



S. E. Investments Limited

S-547, IInd Floor, Main Road, Shakarpur, Delhi-92
Ph. : (011) 22481340 Fax. : (011) 22481340 E-mail : seil@ndb.vsnl.net.in

11th

ANNUAL REPORT

2002-2003

Financing

Leasing

**Fixed
Deposits**

**Safe Deposit
Lockers**

S. E. Investments Limited

11th Annual Report 2002-2003

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

Parul Shukla, ACS

BANKERS

Central Bank of India

REGISTERED OFFICE

S-547, IInd Floor,
Main Road, Shakarpur, Delhi –92
Phones : 011-22481340 Fax : 011-22481340
E-mail : seil@ndb.vsnl.net.in

CORPORATE & ADMINISTRATIVE OFFICE

Block 54, Sanjay Place, Agra – 282002
Phones : 2153628, 2156924, 2153092,
2151788, 2154148
Fax : 0562-2155388
Email : seil@sancharnet.in

ALIGARH OFFICE

76, Malviya Pustakalaya Market,
G.T.Road, Aligarh.
Phones : 0571-2421866

MATHURA OFFICE

369/2, Krishna Nagar,
Govardhan Road, Mathura
Phones : 0565-2423660, 2424310

LISTING OF EQUITY SHARES

Stock Exchanges - Kanpur, Delhi,
Ahmedabad

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NOTICE

Notice is hereby given that the 11th Annual General Meeting of the Members of S. E. Investments Limited will be held on Friday the 25th Day of July 2003, at 11.00 A.M. at S-547, IInd Floor, Main Road, Shakarpur, Delhi-92 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2003 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. Sanjay Agarwal who retires by rotation and is eligible for reappointment.
3. To appoint a Director in place of Mr. Suresh Chand Sharma 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

Place : Delhi

Date : 29th May 2003

Sd/-
SUNIL AGARWAL
Managing Director

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 18th July 2003 to 25th July 2003 (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 queries, if any, at least ten days in advance of the meeting so that 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 : Delhi

Date : 29th May 2003

Sd/-
SUNIL AGARWAL
Managing Director

DIRECTORS' REPORT

TO THE SHARE HOLDERS

Your Directors have pleasure in presenting the 11th Annual Report of the company together with the Audited Statement of accounts for the year ended 31st March, 2003. Your Directors wish to bring to your notice that the Registered office of the company has been shifted from Block no. 54, Sanjay Place, Agra to S-547, IInd Floor, Main Road, Shakarpur, Delhi-92 with effect from 8th Feb. 2003. The Company now falls under the jurisdiction of the Registrar of Companies, NCT of Delhi & Haryana and has been given registration no. 120483.

FINANCIAL RESULTS

(Rs. In lacs)

	Year Ended 31.03.2003	Year Ended 31.03.2002
Total Income	488.80	432.29
Less : Expenditure	<u>259.00</u>	<u>267.65</u>
Profit before depreciation and tax	229.80	164.64
Less : Depreciation	<u>93.39</u>	<u>70.34*</u>
Profit before Tax	136.41	94.30
Less : Provision for tax	4.27	20.77
Less : Deferred Tax upto 31.03.2001	—	100.07
Less : Deferred Tax current year	<u>82.16</u>	<u>13.08</u>
Profit After Tax	49.98	-39.62
Add : Balance brought forward from previous year	1.60	3.25
Add : Transfer from General Reserve	—	<u>100.07</u>
Amount available for appropriation	51.58	63.70

APPROPRIATIONS

Transfer to General Reserve	40.00	50.00
Transfer to Reserve Fund (As per RBI Act)	10.00	12.09
Balance Carried to balance sheet	<u>1.58</u>	<u>1.61</u>
	<u>51.58</u>	<u>63.70</u>

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

PERFORMANCE

Year 2002-03 had not been good for NBFC industry and the impact of the slow down and tough competition from bigger NBFC and Banks is continuing. Only moderate recovery is seen in some quarters. 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.488.80 lacs as against last year's Rs.432.29 lacs thus giving increase of 13.07% over last year. PAT this year stands at Rs. 49.98 lacs against last years Rs. (-) 39.62 lacs. Additional provision of deferred tax as per guidelines of Institute of Chartered Accountants of India (AS-22) has consumed Rs. 82.16 lacs against last year Rs. 13.08 lacs. This item off sets the reduction in PAT and your directors expect better results next year.

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

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. Starting from July 2001 your company has entered business of extending loans and advances against security of specific assets specially vehicles and/or property in the regular course of business; Upto 31.03.2003 the disbursements had been Rs.1629 Lacs as against last year's Rs. 947 lacs. As on 31.03.2003 investment in hire purchase, leasing and loans and advances against security of specific assets and property had been Rs.2472 Lacs as against last year's Rs.2357 Lacs.

FIXED DEPOSITS

Your company has been adhering to all the directions and discipline of RBI. The fixed deposits as on 31.03.2003 stood at Rs.479 lacs excluding interest accrued but not due as against last year's Rs.462 lacs. Number of fixed deposits having matured but remaining unpaid as on 31.03.2003 had been 6 amounting to Rs.2.43 lacs. As on date of this report these deposits have been repaid.

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 31.03.2003 is 33.07% (last year 25.39%) 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. Previously, the company was under the jurisdiction of Kanpur Regional Office but now due to the change in the Registered Office it is subject to the jurisdiction of Delhi Regional Office.

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.24.95 lacs have been written off during the year as against last year's Rs. 27.75 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 amounts of Rs. 9.42 Lacs.

