



S. E. Investments Limited

BLOCK-54, SANJAY PLACE, AGRA - 282 002

Ph. : 353628, 356924, 521563, 351788, 352688, 354188

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10th

ANNUAL REPORT

2001-2002



**Auto
Finance**



**Equipment
Leasing**



**Fixed
Deposits**



**Safe Deposit
Lockers**

S. E. Investments Limited

10th Annual Report
2001-2002

BOARD OF DIRECTORS

Sunil Agarwal, Managing Director
Onkar Sharma
Purushottam Agrawal
Sanjay Agarwal
Suresh Chand Sharma
Sachin Agarwal - Whole Time Director

AUDITORS

M/s R. Lal & Company
Chartered Accountants
A-4, Indra Puri, New Agra, Agra 282002

COMPANY SECRETARY

Reema Maheshwari, ACS

BANKERS

Central Bank of India

REGISTERED & CORPORATE OFFICE

Block 54, Sanjay Place, Agra 282002
Phones : 353628, 356924, 353092, 521563
351788, 352688, 354148
Fax : 0562-355388
Email : seil@ndb.vsnl.net.in

ADMINISTRATIVE OFFICE

S-547, II nd Floor,
Main Road, Shakarpur, Delhi 110092
Phones : 011-2211340, 2218561

ALIGARH OFFICE

76, Malviya Pustakalaya Market,
G.T.Road, Aligarh
Phones 0571-421866

MATHURA OFFICE

369/2, Krishna Nagar,
Govardhan Road, Mathura
Phones : 0565-423660, 424310

LISTING OF EQUITY SHARES

Stock Exchanges - Kanpur, Delhi,
Ahmedabad.

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NOTICE

Notice is hereby given that the 10th Annual General Meeting of the Members of S. E. Investments Limited will be held on Saturday the 29th Day of June 2002, at 11.00 A.M. at Block 54, Sanjay Place, Agra to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2002 and the Profit & Loss Account for the year ended on that date together with Reports of Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Sachin Agarwal who retires by rotation and is eligible for reappointment.
3. To appoint a Director in place of Mr. Purushottam Agrawal who retires by rotation and is eligible for reappointment.
4. To appoint Auditors and to fix their remuneration M/s. R. Lal & Company, Chartered Accountants, the present Auditors of the Company retire and are eligible for reappointment.

By order of the Board of Directors

Sd/-

SUNIL AGARWAL
Managing Director

Place : Agra
Date : 31st May 2002

NOTES

1. *A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXIES NEED NOT BE A MEMBER OF THE COMPANY.*

Proxies in order to be effective must be received by the company not less than 48 hours before the Meeting.

2. *The register of Members and share transfer books of the company will remain closed from 25th June 2002 to 29th June 2002 (Both days inclusive).*
3. *The instrument of share transfer complete in all respects should reach the company prior to closure of the Register of Members, as stated above.*
4. *Members are requested to send their quarries, if any, at least ten days in advance of the meeting so that the information can be made available at the meeting.*
5. *Members who have multiple accounts in identical names or joint names in same order are requested to send all the share certificate(s) to the company, for consolidation of all such shareholdings into one account to facilitate better service.*
6. *As a measure of economy, copies of the annual report will not be distributed at the Annual General Meeting. Members/Proxies etc. are, therefore, requested to bring their copies of the annual report to the meeting.*
7. *Members/Proxies should bring the attendance slip duly filled in for attending the meeting.*
8. *Members are requested to intimate to the company the changes, if any, in their registered addresses along with the pin code numbers.*

By order of the Board of Directors

Place : Agra
Date : 31.05.2002

Sd/-
SUNIL AGARWAL
Managing Director

NOTES ON ACCOUNTS

Schedule 15: NOTES ON ACCOUNTS

01. The Company has followed Mercantile System of Accounting. The accounts have been made consistently on Accrual Basis as a going concern.
02. Income from Hire charges and lease rentals are recognised as revenue as per the terms of the agreements entered into with Hirers/Lessees. Hire charges are accounted for on the basis of accrual on outstanding balances in accordance with the due dates of instalments of hire money and hire charges. Overdue charges of instalments from hirers/lessees and allowance of rebate for good & timely payment are accounted for as and when received or allowed because these charges and rebates are contingent.

Management fee in respect of the hire purchase cases/loan and advances cases which carry hire/finance charges in addition to management fee has been treated as income in the year of receipt but in those hire purchase cases/loan and advances cases where hire/finance charges are inherent in management fee the same has been apportioned on the basis of period of contracts on accrual basis.
03. Inventories being hire purchase stocks are valued at book value net of Hire Charges including overdue instalments. Book debts and stocks of shares and debentures are valued at cost or market value which ever is less. Investments are valued at cost.
04. Provisioning for substandard assets/Loss assets/doubtful assets has been made in compliance with the directions of Reserve Bank of India. Other directives of Reserve Bank of India have been complied with.
05. Preliminary Expenses are amortized in equal instalments over a period of 10 years.
06. Depreciation has been provided on straight line method in the manner and at the rates specified in schedule XIV to the Companies Act, 1956 and on the prorata basis. Depreciation for the quarter and year ended 31.03.2002 includes enhanced depreciation for past periods amounting to Rs.28.79 lacs on leased solar devices hitherto charged @ 4.75% enhanced to 10% p.a. on straight line method. Fixed assets are stated at cost less depreciation.
07. Subvention (incentive) received from manufacturers/dealers being payment on adhoc basis has been treated as income in the year of receipt irrespective of the period of hire purchase contract.
08. No remuneration has been paid to directors excepting remuneration to whole time directors including Managing Director. The remuneration paid to whole time directors including Managing Director during the FY 2001-2002 is Rs. 408000/- (last year 408000/-) which is less than that permitted under Schedule XIII of the Companies Act, 1956. Computation of net profit in accordance with section 349 of the Companies Act, 1956, has not been given as commission by way of percentage of profits is not payable for the year to any of the directors of the Company.

