



XXXII ANNUAL REPORT 2020-21

South Asian Enterprises Limited

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

CIN : L91990UP1990PLC011753,

Email Id: southasianenterprises@gmail.com, Website: www.sael.co.in Phone : 0512-2606859

CORPORATE OFFICE :

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

SHARE TRANSFER & INVESTOR SERVICES

RCMC Share Registry Pvt. Ltd.
B-25/1, First Floor, Okhla Industrial Area,
Phase - II, New Delhi-110 020
Ph. : 011-26387320-21-23, Fax : 011-26387322
email : investor.services@rcmcdelhi.com

SOUTH ASIAN ENTERPRISES LIMITED

32nd ANNUAL GENERAL MEETING

through Video Conferencing ("VC")
/ Other Audio Visual Means ("OAVM")
at 12:30 p.m.

on Saturday, 20th November, 2021

BOARD OF DIRECTORS:

SHRI PRIYA BRAT

Chairman, Independent Director
(DIN: 00041859)

SHRI TEJ BHAN GUPTA

Vice-Chairman & Managing Director
(DIN: 00106181)

DR. RAJEEV LOCHAN BISHNOI

Independent Director (DIN: 00130335)

SHRI RAJENDER KUMAR GOSWAMI

Independent Director (DIN: 00106911)

SHRI MAHESH PRASAD MEHROTRA

Non-Executive Director (DIN: 00016768)

SHRI KISHAN KUMAR SONI

Non-Executive Director (DIN: 00106037)

DR. (MRS.) NEERAJ ARORA

Non-Executive Director (DIN: 07191167)

SHRI ANUPAM MEHROTRA

Whole Time Director (DIN: 08608345)

Our e-mail address:

For investor services: investordesk.sael@gmail.com

Other than above: southasianenterprises@gmail.com

website: www.sael.co.in

COMPANY SECRETARY

SHRI RAMESH CHANDRA PANDEY

COMPLIANCE OFFICER

Ms. KOMAL TAPARIA

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

EQUITY SHARES ARE LISTED AT :

BSE LTD.
PHIROZE JEEJEEBHOY TOWERS,
DALAL STREET.
MUMBAI-400 001

AUDITORS :

M/s. Agiwal & Associates
Chartered Accountants
(FRN: 000181N)
"Moti Kunj" D-6/9A,
Upper Ground Floor,
Rana Pratap Bagh, Delhi-110007
email: agiwal68@gmail.com

BANKERS

Punjab National Bank
Bank of Baroda
HDFC Bank Ltd.

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Directors' Report

Your Directors present the 32nd Annual Report of your Company with the Audited Annual Accounts for the year ended 31st March, 2021.

1. Financial Results (Rs. in Lakhs)

	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Total Income	105.67	198.12
Less: Total Expenditure	111.43	134.61
Less: Interest	0.51	0.89
Gross Profit/(loss)	(6.27)	62.62
Less: Depreciation	6.36	9.22
Profit/ (loss) before tax	(12.63)	53.40
Less: Provision for Taxation (Net)	0.00	0.00
Add: Deferred Tax	1.56	0.84
Net Profit/ (loss) after tax	(11.07)	54.24
Paid up Equity Share Capital (excluding calls in arrears)	399.90	399.90
Reserves excluding revaluation reserve	309.73	322.25
Earnings per share (Rs.)	(0.28)	1.36

2. Management Discussion and Analysis

Financial Review

Your Company recorded a total income of Rs.105.67 lakhs and has incurred a net loss of Rs. 11.07 lakhs during the year under review compared to previous year's income of Rs. 198.12 lakhs and net profit of Rs. 54.24 lakhs. Your Company had adopted IND AS w.e.f. 01/04/2017. The marketing of earthing products and execution of contracts for earthing and lightning protection systems continue to make a significant contribution to the total revenue of the Company. However, revenue in this segment has dipped by Rs.8.34 Lakhs compared to previous year. The Company's dealings in earthing materials and lightning protection systems including installation in the electrical engineering segment have been categorised under the head "Trading" for the purpose of segment reporting in the annual accounts for the year under review.

Your Company's revenue from amusement parks has decreased by Rs. 27.04 Lakhs compared to previous year. The other income has dipped by Rs.56.33 Lakhs vis a vis previous year. Segment wise, the entertainment sector has generated revenue of Rs. 7.44 lakhs, the Trading segment Rs. 63.16 lakhs and other income accounted for Rs. 35.05 Lakhs during the year under review.

Industry Structure and Development

Your Company had been able to execute the contracts awarded to it in the electrical engineering i.e. the trading segment. The power utilities, electronics and other hi-tech centers where earthing is important are its target customers apart from high-rise buildings, hotels, residential units, etc. The Company aims to further enhance its capabilities. However, sustained growth in this segment requires substantial capital infusion which remains a major constraint. The Company is closely monitoring the current market scenario and economic situation in order to improve its growth.

In amusement park segment, though public response has remained sluggish, the thrust continued on attaining regular footfalls. In the year under review, the Covid-19 pandemic and resultant lockdown have adversely impacted the activities of the Company. The amusement park at Kanpur ("Kanpur Park") continued to remain shut from April 2020 to mid October of 2020 during the year under review and post opening also the footfall remained low. The lease of Lucknow Park had expired

in September 2019 and the Company after shutting down operations there in 2019 had proposed to handover the park to authorities. However, the matter is not yet settled.

Outlook, Risks and Concerns

Your Company already operates on thin margins and infusion of funds for improvement/ new rides has been a constant challenge. The entry costs have to be kept low to keep the Kanpur park within reach of masses which factor has further stressed the cash flows. The Kanpur park remained closed till Mid October 2020 since imposition of lockdown in March 2020. With restrictions in place post opening, the footfalls diminished further and remained so till end of year under review. Moreover, the said park had been closed on clamping of lockdown due to 2nd wave of Covid-19 from April to mid-June 2021 i.e during the current year as well. Further, the lease for Kanpur park expired on 30/06/2021. The Municipal Corporation of Kanpur did not renew the lease, though applied for, of Company's amusement park at Kanpur, which is also the registered office of the Company and took possession of park with effect from 14/07/2021. Vigorous efforts are being made to renew the lease. It is expected that the premises is likely to be restored to Company in near future. With no inflows, the fixed expenses related to said park continue to pose challenge on revenues of the Company. The recurring loss in this segment is being closely monitored to keep it to the minimum. The trading segment, dealing in earthing and lightning protection systems business has garnered less revenue compared to previous year mainly due to slump in real estate sector as also due to COVID -19 pandemic and resultant lockdown.

The Company has developed a risk management framework that includes identification and mitigation of risks. The Company is implementing Risk Management Policy with a view to ensuring sustainable business growth and promoting a proactive approach in evaluating and resolving risks associated with the business.

Opportunities and Threats

The Company is exposed to normal industry risks attributable to respective segments. In order to meet the challenge of strained margins in amusement segment, the strategy is to get the lease of Kanpur renewed at the earliest and then to achieve increase in the number of visitors and simultaneously to explore avenues for diversification. In trading segment, the Company deploys the latest technology for earthing and lightning protection installations, which leads to better protection from electrical hazards. However, in view of continuing slump in real estate sector, the Company is aiming at spreading awareness of its products and also securing credentials from its existing clients about the superiority of its products to meet the challenge.

Internal Financial Control Systems

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

The Audit Committee reviews the internal control mechanism periodically.

Human Resource/ Industrial Relations Front

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

Under the provisions of Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, there was no employee during the year drawing

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remuneration more than the stipulated amount in the said rules. The number of employees on the Company's rolls stood at 18 as on 31/03/2021.

Cautionary Statement

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

3. Dividend and Reserves

As Company has incurred loss during the year under review, no dividend is recommended by the Board and no amount has been transferred to the general reserve.

4. Material Changes & Commitments

The virus responsible for COVID-19 has spread across India and the globe, which has contributed to a significant decline in the economic activities. Government has introduced a variety of measures to contain the spread of the virus. The business of your company was effected due to pandemic throughout the year under review. The most visible impact of COVID-19 crisis, for the Company is that the amusement park operations were closed and trading of electrical goods were also affected in the lockdown period. Other than the aforesaid, there were no material changes and commitments affecting the financial position of the Company during the year under review.

5. Board of Directors and Key Managerial Personnel (KMP):

• Changes in Directorate

There was no change in the Board during the year under review. The Company has complied with the relevant provisions with respect to constitution of the Board during the year under review.

Shri M. P. Mehrotra– Director (DIN: 00016768) aged about 81 years and Shri K.K. Soni (DIN: 00106037) aged about 68 years shall retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment. The Board recommends their reappointment in order to have their continued guidance in management of the Company.

• Changes in Key Managerial Personnel (KMP)

During the year Shri M. S. Siddiqui resigned from the position of Chief Financial Officer (CFO) w.e.f. 18/12/2020 but continues as Assistant General Manager. Shri Subhash Chand Jain who is Chief Financial Officer (CFO) of VLS Capital Ltd. the holding Company was appointed as Chief Financial Officer (CFO) of the Company w.e.f. 15/02/2021. As per the terms of appointment, the CFO would not be paid any remuneration for the time being but would be entitled to reimbursement of expenses for discharging duties

as CFO. Further, Shri IJS Aujla, Compliance officer resigned with effect from 01/02/2021 and Ms. Komal Taparia was appointed as Compliance officer with effect from 08/02/2021.

Details of remuneration paid to the Directors during the financial year ended on 31/03/2021:

(Amount in Lacs)

S. No.	Name of the Director	Salary	Perquisites	Sitting fee	Commission	Total
1	Shri Priya Brat	N.A.	N.A.	1.15	N.A.	1.15
2	Shri M. P. Mehrotra	N.A.	N.A.	0.50	N.A.	0.50
3	Shri K. K. Soni	N.A.	N.A.	N.A.	N.A.	N.A.
4	Shri R. K. Goswami	N.A.	N.A.	0.91	N.A.	0.91
5	Dr. (Mrs.) Neeraj Arora	N.A.	N.A.	0.60	N.A.	0.60
6	Shri Anupam Mehrotra	5.60	N.A.	N.A.	N.A.	5.60
7	Shri T. B. Gupta	4.80	N.A.	N.A.	N.A.	4.80
8	Dr. R. L. Bishnoi	N.A.	N.A.	1.15	N.A.	1.15

6. Contracts with Related Party

No related party transaction has been made by the Company with promoters, directors or key managerial personnel etc. which may have potential conflict of interest with the Company at large. The remaining investment of Company in equity shares of VLS Capital Ltd., the holding company, was sold to VLS Securities Ltd. on 09/06/2020 as detailed in Form AOC-2 annexed to this report as Annexure - A. The related party transactions, procedurally, are placed before the Audit Committee and if required, before the Board, specifying the nature, value and terms and conditions of the transactions. Where such transactions are entered in terms of omnibus approval accorded by the Audit Committee, the details are placed before the Audit Committee in its next meeting.

The summary of related party transactions has been disclosed under Note No. 31.5 in the Financial Statements of the Company as on 31/03/2021.

7. Annual Return Extract (MGT-9)

The reporting of extract of Annual Return in Form no. MGT-9 had been done away with pursuant to amendment in section 92(3) of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014 w.e.f. 28/08/2020. Hence, the reporting of extract of Annual Return has not been made in this report. The Annual Return is now required to be placed on the website of the Company, in terms of section 92(3) read with section 134(3)(a) of the Act and link thereof is required to be given in the Board's Report. The Annual Return for the Financial Year 2019-20 is available on web link viz.: <https://www.sael.com/annual-return/>.

8. Corporate Governance

The Company is committed to meet the aspirations of all its stakeholders. Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are managed in a manner which ensures accountability, transparency and fairness in all transactions. The objective is to meet stakeholders' aspirations and societal expectations.

The essence of corporate governance lies in promoting and maintaining integrity, transparency and accountability in the

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management's higher echelons. The corporate governance provisions of the SEBI listing regulations are not applicable to the Company at present. Hence, separate report on corporate governance has been dispensed with. The Company, however, continues to follow the best corporate governance practices.

9. Board Meetings

During the year ended 31/03/2021, 5 (five) Board meetings were held in time in accordance with applicable regulations and relaxations granted due to pandemic. The meetings were held on 15/07/2020, 28/08/2020, 09/11/2020, 13/02/2021 and 18/03/2021.