COMPANY SECRETARY

Ms Parul Shukla, A.C.S. has been appointed as Company Secretary with effect from 29.07.2002.

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 REPORT

A separate report on Corporate Governance is furnished as a part of the Director's Report and the certificate from the company's Auditors regarding compliance of conditions of Corporate Governance is annexed to the said Report.

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.

DIRECTORS

Shri Sanjay Agrawal & Shri Suresh Chand Sharma 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.

Place : Delhi

Date : 29th May 2003

For and on behalf of the Board

SUNIL AGARWAL
Managing Director

SACHIN AGARWAL
Director

CORPORATE GOVERNANCE REPORT

1. Philosophy

The Company's philosophy on Corporate Governance envisages commitment to ensure customer satisfaction through better services and satisfaction of grievances if any, of all its share holders consistent with fairness to all the stakeholders and with due concern for social responsibility.

2. Board of Directors

The Board of Directors of the Company comprises of six Directors, of which Managing Director & Wholetime Director are Executive Directors and others are non Executive as well as Independent Directors.

Directors	Category	Board Meeting	Last AGM	Committee Membership*	
				Member	Chairman
Shri Purushottam Agarwal	Director	19	Yes	1	1
Shri Sunil Agarwal	Managing Director	19	Yes	1	—
Shri Sanjay Agarwal	Director	19	Yes	1	1
Shri Suresh Chand Sharma	Director	19	Yes	2	—
Shri Sachin Agarwal	Wholetime Director	19	Yes	—	—
Shri Onkar Sharma	Director	7	No	—	—

* Includes Audit and Shareholders/Investors Grievance Committee.

Details of Board Meetings held during the year 2002-2003 :

Date of Meeting	No. of Directors Present
16th April 2002	5
18th April 2002	5
4th May 2002	6
17th May 2002	5
31st May 2002	6
29th June 2002	5
12th July 2002	6
29th July 2002	5
6th August 2002	6
26th August 2002	5
11th September 2002	5
25th October 2002	5
7th November 2002	6
23rd November 2002	5
18th December 2002	5
10th January 2003	6
31st January 2003	5
20th February 2003	6
18th March 2003	5

3. Audit Committee

The Audit Committee was constituted by the Board of Directors at its Meeting held on Sept. 3, 2001. The committee comprises of three Non Executive Independent Directors, who have adequate financial accounting knowledge. The Audit Committee met three times during the financial year 2002-2003 to review the accounting practice/standards followed by the Company; adequacy of internal control/audit system and functions; Unaudited Quarterly/Half yearly Financial Statements. The Audit Committee whose terms of reference have been specified as per clause 49 of the Listing Agreement, consists of;

Name	Designation	Attendance
Shri Sanjay Agarwal, Chartered Accountant	Chairman, Non Executive-Independent	3
Shri Purushottam Agrawal, Chartered Accountant	Non Executive-Independent	3
Shri Suresh Chand Sharma, Advocate	Non Executive-Independent	3

4. Shareholders/Investors Grievance Committee

The Shareholders/Investors Grievance Committee was constituted by the Board of Directors at its Meeting held on Sept. 3, 2001, comprising of Shri Purushottam Agarwal as Chairman Independent Non Executive Director, Shri Sunil Agarwal Executive Managing Director, Shri Sanjay Agarwal Independent Non Executive Director, Shri Suresh Chand Sharma Independent Non Executive Director and further included Ms. Parul Shukla as Compliance Officer.

This committee looks into the redressal of Shareholders/Investors Grievances, if any, like Transfer/Transmission/ Demat of Shares; Loss of Share Certificates; Non-receipt of Annual Report; Repayment of principal and/or interest on Fixed Deposits/Debentures etc. 29 meetings of the committee were held during the year. During the year, no complaints were received from the shareholders. The Company has no transfers pending at the close of the financial year.

5. Remuneration of Directors

The Company has not set up a Remuneration committee. The details of remuneration given to the Managing Director and Wholetime Director is as under :—

Name of Managing/Wholetime Director	Remuneration	Severance fee, If any
Mr. Sunil Agarwal, Managing Director	25000 p.m. plus perquisites	Compensation in accordance with provision of Schedule XIII to the Companies Act, 1956.
Mr. Sachin Agarwal, Wholetime Director	9000 p.m. plus perquisites	

6. The brief particulars of retiring directors proposed for reappointment are as under :

Name of Directors	Designation	Details of Membership of Committees
Mr. Sanjay Agarwal	Director	Chairman of Audit Committee and member of Shareholders/Investors Grievance Committee.
Mr. Suresh Chand Sharma	Director	Member of Audit Committee and Shareholders/Investors Grievance Committee.

7. Disclosure

- (a) The Company has no materially significant related party transaction i.e. transactions of the Company of material nature with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflicts with the interests of the Company at large.

(b) There were no instances of non-compliance by the Company or penalties imposed on the Company by the Stock Exchange(s) or SEBI or any statutory authority, on any matter related to Capital Markets, during the last three years.

8. Share Transfer System & Transfer Agent.

The Securities & Exchange Board of India has provided for the appointment of common agency for demat & physical share transfer work, with effect from 27.12.2002. The Company has handed over the share registry work in terms of physical as well electronic to Alankit Assignments Ltd., Registrar & Transfer Agent. The correspondence address of Alankit Assignments Ltd. is 205-208, Anarkali Market, Jhandewalan Extension, New Delhi.

