURRENT LIABILITIES & PROVISIONS

A. CURRENT LIABILITIES

1. Sundry Creditors	22,06,068		12,754
(Total outstanding dues of creditors, SSI Units - Nil)			
2. Advances From Customers			1,14,900
3. Other Liabilities	13,65,168		9,39,671
4. Security Deposits	3,74,900		3,05,000
Total of (A)	39,46,136		13,72,325

B. PROVISIONS

1. Provision for Taxation	1,23,247		67,990
2. Provision for Leave Encashment	93,315		1,03,084
Total of (B)	2,16,562		1,71,074
Total (A)-(B)	41,62,698		15,43,399

SCHEDULES TO PROFIT & LOSS ACCOUNT

(Amount in Rs.)

For the year
31st March, 2009

For the year
31st March, 2008

SCHEDULE 7 OTHER INCOME

Interest	32,007		11,433
Dividend	-		1,500
Profit on Sale of Investments	-		15,157
Miscellaneous Income	2,225		32,050
Income from Consultancy	-		43,000
Unspent Liabilities/ Unclaimed Balances Written Back	9,769		43,661
Income from Installations, Erections and Supervision	4,96,440		
	5,40,441		1,46,801

SCHEDULE 8 EMPLOYEES' COST

Salaries	19,00,197		16,62,829
Staff Amenities	46,977		49,506
Employer's Contribution to PF, ESI, Gratuity Fund etc.	2,99,874		2,28,257
	22,47,048		19,40,592

SOUTH ASIAN ENTERPRISES LIMITED

Schedules to Profit & Loss Account (cont'd.)

(Amount in Rs.)

SCHEDULE 9 OPERATING & OTHER EXPENSES

	For the year 31st March, 2009	For the year 31st March, 2008
Cost of Food & Beverages Sold	1,29,091	1,20,765
Development Cost of Music Album	13,26,000	
Power & Fuel	6,28,716	7,49,212
Repairs & Maintenance :		
Building	19,002	77,518
Machinery	2,31,307	507,406
Others	12,578	28,384
Lease Rent & Hire Charges	2,62,887	6,13,308
Park Running & Maintenance	9,65,066	9,46,540
Rent	2,19,191	1,79,888
Rates & Taxes	66,600	85,600
Consultation & Professional Charges	31,152	45,216
Postage & Telephone	1,20,423	94,964
Advertisement & Selling Expenses	1,26,263	1,05,142
Travelling Expenses	2,11,962	2,38,347
Directors' Sitting Fee	2,77,622	2,75,393
Remuneration to Auditors:	95,468	82,000
Statutory Audit Fee	16,545	13,483
Tax Audit Fee	8,273	6,742
Reimbursement of Expenses	17,799	15,989
Insurance Charges	42,617	36,214
Bank Charges	10,204	6,295
Miscellaneous Expenses	6,378	6,775
Installation Charges	2,30,394	2,78,392
Electrical Expenses	4,14,955	10,416
Commission (Other than Sole Selling Agents)	34,786	
Balances Written Off	5,095	10,774
Bad Debts Written Off	46,19,699	
	67,799	
Total	98,92,368	38,85,241

SCHEDULE 10 (INCREASE/DECREASE IN STOCK)

Opening Stock of Trading Goods	5,37,548		
Opening Stock of Music Album			
Closing Stock of Trading Goods	9,01,312	5,37,548	5,37,548
Closing Stock of Music Album	13,26,000		
	22,27,312		5,37,548
	(1,689,764)		(537,548)

SCHEDULE 11: NOTES TO ACCOUNTS

1. Significant Accounting Policies

a) General

The accompanying financial statements have been prepared on the 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 the accrual basis unless otherwise stated. Dividend income is accounted for on the basis of approval of the shareholders in their meeting.

C) Fixed assets

- All the fixed assets including assets given on lease are stated at cost less accumulated depreciation.
- Depreciation on own assets is provided on the straight line method at the rates and in the manner prescribed in Schedule-XIV of the Companies Act, 1956.
- Depreciation on the assets given on lease is provided in consonance with the method recommended by the Institute of Chartered Accountants of India under which 100% of the cost of assets is depreciated over the primary lease period applying interest rate implicit in the lease on the outstanding balances of the lease advances to calculate the finance earnings for the year and difference between the lease rentals and finance earnings is accounted for as depreciation.
- Depreciation on assets not exceeding Rs.5,000/- is provided for at 100%.