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

S. No.	Name of the Director	Whether Promoter/ Executive or Non- Executive/ Independent	No. of Board Meetings attended during F.Y. 2020-2021 and dates	
			No.	Dates
1	Shri T. B. Gupta	Managing Director	5	15/07/2020
				28/08/2020
				09/11/2020
				13/02/2021
				18/03/2021
2	Shri K. K. Soni	Non-Executive	5	15/07/2020
				28/08/2020
				09/11/2020
				13/02/2021
				18/03/2021
3	Shri Priya Brat	Independent, Non-Executive	5	15/07/2020
				28/08/2020
				09/11/2020
				13/02/2021
				18/03/2021
4	Shri R.K. Goswami	Independent, Non-Executive	4	15/07/2020
				28/08/2020
				09/11/2020
				13/02/2021
5	Shri M. P. Mehrotra	Non-Executive, Promoter	5	15/07/2020
				28/08/2020
				09/11/2020
				13/02/2021
6	Dr. (Mrs.) Neeraj Arora	Non-Executive	5	15/07/2020
				28/08/2020
				09/11/2020
				13/02/2021
7	Shri Anupam Mehrotra	Wholtime Director	4	15/07/2020
				28/08/2020
				09/11/2020
				13/02/2021
8	Dr. R. L. Bishnoi	Independent, Non-Executive	5	15/07/2020
				28/08/2020
				09/11/2020
				13/02/2021
				18/03/2021

10. Audit Committee

The Audit Committee comprises of Shri Priya Brat- Chairman, with Shri R. K. Goswami, Shri K. K. Soni and Dr. R. L. Bishnoi as members of the Committee. There was no change in constitution of committee during the year under review. Two third of the members of the Committee continue to be Independent Directors including its Chairman and during the year ended 31/03/2021, 5 (five) meetings of the Committee were held on 15/07/2020, 28/08/2020, 09/11/2020, 13/02/2021 and 18/03/2021. All recommendations made by the Committee during the year were accepted in entirety. Though, in first quarter of the year under review, there was no meeting but in accordance with the extension granted due to pandemic, the Committee meetings were held in time.

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

S. No.	Name of the Director	Whether Chairman/ Member	No. of meetings attended during F.Y. 2020-2021 and dates	
			No.	Dates
1	Shri Priya Brat	Chairman	5	15/07/2020
				28/08/2020
				09/11/2020
				13/02/2021
				18/03/2021
2	Shri K. K. Soni	Member	5	15/07/2020
				28/08/2020
				09/11/2020
				13/02/2021
				18/03/2021
3	Shri R.K. Goswami	Member	4	28/08/2020
				09/11/2020
				13/02/2021
				18/03/2021
4	Dr. R. L. Bishnoi	Member	5	15/07/2020
				28/08/2020
				09/11/2020
				13/02/2021
				18/03/2021

11. Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of Shri R. K. Goswami- Chairman, with Shri Priya Brat, Dr. R.L. Bishnoi and Dr. (Mrs.) Neeraj Arora as members of the committee. There was no change in constitution of committee during the year under review. Majority of the members continue to be Independent Directors including the Chairman of the Committee. During the year ended 31/03/2021, 2 (two) meetings of the Committee were held on 15/07/2020 and 13/02/2021. All recommendations made by the Committee during the year were accepted in entirety.

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

S. No.	Name of the Director	Whether Chairman / Member	No. of Meetings attended during F.Y. 2020-2021 and dates	
			No.	Dates
1	Shri R.K. Goswami	Chairman	1	13/02/2021
2	Shri Priya Brat	Member	2	15/07/2020
				13/02/2021
3	Dr. (Mrs.) Neeraj Arora	Member	2	15/07/2020
				13/02/2021
4	Dr. R. L. Bishnoi	Member	2	15/07/2020
				13/02/2021

12. Stakeholders Relationship Committee

As on 01/04/2020 the Stakeholders Relationship Committee comprised of Shri K. K. Soni-Chairman, Shri T. B. Gupta-Member and Shri R. K. Goswami -Member. During the year

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ended 31/03/2021, 1 (one) meeting of the Committee was held on 31/03/2021. There was no change in constitution of committee during the year under review.

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

S. No.	Name of the Director	Whether Chairman / Member	No. of Meetings attended during F.Y. 2020-2021 and dates	
1	Shri K. K. Soni	Chairman	1	31/03/2021
2	Shri T. B. Gupta	Member	1	31/03/2021
3	Shri R. K. Goswami	Member	1	31/03/2021

There was no complaint pending as at end of year under review.

13. Corporate Social Responsibility Committee

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

14. Evaluation of Board/Committees/Individual Directors

The aim of the Board's evaluation is to assess the effectiveness of the Board's/Committee's processes, composition and arrangement in order to identify and realize any actions required to improve their effectiveness. The Companies Act, 2013 states that a formal annual evaluation needs to be carried out by the Board or Nomination and Remuneration committee or external agency of the Board's performance and that of its committees and individual directors. As per the provisions of Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee is required to prescribe the manner for effective evaluation of performance of Board, its Committees and individual directors so that the evaluation can be carried out by the Board or the said Committee or an external agency appointed for this purpose. Further, section 134 read with schedule IV of the Companies Act, 2013 states that the performance evaluation of Independent Directors shall be carried out by the entire Board of Directors, excluding the director being evaluated. Independent Directors at its meeting carry out annually, the evaluation of Non-Independent Directors and the Chairman.

Board conducts on an annual basis an evaluation of the performance of the directors as to whether each director has sufficient time to discharge his/her responsibilities, taking into consideration multiple Board representations and other principal commitments.

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

The evaluation process comprises:

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

Pursuant to provisions of the Companies Act, 2013 and applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board in its

meeting held on 28/06/2021 has carried out the evaluation of its own performance and that of the Board Committees viz. Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee besides Individual Directors.

The evaluation has concluded that the Board and its Committees are overall effective and that all concerned are fully committed to their tasks to ensure healthy corporate governance.

A separate exercise to review the performance of Non-Independent Directors and the Chairman was carried out by Independent Directors in their meeting held on 13/02/2021 besides other matters. Their conclusion on all issues discussed was satisfactory.

15. Independent Directors

The Independent Directors of your Company have complied with the relevant provisions of the law relating to their appointment and they continue to comply with the provisions of the Companies Act, 2013 and the listing regulations.

In terms of the provisions of sub-section (6) of Section 149 of the Act and Regulation 16 of the Listing Regulations, the Company has received declarations from all the Independent Directors of the Company that they continue to meet with the criteria of independence as provided in the Act and the Listing Regulations. Further, all the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, and reimbursement of expenses, if any, incurred by them for the purpose of attending meetings of the Company.

During the year ended 31/03/2021, 1 (one) meeting of Independent Directors was held on 13/02/2021.

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

S. No.	Name of the Director	Whether Chairman / Member	No. of Meeting(s) attended during F.Y. 2020-2021 and dates	
1	Shri Priya Brat	Chairman	1	13/02/2021
2	Shri R. K. Goswami	Member	1	13/02/2021
3	Dr. R. L. Bishnoi	Member	1	13/02/2021

16. Evaluation and Training of Directors/Independent Directors

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

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

17. Directors Responsibility Statement

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

- a. that in the preparation of the Annual Accounts for the financial year ended 31st March, 2021, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
- b. that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- c. that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. that they have prepared the Annual Accounts for the financial year ended 31st March, 2021 on a 'going concern' basis;
- e. that Internal Financial controls are adequate and operating effectively;
- f. that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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

18. **Policies**

The Nomination and Remuneration policy of the Company can be accessed at www.sael.co.in. This policy amongst others lays down eligibility and procedure for selection and appointment of Directors and key managerial persons besides criteria for remuneration thereof. There were no changes in the said policy during the year under review.

The other policies approved by the Board to facilitate operations and achieving optimal performance can be accessed at www.sael.co.in

The combination of policies and procedures adequately addresses the risk associated with your Company's business.

19. **Vigil Mechanism**

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

Vigil (whistle blower) mechanism provides a channel to the employees and directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct or policy. The mechanism provides for adequate safeguards against victimization of directors and employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

This policy applies to all directors and employees of the Company. All directors and employees of the Company are eligible to make disclosures under this Policy in relation to matters concerning the Company.

20. **Anti-sexual harassment mechanism**

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

The Internal Complaints Committee is headed by woman Director on the Board. There were no complaints received from any employee during the year under review and no complaints were pending as on 31/03/2021.

21. **Auditors**

Statutory Auditors

The Members of the Company had appointed M/s. Agiwal & Associates-Chartered Accountants, (FRN: 000181N) as Statutory Auditors, in the 28th Annual General Meeting held on 21/09/2017 for a period of 5 years i.e. upto conclusion of 33rd Annual General Meeting of the Company. In the 29th Annual General Meeting held on 15/09/2018 the members had also authorised the Board to fix the remuneration of Auditors for the remaining tenure. Accordingly, the item for fixation of remuneration of Statutory Auditors in the notice of ensuing Annual General Meeting has been dispensed with. The Statutory Auditors have given a confirmation that they are eligible to continue with their appointment and have not been disqualified in any manner for continuing as Statutory Auditors.

Secretarial Auditor

Ms. Pooja Nichani, Practicing Company Secretary (CoP: 11351) was appointed by the Board to conduct the secretarial audit of the Company for the financial year 2020-2021, as required under Section 204 of the Companies Act, 2013 and rules thereunder. The secretarial audit report submitted by the Secretarial Auditor is enclosed as a part of this report as **Annexure -C**. There are no adverse remarks/observations in the report of Secretarial Auditor, requiring comments from the Board of Directors.

The Board in its meeting held on 13/08/2021 has appointed Ms. Pooja Nichani-Practicing Company Secretary (CoP: 11351) as Secretarial Auditor for the year 2021-22 as recommended by Audit Committee.

Internal Auditors

Pursuant to the provisions of Section 138 of the Companies Act, 2013, the Board of Directors, on the recommendation of Audit Committee in its meeting held on 28/06/2021, has re-appointed M/s. S. Bansal & Associates, Chartered Accountants, (FRN:002498N) as Internal Auditors of the Company for the Financial Year 2021-22.

Cost Auditor

The provisions relating to maintenance of cost records and Audit thereof are not applicable to your Company.

22. **Auditor's Report**

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

23. **Listing**

The shares of the Company (Scrip Code-526477) are listed at the BSE Ltd., Mumbai only. The Company has paid the annual listing fees for the financial year 2021-22 to the said Stock Exchange.

24. **Deposits**

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

25. **Green Initiative in Corporate Governance:**

As a continuing endeavor towards the Go Green Initiative, the Company has been sending documents like the notice

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calling the general meeting, audited financial statements, directors' report, auditors' report etc. in electronic form, to the email addresses provided by the members directly or made available to us by the depositories, besides regular correspondence. The electronic mode is both economical and speedier compared to physical documents. Members who hold shares in physical form are, therefore, requested to get their e-mail addresses registered and intimate any change in such e-mail ID so registered to the Company or its Registrar & Share Transfer Agents- RCMC Share Registry Pvt. Ltd. In respect of electronic holdings, members are requested to register their e-mail addresses with the depository through their concerned depository participants. You may kindly note that even after registration of e-mail ID, you are entitled to be furnished, free of cost, a printed copy of the annual report of the Company, upon receipt of a requisition from you.

26. Subsidiary Company and Consolidated Statements

The Board in its meeting held on 12/02/2020 had approved acquisition of 60% stake in Chai Thela Pvt. Ltd (CTPL) which is a startup. However, due to Covid-19 the said acquisition could not materialize and also there had been change of hands in shareholders of CTPL. In the meantime the Management succeeded in negotiating the better terms with the then existing shareholders. The Board in its meeting held on 18/03/2021 has approved the acquisition of 7359 equity shares of Rs.10/- each consisting of 60.34% of equity shares of CTPL at a much favorable terms. Accordingly, after the said acquisition of 60.34% of equity stake by the company, CTPL would become its Subsidiary of the Company. The Company has, as on the date of this report, acquired 2261 equity shares of (CTPL) constituting about 18.54% of its capital.

There being no subsidiary of the Company during the year under review, no statement pursuant to Section 129 (3) of the Companies Act, 2013 for the financial year 2020-2021 is required to be enclosed. Accordingly, there is no need for consolidation of accounts.

27. Statutory Information

- a. The information as required under Section 134(3)(m) of the Companies Act, 2013 read with rules thereunder, with respect to Conservation of Energy and Technology

Absorption is enclosed as **annexure -D** and forms part of this report.

- b. There was no proposal during the year under review for buy back of shares by the Company.
- c. Your Company has not made any investment or provided any loan or guarantee exceeding the limits under Section 186 of the Act, nor has it issued equity shares with differential voting rights or has any scheme of stock options for its employees. Hence, no disclosure is required.
- d. Company did not have any subsidiaries or associates in terms of Section 134 read with Rule 8(1) of the Companies (Accounts) Rules, 2014 during the year under review.
- e. Your company has not approved any scheme relating to provision of money to be held in a trust for the benefit of the employees in terms of Section 67(3)(b) of the Companies Act, 2013.
- f. No revision of financial statements or Board's Report has been made in terms of Section 131(1) of the Companies Act, 2013.
- g. No material orders were passed during the year under review impacting the going concern of the status and operations of the Company.
- h. There was no change in the name of your Company during the year under review.

28. Acknowledgement

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

For and on behalf of the Board of Directors

Date: 13/08/2021
Place: New Delhi

(T.B. Gupta)
Managing Director
DIN: 00106181

(K.K. Soni)
Director
DIN: 00106037

Annexure A

Form AOC-2

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

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

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

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2021, which were not at arm's length basis with related parties.