09. Remuneration of Auditors :-

	<u>Current Year</u>	<u>Previous Year</u>
For Statutory Audit	Rs. 4000.00	4000.00
Tax Audit	Rs. 1000.00	1000.00
For Certification work/other services	Rs. 1000.00	1000.00
Total	Rs. 6000.00	6000.00

10. Contingent Liabilities Interest Tax matters in appeal Rs.2387256.
However the Interest Tax levied last year has been deleted in first appeal.

11. Statement showing details of investments :	<u>31.03.2002</u>	<u>31.03.2001</u>
Indra Vikas Patras	4223162	4593424
Govt. Guaranteed Bonds	3400000	3450000
	<u>7623162</u>	<u>8043424</u>

12. Statement showing details of stock of shares and debentures (under current assets) as on ~~the~~ ^{the} end of the year is as under.

Sl. No.	Name of Body Corporate	Nature & Extent	Quantity	Cost	Market Value as on 31.03.2002	Cost or Market Value which ever is less
1	Reliance Petroleum Limited	Equity Shares of Rs. 10 each fully paid up	33700	453000	869460	453000
2	Tata Infotech Ltd.	Equity shares of Rs. 10 each fully paid up	100	30600	20400	20400
3	Kotak Mahindra Finance Ltd.	Equity shares of Rs. 10 each fully paid up	200	71000	25970	25970
4	Elegant Floriculture Ltd. (Formerly Raymonds Floriculture Ltd.)	Equity shares of Rs. 10 each fully paid up	2500	57500	4875	4875
5	Phoenix International Ltd	Equity shares of Rs. 10 each fully paid up	1000	223612	4550	4550
6	Finolax Cables Ltd.	Equity shares of Rs. 10 each fully paid up	100	16443	13810	13810
7	Cubcial Finance Ltd.	Equity Shares of Rs. 10 each fully paid up	1000	8500	1750	1750
8	Unicorp Limited	Equity Shares of Rs. 10 each fully paid up	200	7200	1500	1500
9	Surlux Health Centres Limited	Equity shares of Rs. 10 each fully paid up	20000	38760	30000	30000
10	Surlux Mediequip Ltd.	Equity Shares of Rs. 10 each fully paid up	2000	4600	4000	4000
11	Tata Power Co. Ltd.	Equity shares of Rs. 10 each fully paid up	2870	319850	324310	319850
12	Lupin Laboratories Ltd.	Equity shares of Rs. 10 each fully paid up	400	190000	45440	45440
13	HDFC Bank Limited	Equity Shares of Rs. 10 each fully paid up	1200	192000	281460	192000
14	HDFC Limited	Equity shares of Rs. 10 each fully paid up	1010	297000	698869	297000
15	Tata Iron & Steel Co. Limited	Equity Shares of Rs. 10 each fully paid up	84	12600	8131	8131
16	Computech International Limited	Equity shares of Rs. 10 each fully paid up	1600	303240	14400	14400
17	Tata Tea Ltd.	Equity shares of Rs. 10 each fully paid up	400	90040	67280	67280
18	Tata Finance Ltd.	Equity shares of Rs. 10 each fully paid up	200	12000	4630	4630
TOTAL			68564	2327945	2420835	1508586

13. Unclaimed matured deposit lying with the company amount to Rs. 5.25 lacs number of deposits 23.
14. Information pursuant to the provisions of Paragraphs 3 and 4D of part II & IV of Schedule VI to the Companies Act, 1956, is given in Schedule 16 & 17 respectively.
15. No amount is payable to Small Scale Industrial Undertakings.
16. Figures for the previous year have been regrouped/rearranged wherever found necessary.

SCHEDULE 16

Pursuant to provisions of paragraph 3 & 4D of part II of schedule VI to the Companies Act, 1956. Particulars in respect of trading of Shares/Debentures

Particulars	As on 31.03.2002		As on 31.03.2001	
	No. of Shares	Amount	No. of Shares Debentures	Amount
Opening Stock	78637	1752708	74160	1587856.00
Add: Purchase/Conversion of debentures into shares	1400	236528	5500	427424.00
	80037	1989236	79660	2015280.00
Less: Sale / Redemption of Debentures	11473	458235	1023	78735.00
Less: Diminution in value at lower of cost/market value		22415		183837.00
Closing Stock	68564	1508586	78637	1752708.00

SCHEDULE FORMING PART OF BALANCE SHEET

SCHEDULE 17

Balance Sheet Abstract and Company's General Business Profits as per Part IV of Schedule VI to the Companies Act, 1956

I Registration Details

Registration No. 14135 State Code : 20
Balance Sheet Date : 31.03.2002

II Capital raised during the year (Amount in Thousand)

Public Issue					
(Allotment Money received)	Rs.	NIL	Right Issue	Rs.	NIL
Bonus Issue	Rs.	NIL	Private Placement	Rs.	NIL

III Position of Mobilisation and Deployment of funds (Amount in Thousand)

Total Liabilities	Rs.	192149	Total Assets	Rs.	192149
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Source of Funds

Paid of Capital	Rs.	31166	Reserve & Surplus	Rs.	32264
Secured Loans	Rs.	8392	Unsecured Loans	Rs.	120327

Application of Funds

Net Fixed Assets	Rs.	86430	Investments	Rs.	7823
Net Current Assets	Rs.	97537	Miscellaneous		
Accumulated Losses	Rs.	NIL	Expenditure	Rs.	359

IV. Performance of Company (Amount in Thousand)

Turnover (Gross Income)	Rs.	43229	Total Expenditure	Rs.	33799
Profit/before Tax	Rs.	9430	Profit after tax	Rs.	6045
Earning per share	Rs.	1.94	Dividend Rate		NIL

V. Generic name of three Principal Products/Services of Company (as per monetary terms)

Item code no. NIL

Product Description : Hire Purchase/Leasing/Finance etc.