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) Taxation

- 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.
- 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.

g) Employees Benefits (In accordance with AS- 15)

- Defined Contribution Plans
 - Provident Fund- The Company contributes to Regional Provident Fund on behalf of its employees and above contributions are expensed to Profit & Loss Account.
- Defined Benefit Plans
 - Gratuity- The Company makes contribution to scheme managed by LIC to discharge liabilities to the employees.
 - Leave Encashment- Provision for un-availed Leave Benefits payable to employees as per scheme of the Company is made on the basis of actuarial valuation.
- Short Term Employees Benefits
 - Short Term Employees Benefits are recognized as an expense as per the Company's scheme based on expected obligation on undiscounted basis.

h) 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 and 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.

2. Notes to Accounts:

i) Contingent Liabilities

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

ii) Related Party Disclosure

Related Party disclosures as required under accounting standard AS-18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given below:

Key Managerial Personnel: - Shri. T. B Gupta (Managing Director) and Smt. Usha Gupta (Wife of Shri. T. B. Gupta)

Details of transactions:

S. No	Name of Party	Transaction		Balance as on 31.03.2009
		Dr. (Rs.)	Cr. (Rs.)	(Rs.)
1.	Remuneration to Managing Director	Rs. 2,40,000/- (Previous year- 2,16,000)		Rs. 2,40,000/- (Previous year - 2,16,000)
2.	Lease rent to wife of Managing Director	Rs. Nil (Previous year- Rs.24,000)		Rs. Nil (Previous year- Rs.24,000)

iii) Earning Per Share

Calculation of EPS (Basic and Diluted)

Particulars	Equivalent No. of Shares	
	Year ended 31 st March, 2009	Year ended 31 st March, 2008
Basic and Diluted		
Total Shares Outstanding	40,00,000	40,00,000
Profit after Taxes	Rs. 18,70,123/-	(Rs. 17,45,003/-)
EPS	Rs. 0.47	(Rs. 0.44)

iv) Remuneration

a) Managing Director:

- An amount aggregating to Rs. 2,40,000/- as remuneration has been paid to the Managing Director (Previous Year - Rs. 2,16,000) during the year.
- Accommodation facility - Rs. NIL (Previous Year - Rs. 24,000)

v) Deferred Tax

	As at 01.04.2008	Current Year Charge/ (Credit)	As at 31.03.2009
a) Deferred Tax Liability on account of:			
Depreciation	36,80,188	(8,74,318)	28,05,870
Total (a)	36,80,188	(8,74,318)	28,05,870
b) Deferred Tax Assets on account of:			
Employee Benefits	31,853	(3,019)	28,834
Provision for Bad Debts	74,160	80,340	1,54,500
Unabsorbed Depreciation	3,05,611	(3,05,611)	
Total (b)	4,11,624	(2,28,490)	1,83,334
Total (a-b)	32,68,564	(6,45,828)	26,22,536

SOUTH ASIAN ENTERPRISES LIMITED

ii) Segment Reporting

(Amount in Rs.)		
Particulars	2008- 09	2007- 08
Segment Revenue		
a) Entertainment	41,96,869	49,80,223
b) Trading	32,03,287	2,42,312
c) Others	88,84,496	1,46,801
Total	1,62,84,652	53,69,336
Segment Results		
Profit/ (Loss) before interest and tax		
a) Entertainment	(93,01,571)	(26,70,587)
b) Trading	9,00,341	88,636
c) Others	88,84,496	1,46,801
Total Profit/ (Loss) before interest and tax	4,83,266	(24,35,150)
Segment Assets		
a) Entertainment	2,57,90,207	1,71,86,596
b) Trading	15,84,059	7,25,679
c) Others	9,98,42,506	10,54,60,903
Total Assets	12,72,16,772	12,33,73,178
Segment Liabilities		
a) Entertainment	34,37,467	11,82,765
b) Trading	4,75,231	1,30,634
c) Others	2,50,000	2,50,000
Total Liabilities	41,62,698	15,43,399

vii) 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 of Rs. 15,18,524/- on assets is required to be provided for in the books as required by the Accounting Standard -28 on "Impairment on Assets" issued by the Institute of Chartered Accountants of India (ICAI).

viii) In pursuance of the order of the Hon'ble Delhi High Court, the Company recovered a sum of Rs. 88,40,495/- during the year out of bad debts written off in past, which is now included in the income of the year as bad debts recovery in the Profit & Loss Account.

ix) There is no amount due and payable to any enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006, at the end of the financial Year.

x) Prior period item represents income of Rs. 8,12,442/- earned as sponsorship and advertisement revenue from television serials production business carried out in joint venture with M/s. AUM Sportainment (P) Limited during the previous year and which could not be accounted for as income in the accounts of that year.

xi) The Company has produced a music album as shown in Schedule- 5 under 'Inventory' and all direct payments made in respect thereof have been apportioned as cost of producing the said music album.