2. Details of material contracts or arrangement or transactions at arm's length basis.

In terms of approval accorded by members in 26th Annual General Meeting held on 26/09/2015, the Company had sold the remaining 5,00,000 equity shares of VLS Capital Ltd., its holding Company, held by it, to VLS Securities Ltd., a related party being constituent of promoter group. The sale had taken place in following manner:

5,00,000 equity shares on 09-06-2020 for Rs. 3,00,00,000/- at Rs 60/- per share. This transaction had been reported in previous year's Directors' Report also in its Form AOC-2 because, though the transaction took place in F.Y. 20-21 the same had taken place prior to approval of Director's Report of that year.

For and on behalf of the Board of Directors

Date: 13/08/2021
Place: New Delhi

(T.B. Gupta)
Managing Director
DIN:00106181

(K.K. Soni)
Director
DIN: 00106037

SOUTH ASIAN ENTERPRISES LTD.

Annexure B

The information required under section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

1 The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-2021 and percentage increase in remuneration of each Director:

Sl. No	Name of the Directors	Designation	% increase of remuneration in 2021 as compared to 2020	Ratio to the median remuneration for the year 2020-2021
1	Shri Priya Brat	Non-Executive Independent Director	0.00%	1.34:1
2	Shri R. K. Goswami	Non-Executive Independent Director	0.00%	1.06:1
3	Shri M. P. Mehrotra	Non-Executive non-Independent Director	0.00%	0.58:1
4	Dr. (Mrs) Neeraj Arora	Non-Executive non-Independent Director	0.00%	0.70:1
5	Shri T. B. Gupta	Managing Director - Vice Chairman	0.00%	5.59:1
6	Shri K. K. Soni	Non-Executive non-Independent Director	0.00%	0.00
7	Shri Anupam Mehrotra	Whole time director	0.00%	6.52:1
8	Dr. R. L. Bishnoi	Non-Executive Independent Director	0.00%	1.34:1

The Non-Executive Independent Directors of the Company are entitled for sitting fee and reimbursement of expenses for attending meetings and the same are within the prescribed limits as per statutory provisions. There was no change in sitting fee of the Non-Executive Directors or remuneration to Executive Director during the FY 2020-2021. Hence, there was no increase in remuneration. The sitting fee received by Non Executive Directors depends on meetings attended by them during the year and the variation vis-a-vis previous year's figures has not been construed as increase in remuneration.

2 The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year 2020-2021:

Sl. No	Name	Designation	% increase of remuneration in 2021 as compared to 2020 *
1	Mr. Ramesh C. Pandey	Company Secretary	0.00%
2	Mr. M. S. Siddiqui#	CFO	0.00%
3	Mr. S. C. Jain*	CFO	Not Comparable

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

Resigned from the position of CFO w.e.f. 18/12/2020 * Appointed as CFO w.e.f. 15/02/2021

3. The percentage increase in the median remuneration of employees in the financial year 2020-2021:

The median remuneration of employees in the financial year 2020-2021 increased by about 10% compared to previous year.

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

18 (Eighteen)

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

The average increase in percentile of salaries of employees other than the managerial personnel in 2020-2021 was Nil
Average Percentile increase in the managerial remuneration for the year was Nil.

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

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

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7. Top 10 employees in terms of remuneration drawn in the financial year 2020-2021:

S. No.	Name/Designation of employee	Remuneration received (Rs.)	Nature of employment, whether contractual or otherwise	Qualification and experience of the employee	Date of commencement of employment	Age of such employee (Years)	Last employment held by such employee before joining the company	Percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub rule (2)	Whether any such employee is a relative of any director or manager of the company and if so name of such director or manager
1	T. B. Gupta - Managing Director	4,80,000.00	Contractual	M. Tech. (Elec.) IIT (Kharagpur) 54 Years	30-01-2006	81	VLS Finance Limited	---	---
2	Anupam Mehrotra- Whole Time Director	5,59,704.00	Permanent	Diploma in Electronics & Communication, B. Com. (Final) from Kanpur University	13-11-2019	56	Jama Corporation Pvt. Ltd.	---	---
3	M. S. Siddiqui - A. G. M. & CFO*	3,88,000.00	Permanent	B.A. Part-1 44 Years	01-01-1992	69	Gaurav Overseas Export Pvt. Ltd.	---	---
4	Vijay Kumar Agarwal - Manager	2,29,000.00	Permanent	Intermediate 31 years	01-01-1994	57	---	---	---
5	Rajesh Gupta - Manager	2,09,800.00	Permanent	M. Com 28 years	01-10-1991	54	---	---	---
6	Inderjeet Singh - Ride Operator	1,06,232.00	Permanent	8th Pass 30 years	01-07-1994	49	---	---	---
7	Manoj Dixit - Cashier	1,01,800.00	Permanent	B.A 26 years	01-05-2001	49	---	---	---
8	Anant Ram - Security Guard	99,400.00	Permanent	B.A. 20 Years	01-05-2010	48	---	---	---
9	Rama Kant Maurya - Manager Maintenance	88,730.00	Permanent	B.Sc. 30 years	01-10-1992	58	---	---	---
10	Ram Naresh Savita - Booking Clerk	85,800.00	Permanent	10th Pass 25 Years	16-01-1995	51	-	---	---

* Resigned from the position of CFO w.e.f. 18/12/2020

There was no employee during the year drawing remuneration in terms of Rule 2(iii) of Companies (Appointment and Remuneration) Rules 2014.

For and on behalf of the Board of Director

Place: New Delhi
Date: 13-08-2021

(T.B. Gupta) (K. K. Soni)
Managing Director Director
DIN:00106181 DIN:00106037

Annexure-C

SECRETARIAL AUDIT REPORT For the financial year ended 31st March, 2021 Form MR-3

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by it and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2021** complied with the statutory provisions

listed hereunder and also that the Company had proper Board processes and compliance-mechanisms in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable during the year under review).
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

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- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable during the year under review.)
- (d) The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations) 2014; (Not applicable during the year under review.)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable during the year under review.)
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
(Not applicable during the year under review.)
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable during the year under review.)
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable during the financial year under review)
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (j) Securities and Exchange Board of India (Depository and Participants) Regulations, 2018;
- (vi) The Company had properly complied the other laws viz. Income tax Act 1961, Prevention of Money Laundering Act, 2002 and rules made thereunder, other applicable tax laws, labour laws, local revenues laws, Insurance Act, The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, Air (Prevention and Control of Pollution) Act, 1981 and rules made thereunder, Water (Prevention and Control of Pollution) Act, 1974 and rules made thereunder, Environment (Protection) Act, 1986, local revenue laws, etc. as applicable to it.

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India,
- ii) The Listing Agreement entered into by the Company with the BSE Limited under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015,

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. The Company has been filing requisite forms and returns with Registrar of Companies in time. However, there was delay in respect of filing of three forms from stipulated period of filing. Further no action was initiated against the listed entity/ its promoters/ directors/subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) or Registrar of Companies under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder.

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

Adequate notices are given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except when meeting was called at shorter notice and duly recorded so. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All decisions were passed unanimously and were properly recorded as part of the minutes.

I further report that based on review of compliance mechanism established by the Company and on the basis of compliance certificate issued inter-alia by Company Secretary which was taken on record by Board of Directors, I am of the opinion that there are adequate systems and processes in the Company are commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. The provisions relating to Corporate Social Responsibility (CSR) were not applicable to the Company during the year under review.

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

(Pooja Nichani)
Company Secretary
ACS No.:20092
C P No.:11351
Place: New Delhi
Date: 23/06/2021
UDIN:A020092C000501738

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

Annexure 1

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

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

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

(Pooja Nichani)
Company Secretary
ACS No.: 20092
C P No.:11351
Place: New Delhi
Date: 23/06/2021
UDIN:A020092C000501738

Annexure-D

Annexure to Directors' Report

Information as per Section 134(3)(m) of the Companies Act, 2013 read with Rules, and forming part of Directors' Report for the year ended 31st March, 2020.

Conservation of Energy

a) Energy conservation measure taken	:	Nil
b) Proposals under implementation for reduction in consumption of energy	:	Nil

Technology Absorption

a) Research and development	:	Nil
b) Technology absorption, adoption and innovation	:	Nil

Foreign Exchange Earnings and Outgo

a) Foreign Exchange Earned	:	Rs.2,27,878/-
b) Foreign Exchange Used	:	Rs.1,97,854/-

For and on behalf of the Board of Directors

Date: 13/08/2021	(T. B. Gupta)	(K. K. Soni)
Place: New Delhi	Managing Director	Director
	DIN:00106181	DIN: 00106037

INDEPENDENT AUDITOR'S REPORT

To the Members of
South Asian Enterprises Limited
Report on the Financial Statements

Opinion

We have audited the accompanying IND-AS financial statements of **SOUTH ASIAN ENTERPRISES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Cash Flow Statement for the year ended on that date, the summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed u/s 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matter are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matter were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. The other information referred herein has not been made available to us as on the date of signing of this report and so we cannot comment on the same. The same will be dealt with in our supplementary report upon receipt of the relevant information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decision of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in:

- (i) planning the scope of our audit work and in evaluating the results of our work; and
- (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing

so would reasonably be expected to outweigh the public interest benefits of such communication

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of Change in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigations ;
 - ii. the company did not have any long term contract including derivative contracts for which there were any material foreseeable losses; and
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Agiwal & Associates**

Chartered Accountants

Firm's Registration Number: 000181N

CA P. C. Agiwal

Partner

Membership Number: 080475

UDIN: 21080475AAAIFY9042

Place: New Delhi

Date: 28th June 2021

Annexure to the Independent Auditors' Report

The Annexure 'A' referred to in our Independent Auditors' Report to the members of the Company on the financial statements of South Asian Enterprises Limited for the year ended March 31, 2021, we report that:

- (i) In respect of its fixed assets:
 - (a) The Company has generally maintained records to show particulars, including quantitative details and situation of fixed assets;
 - (b) The fixed assets covering significant value were physically verified during the year by the management at such intervals which in our opinion, provides for the physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company and nature of its business. According to the information and explanations given to us, no material discrepancies were noticed on such verification;
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of company.
- (ii) According to the information and explanations given to us, the inventories have been physically verified by the management to the extent practicable at reasonable intervals during the year and

as explained, there was no material discrepancies noticed on such verification.

- (iii) According to the information and explanations given to us, the Company has not granted secured or unsecured loan to companies, firms, LLP or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore, the provisions of clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company is in compliance with the provisions of section 185 and 186 of Companies Act, 2013 as on March 31, 2021 with respect to the loans, investments, guarantees and security provided by it.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year. Hence, the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there-under are not applicable to the Company.
- (vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the services rendered by the company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and any other material statutory dues to the appropriate authorities to the extent these are applicable.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues were in arrears as at 31 March, 2021, for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, there are no dues of Income Tax, or Sales Tax or Goods and Services Tax or duty of Customs or duty of Excise or Value Added Tax which have not been deposited by the company on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in the repayment of loans or borrowings to banks. The company did not have any outstanding loans or borrowings from financial institutions. The company has not issued any debentures.
- (ix) In our opinion and according to the information and explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) In our opinion and according to our information and explanations given to us and based on our examination of the records of the Company, the Company has paid or provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company as prescribed under section 406 of the Act.
- (xiii) According to the information and explanation given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statement as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected

with him. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(xvi) According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Agiwal & Associates**
Chartered Accountants
Firm's Registration Number: 000181N

CA P. C. Agiwal
Partner
Membership Number: 080475
UDIN: 21080475AAAAFY9042

Place: New Delhi
Date: 28th June 2021

Annexure - B to the Independent Auditors' Report **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **South Asian Enterprises Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Agiwal & Associates**
Chartered Accountants
Firm's Registration Number: 000181N

CA P. C. Agiwal
Partner
Membership Number: 080475
UDIN: 21080475AAAAFY9042

Place: New Delhi
Date: 28th June 2021

Supplementary Independent Auditor's Report **To the Members of South Asian Enterprises Limited** **Information other than the Financial Statements and Auditor's Report thereon**

This report is to be read with our report dated 28/06/2021 given on IND AS Financial Statements for the financial year 2020-21 wherein we had reported on the aspect of Information Other than Financial Statements. The Other Information for preparation of which the Company's Board of Directors is responsible, comprises the information included in the Management Discussion and Analysis, Board's report including Annexures to the Board's Report, Corporate Governance and Shareholders information, but does not include the financial statements and our report thereon. The Board has revised their report on 13/08/2021 which was approved on 28/06/2021. In connection with our audit of the financial statements, our responsibility is to read the other information including subsequent revision therein if any, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatements of this other information, we are required to report that fact. We have nothing to report in this regard.