Signed in terms of our report of even date

For and on behalf of the Board

for R. Lal & Company

Chartered Accountants	SUNIL AGARWAL	-Mg. Director
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(RAM LAL AGARWAL)	PURUSHOTTAM AGRAWAL	-Director
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Proprietor

Dated : 31 st May 2002	SANJAY AGARWAL	-Director
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Place : Agra

S.C.SHARMA		-Director
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SACHIN AGARWAL		-Director
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REEMA MAHESHWARI		-Company Secretary
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S. E. INVESTMENTS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2002

CASH FLOW FROM OPERATING ACTIVITIES:	31.03.2002	31.03.2001
Net Profit before tax and Extraordinary Items and Interest	25534102	32980942
Adjustment For :		
1. Depreciation	7033625	2367559
2. Misc. Expenditure Written off	106308	106306
Operating Profit before working Capital Charges	32674036	35454807
Adjustment For :		
Trade & Other Receivable	7076876	-3290972
Inventories	-50505	-3729698
Trade Payable	22251657	-6749020
Inventories - Shares	244122	-164852
Cash generated from operations	62196185	21520265
1. Interest Paid	-12718545	-15151992
2. Direct taxes paid	-3385409	-1395242
Cash flow before extra ordinary items	46092230	4973031
Incometax provision of last year adjusted	-1395242	-2273976
Excess incometax paid	-	-2273976
Net cash flow from operating activities	44696988	2699055
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	-52635014	-1284640
Sale of fixed assets	1450502	743916
Sale of Investments	519172	-1302546
Net cash used in investing activities	-50665340	-1843271
Total	-5968352	855784
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	0	69500
Proceeds from Long Term borrowings	568387	2452230
Proceeds from Short term borrowings	28192636	-2861447
Net cash used in financing activities	28761023	-339717
Net increase in cash & cash equivalents	22792671	516067
Opening cash and cash equivalents	1958238	1442171
Closing cash & cash equivalents	24750910	1958238

Signed in terms of our report of even date
for R. Lal & Company
Chartered Accountants

For and on behalf of the Board

Sunil Agarwal - Mg. Director

Purushottam Agrawal - Director

Sanjay Agarwal - Director

S. C. Sharma - Director

Sachin Agarwal - Director

Reema Maheshwari - Company Secretary

AUDITORS REPORT

We have verified the attached Cash Flow Statement of S. E. Investments Limited, derived from audited financial statements and the books and records maintained by the company for the year ended 31st March, 2002 and 31 st March, 2001 and found the same in agreement therewith.

for R. Lal & Company
Chartered Accountants

Dated : 31th May 2002
Place : Agra

Ram Lal Agarwal
Proprietor

Nomination Form

(To be filled in by individual(s) applying singly or jointly)

To,
S.E. Investments Ltd.
Block 54, Sanjay Place
AGRA - 282 002

From
Folio No.
No. of Shares.....

I am/we are holder(s) of Shares/of the Company as mentioned above. I/We nominate the following person(s) in whom all rights of transfer and/or amount payable in respect of Shares/shall vest in the event of my/our death.

Nominee's Name		Age.....	
To be furnished in case the nominee is a minor Date of Birth			
Guardian's Name			
Occupation of Nominee Tick (✓)			
Service <input type="checkbox"/>	Business <input type="checkbox"/>	Student <input type="checkbox"/>	Household <input type="checkbox"/>
Professional <input type="checkbox"/>	Farmer <input type="checkbox"/>	Others <input type="checkbox"/>	
Nominee's Address			
		Pin Code	
Telephone No.		Fax No.....	
E-mail Address		STD Code	
Specimen Signature of Nominee/Guardian (in case nominee is minor)			

* To be filled in case nominee is a minor.

Kindly take the aforesaid details on record.

Thanking you,
Yours faithfully,

Name and address of share holder {as appearing on the Certificate(s)}		Date
Sole/1st holder (address)		Signature (as per specimen with company)
2nd holder		
3rd holders		
4th holders		

Name and Address		Date
Witnesses (two)		Signature
1.		
2.		

10th Annual Report 2001-2002

DIRECTORS' REPORT

TO THE SHARE HOLDERS

Your Directors have pleasure in presenting the 10th Annual Report of the company together with the Audited Statement of accounts for the year ended 31st March, 2002.

FINANCIAL RESULTS

	Year Ended 31.03.2002	(Rs. In lacs) Year Ended 31.03.2001
Total Income	432.29	447.04
Less : Expenditure	<u>267.65</u>	<u>259.03</u>
Profit before depreciation and tax	164.64	188.01
Less : Depreciation	<u>70.34*</u>	<u>23.67</u>
Profit before Tax	94.30	164.34
Less : Provision for tax	<u>33.85</u>	<u>13.95</u>
Profit After Tax	60.45	150.39
Add : Balance brought forward from previous year	<u>3.25</u>	<u>7.94</u>
Amount available for appropriation	63.70	158.33

APPROPRIATIONS

Transfer to General Reserve	50.00	125.00
Transfer to Reserve Fund (As per RBI Act)	12.09	30.08
Balance Carried to balance sheet	<u>1.61</u>	<u>3.25</u>
	<u>63.70</u>	<u>158.33</u>

* Includes Rs.28.79 Lacs enhanced depreciation pertaining to past years on leased solar devices.

PERFORMANCE

Year 2001-02 had been even worse for NBFC industry than the last years and the impact of the slow down and tough competition from bigger NBFC and Banks is continuing. The NBFC industry continues under heavy pressures on gross spreads and due to expenses to meet competition. Another blow to NBFCs engaged in Hire Purchase and Leasing is in the shape of Service Tax imposed by Finance Act, 2001.