xii) Disclosures pursuant to Accounting Standard (AS) 15 (revised)-

Defined Benefit Plans

a) Long Term Compensated Absences as per actuarial valuation as on 31.03.2009

Amount in Rs.		
Actuarial Assumptions	Gratuity	Leave Encashment
Discount rate (per annum)	8%	7%
Future salary increase	5%	5%
Expected rate of return on plan assets		NA
Mortality		LIC 94-96
		Ultimate

I. Expenses recognized in profit and loss account		
Current service cost	34,544	7,236
Interest cost	39,580	7,196
Expected return on plan assets	(50,244)	—
Net actuarial loss/ (gain) recognized in the year	71,032	24,201
Net expenses recognized	94,912	(9,769)
II. Net liability/(assets) recognized in the balance sheet as at 31st March, 2009		
Present value of obligation at the end of period	6,39,910	93,315
Fair value of the plan asset at the end of period	6,08,460	—
Funded status [(surplus)/(deficit)]	(31,450)	(93,315)
Net asset/(liability) as at 31st March, 2009	(31,450)	93,315
III. Change in present value of obligation during the year		
Present value of obligation at the beginning of period	4,94,754	1,03,084
Current service cost	34,544	7,236
Interest cost	39,580	7,196
Benefits paid	—	—
Actuarial loss/ (gain) on obligations	71,032	(24,201)
Present value of obligation at the year end	6,39,910	93,315
IV. Change in present value of fair value of plan assets		
Fair value of plan assets as at the beginning of period	5,55,098	—
Expected return on plan assets	50,244	—
Contributions	3,118	—
Benefits paid	—	—
Actuarial loss/ (gain)	6,08,460	—
Fair value of plan assets at the year end	6,08,460	—

xiii) Additional information pursuant to paragraph 3.4C and 4D of Part- II of Schedule VI of the Companies Act, 1956.

Goods	Unit	Opening Stock		Purchases		Turnover		Closing Stock	
		Qty	Value (Rs.)	Qty	Value (Rs.)	Qty	Value (Rs.)	Qty	Value (Rs.)
250 Micron Cop	Nos.	262	93,705	225	47,525	335	1,26,796	152	54,796
(Previous Year)	(Nil)	(Nil)	(Nil)	(271)	(96,950)	(9)	(4,095)	(282)	(93,705)
DMSGI Protector	Nos.	3	1,23,600	9	3,42,720	8	7,72,785	4	1,46,880
(Previous Year)	(Nil)	(Nil)	(Nil)	(3)	(1,23,600)	(Nil)	(Nil)	(3)	(1,23,600)
Terec +	Nos.	116	2,84,762	504	10,56,006	346	13,33,880	274	5,69,495
(Previous Year)	(Nil)	(Nil)	(Nil)	(177)	(4,34,575)	(61)	(2,37,177)	(116)	(2,84,762)
Satellite 3 -25	Nos.	—	—	2	1,88,394	2	3,40,315	—	—
(Previous Year)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)
Support Mast	Nos.	—	—	12	91,310	6	84,875	6	31,310
(Previous Year)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)
Miscellaneous	Nos.	292	35,481	217	73,367	159	48,196	350	78,831
(Previous Year)	(Nil)	(Nil)	(Nil)	(298)	(38,099)	(6)	(1,044)	(292)	(35,481)
Total			5,37,548		17,99,322		27,06,847		9,01,312
(Previous Year)			(Nil)		(6,91,224)		(2,42,312)		(5,37,548)

xiv) Previous year figures have been regrouped/ rescheduled wherever considered necessary. Schedules 1 to 11 form an integral part of Balance Sheet and Profit & Loss Account.