For **Agiwal & Associates**
Chartered Accountants
Firm's Registration Number: 00181N

CA P. C. Agiwal
Partner
Membership Number 080475

Place New Delhi
Date: August 13th, 2021
UDIN: 21080475AAAAHI1584

SOUTH ASIAN ENTERPRISES LTD.

Balance Sheet as at 31st March, 2021 (As per Indian Accounting Standard)

(Amount in Rs.)

S. No.	Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
	ASSETS			
(1)	Non-Current Assets			
	(a) Property, Plant and Equipment	3	5,59,547	9,13,770
	(b) Right of Use Asset	3	-	2,58,520
	(c) Capital work-in-progress		-	-
	(d) Other Intangible assets		-	-
	(e) Investment in property (leasehold)		-	-
	(f) Financial Assets			
	(i) Loans	4	1,25,71,952	83,050
	(ii) Investment	5	17,47,633	3,08,61,321
	(iii) Other financial assets	6	13,117	12,373
	(g) Deferred tax asset (Net)	7	2,95,419	1,69,053
	(h) Other Non current Asset		-	-
			1,51,87,668	3,22,98,086
(2)	Current Assets			
	(a) Inventories	8	15,37,080	20,48,668
	(b) Financial Assets			
	(i) Loan	9	-	-
	(ii) Trade Receivable	10	25,21,352	25,95,962
	(iii) Cash and cash equivalents	11	82,24,500	84,50,369
	(iv) Bank balances other than (i) above	11A	4,42,74,531	2,87,45,316
	(v) Other Financial assets	12	-	7,000
	(c) Current Tax Assets (Net)	13	4,10,847	3,95,096
	(d) Other current assets	14	7,65,431	2,12,440
			5,77,33,741	4,24,54,851
	Total Assets		7,29,21,409	7,47,52,937
	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share capital	15	3,99,90,500	3,99,90,500
	(b) Other Equity	16	3,09,73,388	3,22,24,693
			7,09,63,888	7,22,15,193
(1)	LIABILITIES			
	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings		-	-
	(ii) Trade payables		-	-
	(b) Provisions	17	1,04,778	99,644
	(c) Deferred tax liabilities (Net)		-	-
	(d) Other non-current liabilities		-	-
			1,04,778	99,644
(2)	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	18	-	-
	(ii) Trade payables		-	-
	a) Total outstanding dues of micro enterprises and small enterprises		-	-
	b) Total outstanding dues of creditors other than micro enterprises and small enterprises	19	47,560	1,57,488
	(iii) Other financial liabilities	20	11,42,214	13,80,539
	(b) Other current liabilities	21	4,45,585	6,65,225
	(c) Provisions	22	2,17,384	2,34,848
	(d) Current Tax Liabilities (Net)		-	-
			18,52,743	24,38,100
	Total Equity and Liabilities		7,29,21,409	7,47,52,937

Significant Accounting Policies and Notes forming part of accounts
The notes referred to above are an integral part of these financial statements
As per our report of even date

For Agiwal & Associates
(F.R.N.000181N)
Chartered Accountants

For and on behalf of the Board

P.C.Agiwal
Partner
Membership No. 080475

T. B. Gupta
Managing Director
DIN: 00106181

M. P. Mehrotra
Director
DIN: 00016768

Place : New Delhi
Date: 28/06/2021

R. C. Pandey
Company Secretary
PAN: AJRPP6072H

S. C. Jain
Chief Financial Officer
PAN: AANPJ7826N

SOUTH ASIAN ENTERPRISES LTD.

Statement of Profit and Loss for the year ended 31st March, 2021 (As per Indian Accounting Standard)

(Amount in Rs.)

S. No.	Particulars	Note No.	For the year ended 31st March 2021	For the year ended 31st March 2020
I	Revenue From Operations	23	70,61,548	1,06,00,706
II	Other Income	24	35,05,316	92,10,892
III	Total Income (I+II)		1,05,66,864	1,98,11,598
IV	EXPENSES			
	Purchase of Stock-in-Trade		24,50,080	28,38,629
	Changes in Inventories of Stock-in-Trade	25	5,11,588	4,93,773
	Employee benefits expense	26	31,73,441	34,49,790
	Finance costs	27	51,579	89,230
	Depreciation and amortization expense		6,36,063	9,21,446
	Other expenses	28	50,07,255	66,78,507
	Total expenses (IV)		1,18,30,006	1,44,71,374
V	Profit/(loss) before exceptional items and tax (I- IV)		(12,63,142)	53,40,224
VI	Exceptional Items		-	-
VII	Profit/(loss) before tax (V-VI)		(12,63,142)	53,40,224
VIII	Tax expense:	29		
	(1) Current tax		-	-
	(2) Tax adjustment for earlier Year		-	-
	(2) Deferred tax		(1,56,144)	(83,713)
IX	Profit (Loss) for the period (VII-VIII)		(11,06,998)	54,23,937
X	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss			
	Gain / (Loss) arising on Defined Employee Benefits		(1,14,529)	12,460
	Gain / (Loss) arising on fair valuation of Investment		-	71,08,153
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(29,778)	(3,240)
XI	Other comprehensive income / (loss)		(1,44,307)	71,17,373
XII	Total Comprehensive Income for the period (IX+XI) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		(12,51,305)	1,25,41,310
XIII	Earnings per equity share			
	(1) Basic		(0.28)	1.36
	(2) Diluted		(0.28)	1.36

Significant Accounting Policies and Notes forming part of accounts
The notes referred to above are an integral part of these financial statements
As per our report of even date

For Agiwal & Associates
(F.R.N.000181N)
Chartered Accountants

For and on behalf of the Board

P.C.Agiwal
Partner
Membership No. 080475

T. B. Gupta
Managing Director
DIN: 00106181

M. P. Mehrotra
Director
DIN: 00016768

Place : New Delhi
Date: 28/06/2021

R. C. Pandey
Company Secretary
PAN: AJRPP6072H

S. C. Jain
Chief Financial Officer
PAN: AANPJ7826N

SOUTH ASIAN ENTERPRISES LTD.

Cash Flow Statement for the year ended 31st March, 2021

Amount (in Rs.)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
A. Cash Flow from Operating Activities		
Profit/(loss) before tax	(12,63,142)	53,40,224
	(12,63,142)	53,40,224
Adjustments for:-		
Dividend Income	-	(4,592)
Depreciation	6,36,063	9,21,446
Employee benefits expense	(1,14,529)	(12,460)
Change in accounting policy under IND AS 116	-	(29,249)
Interest Income	(32,83,707)	(5,67,418)
Finance Cost	37,633	41,169
	(27,24,540)	3,48,896
Operating Profit before Working Capital Changes	(39,87,682)	56,89,121
Adjustments for:		
Decrease/ (Increase) in Inventories	5,11,588	4,93,773
Other financial assets	6,255	22,26,547
Loan	(1,24,88,902)	1,68,000
Trade Payable	(1,09,928)	(51,312)
Trade Receivable	74,610	(9,03,071)
Other financial liabilities	(2,38,325)	7,70,903
Other current liabilities	(2,19,640)	(2,06,538)
Provisions	(17,464)	(1,35,926)
Non current Asset	-	-
Current Tax Assets (Net)	(15,751)	1,19,849
Provision for Employee Benefits	5,134	(7,364)
Other current assets	(5,52,991)	2,10,108
	(1,30,45,414)	26,84,969
Cash Generated from Operations	(1,70,33,096)	83,74,090
Tax paid	-	-
Net Cash generate / (used in) Operating Activities	(1,70,33,096)	83,74,089
B. Cash Flow from Investing Activities		
Additions in Fixed Assets	(23,320)	(5,87,940)
Sale of Investments	3,00,00,000	2,21,95,076
Purchase of Investments	(8,86,312)	-
Investment in property (leasehold)	-	-
Dividend Income	-	4,592
Interest Received	32,83,707	5,67,418
Investment in bank deposits (having original maturity for more than 3 months)	(1,55,29,215)	(2,28,71,806)
Net Cash generate / (used in) Investing Activities	1,68,44,860	(6,92,660)
C. Cash Flow from Financing Activities		
Interest paid	(37,633)	(41,169)
Financial Assets	-	-
Net Cash generated/ (used in) Financing Activities	(37,633)	(41,169)
Net increase/ (decrease) in Cash & Cash Equivalents	(2,25,869)	76,40,261
Cash & Cash Equivalents at the beginning of the year	84,50,369	8,10,108
Cash & Cash Equivalents at the end of the year	82,24,500	84,50,369

Note:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' set out in the Accounting Standard 3 "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.
- | | | |
|---------------------------------------|-----------|-----------|
| Cash & Cash Equivalents | | |
| Cash on Hand | 81,186 | 80,29,859 |
| Current Account | 81,43,314 | 4,20,510 |
| Overdraft | - | - |
| Cash and Bank balances as per Note 11 | 82,24,500 | 84,50,369 |

As per our report of even date
Significant Accounting Policies and Notes forming part of accounts

As per our report of even date
For Agiwal & Associates
(F.R.N.000181N)
Chartered Accountants

P.C. Agiwal
Partner
Membership No. 080475

Place : New Delhi
Date: 28/06/2021

For and on behalf of the Board

T. B. Gupta
Managing Director
DIN: 00106181

R. C. Pandey
Company Secretary
PAN: AJRPP6072H

M. P. Mehrotra
Director
DIN: 00016768

S. C. Jain
Chief Financial Officer
PAN: AANPJ7826N

SOUTH ASIAN ENTERPRISES LTD.

Statement of Change in Equity for the year ended 31st March 2021

(Amount In Rs.)

(a) Equity Share Capital

40,00,000 Equity Shares of Rs.10/- each issued, subscribed and fully paid

At 31st March, 2020

Issue of Share Capital

At 31st March, 2021

31st March 2021	
No. of Shares	Rupees
4,00,00,000	3,99,90,500
-	-
4,00,00,000	3,99,90,500

(b) Other equity

For the year ended 31st March, 2021

PARTICULARS	General Reserve	Securities Premium Account	Retained Earning	FVTOCI reserve	Total
At 31st March, 2019	1,84,89,145	5,99,71,500	(2,53,23,971)	(3,34,34,850)	1,97,01,824
Total Comprehensive Income	1,84,89,145	5,99,71,500	(2,53,23,971)	(3,34,34,850)	1,97,01,824
Transfer to retained earning	-	-	(80,75,932)	80,75,932	-
Profit for the period	-	-	54,14,716	79,85,194	1,33,99,910
Other Comprehensive Income	-	-	-	(8,77,041)	(8,77,041)
At 31st March, 2020	1,84,89,145	5,99,71,500	(2,79,85,187)	(1,82,50,765)	3,22,24,693
Profit for the period	-	-	(12,51,305)	-	(12,51,305)
Other Comprehensive Income	-	-	-	-	-
Total Comprehensive Income	1,84,89,145	5,99,71,500	(2,92,36,492)	(1,82,50,765)	3,09,73,388
At 31st March, 2021	1,84,89,145	5,99,71,500	(2,92,36,492)	(1,82,50,765)	3,09,73,388

As per our report of even date

For Agiwal & Associates

(F.R.N.000181N)

Chartered Accountants

P.C.Agiwal

Partner

Membership No. 080475

Place : New Delhi

Date: 28/06/2021

For and on behalf of the Board

T. B. Gupta

Managing Director

DIN: 00106181

R. C. Pandey

Company Secretary

PAN: AJRPP6072H

M. P. Mehrotra

Director

DIN: 00016768

S. C. Jain

Chief Financial Officer

PAN: AANPJ7826N

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

1. Corporate Information

South Asian Enterprises Limited is a public limited company incorporated in 1991 and domiciled in India. The registered office of the Company is situated at K-Block, Kidwai Nagar, Kanpur (U.P.) The Company's shares are listed on the BSE Ltd. The Company is engaged to run amusement parks and other activities including trading in earthing and lightning protection systems.

2. Significant Accounting Policies

2.1 Statement of Compliance with Ind AS

The financial statements have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 ("Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are approved for issue by the Board of Directors has been considered in preparing these financial statements.

2.2 Basis of Preparation of Financial Statements

These financial statements are prepared on the accrual basis of accounting, under the historical cost convention except for the following:

- Certain financial assets and financial liabilities measured at fair value; and
- Defined benefits plan - plan assets measured at fair value.

There is no change in the system of accounting as being consistently followed from earlier years unless otherwise stated

All assets and liabilities have been classified as current or non-current as per company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of operations and time between procurement of raw material and realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities

2.3 Use of Estimates

The preparation of the Financial Statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenditure during the period. Management believes that the estimates made in the preparation of the financial statements are prudent and reliable. Actual results might differ from the estimates. Difference between the actual results and estimates are recognized in the period in which results are known / materialized.

2.4 Property, plant and equipment (PPE) and Capital work-in-progress (CWIP)

The Company has elected to continue with carrying value of all Property, plant and equipment and Capital work-in-progress (CWIP).

The Property, plant and equipment were stated at their original cost (net of accumulated depreciation and impairment) adjusted by revaluation of certain assets.