Total income during the year under consideration had been Rs.432.29 lacs as against last year's Rs.447.04 lacs and Rs.382.85 lacs an year earlier thus giving marginal decrease of 3.3% over last year but improvement of 12.91% of year before last year PAT this year stands at Rs. 60.45 lacs against last years Rs. 150.39 lacs and year before last year Rs. 92.85 lacs. Last year there was profit on sale of fixed assets amounting to Rs. 12.14 lacs and this year excess depreciation than last year comes to Rs. 46.67 lacs which includes Rs. 28.79 lacs for enhanced depreciation of last years on leased solar devices; further additional provision of deferred tax as per guidelines of Institute of Chartered Accountants of India (AS-22) has consumed Rs. 13.08 lacs. These items almost off set the reduction in PAT and your directors expect better results next year. In compliance with AS-22 issued by ICAI deferred tax liability as on 01.04.2001 at Rs. 100.06 Lacs has been charged to General Reserves directly.

To continue the volumes in business your company has entered in extending loans and advances for the purchase or/on the security of assets and property which is well received by the public.

The company has continued offices at Aligarh and Mathura to give better service to customers in these areas.

DIVIDEND

Since the necessity of infusion of fresh working funds continues it has been thought in the best interest of the share holders that the surplus should be redeployed and hence no dividend is declared for the year.

OPERATIONS

As in the past the main business had been hire purchase financing but in this year the company could get leasing business of solar photo voltaic water pumps manufactured by M/s Central Electronics Ltd. (A Government of India undertaking) of Rs.522 Lacs as against last year's Rs. 9.02 Lacs. Starting from July 2001 your company has entered business of extending loans and advances against security of specific assets and/or property in the regular course of business; Upto 31.03.2002 the disbursements had been Rs.947 Lacs. As on 31.03.2002 investment in hire purchase, leasing and loans and advances against security of specific assets and property had been Rs.2357 Lacs as against last year's Rs.1900 Lacs. The gross income includes hire purchase income Rs.321.35 Lacs (last years Rs.360.67 Lacs) and lease rental Rs.16.97 Lacs (last year Rs.16.60 Lacs).

FIXED DEPOSITS

Your company has been adhering to all the directions and discipline of RBI. The fixed deposits as on 31.03.2002 stood at Rs.462 lacs excluding interest accrued but not due as against last year's Rs.539 lacs. Number of fixed deposits having matured but remaining unpaid as on 31.03.2002 had been 23 amounting to Rs.5.25 lacs. As on date of this report out of these deposits 19 depositors covering deposits of Rs.4.62 lacs have been repaid/renewed and for balance letters have been issued to depositors..

With regard to credit rating for FD Programme it continued at MA- by ICRA Ltd., New Delhi. The credit rating is of investment grade.

CAPITAL ADEQUACY

The capital adequacy of the company as on 31.03.2002 is 25.39% (last year 31.69%) of the risk weighted assets as against a minimum requirement of 12% (15% for companies accepting public deposits in case credit rating is below investment grade) stipulated by the RBI.

REGISTRATION WITH RESERVE BANK OF INDIA

Your company continues to be duly registered with Reserve Bank of India, in Deposit accepting NBFC category.

PROSPECTS

The NBFC industry continues under tremendous pressure but your company is confident to perform well against odds with your support. The bad debts to the tune of Rs.27.75lacs have been written off during the year as against last year's Rs. 24.97 lacs although legal action & recovery efforts are continuing even on amounts written off as bad debts. During the year your company has recovered out of past bad debts amounting to Rs. 5.49 Lacs.

COMPANY SECRETARY

Miss Reema Maheshwari, A.C.S. has been appointed as Company Secretary with effect from 29.01.2002.

PERSONNEL

There is no employee drawing remuneration above that prescribed u/s 217(2A) of the Companies Act, 1956

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

The company not being a manufacturing company has no activity relating to Conservation of Energy or Technology absorption. Further, the company did not have any Foreign Exchange Earnings/Outgoing during the year under review.

CORPORATE GOVERNANCE

The Securities and Exchange Board of India has through the Listing Agreement directed the listed companies to follow a Uniform Code of Corporate Governance, with necessary disclosures in the Annual Report. Necessary initiatives are being taken to ensure that the Company is fully compliant with the Corporate Governance Code well before the deadline for implementation i.e. March 2003. However pursuant to clause 49 of Listing agreement two committees of Board of Directors namely Audit Committee comprising of Shri

Purushottam Agarwal, Shri Suresh Chand Sharma and Shri Sanjay Agarwal and Share Holders/investors grievances committee comprising of Shri Purushottam Agrawal, Shri Suresh Chand Sharma, Shri Sanjay Agarwal and Shri Sunil Agarwal were formed and have been functioning.

DIRECTORS RESPONSIBILITY STATEMENT:

Your directors confirm

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed. There are no material departures;
- (ii) that the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that year.
- (iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors have prepared the annual accounts on a going concern basis.

SEGMENT REPORTING

The Institute of Chartered Accountants of India issued an Accounting Standard AS-17 for reporting on the basis of each segment in which the companies are engaged. Since your company is engaged in funds based financing there had been only one segment hence the AS-17 is not applicable to your company.

DEMATERIALISATION OF SHARES:

The Securities & Exchange Board of India has included the Company in the list of companies whose scrips have to be compulsorily traded in dematerialised form, for all kinds of investors, with effect from 27.11.2000.

The Company has already entered into agreements with both the Depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and equity shares are available in dematerialised form.

DIRECTORS

Shri Sachin Agrawal & Shri Purushottam Agrawal Directors of the company retire by rotation and being eligible; offer themselves for reappointment.

AUDITORS' REPORT

Auditors observations as contained in the Auditors' Report are self-explanatory and do not call for any explanations.