9. Dematerialisation of Shares and Liquidity

Consequent upon the compulsory demat of the Equity Shares of the Company as notified by SEBI, 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.

10. Credit Rating

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

11. Date, time and venue of 11th Annual General Meeting Friday, 25th July, 2003 at 11:00 a.m. at S-547, IIInd Floor, Main Road Shakarpur, Delhi-92

12. Book Closure Date Friday, 18th July, 2003 to Friday, 25th July 2003 (both days inclusive)

13. Dividend Payment Date Not Applicable

14. Details of last three Annual General Meetings :

Meeting	Year	Venue of AGM	Date	Time
8th AGM	1999-2000	Block-54, Sanjay Place, Agra	6th June 2000	11:00 a.m.
9th AGM	2000-2001	Block-54, Sanjay Place, Agra	30th June 2001	11:00 a.m.
10th AGM	2001-2002	Block-54, Sanjay Place, Agra	29th June 2002	11:00 a.m.

In absence of necessary legislation, no special resolutions could be put through postal ballot till last year.

15. Means of Communication

Quarterly Results Published in the Delhi Mid Day (English News Paper)
Amar Ujala & Dainik Taj Kesri (Hindi Newspaper)

16. Financial Calendar (Tentative)

Financial reporting for the quarter ending June 30, 2003	End of July, 2003
Financial reporting for the quarter/half year ending September 30, 2003	End of October, 2003
Financial reporting for the quarter ending December 31, 2003	End of January, 2004
Financial reporting for the year ending March 31, 2004	End of June, 2004
Annual General Meeting for the year ending March 31, 2004	July 2004

17. Distribution of Shareholding (as on March 31st 2003)

a) On the basis of Shares held

No. of Equity Shares held (Range)	No. of share holders	Percentage to total share holders	No. of Shares held	Percentage to total shares held
up to 5000	304	83.52%	224900	7.13%
5001-10000	9	2.47%	74900	2.38%
10001-20000	17	4.67%	325700	10.33%
20001-30000	5	1.37%	127400	4.04%
30001-40000	3	0.82%	110800	3.51%
40001-50000	3	0.82%	142300	4.51%
50001-100000	18	4.96%	1147440	36.40%
Above 100000	5	1.37%	999060	31.70%
TOTAL	364	100%	3152500	100%

b) On the basis of Category

Category	No. of Shares held	Percentage to total shares held
Promoter's holding	1075960	34.13%
Private Corporate Bodies	825540	26.187%
Indian Public	1251000	39.683%
Total	3152500	100%

18. High/Low of Market Price of the Company's Equity shares traded on the stock Exchanges during the financial year 2002-2003.

The shares of the company have not been traded on any of the stock exchanges, hence the data is not available.

19. Listing on Stock Exchanges at :

- The U.P. Stock Exchange Association Ltd.
Padam Tower, 14/113, Civil Lines,
Kanpur-208 001
- The Delhi Stock Exchange Association Ltd.
DSE House, 3/1, Asaf Ali Road,
New Delhi-110002
- The Stock Exchange Ahmedabad
Kamdhenu Complex,
Panjara Pole, Near Polytechnic
Ahmedabad-380815

Listing fees for the year 2003-2004 had been paid to all the above Stock Exchanges.

20. Stock Codes	The U. P. Stock Exchange	—	S00169
	Delhi Stock Exchange	—	8568
	Ahmedabad Stock Exchange	—	51236/S. E. Inv. Ltd.
	ISIN NO.-CDSL	—	INE420C01018
	NSDL	—	INE420C01018

**21. Registered Office & Shareholders'
Correspondence address**

S-547, IInd Floor, Main Road, Shakarpur Delhi-92
Ph. (011) 22481340
Fax. : (011) 22481340
E-mail : seil@ndb.vsnl.net.in

AUDITOR'S CERTIFICATE ON CORPORATE COVERNANCE
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The Board of Directors
S. E. Investments Ltd.
S-547, IInd Floor, Main Road,
Shakarpur,
DELHI-92

Re : Auditor's Certificate on Corporate Governance

As required by you, we have reviewed the Company's procedures for compliance with the provisions of clause 49 of the Listing Agreement of the Stock Exchanges.

On the basis of our review and according to the information and explanations given to us and the representations made to us by the Management, we state that to the best of our knowledge and belief, the Company has complied with the conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement of the Stock Exchanges.

DATED : 29th Day of May 2003

PLACE : AGRA-Camp Delhi

For **R. Lal & Company**
Chartered Accountants

(**Ram Lal Agarwal**)
Proprietor

AUDITORS REPORT

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

We have audited the attached Balance Sheet of M/s S. E. INVESTMENTS LTD. as at 31st March 2003 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 2003 and
 - (ii) In the case of Profit and Loss Account of the profit of the company for the year ended on that date.