The Property, plant and equipment (PPE) and Capital work-in-progress (CWIP) are stated at cost net of GST credit and/or at revalued price less accumulated depreciation and Accumulated Impairment.

Interest on borrowings used to finance the construction of qualifying assets are capitalized as part of the cost of the asset until such time that the asset is ready for its intended use.

Depreciation on Property, plant and equipment (PPE) is provided on written down value method as prescribed under Part C of Schedule II to the Companies Act, 2013. The additional depreciation, on increase in cost on account of revaluation, is transferred to Retained Earnings from Revaluation Reserve and is thus not charged to statement of Profit & Loss of the year.

Useful life of assets is considered on the basis of schedule-II of Companies Act 2013.

Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred.

Each item of PPE individually costing Rs.5,000/- or less is depreciated fully in the year of their put to use.

Depreciation/amortization on assets added, sold or discarded during the year is provided on pro-rata basis.

2.5 Intangible Assets (Computer Software)

Intangible assets expected to provide future enduring economic benefits are recorded at the consideration paid for acquisition of such assets and are carried at cost of acquisition less accumulated amortization and impairment, if any.

Intangible assets: Computer software is amortized over a period of four years.

2.6 Revenue Recognition and Expenses

- Effective April 1 2018 the company adopted Ind AS 115, revenue from contracts with customer using the cumulative catch up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch up transition method, the comparatives have not been retrospectively adjusted. Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Arrangements with customers for services and goods are either on a fixed-price, fixed-timeframe or on a time-and-material basis.

Revenue on supply and service contracts are recognized as the related performance obligation is completed.

Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Revenues in excess of invoicing are classified as contract assets (which we refer to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

- Insurance claims have been accounted for on cash basis looking in to the uncertainty and its collection as per past practice.
- Interest Income is accounted for on time proportionate basis.

2.7 Expenses

- All expenses are accounted for on accrual basis.

2.8 Inventory

- Cost of inventory comprises of purchase price, cost of conversion and other cost that have been incurred in bringing the inventories to their respective present location and condition. Interest costs are not included in value of inventory.

Inventories are valued as under:

Finished Goods are carried at lower of cost or net realizable value. Cost of finished goods is determined following first in first out method.

Traded Goods are carried at lower of cost or net realizable value. Cost of traded goods is determined following first in first out method.

2.9 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd...)

that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is decided by the management after discussion with and approval by the Company's management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.10 Financial instruments

Financial assets and financial liabilities are recognised in the Balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. The financial assets include equity and debt securities, trade and other receivables, loans and advances, cash and bank balances and derivative financial instruments.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- 1) At amortised cost,
- 2) At fair value through other comprehensive income (FVTOCI), and

- 3) At fair value through profit or loss (FVTPL).

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- 1) The asset is held within a business model whose objective is to hold the asset for collecting contractual cash flows, and
- 2) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Equity investments

All equity investments in the scope of Ind AS 109 are measured at fair value except in case of investment in subsidiary carried at deemed cost and associate carried at cost.

Equity instruments included within the FVTPL category, if any, are measured at fair value with all changes recognized in profit or loss. The Company may make an irrevocable election to present in OCI subsequent changes in the fair value.

The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. When the fair value has been determined based on level 3 inputs, the difference between the fair value at initial recognition and the transaction price is deferred and after initial recognition deferred difference is recognised as gain or loss to the extent it arises from change in input to valuation technique. If the Company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI.

There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

De-recognition

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

2.11 Employees Benefits

- (i) Short term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services are recognized as an expense as the related service is rendered by employees.

- (ii) Post employment benefits

Defined contribution plans:

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The company makes specified monthly contributions towards provident fund. The Company's contribution is recognized as an expense in the statement of profit and loss during the period in which employee renders the related service.

Defined benefit plan:

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market

yields on Government securities as at the balance sheet date.

When the calculation results in a benefit to the Company, the recognized asset is limited to the net total of any unrecognized actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses are recognized in the other comprehensive income

(ii) Long term employment benefits

The Company's net obligation in respect of long-term employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value and the fair value of any related assets is deducted. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

(iii) Compensated absences

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

Short term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit & Loss for the year in which the related service is rendered.

(iv) Estimation of Defined benefit obligations

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each financial year end. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the actuary considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

2.12 Borrowing Costs

Borrowing costs attributable to the qualifying assets are capitalized up to the period such assets are ready for the intended use and commenced commercial production. All other borrowing cost is charged to the Statement of Profit & Loss in the period in which they are incurred.

2.13 Foreign Currency Transactions and Translations

- a) Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary items denominated in foreign currency at the year end are translated at year end rates.
- b) Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- c) In respect of monetary items which are covered by forward exchange contracts, the difference between the year end and the rate on the date of contract is recognized as exchange difference and the premium on such forward contracts is recognized over the life of the forward contract.
- d) The exchange differences arising on settlement/translation are recognized in the Statement of Profit and Loss.

2.14 Taxes on Income

(a) Current Tax

Tax on income for the current period is determined on the basis of taxable income computed in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which give future economic benefit in the form of adjustment to future income tax liability is considered as an asset to the extent there is convincing evidence that the company will pay normal income tax.

(b) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statement and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction (other than a business combination) affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets are recognised for the carry forward of unused tax losses and unused tax credit to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised on all taxable temporary differences.

2.15 Impairment of Non-financial Assets

- (i) No financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.
- (ii) An impairment loss is recognised for the amount by which the assets' carrying amount exceeds its recoverable amount, costs of disposal and value in use.
- (iii) For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or group of assets (cash generating units).
- (iv) Non financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.16 Leases

Following Ind AS 17 till 31.03.2019, the assets acquired as leases where a significant portion of the risks and rewards of the ownership retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit & Loss on accrual basis. With effect from 01.04.2019, the Ind AS 116 has been applied by the company.

2.17 Provisions, Contingent Liabilities and Contingent Assets

- (i) Provision is recognized in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable.
- (ii) Provision is recognized in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.
- (iii) Provisions are not recognised for future operating losses.
- (iv) Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.
- (v) A contingent asset is not recognized in the financial statements.
- (vi) Provisions and contingent liabilities are reviewed at each balance sheet date.

2.18 Segment Reporting

Primary Segment

Based on the guiding principles given in the Ind AS-108 "Segment Reporting" issued by ICAI, the Company's segments are running of amusement parks and trading in earthing & lightning protection systems.

Revenue and expenses have been accounted for on the basis of their relationship to the operating activities of the respective segment.

Segment Identification

Business segments have been identified on the basis of the nature of products/ services, the risk return profile of individual business, the organizational structure and the internal reporting system of the company.

The operating segments are reported after taken into consideration of aggregation criteria and quantitative threshold as mentioned in Para 12 and 13 of Ind AS 108.

Excise duty in respect of finished goods held in stock has been accounted for at the end of the year and is included in the value of closing stock.

2.19 Earnings Per Share

Basic earnings per share is computed by dividing the profit/ (loss) after tax (including the post tax effect of extra ordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit/ (loss) after tax (including the post tax effect of extra ordinary items, if any) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares.

2.20 Cash and Cash Equivalents

Cash and cash equivalents in the Balance sheet comprise cash on hand, cheques on hand, balance with banks on current accounts and short term, highly liquid investments with an original maturity of three months or less and which carry insignificant risk of changes in value.

For the purpose of the Cash Flow Statement, Cash and cash equivalents consist of Cash and cash equivalents, as defined above and net of outstanding book overdrafts as they are considered an integral part of the Company's cash management

2.21 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payment and item of income or expenses associated with investing or financing flows. The cash flows operating, investing and financing activities of the company are segregated.

2.22 Investment Property:

An investment property shall be measured initially at its cost. Transaction costs shall be included in the initial measurement.

The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure. Directly attributable expenditure includes, for example, professional fees for legal services, property transfer taxes and other transaction costs

Cost model after initial recognition, an entity shall measure all of its investment properties in accordance with Ind AS 16's requirements for cost model, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations. Investment properties that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) shall be measured in accordance with Ind AS 105.

When measuring the fair value of investment property in accordance with Ind AS 113, an entity shall ensure that the fair value reflects, among other things, rental income from current leases and other assumptions that market participants would use when pricing investment property under current market conditions.

This Standard requires all entities to measure the fair value of investment property, for the purpose of disclosure even though they are required to follow the cost model. An entity is encouraged, but not

required, to measure the fair value of investment property on the basis of a valuation by an independent valuer who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment property being value

2.23 Estimated fair value of unlisted securities

The fair values of financial instruments that are not traded in an active market and cannot be measured based on quoted prices in active markets is determined using valuation techniques including the net assets value (NAV) model. The Group uses its judgment to select a variety of method / methods and make assumptions that are mainly based on market conditions existing at the end of each financial year. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

2.25 Insurance claims and liquidated damages

Insurance claims are accounted as and when admitted/settled. Subsequent changes in value, if any, are provided for.

2.26 Ind AS 116: Leases

Effective April 01, 2019, the Company has adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 01, 2019 using the modified retrospective method. Accordingly, the Company recognizes right-of-use asset at the date of initial application. The right-of-use asset is measure equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application.

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics

A lease that transfers substantially all the risks and rewards incidental to ownership to the lessee is classified as a finance lease. All other leases are classified as operating leases.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd...)

recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

Impact of Ind AS 116:

Ind AS 116 Leases was notified by MCA on 30th March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17.

The Company has adopted the new standard on the required effective date using the modified retrospective method. Accordingly, the company has not restated comparative information, instead, the right-of-use asset is recognized at the date of initial application. The right-of-use asset is measure equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application.

NOTE - 3 : Fixed assets

Description	Plant and Machinery	Building	Right of Use Asset	Vehicle	Furniture & Fixtures	Office Equipment	Computers	Total
Balance as at 01st April, 2019	1,83,45,602	85,79,133	-	1,49,671	6,66,433	8,28,170	2,79,129	2,88,48,138
Additions	-	-	5,68,744	-	-	19,196	-	5,87,940
Deduction	-	-	-	-	-	-	-	-
Balance as at 31st March, 2020	1,83,45,602	85,79,133	5,68,744	1,49,671	6,66,433	8,47,366	2,79,129	2,94,36,078
Balance as at 01 April 2020	1,83,45,602	85,79,133	5,68,744	1,49,671	6,66,433	8,47,366	2,79,129	2,94,36,078
Additions	-	-	-	-	-	23,320	-	23,320
Deduction	-	-	-	-	-	-	-	-
Balance as at 31st March, 2021	1,83,45,602	85,79,133	5,68,744	1,49,671	6,66,433	8,70,686	2,79,129	2,94,59,398
Depreciation & Impairment								
Balance as at 01st April, 2019	1,77,91,191	78,58,107	-	1,07,338	6,66,433	6,63,197	2,56,076	2,73,42,342
Depreciation for the year	3,11,886	2,20,816	3,10,224	4,638	-	58,075	15,807	9,21,446
Adjustments	-	-	-	-	-	-	-	-
Deduction	-	-	-	-	-	-	-	-
Balance as at 31st March, 2020	1,81,03,077	80,78,923	3,10,224	1,11,976	6,66,433	7,21,272	2,71,883	2,82,63,788
Balance as at 01 April 2020	1,81,03,077	80,78,923	3,10,224	1,11,976	6,66,433	7,21,272	2,71,883	2,82,63,788
Depreciation for the year	1,03,451	2,20,815	2,58,520	4,638	-	43,450	5,188	6,36,063
Adjustments	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	1,82,06,528	82,99,738	5,68,744	1,16,614	6,66,433	7,64,722	2,77,071	2,88,99,851
Net Block								
As at 31st March, 2020	2,42,525	5,00,210	2,58,520	37,695	-	1,26,094	7,246	11,72,290
As at 31st March, 2021	1,39,074	2,79,395	-	33,057	-	1,05,964	2,058	5,59,547

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Amount in Rs.

PARTICULARS	As at 31st March 2021	As at 31st March 2020
Note - 4 Loan		
Unsecured		
Considered Good		
Inter-Corporate Loan (Chai Thela Private Limited)	1,25,06,652	-
Security Deposit (MCK)	40,000	40,000
Security Deposit for Telephone	5,300	5,300
Security Deposit (LESU)	-	15,000
Security Deposit KESCO (KNP)	20,000	20,000
Security Deposit Rent (LKO)	-	2,750
Total	1,25,71,952	83,050
NOTE - 5 Investment in Equity (At fair value through OCI)		
A - Non trade -Fully paid up		
UNQUOTED		
<u>Holding Company - (At fair value through OCI)</u>		
Nil (P.Y. - 5,00,000) Equity Shares of Rs.10/- each of VLS Capital Limited	-	3,00,00,000
<u>Others - (At fair value through OCI)</u>		
50,000 Equity Shares of Rs.10/- each of Indhra Dhan Agro Products Ltd.	-	-
15,00,000 Equity Shares of Rs.10/- each of Hotline Electronics Ltd.	-	-
3 Equity Shares of Rs.1/- each of Reliance Commercial Finance Ltd. (formerly Reliance Media works Ltd.)	1	1
2,261 Equity Shares of Rs.10/- each of Chai Thela Private Limited	8,86,312	-
35,000 Equity Shares of Rs.100/- each of Alok Fintrade Private Limited	8,61,320	8,61,320
Total (B)	17,47,633	3,08,61,321
Total Non-Current Investment	17,47,633	3,08,61,321
Note - 6 Other Financial Assets		
UCO Bank Current Account SAEL Group Gratuity Scheme	13,117	12,373
Total	13,117	12,373
Note -7 Deferred Tax Asset		
PARTICULARS	As at 31st March 2021	As at 31st March 2020
Deferred Tax		
a. Deferred Tax Liabilities		
- Depreciation on Fixed Asstes	(1,38,383)	(8,811)
b. Deferred Tax Assets		
- Employee Benefits	85,368	88,574
- Provision for bad & doubtful debts	71,668	71,668
Net Deferred Tax Liabilities	(2,95,419)	(1,69,053)

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Amount in Rs.