As per our report of even date

For Anil Pariek & Garg
Chartered Accountants

H.K. Pariek
Partner
M.No. 70250

Place: New Delhi
Date: 29th May, 2009

For & on behalf of the Board

T. B. Gupta
Managing Director

P.K. Sharan
Director

S.C. Agarwal
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

		Year Ended 31.03.2009	Year Ended 31.03.2008
A. Cash flow from operating activities			
Net Profit before tax and extra-ordinary items		483,266	(2,435,150)
Adjustments for:-			
Depreciation	3,292,412		1,824,977
Provision for leave encashment	(9,769)		(20,636)
Provision for Bad and Doubtful Debts	260,000		—
Investment income	—		(16,657)
Operating profit before working capital changes		3,542,643	1,787,684
Adjusted for:		4,025,909	(647,466)
Inventories	(1,689,764)		(537,548)
Trade payables	2,573,811		165,979
Trade and other Receivables	96,721		(40,027)
Loans and Advances	(6,154,421)		(3,571,616)
		(5,173,653)	(3,983,212)
Cash generated from operations		(1,147,743)	(4,630,678)
Less: Taxes paid		51,615	27,001
Cash Flow from operating activities		(1,199,358)	(4,603,677)
Prior Period item		815,442	—
Net Cash from Operating Activities		(383,916)	(4,603,677)
B. Cash flow from Investing activities			
Sale of Investments (Net)		(94,006)	4,552,543
Additions in Fixed Assets		(4,660)	(157,596)
Dividend received		—	1,500
Net cash (used in)/ generated from investing activities		(98,666)	4,396,447
C. Cash flow from financing activities			
Net cash (used in)/ generated from financing activities		—	—
Net increase/ (decrease) in cash & cash equivalents (A+B+C)		(482,582)	(207,230)
Opening balance of cash & cash equivalents		828,223	1,035,453
Closing balance of cash & cash equivalents		345,641	828,223

As per our report of even date
For Anil Pariek and Garg
Chartered Accountants

H.K. Pariek
Partner
M.No. 70250

Place: New Delhi
Date: 29th May, 2009

For & on behalf of the Board

T. B. Gupta
Managing Director

P.K. Sharan
Director

S.C. Agarwal
Director

SOUTH ASIAN ENTERPRISES LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL, BUSINESS PROFILE

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration	11753	State Code	20
Balance Sheet Date	31.03.2009		

II. Capital raised during the Year (Amount in Rs.Thousands)

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

III. Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands)

Total Liabilities	123054	Total Assets	123054
Sources of Funds:			
Paid up Capital	39990	Reserves & Surplus	80441
Secured Loans	Nil	Unsecured Loans	Nil
Deferred Tax Liability	2623		
Application of Funds:			
Net Fixed Assets	12133	Investments	99842
Net Current Assets	11079	Misc. Expenditure	Nil
Accumulated Losses	Nil		

IV. Performance of Company (Amount in Rs. Thousands)

Turnover	16285	Total Expenditure	15801
Profit/(Loss) Before Tax	483	Profit/Loss after Tax	1,870
Earning per Share (Rs.)	0.47	Dividend Rate	Nil

V. Generic Names of Three Principal Products/ Services of Company (as per monetary terms)

Item Code No.	
(ITC Code)	
Production Description	Running amusement parks

As per our report of even date
For Anil Pariek and Garg
Chartered Accountants

For & on behalf of the Board

H.K. Pariek
Partner
M.No. 70250

T. B. Gupta
Managing Director

P.K. Sharan
Director

S.C. Agarwal
Director

Place: New Delhi
Date: 29th May, 2009

SOUTH ASIAN ENTERPRISES LIMITED

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

ATTENDANCE CARD TWENTIETH ANNUAL GENERAL MEETING

Wednesday, 2nd September, 2009

Folio No./DP ID & CL ID No.	No. of Shares
Name	
Address	

I, hereby record my presence at the 20th ANNUAL GENERAL MEETING of the Company at MIKKY HOUSE, K-BLOCK, KIDWAI NAGAR, KANPUR-208011 at 1.30 p.m. on Wednesday, 2nd September, 2009.

Proxy's Name _____

Proxy's Signature _____

Member's Signature _____

NOTE :

1. Member/Proxy wishing to attend the meeting must present this card duly filled in at the Entrance of the Venue.
2. No Gift/Coupons or equivalent will be given to members who are present in the meeting.

SOUTH ASIAN ENTERPRISES LIMITED

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

FORM OF PROXY

I/We _____
of _____, being a Member/Members of
SOUTH ASIAN ENTERPRISES LIMITED hereby appoint _____
of _____ or failing him _____
of _____ or failing him _____
of _____ as my/our proxy to vote for me/us and on my/our behalf at the

20th Annual General Meeting of the Company to be held on Wednesday, 2nd September, 2009 at 1.30 p.m. and at any adjournment thereof.

Dated this _____ day of _____ 2009

Reg. Folio/DP ID & CL ID No.	No. of Shares
------------------------------	---------------

FOR OFFICE USE ONLY
Proxy No.

Member's Signature

Affix
Revenue
Stamp
here

NOTES :

1. The form should be signed across the stamp as per specimen signature registered with the Company.
2. The Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.
3. A Proxy need not be a Member.
4. In case of joint holding, all joint holders must sign the proxy form.

BOOK POST

If not delivered, please return to :

SOUTH ASIAN ENTERPRISES LIMITED

2nd Floor, 13, Sant Nagar, East of Kailash,
New Delhi-110 065