DATED : 29th Day of May 2003

PLACE : Agra-Camp Delhi

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. 2002-2003)

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 : 29th Day of May 2003

PLACE : Agra-Camp Delhi

For **R.LAL & COMPANY**

Chartered Accountants

(RAM LAL AGARWAL)

Proprietor

BALANCE SHEET AS AT 31.3.2003

PARTICULARS	SCHEDULE	AMOUNT 31.3.2003	AMOUNT 31.3.2002
I. SOURCES OF FUNDS			
1. SHARE HOLDERS FUNDS			
Share Capital	1	31186000.00	31166000.00
Reserves & Surplus	2	56791756.26	32263231.46
		87977756.26	63429231.46
2. LOAN FUNDS			
Secured Loans	3	2594355.37	8392205.34
Unsecured Loans	4	119600138.30	120327207.99
		122194493.67	128719413.33
Total		210172249.93	192148644.79
II. APPLICATION OF FUNDS			
1. FIXED ASSETS:			
Gross Block	5	97908045.13	97640085.13
Less: Depreciation		20549734.79	11210415.57
NET BLOCK		77358310.34	86429669.56
2. INVESTMENTS	6	7212400.00	7823162.00
		7212400.00	7823162.00
3. CURRENT ASSETS, LOANS & ADVANCES			
Inventories including Book Debts	7	177170569.27	156777221.00
Stock of Shares & Debentures	8	1527513.00	1508586.00
Cash & Bank Balances	9	4060627.99	24750909.56
Loans & Advances	10	11346350.66	5188020.50
		194105060.92	188224737.06
4. Less: CURRENT LIABILITIES & PROVISIONS			
Liabilities	11	66252061.63	77296248.13
Provisions	12	2504513.00	13392037.00
		68756574.63	90688285.13
<i>Net Current Assets</i>		<i>125348486.29</i>	<i>97536451.93</i>
5. Misc. Expenditure (to the extent not written off or adjusted)			
Preliminary Expenses		253053.30	359361.30
		253053.30	359361.30
Total	15	210172249.93	192148644.79
NOTES ON ACCOUNTS			

Signed in terms of our report of even date
For and on behalf of the Board
for R. Lal & Company
Chartered Accountants

(Ram Lal Agarwal)
Proprietor

Dated : 29th May 2003
Place : Agra-Camp Delhi

Sunil Agarwal — *Mg. Director*

Purushottam Agrawal — *Director*

Sanjay Agarwal — *Director*

S. C. Sharma — *Director*

Sachin Agarwal — *Director*

Parul Shukla — *Company Secretary*

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING ON 31.3.2003
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PARTICULARS	SCHEDULE	AMOUNT 31.3.2003	AMOUNT 31.3.2002
I. INCOME			
1. Income from Operations	13	48880070.67 <u>48880070.67</u>	43229488.59 <u>43229488.59</u>
II. EXPENDITURE			
2. Expenses	14	25793442.65	26659407.24
3. Depreciation		9339319.22	7033625.38
4. Preliminary Exp. Written off		<u>106308.00</u>	<u>106308.00</u>
		<u>35239069.87</u>	<u>33799340.62</u>
III. PROFIT BEFORE TAX I-II		13641000.90	9430147.97
5. Provision for Income Tax		427201.00	2077312.00
Deferred Tax Upto 31-03-2001		0.00	10006628.00
Deferred Tax 2002-2003 (2001-2002)		<u>8216177.65</u>	<u>1308097.00</u>
IV. PROFIT AFTER TAX		4997622.15	-3961889.03
6. Balance as per last year account		160859.46	325120.49
Transfer From General Reserve			10006628.00
V. SURPLUS AVAILABLE FOR APPROPRIATION		<u>5158481.61</u>	<u>6369859.46</u>
7. APPROPRIATIONS			
Transfer to General Reserve		4000000.00	5000000.00
Reserve Fund (As per RBI Act)		1000000.00	1209000.00
Balance Carried to Balance Sheet		<u>158481.61</u>	<u>160859.46</u>
		<u>5158481.61</u>	<u>6369859.46</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 : 29th May 2003

Place : Agra-Camp Delhi

For and on behalf of the Board

Sunil Agarwal — Mg. Director

Purushottam Agrawal — Director

Sanjay Agarwal — Director

S. C. Sharma — Director

Sachin Agarwal — Director

Parul Shukla — Company Secretary

SCHEDULES FORMING PART OF BALANCE SHEET

PARTICULARS	AMOUNT 31.3.2003	AMOUNT 31.3.2002
<u>SCHEDULE 1- SHARE CAPITAL</u>		
AUTHORISED CAPITAL:		
35,00,000 Equity Shares of Rs. 10 each	<u>35000000.00</u>	<u>35000000.00</u>
	<u>35000000.00</u>	<u>35000000.00</u>
ISSUED SUBSCRIBED & PAID UP CAPITAL		
3152500 Equity shares of Rs. 10/-each fully paid up	31525000.00	31525000.00
Less : Calls Unpaid	<u>339000.00</u>	<u>359000.00</u>
	<u>31186000.00</u>	<u>31166000.00</u>
<u>SCHEDULE 2 - RESERVE & SURPLUS</u>		
General Reserve	27993372.00	23993372.00
Reserve Fund (As per RBI Act)	9109000.00	8109000.00
Deferred Tax Reserve	19530902.65	0.00
Profit & Loss Account	<u>158481.61</u>	<u>160859.46</u>
	<u>56791756.26</u>	<u>32263231.46</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.	<u>2594355.37</u>	<u>8392205.34</u>
	<u>2594355.37</u>	<u>8392205.34</u>
<u>SCHEDULE 4 - UNSECURED LOANS :</u>		
Fixed Deposits	47918410.04	46193043.04
Interest Accrued on FD	4114310.26	6902969.95
Inter Corporate Deposits	0.00	250000.00
Interest Accrued on ICD	0.00	119634.00
Loan from suppliers - Central Electronics Ltd.	66660533.00	66758450.00
Interest Accrued on Above	<u>906885.00</u>	<u>103111.00</u>
	<u>119600138.30</u>	<u>120327207.99</u>