AUDITORS

M/s.R.Lal & Company, Chartered Accountants, retire and are eligible for reappointment. They have submitted a certificate as required under section 224 of the Companies Act, 1956 to the effect of their re-appointment. If considered, would be in conformity with the limits specified in the said section. Your directors recommend their reappointment as Auditors of the Company.

ACKNOWLEDGEMENT

Your Directors acknowledge with thanks the assistance, support and advice given by the Shareholders, Reserve Bank of India, Stock Exchanges, Central Bank of India, Depositors and Customers and look forward to their continued support and guidance. Your Directors place on record their appreciation for the valuable, dedicated and committed contribution made by the employees of the Company.

For and on behalf of the Board

Place - Agra
Date - 31st May 2002

SUNIL AGARWAL
Managing Director

SACHIN AGARWAL
Director

AUDITORS REPORT

To,
The Members of
M/s S. E. INVESTMENTS LTD.,
AGRA.

We have audited the attached Balance Sheet of M/s S. E. INVESTMENTS LTD. as at 31st March 2002 and also the Profit & Loss account of the company of the year ended on that date annexed here to and report that:

1. As required by the Manufacturing and other Companies (Auditor's Report) Order, 1988, issued by the Company Law Board in terms of Section 227 (4-A) of the Companies Act 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph (1) above:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of the books;
 - (c) the Balance Sheet and the Profit & Loss account dealt with by this report are in agreement with the books of accounts;
 - (d) in our opinion, the Balance Sheet & the Profit & Loss Account dealt with by this report are in compliance with the accounting standards referred to in section 211(3C) of the Companies Act 1956.
 - (e) According to the information and explanations given to us none of the directors are disqualified from being appointed as director u/s 274 (1)(g) of the Companies Act 1956.
 - (f) in our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - (i) In the case of the Balance Sheet of the state of affairs of the company as at 31st March 2002 and
 - (ii) In the case of Profit and Loss Account of the profit of the company for the year ended on that date.

DATED : 31st Day of May 2002
PLACE : AGRA

For R.LAL & COMPANY
Chartered Accountants

(RAM LAL AGARWAL)
Proprietor

ANNEXURE TO THE AUDITORS REPORT IN THE CASE OF
M/s S. E. INVESTMENTS LTD.

(Referred to in paragraph (1) of our Report of even date for F. Y. 2001-2002)

1. The company has maintained proper records to show full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management at the year end. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
2. The Company has not re-valued any of its fixed assets during the year.
3. Physical verification where ever practicable in respect of inventories has been done by the management.
4. In our opinion, the procedures of physical verification followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
5. No discrepancies were noticed on verification of the stock as compared to book records.
6. In our opinion, the valuation of these stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
7. In respect of transactions for loans or any credits from companies, firms or other parties listed in the register maintained U/s 301 (1-B) of Companies Act, 1956, the rate of interest and other terms and conditions are not prima facie prejudicial to the interest of the company.
8. The Company has not granted any loans, secured or unsecured to companies, firm or other parties listed in the register maintained under section 301 of the Companies Act 1956 and/or to the companies under the same management as this company within the meaning of section 370 (1-B) of the Companies Act, 1956.
9. In respect of loans or advances in the nature of loans given by the Company, parties have repaid the principal as stipulated and have also repaid the interest. In case of defaults reasonable steps have been taken by the company for recovery.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of equipment and other assets.
11. The transactions, if any, made in pursuance of contracts or arrangements entered in the registers maintained under section 301 of Companies Act have been made at prices which are reasonable having regard to prevailing market prices for such goods, material or services.
12. There were no unserviceable or damaged stores, raw-materials, or finished goods.
13. Directives issued by R.B.I. and provisions of section 58A of the Companies Act and the rules there-under have been complied with.
14. There were no realisable by-product and scraps.
15. In our opinion, the Company has an adequate internal audit system commensurate with size and nature of its business.
16. Maintenance of cost records not applicable.
17. As explained, the Provident Fund Act and Employees State Insurance Act are not applicable to the Company.
18. There are no undisputed amounts of Income Tax , Wealth Tax, Sales Tax, Customs Duty and Excise Duty outstanding as at the last day of financial year concerned for a period of more than six months from the date they become payable.

19. During the course of our audit of the books of account, carried out in accordance with generally accepted auditing practices, we have not come across any personal expenses which have been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practices.
20. The company is not a Sick Industrial Company within the meaning of Section 3 (1) (0) of the Sick Industrial Companies (Special Provisions) Act 1985.
21. In our opinion adequate documents and records are maintained by the company in cases where loans and advances have been granted on the basis of security by way of pledge of shares, debentures and other securities.
22. The provisions of any special statute applicable to chit fund, nidhi or Mutual benefit society are not applicable to the Company
23. In our opinion and according to the information and explanations given to us, proper records have been maintained in respect of dealing & trading of Shares, Debentures, Securities and other investments, The investments are held in the name of the company.

DATED : 31st Day of May 2002

PLACE : AGRA

For R.LAL & COMPANY

Chartered Accountants

(RAM LAL AGARWAL)