PARTICULARS	As at 31st March 2019	Provided during the Year	As at 31st March 2020	Provided during the Year	As at 31st March 2021
Deferred tax liability:					
Related to Fixed Assets (Depreciation)	1,85,429	(1,94,240)	(8,811)	(1,29,572)	(1,38,383)
Others	-	-	-	-	-
Total deferred tax liability (A)	1,85,429	(1,94,240)	(8,811)	(1,29,572)	(1,38,383)
Deferred tax assets:					
Carry forward Business Loss / Unabsorbed Depreciation	36,671	-	36,671	-	36,671
43B Disallowances etc.	-	-	-	-	-
Others	-	-	-	-	-
Provision for leave encashment and Others	2,29,253	(1,07,287)	1,21,966	(3,206)	1,18,760
Revaluations of FVTOCI investments to fair value	18,846	(17,241)	1,605	-	1,605
Total deferred tax assets (B)	2,84,770	(1,24,528)	1,60,242	(3,206)	1,57,036
Deferred Tax Liability (Net) (A - B)	(99,341)	(69,712)	(1,69,053)	(1,26,366)	(2,95,419)

PARTICULARS	As at 31st March 2021	As at 31st March 2020
Note -8 Inventories		
Stock in Trade	15,37,079	20,48,667
Music album	1	1
Total	15,37,080	20,48,668
Note - 9 Loan		
Security Deposit	-	-
Total	-	-
Note - 10 Trade Receivable (Unsecured, considered good)		
Considered Goods	25,21,352	25,95,962
Considered Doubtful	2,75,648	2,75,648
Less: Allowances for expected credit loss	2,75,648	2,75,648
Total	25,21,352	25,95,962
Note-11 Cash and Cash Equivalents		
Cash on hand	81,186	29,859
Deposit with Bank less than 3 months	-	80,00,000
Balance with Bank	81,186	80,00,000
In current account	-	4,20,510
Total	81,186	84,50,369
Note -11A Bank Balances		
Deposit with bank more than 3 month upto 12 months	3,70,00,000	2,32,03,000
Interest Accrued on Fixed Deposit	19,65,792	4,92,876
Fixed Deposit with original maturity of more than 12 months against short term borrowing	53,08,739	50,49,440
Grand Total	4,42,74,531	2,87,45,316
Note -12 Other Financial Assets		
Advance to staff	-	6,895
Deferred Cost towards Staff Loan	-	105
Total	-	7,000
Note-13 Current Assets (Net)		
Income Tax Receivable	4,10,847	3,95,096
Total	4,10,847	3,95,096
Note-14 Other current assets		
Advance to Suppliers	4,13,966	-
Prepaid Expenses	22,907	24,066
Other	3,28,558	1,88,374
Total	7,65,431	2,12,440

SOUTH ASIAN ENTERPRISES LTD.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd...)

Amount in Rs.

Note - 15 Equity Share Capital

	As at 31st March 2021		As at 31st March 2020	
Authorised				
50,00,000 Equity Shares of Rs.10/- each		5,00,00,000		5,00,00,000
		5,00,00,000		5,00,00,000
Issued, Subscribed & Called Up Capital				
Issued, Subscribed & Paid up				
40,00,000 Equity Shares of Rs.10/- each	4,00,00,000		4,00,00,000	
(i) Less: Calls-in -Arrears-by others	9,500	3,99,90,500	9,500	3,99,90,500
		3,99,90,500		3,99,90,500

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

Equity Shares	As at 31st March 2021		As at 31st March 2020	
	No. of Shares	Rupees	No. of Shares	Rupees
At the beginning of the year	40,00,000	3,99,90,500	40,00,000	3,99,90,500
Issued during the year	-	-	-	-
(ii) Outstanding at the end of the year	40,00,000	3,99,90,500	40,00,000	3,99,90,500

b. Terms/rights attached to equity shares

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

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

	As at 31st March 2021		As at 31st March 2020	
	No. of shares	% of holding	No. of shares	% of holding
VLS Capital Ltd.*	23,84,289	59.61	23,84,289	59.61
The Dhampur Sugar Mills Ltd.	2,50,000	6.25	2,50,000	6.25

d. Details of shares held by Holding Company

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

*Holding Company since 03.02.2015

PARTICULARS	As at 31st March 2021	As at 31st March 2020
Note-16 Other Equity		
Securities premium		
As per Last Balance Sheet	6,00,00,000	6,00,00,000
Less: Calls Unpaid - by other	(28,500)	(28,500)
Balance as at end of the year	Total (A) 5,99,71,500	5,99,71,500
General reserve		
Balance at the beginning of the year	1,84,89,145	1,84,89,145
Balance as at end of the year	Total (B) 1,84,89,145	1,84,89,145
Retained earnings		
Balance at the beginning of the year	(2,79,85,187)	(2,52,94,722)
At April 01, 2019 change in accounting policy under IND AS 116	-	(29,249)
Add: Profit/(loss) during the year	(12,51,305)	54,14,716
Transfer from Other Comprehensive Income	-	(80,75,932)
Balance as at end of the year	Total (C) (2,92,36,492)	(2,79,85,187)
Fair value gain on equity instruments carried through other comprehensive income		
Balance at the beginning of the year	(1,82,50,765)	(3,34,34,850)
Add: Other Comprehensive Income during the year (net of tax)	-	71,08,153
Transfer from retained earnings	-	80,75,932
Balance as at end of the year	Total (D) (1,82,50,765)	(1,82,50,765)
TOTAL (A+B+C+D)	3,09,73,388	3,22,24,693

SOUTH ASIAN ENTERPRISES LTD.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd...)

Amount in Rs.

PARTICULARS	As at 31st March 2021	As at 31st March 2020
Note-17 Long Term Provisions		
Provision for Employees Benefits	1,04,778	99,644
Total	1,04,778	99,644
Note-18 Secured Working Capital Loans from Banks*		
*Secured against Pledge of Fixed Deposit	-	-
Total	-	-
Note -19 Trade Payables		
i) Total outstanding dues of micro enterprises and small enterprises; and	-	-
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	47,560	1,57,488
Total	47,560	1,57,488
Note - 20 Other Financial Liabilities		
Others Payables to staffs	-	-
Security Deposits	-	29,000
Lease Liabilities	-	2,86,054
Others Payables	11,42,214	10,65,485
Total	11,42,214	13,80,539
Note- 21 Current Liabilities		
Advance from customer	-	-
Statutory dues	38,070	1,39,122
Liability for Expenses	4,07,515	5,26,103
Total	4,45,585	6,65,225
Note - 22 Short Term Provisions		
Provision for Employees Benefits	2,17,384	2,34,848
Total	2,17,384	2,34,848
Note - 23 Revenue From Operations		
Sale of Goods		
- Traded Goods	51,52,478	65,74,302
Sale of Services		
- Park Receipts	7,44,259	34,48,444
- Income from Installation, Erection & Supervision	11,64,811	5,77,960
Total	70,61,548	1,06,00,706
Note - 24 Other Income		
Interest Income		
On fixed deposit	32,83,707	5,67,418
Interest on Income Tax Refund	14,362	29,820
Interest Income Loan	77,055	-
Interest on Staff loans	-	105
Dividend Income	-	4,592
Other Operating Revenue		
Income from Advertisement	85,416	96,101
Income from Shop Rent	37,525	-
Miscellaneous Income	7,251	1,13,402
Profit & Loss on Sale of Investments	-	82,50,714
Excess Provision written back	-	1,48,740
Total	35,05,316	92,10,892
Note - 25 Change in inventories of Stock in Trade		
Stock -in - Trade		
At the beginning of financial year	20,48,668	25,42,441
At the end of financial year	15,37,080	20,48,668
Net ((Increase)/Decrease)	5,11,588	4,93,773

SOUTH ASIAN ENTERPRISES LTD.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd...)

Amount in Rs.

PARTICULARS	For the year ended 31st March 2021	For the year ended 31st March 2020
Note - 26 Employee Benefits Expenses		
Salaries and Wages	27,80,475	29,94,156
Staff Welfare Expenses	65,985	1,33,542
Contribution to Provident and other Funds	3,26,981	3,22,092
Total	31,73,441	34,49,790
Note - 27 Finance Costs		
Interest on overdraft with Bank	37,633	41,169
Interest on Financial Liabilities using effective interest rate	13,946	48,061
Total	51,579	89,230
Note - 28 Other Expenses		
Repair & Maintenance:		
- Building	13,010	1,81,571
- Machinery	15,740	1,77,760
- Others	85,849	45,428
Power and Fuel	2,13,829	4,06,382
Lease Rent & Hire Charges	60,000	3,61,183
Park Running & Maintenance	1,26,710	1,26,300
Rent	21,000	42,000
Rates & Taxes	3,11,051	3,13,824
Consultation & Professional Charges	20,72,787	21,51,290
Postage & Telephone	11,346	1,44,723
Advertising & Selling Expenses	65,778	2,16,278
Travelling Expenses	2,12,688	4,46,682
Director's Sitting Fee	4,31,000	2,98,000
Auditor's Remuneration		
- Statutory Audit	35,000	30,000
- Tax Audit	25,000	20,000
- For expenses	-	-
Insurance Charges	-	1,500
Miscellaneous Expenses	4,12,553	4,85,878
Freight - Inward / Outward	83,081	88,883
Installation & Supervision Expenses	7,95,412	8,56,960
Bank Charges	15,421	8,217
Provision for doubtful debts	-	2,75,648
Total	50,07,255	66,78,507
Note - 29 Earnings per equity share		
Net profit attributable to equity shareholders [A] (Amount in Rs.)	(11,06,998)	54,23,937
Weighted average number of equity shares issued [B] (face value of Rs. 10 each) (In numbers)	40,00,000	40,00,000
Basic earnings per share [A/B] (Rs.)	(0.28)	1.36
Net Profit attributable to equity shareholders [C] (Amount in Rs.)	(11,06,998)	54,23,937
Less : Impact on net profit due to exercise of diluted potential equity shares [D]	-	-
Net profit attributable to equity shareholders for calculation of diluted EPS [C-D] (Amount in Rs.)	(11,06,998)	54,23,937
Weighted average of equity shares issued (face value of Rs 10 each) (In numbers) [E]	40,00,000	40,00,000
Weighted number of additional equity shares outstanding for diluted EPS (In numbers) [F]	-	-
Weighted number of equity shares outstanding for diluted EPS (In numbers) [E+F]	40,00,000	40,00,000
Diluted earnings per share (Rs.)	(0.28)	1.36

SOUTH ASIAN ENTERPRISES LTD.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd...)

Amount in Rs.