SCHEDULE - 5 FIXED ASSETS AS ON 31.03.2003

PARTICULARS	ORIGINAL COST 1.4.2002	ADDITIONS	SOLD DIS- POSED	TOTAL	RATE OF DEP.	DEP. UPTO 31.3.2002	DEP. ON ASSETS/ SOLD DIS- POSED	DEP. FOR 1.4.2002 TO 31.3.2003	TOTAL DEP.	WDVAS ON 31.3.2003	WDVAS ON 31.3.2002
1. LEASED ASSETS:											
- SOLAR DEVICES	87944200.00	0.00	0.00	87944200.00	10.00%	9131560.44	0.00	8794419.98	17925980.42	70018219.58	78812639.56
- MOULDING BOXES	479566.55	0.00	0.00	479566.55	11.31%	383678.98	0.00	54238.94	437917.92	41648.63	95887.57
2. FURNITURE	903457.29	900.00	0.00	904357.29	6.23%	256144.74	0.00	56332.50	312477.24	591880.05	647312.55
3. BOOKS	4739.00	800.00	0.00	5539.00	4.75%	690.91	0.00	228.81	919.72	4619.28	4048.09
4. FANS	9665.00	0.00	0.00	9665.00	6.23%	3318.18	0.00	602.14	3920.32	5744.68	6346.82
5. SCHOOL LAND & BUILDING	1590620.00	0.00	0.00	1590620.00		0.00	0.00	0.00	0.00	1590620.00	1590620.00
6. FAX MACHINE	94740.00	9500.00	0.00	104240.00	4.75%	20119.66	0.00	4810.39	24930.05	79309.95	74620.34
7. COMPUTER	1128514.00	96250.00	0.00	1224764.00	16.21%	516971.95	0.00	188948.70	705920.65	518843.35	611542.05
8. PBX & TELEPHONE	332965.00	107265.00	0.00	440230.00	4.75%	53162.89	0.00	19195.37	72358.26	367871.74	279802.11
9. AIR CONDITIONER	150700.00	0.00	0.00	150700.00	4.75%	36489.08	0.00	7158.24	43647.32	107052.68	114210.92
10. CYCLE	1055.00	0.00	0.00	1055.00	7.07%	511.34	0.00	74.62	585.96	469.04	543.66
11. GENERATOR	220484.00	16177.00	0.00	236661.00	4.75%	43534.51	0.00	11131.38	54665.89	181995.11	176949.49
12. WATER FILTER	87640.00	26000.00	0.00	113640.00	4.75%	14112.30	0.00	4362.53	18474.83	95165.17	73527.70
13. OFFICE PREMISES	2088421.00	0.00	0.00	2088421.00	1.63%	228703.35	0.00	34041.25	262744.60	1825676.40	1859717.65
14. MOTOR CYCLE & SCOOTER	179815.00	0.00	10000.00	169815.00	9.5%	48251.84	0.00	16844.95	65096.79	104718.21	131563.16
15. MARUTI OMNI & CAR	493443.00	0.00	0.00	493443.00	9.5%	143655.15	0.00	46877.06	190532.21	302910.79	349787.85
16. COMPUTER SOFTWARE	230886.00	0.00	0.00	230886.00	16.21%	94007.91	0.00	37426.66	131434.57	99451.43	136878.09
17. AUDIO VISUAL EQUIPMENTS	19901.00	0.00	0.00	19901.00	4.75%	5108.37	0.00	945.26	6053.63	13847.37	14792.63
18. U.P.S.	92246.40	13068.00	0.00	105314.40	4.75%	12783.58	0.00	4510.95	17294.53	88019.87	79462.82
19. ELECTRICAL EQUIPMENTS	37950.00	8000.00	0.00	45950.00	4.75%	7727.94	0.00	2043.07	9771.01	36178.99	30222.06
20. ARMS	21000.00	0.00	0.00	21000.00	4.75%	4698.73	0.00	967.54	5696.27	15303.74	16301.28
21. KITCHEN MACHINE	7500.00	0.00	0.00	7500.00	4.75%	1445.99	0.00	356.27	1802.26	5697.74	6054.01
22. SAFE DEPOSIT VAULT (LOCKERS)	755607.89	0.00	0.00	755607.89	4.75%	143317.53	0.00	35891.39	179208.92	576398.97	612290.36
23. PLANT & MACHINERY	74093.00	0.00	0.00	74093.00	4.75%	10376.31	0.00	3519.38	13895.69	60197.31	63716.69
24. PHOTO COPIER	75378.00	0.00	0.00	75378.00	4.75%	13415.73	0.00	3580.44	16996.17	58381.83	61962.27
25. FLAT	591498.00	0.00	0.00	591498.00	1.63%	32867.15	0.00	9641.40	42508.55	548989.45	558630.85
26. FIRE FIGHTING EQUIPMENTS	24000.00	0.00	0.00	24000.00	4.75%	3761.00	0.00	1140.00	4901.00	19099.00	20239.00
TOTAL	97640085.13	277960.00	10000.00	97908045.13		11210415.57	0.00	9339319.22	20549734.79	77358310.34	86429669.56
LAST YEAR	46455573.13	52635014.00	1450502.00	97640085.13		4176790.19	0.00	7033625.38	11210415.57	86429669.56	42278782.94