Proprietor

S. E. INVESTMENTS LIMITED**BALANCE SHEET AS AT 31.3.2002**

PARTICULARS	SCHEDULE	AMOUNT 31.3.2002	AMOUNT 31.3.2001
<u>I. SOURCES OF FUNDS</u>			
1. SHARE HOLDERS FUNDS			
Share Capital	1	31166000.00	31166000.00
Reserves & Surplus	2	32263231.46	36225120.49
		<u>63429231.46</u>	<u>67391120.49</u>
2. LOAN FUNDS			
Secured Loans	3	8392205.34	7823818.83
Unsecured Loans	4	120327207.99	92134571.58
		<u>128719413.33</u>	<u>99958390.41</u>
	TOTAL	<u>192148644.79</u>	<u>167349510.90</u>
<u>II. APPLICATION OF FUNDS</u>			
1. FIXED ASSETS:			
Gross Block	5	97640085.13	46455573.13
Less: Depreciation		<u>11210415.57</u>	<u>4176790.19</u>
NET BLOCK		<u>86429669.56</u>	<u>42278782.94</u>
2. INVESTMENTS	6	<u>7823162.00</u>	<u>8342334.00</u>
		<u>7823162.00</u>	<u>8342334.00</u>
3. CURRENT ASSETS, LOANS & ADVANCES			
Inventories including Book Debts	7	156777221.00	156726715.67
Stock of Shares & Debentures	8	1508586.00	1752708.00
Cash & Bank Balances	9	24750909.56	1958238.42
Loans & Advances	10	5188020.50	12264896.11
		<u>188224737.06</u>	<u>172702558.20</u>
4. Less: CURRENT LIABILITIES & PROVISIONS			
Liabilities	11	77296248.13	55044591.54
Provisions	12	13392037.00	1395242.00
		<u>90688285.13</u>	<u>56439833.54</u>
Net Current Assets		<u>97536451.93</u>	<u>116262724.66</u>
5. Misc. Expenditure (to the extent not written off or adjusted)			
Preliminary Expenses		359361.30	465669.30
		<u>359361.30</u>	<u>465669.30</u>
	TOTAL	<u>192148644.79</u>	<u>167349510.90</u>
NOTES ON ACCOUNTS	15		

Signed in terms of our report of even date
for R. Lal & Company
Chartered Accountants

(Ram Lal Agarwal)
Proprietor
Dated : 31th May 2002
Place : Agra

For and on behalf of the Board

Sunil Agarwal - Mg. Director
Purushottam Agrawal - Director
Sanjay Agarwal - Director
S. C. Sharma - Director
Sachin Agarwal - Director
Reema Maheshwari - Company Secretary

S. E. INVESTMENTS LIMITED**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING ON 31.3.2002**

PARTICULARS	SCHEDULE	AMOUNT 31.3.2002	AMOUNT 31.3.2001
I. INCOME .			
1. Income from Operations	13	43229488.59	44704105.25
		<u>43229488.59</u>	<u>44704105.25</u>
II. EXPENDITURE			
2. Expenses	14	26659407.24	25796531.65
3. Depreciation		7033625.38	2367558.79
4. Preliminary Exp. Written off		106308.00	106306.60
		<u>33799340.62</u>	<u>28270397.04</u>
III. PROFIT BEFORE TAX I-II		9430147.97	16433708.21
5. Provision for Income Tax		2077312.00	1395242.00
Provision for Deferred Tax		1308097.00	0.00
IV. PROFIT AFTER TAX		<u>6044738.97</u>	<u>15038466.21</u>
6. Balance as per last year account		325120.49	794654.28
V. SURPLUS AVAILABLE FOR APPROPRIATION		<u>6369859.46</u>	<u>15833120.49</u>
7. APPROPRIATIONS			
Transfer to General Reserve		5000000.00	12500000.00
Reserve Fund (As per RBI Act)		1209000.00	3008000.00
Balance Carried to Balance Sheet		160859.46	325120.49
		<u>6369859.46</u>	<u>15833120.49</u>
NOTES ON ACCOUNTS	15		

Signed in terms of our report of even date
for R. Lal & Company
Chartered Accountants

(Ram Lal Agarwal)
Proprietor
Dated : 31th May 2002
Place : Agra

For and on behalf of the Board

Sunil Agarwal	- Mg. Director
Purushottam Agrawal	- Director
Sanjay Agarwal	- Director
S. C. Sharma	- Director
Sachin Agarwal	- Director
Reema Maheshwari	- Company Secretary

S. E. INVESTMENTS LIMITED**SCHEDULES FORMING PART OF BALANCE SHEET**

PARTICULARS	AMOUNT 31.3.2002	AMOUNT 31.3.2001
<u>SCHEDULE 1- SHARE CAPITAL</u>		
<u>AUTHORISED CAPITAL:</u>		
35,00,000 Equity Shares of Rs. 10 each	35000000.00	35000000.00
	<u>35000000.00</u>	<u>35000000.00</u>
<u>ISSUED SUBSCRIBED & PAID UP CAPITAL</u>		
3152500 Equity shares of Rs. 10/-each fully paid up	31525000.00	31525000.00
Less: Allotment Money Due	359000.00	359000.00
	<u>31166000.00</u>	<u>31166000.00</u>
<u>SCHEDULE 2 - RESERVE & SURPLUS</u>		
General Reserve	23993372.00	29000000.00
Reserve Fund (As per RBI Act)	8109000.00	6900000.00
Profit & Loss Account	160859.46	325120.49
	<u>32263231.46</u>	<u>36225120.49</u>
<u>SCHEDULE 3 - SECURED LOANS :</u>		
Loan from Central Bank of India		
Over draft A/C (Secured against hypothecation of stocks on Hire & relative Book debts and personal guarantee by Mg. Director, a Director & his wife & collateral security of a shop belonging to a director & his wife, office premises of the company & pledge of shares of the company & its guarantors and fixed deposit of company)	8392205.34	7823818.83
	<u>8392205.34</u>	<u>7823818.83</u>
<u>SCHEDULE 4 - UNSECURED LOANS :</u>		
Fixed Deposits	46193043.04	53865389.04
Interest Accrued on FD	6902969.95	9634792.54
Inter Corporate Deposits	250000.00	2445000.00
Interest Accrued on ICD	119634.00	488980.00
Loan from suppliers - Central Electronics Ltd.	66758450.00	25594644.00
Interest Accrued on Above	103111.00	105766.00
	<u>120327207.99</u>	<u>92134571.58</u>