Note - 30 : Tax Reconciliation

(a) Income tax expense:

The major components of income tax expenses for the year ended 31st March, 2021 and 31st March, 2020 are as follows:

(i) Profit or loss section

Particulars	As at 31st March 2021	As at 31st March 2020
Current tax expense	-	-
Deferred tax expense	(1,56,144)	(83,713)
Total income tax expense recognised in statement of Profit & Loss	(1,56,144)	(83,713)

(ii) OCI Section

Particulars	As at 31st March 2021	As at 31st March 2020
Net (gain) on remeasurement of defined benefit plans	29,778	(3,240)
Unrealised (gain)/loss on FVTOCI equity securities	-	-
Income tax charged to OCI	29,778	(3,240)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2021 and 31st March, 2020:

	As at 31st March 2021	As at 31st March 2020
Accounting profit before tax from continuing operations	(12,63,142)	53,40,224
Accounting profit before tax from discontinuing operations	-	-
Accounting profit before income tax	(12,63,142)	53,40,224
At India's statutory income tax rate of 26% (31st March, 2020: 26%)	(3,28,417)	13,88,458
Add: Non-deductible expenses for tax purposes:	-	-
Less: Non-taxable income	-	21,09,429
Add: Depreciation as provided under the provisions	1,29,428	1,99,414
Add: Bonus not allowable	25,217	28,237
Add: Provision for Leave Encashment / Gratuity	(3,206)	-
Less: Carry forward of Losses allowable	2,36,532	-
At the effective income tax rate of 26% (31st March, 2020: 26%)	59,555.08	(4,93,320)
Income tax expense reported in the statement of profit and loss	-	-

The Company offsets tax assets and liabilities if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Details of income tax assets and liabilities as of 31st March, 2021, 31st March, 2020 are as follows:

Particulars	As at 31st March 2021	As at 31st March 2020
Income Tax Assets	4,10,847	3,95,096
Current income tax liabilities	-	-
Net Current Income Tax Assets/(Liabilities) at the end	4,10,847	3,95,096

Particulars	As at 31st March 2019	Provided during the Year	As at 31st March 2020	Provided during the Year	As at 31st March 2021
Deferred tax liability:					
Related to Fixed Assets (Depreciation)	1,85,429	(1,94,240)	(8,811)	(1,29,572)	(1,38,383)
Others	-	-	-	-	-
Total deferred tax liability (A)	1,85,429	(1,94,240)	(8,811)	(1,29,572)	(1,38,383)
Deferred tax assets:					
Carry forward Business Loss / Unabsorbed Depreciation	36,671	-	36,671	-	36,671
43B Disallowances etc.	-	-	-	-	-
Others	-	-	-	-	-
Provision for leave encashment and Others	2,29,253	(1,07,287)	1,21,966	(3,206)	1,18,760
Revaluations of FVTOCI investments to fair value	18,846	(17,241)	1,605	-	1,605
Total deferred tax assets (B)	2,84,770	(1,24,528)	1,60,242	(3,206)	1,57,036
Deferred Tax Liability (Net) (A - B)	(99,341)	(69,712)	(1,69,053)	(1,26,366)	(2,95,419)

SOUTH ASIAN ENTERPRISES LTD.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd...)

31.1 Financial risk management objectives and policies

The Company's principal Trade payable and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Trade receivables, Cash and cash equivalents and other financial assets that derive directly from its operations. The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior management oversees the management of these risks and the appropriate financial risk governance framework for the Company. The senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The Board of Directors reviewed policies for managing each of these risks, which are summarized below:

a) **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other risks, such as regulatory risk and commodity price risk.

(i) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings obligations with floating interest rates but the financial implication is not material.

(ii) **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's foreign currency denominated payables on account of import and receivables of export value but the financial implication is not material.

(iii) **Regulatory risk**

There is no regulatory risk in the business operations of the company.

(iv) **Commodity price risk**

Prices of commodity are subject to fluctuation. The earthing material price is subject to some fluctuation but it is not a regular feature. Its prices are more or less stable. The Company mitigates this risk by properly planning of stock in hand and sale orders.

(v) **Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company has a follow up policy in place with parties, thereby the credit default risk is significantly mitigated.

The impairment for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each balance sheet date. Financial assets are written off when there is no reasonable expectation of recovery, however, the Company continues to attempt to recover the receivables. Where recoveries are made, these are recognized in the Statement of Profit and Loss.

Description	As at 31st March 2021	As at 31st March 2020	Remarks
Up-to 6 months	2,75,648	2,75,648	Allowances for expected credit loss
6 to 12 Months	15,53,632	25,95,962	-
More than 12 months	9,67,720	-	-
Total	27,97,000	28,71,610	

Management is of view that certain amounts are beyond credit period so provision for expected credit loss has been made in books of accounts.

(vi) **Trade receivables**

Trade receivables are non-interest bearing and are generally on credit terms of 30 to 90 days. An impairment analysis is performed at each balance sheet date on an individual basis for major clients.

(vii) **Liquidity Risk**

Liquidity risk refers to the probability of loss arising from a situation where there will not be enough cash and/or cash equivalents to meet the needs of depositors and borrowers, sale of illiquid assets will yield less than their fair value and illiquid assets will not be sold at the desired time due to lack of buyers. The primary objective of liquidity management is to provide for sufficient cash and cash equivalents at all times and any place in the world to enable us to meet our payment obligations. The company is maintaining cash credit limit to a reasonable level to meet out the current obligation.

The Company's objective is to meet the funding requirement and maintain flexibility in this respect through the use of cash credit facilities, short term loans and commercial papers. The table below summarises the maturity profile of the Company's financial liabilities:

The table below summarises the maturity profile of the Company's financial liabilities:

Liabilities	Amount	Less than 1 Year	1 to 5 years	More than 5 years
31st March, 2021				
Borrowing	-	-	-	-
Financial Liabilities	15,87,799	15,87,799	-	-
Trade Payable	47,560	47,560	-	-
Total	16,35,359	16,35,359	-	-
31st March, 2020				
Borrowing	-	-	-	-
Financial Liabilities	20,45,764	20,45,764	-	-
Trade Payable	1,57,488	1,57,488	-	-
Total	22,03,252	22,03,252	-	-

SOUTH ASIAN ENTERPRISES LTD.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd...)

Amount in Rs.

31.2 Disclosures as per IND AS 33 "EARNINGS PER SHARE"

Particulars	Year Ended	
	As at 31st March 2021	As at 31st March 2020
Profit for the year attributable to the owners of the Company used as numerator (basic and diluted) (Amount in INR):		
: from continuing operations	(11,06,998)	54,23,937
: from discontinued operations	-	-
: from continuing and discontinued operations	-	-
Profit attributable to equity holders adjusted for dilution effect	(11,06,998)	54,23,937
Weighted Average number of equity shares used as denominator (basic and diluted)	40,00,000	40,00,000
Earnings per Equity Share (basic & diluted), face value Rs.10 each:		
: for continuing operations	(0.28)	1.36
: for discontinued operations	-	-
: for continuing and discontinued operations	(0.28)	1.36

31.3 Commitments:

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

31.4 Contingent liabilities in respect of:

Counter Guarantee given against Bank Guarantees – Nil (Previous Year- Rs.4,03,000/-)

31.5 Related Party Disclosures: Ind AS 24

Following are the related parties:

Holding Company	:	VLS Capital Ltd.
Associate	:	VLS Finance Ltd.
Key Managerial Personnel and Directors :	:	Shri T. B. Gupta (Managing Director)
	:	Shri S. C. Jain (Chief Financial Officer) Appointed w.e.f 15th February, 2021
	:	Shri Ramesh Chandra Pandey (Company Secretary)
	:	Mr. M.P. Mehrotra, Director
	:	Mrs. (Dr.) Neeraj Arora, Director
	:	Mr. K.K. Soni, Director
	:	Mr. R K Goswami, Independent Director
	:	Mr. Priya Brat, Independent Director
	:	Dr. Rajeev Lochan Bishnoi, Independent Director
	:	Mr. Anupam Mehrotra, Whole-Time Director
	:	Shri M. S. Siddiqui (Chief Financial Officer) Resigned w.e.f. 18th December, 2020

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

Particulars	VLS Capital Ltd. - Holding Company		Key Managerial Personnel	
	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020
Remuneration to Key Managerial Personnel	-	-	Rs.10,99,704/-	Rs.9,50,628/-
No. of equity shares of Rs.10/- each fully paid up held in the company	23,84,289	23,84,289	-	-

Sitting Fee paid	Particulars	As at	As at
		31st March 2021	31st March 2020
	Mr. M .P. Mehrotra	50,000	34,000
	Mrs. (Dr.) Neeraj Arora	60,000	41,000
	Mr. K.K. Soni	-	-
	Dr. S. Ramesh	-	32,000
	Mr. R K Goswami	91,000	93,000
	Mr. Priya Brat	1,15,000	88,000
	Dr. Rajeev Lochan Bishnoi	1,15,000	10,000
	Mr. Anupam Mehrotra	-	-

SOUTH ASIAN ENTERPRISES LTD.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd...)

S. No.	Particulars	As at 31st March 2021	As at 31st March 2020
a	Investment in the equity shares of Rs. 10/- each fully paid up of Holding Company	-	5,00,000

Terms and Conditions of transactions with Related Parties

- (i) Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
- (ii) The remuneration and staff loans to Key Managerial Personnel are in line with the service rules of the Company.

31.6 Operating Lease: Ind AS 116

The Company has taken Land on lease for setting up parks from Local Development Authorities. The lease rental expense under such operating leases is Rs.3,80,000/- (Previous Year Rs.3,61,183/-). Future minimum lease payments on non-cancellable lease agreements as at 31.03.2020 are as follows:

Particulars	As at 31st March 2021	As at 31st March 2020
	Amount (in Rs.)	Amount (in Rs.)
Not later than 1 year	3,80,000	3,00,000
Later than 1 year and not later than 5 years	---	---
Later than 5 years and above	---	---
Total	3,80,000	3,00,000

Kanpur Park lease has expired during this year and applied for renewal to authority.

31.7 Segment Reporting: Ind AS 116

Based on the guiding principles given in the Ind AS-108 "Segment Reporting" issued by ICAI, the management has identified the Company's segments as running of amusement parks and trading in earthing & lightning protection systems.

Particulars	2020 – 2021	2019 – 2020
Segment Revenue		
a) Entertainment	7,44,259	34,48,444
b) Trading	63,17,289	71,52,262
c) Others	35,05,316	92,10,892
Total	1,05,66,864	1,98,11,598
Segment Results		
Profit/ (Loss) before interest and tax		
a) Entertainment	(46,76,646)	(42,74,743)
b) Trading	(40,233)	4,93,305
c) Others	35,05,316	92,10,892
Total Profit/ (Loss) before interest and tax	(12,11,563)	54,29,454
Less: Interest	51,579	89,230
Other Un-allocable expenditure net off	-	-
Net Profit before Tax	(12,63,142)	53,40,224
Less/(Add): Taxes expenses (credits)	1,56,144	83,713
Net Profit after Tax	(11,06,998)	54,23,937
Segment Assets		
a) Entertainment	21,37,363	56,63,730
b) Trading	42,86,520	48,90,143
c) Others	6,45,40,005	6,16,61,320
Total Assets	7,09,63,888	7,22,15,193
Segment Liabilities		
a) Entertainment	15,87,799	20,45,764
b) Trading	47,560	1,57,488
c) Others	-	-
Total Liabilities	16,35,359	22,03,252

31.8 Information pertaining to major Customers

S. No.	Party Name	2020-2021	2019-2020
1	Uppal's Housing P. Ltd.	27,06,717	25,15,731
2	Havells India Ltd.	4,68,722	7,29,466
3	Key Stone Developers P. Ltd.	2,85,371	12,66,449

SOUTH ASIAN ENTERPRISES LTD.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd...)

Amount in Rs.

- 31.9 The management has technically appraised the recoverable amount of the cash generating assets being used at its amusement parks and is of the opinion that considering the future cash flow expected to arise, impairment loss is NIL on assets as required by the Indian Accounting Standard - 36 on "Impairment on Assets" issued by the Institute of Chartered Accountants of India (ICAI) and no further provision is required.
- 31.10 The company has contributed to PF and ESI Rs.2,81,718/- (Previous Year Rs.3,92,022/-).
- 31.11 **Defined benefit plan**

Long term employee benefits in the form of gratuity and leave encashment are considered as defined benefit plan. The present value of obligation is determined based on actuarial valuation using projected unit credit method as at the balance sheet date. The amount of defined benefits recognized in the balance sheet represent the present value of obligation as adjusted for unrecognized past service cost as reduced by the fair value of plan assets. In accordance with the Ind AS-19, actuarial valuation was done in respect of gratuity and leave encashment defined benefits plans and details of the same are given below:

Actuarial Assumptions	Gratuity As at 31.03.2021 (Funded)	Gratuity As at 31.03.2020 (Funded)	Leave Encashment As at 31.03.2021	Leave Encashment As at 31.03.2020
Discount rate (per annum)	7.00%	7.00%	7.00%	7.00%
Future salary increase	5.00%	5.00%	5.00%	5.00%
Mortality	IALM 2012-14	IALM 2012-14	IALM 2012-14	IALM 2012-14
I. Expenses recognized in statement of profit and loss				
Current service cost	86,666	86,826	9,461	17,551
Interest cost	1,35,334	1,30,597	17,391	9,079
Expected return on plan assets	(1,21,380)	(1,24,488)	-	-
Net expenses recognized	1,00,620	92,935	26,852	26,630
II. Other comprehensive (income)/ expenses (Premeasurement)				
Cumulative unrecognized actuarial (gain)/ loss opening. B/F	4,25,795	4,14,008	25,321	31,985
Actuarial (gain)/loss – obligation	(93,097)	11,787	(25,124)	(6,664)
Actuarial (gain)/loss – plan assets	3,692	7,337	-	-
Total Actuarial (gain)/loss	(89,405)	19,124	(25,124)	(6,664)
Cumulative total actuarial (gain)/loss. C/F	3,36,390	4,25,795	1,430	25,321
III. Net liability/(assets) recognized in the balance sheet at the year end				
Present value of obligation at the end of period	18,65,515	19,33,342	1,11,611	1,35,156
Fair value of the plan asset at the end of period	16,54,964	17,34,006	-	-
Funded status [(surplus)/(deficit)]	2,10,551	1,99,336	1,11,611	1,35,156
Net asset/(liability) as at 31st March, 2020	(2,10,551)	(1,99,336)	(1,11,611)	(1,35,156)
IV. Change in present value of obligation during the year				
Present value of obligation at the beginning of period	19,33,342	18,65,670	1,35,156	1,29,706
Current service cost	86,666	86,826	17391	17551
Interest cost	1,35,334	1,30,597	9,461	9,079
Benefits paid	(1,96,730)	(1,61,538)	(25,273)	(14,516)
Actuarial loss/ (gain) on obligations	(93,097)	11,787	(25,124)	(6,664)
Present value of obligation at the year end*	18,65,515	19,33,342	1,11,611	1,35,156
V. Change in present value of fair value of plan assets				
Fair value of plan assets as at the beginning of period	17,34,006	17,78,393	-	-
Expected return on plan assets	1,21,380	1,24,488	-	-
Contributions	-	-	-	-
Benefits paid	(1,96,730)	(1,61,538)	-	-
Actuarial loss/ (gain)	(3,692)	(7,337)	-	-
Fair value of plan assets at the year end	16,54,964	17,34,006	-	-
VI. Present Benefit Obligation at the end of the year				
Current Liability (Amount due within one year)	6,69,915	8,27,074	6,833	35,512
Non-Current Liability (Amount due over one year)	11,95,600	11,06,268	1,04,778	99,644
	18,65,515	19,33,342	1,11,611	1,35,156

*Gratuity: LIC of India

SOUTH ASIAN ENTERPRISES LTD.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd...)