SCHEDULES FORMING PART OF BALANCE SHEET

PARTICULARS	AMOUNT 31.3.2003	AMOUNT 31.3.2002
<u>SCHEDULE - 6 INVESTMENTS</u>		
IN GOVERNMENT SECURITIES & GOVT. GUARANTEED BONDS	4973148.00	5850055.00
In Bank FDR's - Face Value	300000.00	200000.00
Interest accrued but not due on above	<u>1939252.00</u>	<u>1773107.00</u>
	<u>7212400.00</u>	<u>7823162.00</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)	34557161.87	80757388.23
B. Book Debts ie. Advances made against agreements secured by property and/or personal guarantees excluding unexpired finance charges etc including overdue installments at book value considered good. (As certified by the Mg. Director)	78747965.17	
C. Book Debts ie. Advances made against agreements secured by vehicles excluding unexpired finance charges etc including overdue installments at book value considered good. (As certified by the Mg. Director)	<u>63865442.23</u>	<u>76019832.77</u>
	<u>177170569.27</u>	<u>156777221.00</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.2401759 as on 31.3.2003 last year Rs. 2420835 as on 31.03.2002)	1527513.00	1508586.00
	<u>1527513.00</u>	<u>1508586.00</u>
<u>SCHEDULE 9 - CASH & BANK BALANCES:</u>		
Cash in Hand	3603298.41	2725439.20
Current A/C with Scheduled Banks (Subject to Reconciliation)	<u>457329.58</u>	<u>22025470.36</u>
	<u>4060627.99</u>	<u>24750909.56</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	18248.00	17947.00
Income Tax & TDS paid	3390940.00	2385094.00
Loans against Deposits		120024.00
Other Advances	<u>7937162.66</u>	<u>2664955.50</u>
	<u>11346350.66</u>	<u>5188020.50</u>
Over Six Months Old	4418010.89	2549884.82
Others	<u>6928339.77</u>	<u>2638135.68</u>
	<u>11346350.66</u>	<u>5188020.50</u>

SCHEDULES FORMING PART OF BALANCE SHEET

PARTICULARS	AMOUNT 31.3.2003	AMOUNT 31.3.2002
<u>SCHEDULE - 11 CURRENT LIABILITIES</u>		
Sundry Creditors	96446.00	34033.00
Other Liabilities	<u>66155615.63</u>	<u>77262215.13</u>
	<u>66252061.63</u>	<u>77296248.13</u>
<u>SCHEDULE 12 - PROVISIONS</u>		
Provision for taxation	2504513.00	2077312.00
Provision for Deferred Tax	<u>0.00</u>	<u>11314725.00</u>
	<u>2504513.00</u>	<u>13392037.00</u>
<u>SCHEDULE 13 - INCOME FROM OPERATIONS</u>		
Income from Hire Charges	13407280.84	32135414.37
Income from Lease Rent	4640174.40	1697063.40
Loss on Shares & investments	19044.30	51552.83
Income from Investments	928785.00	6855992.41
Dividend income (Gross)	62656.90	53518.00
Interest on Vehicle Loans	12630489.30	0.00
Interest on Other Loans	15353678.47	0.00
Other income from operations	835089.00	1831527.00
Locker Rent	41056.00	35609.00
Rent Received	19800.00	19800.00
Bad Debts Recovered	<u>942016.46</u>	<u>549011.58</u>
	<u>48880070.67</u>	<u>43229488.59</u>
<u>SCHEDULE - 14 EXPENSES</u>		
Printing & Stationery	1230524.90	1092282.10
Auditors Remuneration	6000.00	6000.00
Salary & Establishment	1387941.50	1289122.52
Office and General Expenses	1166727.00	872317.20
Interest discounting & Bank Charges	9754604.24	12718545.41
Legal Expenses	629819.00	416791.00
Rent	242100.00	182100.00
Mg. Director's & Director Remuneration	408000.00	408000.00
Advertisement & Business Promotion	3274879.00	2204412.00
Travelling Expenses	451823.30	290761.85
Postage & Telephone Expenses	558962.66	660418.48
Rebate, Remission, Bad debts & Brokerage	3337274.46	3876746.96
Recovery Expenses	722894.72	478295.00
Car & Scooter Expenses	1650564.19	1537331.52
Repairs & Maintenance	471903.68	267550.10
Insurance	77365.00	50421.00
Electricity & Water Expenses	203360.00	189040.50
Rates & Taxes	47916.00	29307.60
Loss on Sale of Assets	0.00	-49498.00
Security Expenses	<u>170783.00</u>	<u>139462.00</u>
	<u>25793442.65</u>	<u>26659407.24</u>

Schedule to the Balance Sheet of a Non-Banking Financial Company
(As required in terms of Paragraph 9BB of Non-Banking
Financial Companies Prudential Norms
(Reserve Bank) Directions, 1998)

(Rs. in lakhs)

Particulars			
Liabilities Side :			
(1)	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid :	Amount outstanding	Amount overdue
(a)	Debtentures : Secured	—	—
	: Unsecured	—	—
	(other than falling within the meaning of public deposits)		
(b)	Deferred Credits	675.67	—
(c)	Term Loans	—	—
(d)	Inter-corporate loans and borrowing	—	—
(e)	Commercial Paper	—	—
(f)	Public Deposits	475.34	2.76
(g)	Other Loans (specify nature)	—	—
	Central Bank of India (Overdraft A/c)	25.94	
	Please see Note 1 below		
(2)	Break-up of (1) (f) above (Outstanding public deposits inclusive interest accrued thereon but not paid):		
(a)	In the form of Unsecured debtentures	—	—
(b)	In the form of partly secured debtentures i.e. debtentures where there is a shortfall in the value of security	—	—
(c)	Other public deposits	475.34	2.76
Assets Side :		Amount outstanding	
(3)	Break-up of Loans and Advances including bills receivables (other than those included in (4) below 1 :		
(a)	Secured	787.48	
(b)	Unsecured	NIL	
(4)	Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities	NIL	
(i)	Lease assets including lease rentals under sundry debtors :		
(a)	Financial lease	—	
(b)	Operating lease	700.60*	
(ii)	Stock on hire including hire charges under sundry debtors :		
(a)	Assets on hire	345.57	
(b)	Repossessed Assets	24.76	
(iii)	(a) Loans where assets have been repossessed	NIL	
	(b) Loans other than (a) above	638.65	