S. E. INVESTMENTS LIMITED
SCHEDULE - 5 FIXED ASSETS AS ON 31.3.2002

PARTICULARS	ORIGINAL COST 1.4.2001	ADDITIONS	SOLD DISPOSED	TOTAL	RATE OF DEP.	DEP. UPTO 31.3.2001	DEP. ON ASSETS SOLD/ DISPOSED	DEP. FOR 1.4.2001 TO 31-03-02	TOTAL DEP.	WDV AS ON 31.3.2002	WDV AS ON 31.03.2001
1. LEASED ASSETS:											
- SOLAR DEVICES	35744200.00	52200000.00	0.00	87944200.00	10.00%	2605374.02	0.00	6526186.42	9131560.44	78812639.56	33138825.98
- MOULDING BOXES	479566.55	0.00	0.00	479566.55	11.31%	329440.05	0.00	54238.93	383678.98	95887.57	150126.50
2. FURNITURE	898507.29	4950.00	0.00	903457.29	6.23%	199980.24	0.00	56164.50	256144.74	647312.55	698527.05
3 BOOKS	3519.00	1220.00	0.00	4739.00	4.75%	478.97	0.00	211.94	690.91	4048.09	3040.03
4. FANS	9665.00	0.00	0.00	9665.00	6.23%	2716.03	0.00	602.15	3318.18	6346.82	6948.97
5 SCHOOL LAND & BUILDING	1590620.00	0.00	0.00	1590620.00	4.75%	0.00	0.00	0.00	0.00	1590620.00	1590620.00
6. FAX MACHINE	94740.00	0.00	0.00	94740.00	16.21%	15619.53	0.00	4500.13	20119.66	74620.34	79120.47
7. COMPUTER	978814.00	149700.00	0.00	1128514.00	4.75%	347702.20	0.00	169269.75	516971.95	611542.05	631111.80
8. PBX & TELEPHONE	279545.00	53420.00	0.00	332965.00	4.75%	38738.96	0.00	14423.93	53162.89	279802.11	240806.04
9. AIR CONDITIONER	150700.00	0.00	0.00	150700.00	4.75%	29330.84	0.00	7158.24	36489.08	114210.92	121369.16
10. CYCLE	1055.00	0.00	0.00	1055.00	7.07%	436.71	0.00	74.63	511.34	543.66	618.29
11. GENERATOR	215484.00	5000.00	0.00	220484.00	4.75%	33153.30	0.00	10381.21	43534.51	176949.49	182330.70
12. WATER FILTER	87640.00	0.00	0.00	87640.00	4.75%	9949.38	0.00	4162.92	14112.30	73527.70	77690.62
13. OFFICE PREMISES	2088421.00	0.00	0.00	2088421.00	1.63%	194662.11	0.00	34041.24	228703.35	1859717.65	1893758.89
14. MOTOR CYCLE & SCOOTER	107866.00	71949.00	0.00	179815.00	9.5%	35937.94	0.00	12313.90	48251.84	131563.16	71928.06
15. MARUTI OMNI & CAR	493443.00	0.00	0.00	493443.00	9.5%	96778.10	0.00	46877.05	143655.15	349787.85	396664.90
16. COMPUTER SOFTWARE	105036.00	125850.00	0.00	230886.00	16.21%	62854.76	0.00	31353.15	94007.91	136878.09	42381.24
17. AUDIO VISUAL EQUIPMENTS	19901.00	0.00	0.00	19901.00	4.75%	4163.12	0.00	945.25	5108.37	14792.63	15737.88
18. U.P.S.	79940.40	12306.00	0.00	92246.40	4.75%	8776.36	0.00	4007.22	12783.58	79462.82	71164.04
19. ELECTRICAL EQUIPMENTS	37950.00	0.00	0.00	37950.00	4.75%	5925.30	0.00	1802.64	7727.94	30222.06	32024.70
20. ARMS	21000.00	0.00	0.00	21000.00	4.75%	3701.18	0.00	997.55	4698.73	16301.28	17298.83
21. KITCHEN MACHINE	7500.00	0.00	0.00	7500.00	4.75%	1073.71	0.00	356.28	1445.99	6054.01	6410.29
22. SAFE DEPOSIT VAULT (LOCKERS)	75607.89	0.00	0.00	75607.89	4.75%	107426.13	0.00	35891.40	143317.53	612290.36	648181.76
23. PLANT & MACHINERY	63474.00	10619.00	0.00	74093.00	4.75%	7073.20	0.00	3303.11	10376.31	63716.69	56400.80
24. PHOTO COPIER	75378.00	0.00	0.00	75378.00	4.75%	9835.29	0.00	3580.44	13415.73	61962.27	65542.71
25. FLAT	591498.00	0.00	0.00	591498.00	1.63%	23225.75	0.00	9641.40	32867.15	558630.85	568272.25
26. FIRE FIGHTING EQUIPMENTS	24000.00	0.00	0.00	24000.00	4.75%	2621.00	0.00	1140.00	3761.00	20239.00	21379.00
27. DELHI OFFICE PREMISES	1450502.00	0.00	1450502.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1450502.00
TOTAL	46455573.13	52635014.00	1450502.00	97640085.13		4176790.19	0.00	7033625.38	11210415.57	86429669.56	42278782.94
LAST YEAR	47286734.73	1284640.40	2115802.00	46455573.13		3181117.65	1371886.25	2367558.79	4176790.19	42278782.94	44105617.08