Maturity profile of defined benefit obligation

Particulars	As on 31/03/2021	As on 31/03/2020
Weighted average duration (based on discounted cash flows) in years	5	5

Sensitivity Analysis: Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

Period	As on: 31/03/2021
Defined Benefit Obligation (Base)	18,65,515 @ Salary Increase Rate: 5%, and discount rate :7%
Liability with x% increase in Discount Rate	18,01,295; x=1.00% [Change (3)%]
Liability with x% decrease in Discount Rate	19,35,209; x=1.00% [Change 4%]
Liability with x% increase in Salary Growth Rate	19,35,891; x=1.00% [Change 4%]
Liability with x% decrease in Salary Growth Rate	17,99,521; x=1.00% [Change (4)%]
Liability with x% increase in Withdrawal Rate	18,69,668; x=1.00% [Change 0%]
Liability with x% decrease in Withdrawal Rate	18,61,155; x=1.00% [Change 0%]

31.12 a) Value of Imports calculated on CIF basis:

Particulars	As at 31st March 2021	As at 31st March 2020
	Amount (in Rs.)	Amount (in Rs.)
CIF Value of Import (Stock-in-Trade)	1,97,854	3,94,424

b) Earnings in Foreign Exchange:

Particulars	As at 31st March 2021	As at 31st March 2020
	Amount (in Rs.)	Amount (in Rs.)
FOB Value of Export (Stock-in-Trade)	2,27,878	-
Freight on Sale in India	-	-
Courier Charges on Sale	-	-
Total	2,27,878	-

31.13 Dues to Micro and small Suppliers

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from 02 October 2006, certain disclosures are required to be made relating to MSME. This has been determined to the extent the status of such parties could be identified on the basis of information available with the Company.

There are no dues outstanding of an entity, which is registered as the Micro, Small and Medium Enterprises defined under 'The Micro, Small and Medium Enterprises Development Act, 2006'.

Particulars	As at 31st March 2021	As at 31st March 2020
The principal amount and the interest due thereon remaining unpaid to supplier as at the end of the year:		
: Principal amount due to micro and small enterprises	-	-
: Interest due	-	-
The amount of interest paid by the buyer in terms of Section 16 of MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	-	-

SOUTH ASIAN ENTERPRISES LTD.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd...)

- 31.14 The Company has become the subsidiary Company of VLS Capital Ltd. w.e.f. 03.02.2015. In terms of Section 19 of the Companies Act, 2013 voting rights of shares, if any, held by subsidiary in Holding Company prior to becoming subsidiary stand frozen from the date it becomes subsidiary. The company was holding 10,00,000 equity shares of Rs.10/- each of its holding company viz. VLS Capital Ltd., prior to the company became subsidiary of VLS Capital Ltd. out of which 5,00,000 equity shares were sold during the previous year i.e. 2019-20 and remaining 5,00,000 equity shares were sold during the current year.
- 31.15 Details of Investments made pursuant to requirements of Section 186(4) of the Companies Act, 2013 are given in Note No.5.
- 31.16 Park receipts of Rs.7,44,259/- (Previous Year Rs.34,48,444/-) is net off GST Rs.89,311/- (Previous Year Rs.4,73,749/-).

31.17 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 3% and 10%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short term deposits.

Particulars	As at 31.03.2021	As at 31.03.2020
Borrowings	-	-
Other Liabilities	15,87,799	20,45,764
Trade and other payables	47,560	1,57,488
Less: Cash and short- term deposits	(82,24,500)	(84,50,369)
Net debts	(65,89,141)	(62,47,118)
Equity	3,99,90,500	3,99,90,500
Other Equity	3,09,73,388	3,22,24,693
Total Capital	7,09,63,888	7,22,15,193
Capital and net debt	6,43,74,747	6,59,68,076
Gearing ratio (%)	-10.24%	-9.47%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

Dividend Distribution Policy

In view of the working capital requirements and for expansion of the Company, your directors have not recommended any dividend for the financial year ended 31 March 2021.

31.18 Fair value

- i) Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Carrying value		Fair value	
	As at 31-Mar-21	As at 31-Mar-20	As at 31-Mar-21	As at 31-Mar-20
Financial assets				
FVOCI financial instruments:	-	-	-	-
Unquoted equity shares	17,47,633	3,08,61,320	17,47,633	3,08,61,320
Quoted equity Shares	-	-	-	-
Total	17,47,633	3,08,61,320	17,47,633	3,08,61,320
Financial liabilities				
Obligation under finance lease	-	2,86,054	-	2,86,054
Fixed rate borrowings	-	-	-	-
Floating rate borrowings	-	-	-	-

- a) The management assessed that cash and cash equivalents, other bank balances, trade receivables and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

SOUTH ASIAN ENTERPRISES LTD.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd...)

- b) The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
- c) Long-term fixed-rate and variable-rate receivables / Borrowings are evaluated by the company based on parameters such as interest Rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- d) Non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.
- e) The fair values of the unquoted equity shares have been estimated using a net asset value method.
- f) The fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2021 was assessed to be insignificant.

ii) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2021:

(Amount in Rs.)

Fair value measurement using					
Particulars	Date of valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value					
FVOCI financial					
FVOCI financial instruments:					
Unquoted equity shares	31-Mar-21	17,47,633	-	-	17,47,633
Quoted Equity Shares	31-Mar-21	-	-	-	-

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2020:

(Amount in Rs.)

Fair value measurement using					
Particulars	Date of valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value					
FVOCI financial					
FVOCI financial instruments:					
Unquoted equity shares	31-Mar-20	3,08,61,320	-	-	3,08,61,320
Quoted Equity Shares	31-Mar-20	-	-	-	-

iii) Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2021, 31 March 2020 are as shown below.

S. No.	Description	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
1	FVTOCI assets in unquoted equity shares	Net Asset Value	-	-	-

SOUTH ASIAN ENTERPRISES LTD.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd...)

30.19 : Maturity Analysis of Assets and Liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(Amount in Rs.)

Assets	31st March 2021			31st March 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	4,71,90,292	53,08,739	5,24,99,031	3,21,46,245	50,49,440	3,71,95,685
Trade receivables	25,21,352	-	25,21,352	25,95,962	-	25,95,962
Other receivables	-	-	-	-	-	-
Loans	-	1,25,71,952	1,25,71,952	-	83,050	83,050
Investments	-	17,47,633	17,47,633	3,00,00,000	8,61,320	3,08,61,320
Other financial assets	13,117	-	13,117	12,373	-	12,373
Total	4,97,24,761	1,96,28,324	6,93,53,085	6,47,54,580	59,93,810	7,07,48,390
Non-Financial assets						
Inventories	-	15,37,080	15,37,080	-	20,48,668	20,48,668
Current Tax assets	-	-	-	-	-	-
Investment Property	-	-	-	-	-	-
Property, plant and equipment	-	5,59,547	5,59,547	-	9,13,770	9,13,770
Right of Use Asset	-	-	-	2,58,520	-	2,58,520
Deferred Tax Assets	-	2,95,419	2,95,419	-	1,69,053	1,69,053
Intangible assets under development	-	-	-	-	-	-
Other Intangible assets	-	-	-	-	-	-
Other non-financial assets	-	-	-	-	-	-
Total	-	23,92,046	23,92,046	2,58,520	31,31,491	33,90,011
Assets held for sale						
Total Assets	4,97,24,761	2,20,20,370	7,17,45,131	6,50,13,100	91,25,301	7,41,38,401
Liabilities						
Financial Liabilities						
Trade payables	47,560	-	47,560	1,57,488	-	1,57,488
Other payables	-	-	-	-	-	-
Debts	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Other financial liabilities	15,87,799	-	15,87,799	20,45,764	-	20,45,764
Total	16,35,359	-	16,35,359	22,03,252	-	22,03,252
Non Financial Liabilities						
Current tax liabilities (net)	-	-	-	-	-	-
Provisions	-	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	-	-
Other non financial liabilities	-	-	-	-	-	-
Total	-	-	-	-	-	-
Liabilities held for sale						
Total Liabilities	16,35,359	-	16,35,359	22,03,252	-	22,03,252

31.20 Shares of Reliance Commercial Finance Ltd. (formerly Reliance Media works Ltd.) are not traded in the stock exchanges since 28/04/2014, hence the total cost has been taken at Rs. 1/-

31.21 Impact of COVID-19 on Going Concern Assumption

The COVID-19 outbreak has developed rapidly in 2020. To control the spread of outbreak of COVID-19, Government imposed national lockdown which caused disruption in the amusement park operations and trading business of the company. This lockdown also has direct impact on national economy and on business environment in the country. The most visible impact of COVID-19 crisis, for the company, was that the amusement park operations were closed during the lockdown period and the trading business has also got impacted due to sluggishness in the real estate sector during the whole year. However, continuous steps taken by the Government have ensured revival in the economy of the country. The Government had taken various measures to support the industries and also to uplift the business environment by giving various incentives and making the availability of money.

Based on the aforesaid, the management concludes that no material uncertainty exists about the company's ability to continue as a going concern and accordingly; the management has prepared these financial statements on a going concern basis. Further, the management has also performed an impairment test considering the impact of COVID-19 on the carrying amount of the assets which has resulted in no significant impairment. However, the impact of COVID-19 may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes in future economic conditions.

31.22 Estimation uncertainty relating to the global health pandemic on COVID-19

In assessing the recoverability of different assets, the Company has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

SOUTH ASIAN ENTERPRISES LTD.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd...)

- 31.23 The Taxation Laws (Amendment) Ordinance, 2019 contain substantial amendments in the Income Tax Act 1961 and the Finance (No.2) Act, Sec 115BAA of the Income Tax Act, 1961 provide an option to domestic companies to pay income tax at a concessional rate. However, the Company has elected to continue with the old tax rates as there is no current tax liability for the current year.
- 31.24 The Company had approved to provide loan of Rs.2,65,00,000/- in its Board Meeting held on 18th March, 2021 to be provided from time to time at an interest rate of 7% to Chai Thela Private Limited ('CTPL') for its business activities, out of which the Company has disbursed a loan of Rs.1,25,00,000/- during the year under review. The company has also acquired about 18.54% capital of CTPL comprising 2261 equity shares of Rs.10/- each at an investment value of Rs.8,86,312/- on 24th March, 2021. CTPL is engaged in the business of selling tea and other food items through their restaurants, cafes, kiosks / counters, carts etc. for last more than 5 years. The company intends to make more investments by acquiring more equity in CTPL and also to extend financial assistance to meet their expansion plans along with their working capital needs.
- 31.25 Previous year's figures have been regrouped/reclassified / restated wherever necessary to correspond with current year's classification/ disclosure.

As per our report of even date

For Agiwal & Associates

Chartered Accountants
(F.R.N.000181N)

P.C.Agiwal

Partner

Membership No. 080475

Place : New Delhi

Date: 28/06/2021

For and on behalf of the Board

T. B. Gupta

Managing Director

DIN: 00106181

R. C. Pandey

Company Secretary

PAN: AJRPP6072H

M. P. Mehrotra

Director

DIN: 00016768

S. C. Jain

Chief Financial Officer

PAN: AANPJ7826N

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SOUTH ASIAN ENTERPRISES LIMITED

2nd Floor, 13, Sant Nagar,

East of Kailash, New Delhi-110 065

Ph. : 011-46656666