* Appearing as fixed assets in Balance-sheet

(5) Break-up of Investments :			
Current Investments :			
1	Quoted :		
	(i) Shares : (a) Equity (b) Preference		
	(ii) Debentures and Bonds		
	(iii) Units of mutual funds		
	(iii) Units of mutual funds		
	(iv) government Securities		
	(v) Others (please specify)		
2.	Unquoted :		
	(i) Shares : (a) Equity (b) Preference		
	(ii) Debentures and Bonds		
	(iii) Units of mutual funds		
	(iv) government Securities	49.73	
	(v) Others (Please specify) fixed deposit	3.00	
	(vi) Interest accrued	19.39	
Long Term Investments :			
1.	Quoted :		
	(i) Share : (a) Equity (b) Preference	15.28 —	
	(ii) Debentures and Bonds		
	(iii) Units of mutual funds		
	(iv) Government Securities		
	(v) Others (Please specify)		
2.	Unquoted :		
	(i) Share : (a) Equity (b) Preference		
	(ii) Debentures and Bonds		
	(iii) Units of mutual funds		
	(iv) Government Securities		
	(v) Others (Please specify)		

(6) Borrower group-wise classification of all leased assets,stock-on hire and loans and advances : Please see Note 2 below :				
Category		Amount net of provisions		
		Secured	Unsecured	Total
1.	Related parties **	—	—	—
	(a) Subsidiaries	—	—	—
	(b) Companies in the same group			
	(c) Other than related parties			
2.	Other than related parties	2497.06	—	2497.06
	Total	2497.06	—	2497.06

7. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Please see note 3 below :			
Category		Market Value/Break up or fair value or NAV	Book value (Net of Provisions)
1.	Related Parties **	—	—
	(a) Subsidiaries—	—	—
	(b) Companies in the same group	—	—
	(c) other related parties	—	—
2.	Other than related parties	96.14	87.40
	Total	96.14	87.40
** As per Accounting Standard of ICAI (Please see Note 3)			
8. Other Information			
Particulars			Amount
(i)	Gross Non-performing Assets		NIL
	(a) Related parties		—
	(b) Other than related parties		—
(ii)	Net non-Performing Assets		NIL
	(a) Related parties		—
	(b) Other than related parties		—
(iii)	Assets acquired in satisfaction of debt		—

Notes :

- As defined in Paragraph 2(1) (xii) of the Non-Banking financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column(5) above.

Signed in terms of our report of even date

for **R. Lal & Company**
Chartered Accountants

(Ram Lal Agarwal)
Proprietor

Dated : 29th May 2003

Place : Agra-Camp Delhi

For and on behalf of the Board

Sunil Agarwal — *Mg. Director*

Purushottam Agrawal — *Director*

Sanjay Agarwal — *Director*

S. C. Sharma — *Director*

Sachin Agarwal — *Director*

Parul Shukla — *Company Secretary*

NOTES ON ACCOUNTS

Schedule 15: NOTES ON ACCOUNTS

1. The Company has followed Mercantile System of Accounting. The accounts have been made consistently on Accrual Basis as a going concern.
2. Income from Hire charges and lease rentals & on loans and advances cases 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.
3. 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.
4. 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.
5. Preliminary Expenses are amortized in equal instalments over a period of 10 years.
6. 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. Fixed assets are stated at cost less depreciation.
7. In accordance with Accounting Standard 22-Accounting for Taxes on Income, issued by the Institute of Chartered Accountants of India, the deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets arising from temporary timing difference are recognised to the extent there is reasonable certainty that the assets can be realised in future. In the balance sheet as on 31/03/2002 the deferred tax was included under the head provisions, but the company having been advised that the true nature of deferred tax is reserve, the same has now been included under 'Reserves & Surplus'.
8. 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 2002-2003 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.

9. 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.

	<u>31.03.2003</u>	<u>31.03.2002</u>
Statement showing details of investments :		
Indra Vikas Patras	3912400	4223162
Govt. Guaranteed Bonds	3000000	3400000
	<u>6912400</u>	<u>7623162</u>

12. Statement showing details of stock of shares and debentures (under current assets) as on close of the year is as under :

Sl. No.	Name of Body	Nature & Extent	Quantity	Cost	Market Value as on 31.3.2003	Cost or Market Value which ever is less
1	Reliance Industries Limited	Equity Shares of Rs. 10 each fully paid up	3045	453000	855950	453000
2	Tata Infotech Ltd.	Equity shares of Rs. 10 each fully paid up	100	30600	12990	12990
3	Kotak Mahindra Finance Ltd.	Equity shares of Rs. 10 each fully paid up	200	71000	33620	33620
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	5950	5950
6	Finolax Cables Ltd.	Equity shares of Rs. 10 each fully paid up	100	16443	7905	7905
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	325171	319850
12	Lupin Laboratories Ltd.	Equity shares of Rs. 10 each fully paid up	480	190000	65352	65352
13	HDFC Bank Limited	Equity Shares of Rs. 10 each fully paid up	1200	192000	280800	192000
14	HDFC Limited	Equity shares of Rs. 10 each fully paid up	2020	297000	674175	297000
15	Tata Iron & Steel Co. Limited	Equity Shares of Rs. 10 each fully paid up	84	12600	11411	11411
16	Computech International Limited	Equity shares of Rs. 10 each fully paid up	1600	303240	7120	7120
17	Tata Tea Ltd.	Equity shares of Rs. 10 each fully paid up	400	90040	76400	76400
18	Tata Finance Ltd.	Equity shares of Rs. 10 each fully paid up	200	12000	2790	2790
TOTAL			38999	2327945	2401759	1527513