S. E. INVESTMENTS LIMITED**SCHEDULES FORMING PART OF BALANCE SHEET**

PARTICULARS	AMOUNT 31.3.2002	AMOUNT 31.3.2001
<u>SCHEDULE - 6 INVESTMENTS</u>		
IN GOVERNMENT SECURITIES & GOVT. GUARANTEED BONDS		
In Bank FDR's - Face Value	5850055.00	6588154.00
Interest accrued but not due on above	200000.00	200000.00
	1773107.00	1554180.00
	<u>7823162.00</u>	<u>8342334.00</u>
<u>SCHEDULE 7 - INVENTORIES</u>		
A. Hire Purchase Stock of Motor Vehicles and Plant & Machinery etc. covered under Hire Purchase Agreement excluding unexpired Hire Charges etc. including overdue instalments at Book value considered good (As certified by the Mg. Director)		
	80757388.23	156726715.67
B Book Debts ie Advances made against agreements secured by property and/or personal guarantees excluding unexpired finance charges etc including overdue instalments at book value considered good. (As certified by the Mg. Director)		
	76019832.77	0.00
	<u>156777221.00</u>	<u>156726715.67</u>
<u>SCHEDULE 8 - STOCK OF SHARES & DEBENTURES</u>		
(Refer note no. 12 of Schedule 15)		
SHARES - QUOTED : Fully paid up		
(Aggregate market value of quoted shares & debentures is Rs 2420835 as on 31.3.2002 last year Rs 3410823 as on 31.03.2001)	1508586.00	1752708.00
	<u>1508586.00</u>	<u>1752708.00</u>
<u>SCHEDULE 9 - CASH & BANK BALANCES:</u>		
Cash in Hand	2725439.20	1660523.39
Current A/C with Scheduled Banks & (Subject to Reconciliation)		297715.03
	22025470.36	
	<u>24750909.56</u>	<u>1958238.42</u>
<u>SCHEDULE 10 - LOANS & ADVANCES</u>		
<u>ADVANCES RECOVERABLE IN CASH OR IN KIND OF FOR VALUE TO BE RECEIVED CONSIDERED GOOD:</u>		
Prepaid Expenses	17947.00	17028.00
Income Tax & TDS paid	2385094.00	1506654.00
Loans against Deposits	120024.00	337606.00
Other Advances	2664955.50	10403608.11
	<u>5188020.50</u>	<u>12264896.11</u>
Over Six Months Old	2549884.82	3957316.43
Others	2638135.68	8307580.68
	<u>5188020.50</u>	<u>12264896.11</u>

S. E. INVESTMENTS LIMITED**SCHEDULES FORMING PART OF BALANCE SHEET**

PARTICULARS	AMOUNT 31.3.2002	AMOUNT 31.3.2001
<u>SCHEDULE - 11 CURRENT LIABILITIES</u>		
Sundry Creditors	34033.00	52039.58
Other Liabilities	77262215.13	54992551.96
	<u>77296248.13</u>	<u>55044591.54</u>
<u>SCHEDULE 12 - PROVISIONS</u>		
Provision for taxation	2077312.00	1395242.00
Provision for Deferred Tax	11314725.00	N.A.
	<u>13392037.00</u>	<u>1395242.00</u>
<u>SCHEDULE 13 - INCOME FROM OPERATIONS</u>		
Income from Hire Charges	32135414.37	36067392.27
Income from Lease Rent	1697063.40	1659661.40
Loss on Shares & investments	51552.83	-143047.00
Income from Investments	6855992.41	1518581.00
Dividend income (Gross)	53518.00	30857.00
Other income from operations	1831527.00	5495043.58
Locker Rent	35609.00	42579.00
Rent Received	19800.00	19800.00
Bad Debts Recovered	549011.58	13238.00
	<u>43229488.59</u>	<u>44704105.25</u>
<u>SCHEDULE - 14 EXPENSES</u>		
Printing & Stationery	1092282.10	924957.15
Auditors Remuneration	6000.00	6000.00
Salary & Establishment	1289122.52	1301899.50
Office and General Expenses	872317.20	752763.51
Interest discounting & Bank Charges	12718545.41	15151992.11
Legal Expenses	416791.00	220033.63
Rent	182100.00	159500.00
Mg. Director's & Director Remuneration	408000.00	408000.00
Advertisement & Business Promotion	2204412.00	1265733.75
Travelling Expenses	290761.85	260152.41
Postage & Telephone Expenses	660418.48	620402.33
Rebate, Remission, Bad debts & Brokerage	3876746.96	4247207.27
Recovery Expenses	478295.00	261263.06
Car & Scooter Expenses	1537331.52	819003.58
Repairs & Maintenance	267550.10	241066.60
Insurance	50421.00	63949.00
Electricity & Water Expenses	189040.50	153310.00
Rates & Taxes	29307.60	29370.00
Loss on Sale of Assets	-49498.00	-1214084.25
Security Expenses	139462.00	124012.00
	<u>26659407.24</u>	<u>25796531.65</u>

S. E. Investments Limited

10th Annual Report
2001-2002

BOARD OF DIRECTORS

Sunil Agarwal, Managing Director
Onkar Sharma
Purushottam Agrawal
Sanjay Agarwal
Suresh Chand Sharma
Sachin Agarwal - Whole Time Director

AUDITORS

M/s R. Lal & Company
Chartered Accountants
A-4, Indra Puri, New Agra, Agra 282002

COMPANY SECRETARY

Reema Maheshwari, ACS

BANKERS

Central Bank of India

REGISTERED & CORPORATE OFFICE

Block 54, Sanjay Place, Agra 282002
Phones : 353628, 356924, 353092, 521563
351788, 352688, 354148
Fax : 0562-355388
Email : seil@ndb.vsnl.net.in

ADMINISTRATIVE OFFICE

S-547, II nd Floor,
Main Road, Shakarpur, Delhi 110092
Phones : 011-2211340, 2218561

ALIGARH OFFICE

76, Malviya Pustakalaya Market,
G.T.Road, Aligarh
Phones 0571-421866

MATHURA OFFICE

369/2, Krishna Nagar,
Govardhan Road, Mathura
Phones : 0565-423660, 424310

LISTING OF EQUITY SHARES

Stock Exchanges - Kanpur, Delhi,
Ahmedabad.

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