13. Unclaimed matured deposit lying with the company amount to Rs. 2.43 lacs number of deposits 6.
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

<i>Particulars</i>	<i>As on 03.03.2003</i>		<i>As on 31.03.2002</i>	
	<i>No. of Shares</i>	<i>Amount</i>	<i>No. of Shares</i>	<i>Amount</i>
Opening Stock	68564	1508586	78637	1752708
Add : Purchase/Conversion of debentures into shares	1090	19044.30	1400	236528
	69654	1527630.30	80037	1989236
Less: Sale / Redemption of Debentures	30655	117.30	11473	458235
Less: Diminution in value at lower of cost/market value				22415
Closing Stock	38999	1527513	68564	1508586

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. 120483 State Code : 55
Balance Sheet Date : 31.03.2003

II Capital raised during the year (Amount in Thousand)

Public Issue (Allotment Money received)	Rs. 20	Right Issue	Rs. NIL
Bonus Issue	Rs. NIL	Private Placement	Rs. NIL

II. Position of Mobilisation and Deployment of funds (Amount in Thousand)

Total Liabilities	Rs. 210172	Total Assets	Rs. 210172
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Source of Funds

Paid of Capital 56792	Rs. 31186	Reserve & Surplus	Rs.
Secured Loans	Rs. 2594	Unsecured Loans	Rs. 119600

Application of Funds

Net Fixed Assets	Rs. 77358	Investments	Rs. 7212
Net Current Assets	Rs. 125348	Miscellaneous	
Accumulated Losses	Rs. NIL	Expenditure	Rs. 253

iv. Performance of Company (Amount in Thousand)

Turnover (Gross Income)	Rs. 48880	Total Expenditure	Rs. 35239
Profit/before Tax	Rs. 13641	Profit after tax	Rs. 4998
Earning per share	Rs. 1.60	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 R. Lal & Company
Chartered Accountants

(Ram Lal Agarwal)
Proprietor

Dated : 29th May 2003

Place : Agra-Camp Delhi

For and on behalf of the Board

Sunil Agarwal — *Mg. Director*

Purushottam Agrawal — *Director*

Sanjay Agarwal — *Director*

S. C. Sharma — *Director*

Sachin Agarwal — *Director*

Parul Shukla — *Company Secretary*

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2003
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A. CASH FLOW FROM OPERATING ACTIVITIES:	31.03.2003	31.03.2002
Net Profit before tax and Extraordinary Items and Interest	23822805	25534102
Adjustment For :		
1. Depreciation	9339319	7033625
2. Misc. Expenditure Written off	106308	106308
Operating Profit before working Capital Charges	33268432	32674036
Adjustment For :		
Trade & Other Receivable	-6158330	7076876
Inventories	-20393348	-50505
Trade Payable	-11044187	22251657
Inventories - Shares	-18927	244122
Cash generated from operations	-4346360	62196185
1. Interest Paid	-9754604	-12718545
2. Direct taxes paid	-427201	-10181805
Cash flow before extra ordinary items	-14528165	46092230
Incometax provision of last year adjusted	0	-1395242
Excess incometax paid	-	-
Net cash flow from operating activities	-14528165	44696988
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	-277960	-52635014
Sale of fixed assets	10000	1450502
Sale of Investments	610762	519172
Net cash used in investing activities	342802	50665340
Total	-14185363	5968352
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	20000	0
Proceeds from Long Term borrowings	-5797850	568387
Proceeds from Short term borrowings	-727069	28192636
Net cash used in financing activities	-6504919	28761023
Net increase in cash & cash equivalents	-20690282	22792671
Opening cash and cash equivalents	24750909	1958238
Closing cash & cash equivalents	4060627	24750910

Signed in terms of our report of even date

for **R. Lal & Company**
Chartered Accountants(Ram Lal Agarwal)
Proprietor

Dated : 29th May 2003

Place : Agra-Camp Delhi

For and on behalf of the Board

Sunil Agarwal — Mg. Director

Purushottam Agrawal — Director

Sanjay Agarwal — Director

S. C. Sharma — Director

Sachin Agarwal — Director

Parul Shukla — 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, 2003 and 31 st March, 2002 and found the same in agreement therewith.

for R. Lal & Company
Chartered AccountantsDate : 29th May 2003
Place : Agra-Camp DelhiRam Lal Agarwal
Proprietor

Nomination Form

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

To,
S. E. Investments Ltd.
S-547, IInd Floor, Main Road,
Shakarpur,
Delhi-92

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 persons(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,

Date.....

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

Witness (two)

Date.....

	Name and Address	Signature
1.		
2.		



S. E. Investments Limited
S-547, IInd Floor, Main Road, Shakarpur, Delhi-92

If undelivered please return to

BOOK-POST
(Printed Matter)