

7th ANNUAL REPORT

1998-99



S. E. Investments Limited

Auto Finance ★ Equipment Leasing ★ Fixed Deposits

SAFE DEPOSIT LOCKERS

S. E. Investments Limited

Regd. Office : Block 54, Sanjay Place, Agra

PROXY FORM

L. F. No. (S).....

I/We.....of.....being
a Member/Members of S. E. Investments Limited hereby appoint.....
of.....or failing him.....as my/our proxy to
attend and vote for me/us on my/our behalf at the **7th Annual General Meeting of the
Company to be held on Saturday, the 5th May, 1999 at 11.00 A.M. at Block 54, Sanjay
Place, Agra** or at any adjournment thereof.

Signed this.....day of.....1999

Signed by said.....

**Affix a Re. 1
Revenue
Stamp**

The Proxy must be deposited at the Registered Office of the company not later than 48
hours before the time of the meeting.

S. E. Investments Limited

Regd. Office : Block 54, Sanjay Place, Agra

ATTENDANCE SLIP

L. F. No. (S).....

Name & Address of the share holder.....

No. of shares held.....

I hereby record my presence at the **7th Annual General Meeting of the Company being
held on Saturday the 15th May, 1999 at 11.00 A.M. at Block 54, Sanjay Place, Agra.**

SIGNATURE OF THE SHARE HOLDER OR PROXY.....

*Strike out whichever is not applicable.

NOTICE

Notice is hereby given that the Seventh Annual General Meeting of the Members of S. E. Investments Limited will be held on Saturday the 15th Day of May 1999, 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, 1999 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 : Agra
Date : 15th April 1999

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 11th May 1999 to 14th May 1999 (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 account 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 alongwith the pin code numbers.*

By Order of the Board of Directors

Place : Agra
Dated : 15th April 1999

SUNIL AGARWAL
Managing Director

DIRECTORS' REPORT

TO THE SHARE HOLDERS

Your Directors have pleasure in presenting the Seventh Annual Report of the company together with the Audited Statement of accounts for the year ended 31st March, 1999.

FINANCIAL RESULTS

(Rs. in lacs)

	Year Ended 31.03.1999	Year Ended 31.03.1998
Total Income	309.17	245.73
Less : Expenditure	<u>228.33</u>	<u>187.95</u>
Profit before Depreciation and tax	80.84	57.78
Less : Depreciation	<u>7.23</u>	<u>5.63</u>
Profit before tax	73.61	52.15
Less : Provision for tax	10.53	16.90
Less : Income tax for earlier year	—	0.93
Profit after tax	63.08	34.32
Add : Balance brought forward from previous year	<u>8.23</u>	<u>9.79</u>
Amount available for appropriation	<u>71.31</u>	<u>44.11</u>

APPROPRIATIONS

Transfer to General Reserve	50.00	29.00
Transfer to Reserve Fund (As per RBI Act)	12.62	6.88
Balance carried to balance sheet	<u>8.69</u>	<u>8.23</u>
	<u>71.31</u>	<u>44.11</u>

PERFORMANCE

The NBFC industry continued to be under pressure from almost all the quarters except a little fondling by the RBI and Central Government but the impact of economic slowdown and corporate failures continued. There had been a growing tendency between the foreign banks, financial institutions and banks to enter the retail financing in big ways. In some cases the rates of interest for retail financing are even lower than the same bank's/institution's lending rates for industrial clients and other sectors or to NBFCs and they are ignoring the high operating costs and hazards of retail financing.

But your company has been able to achieve more than 25% increase in disbursements. Total Income during the year under review has been Rs. 309.17 lacs as against Rs. 245.73 lacs of last year and 143.71 lacs an year earlier thus giving an increase of 25% and 115% respectively. The company has been successful in meeting the challenge of big NBFCs operating in the area and the available resources have been deployed for optimum benefit to the company.

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 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) and the lessees had been government bodies—panchayats and development centres. As on 31.03.1999 investment in hire purchase and leasing business had been Rs. 1323 lacs as against last year's Rs. 1020 lacs. The gross income includes hire purchase income Rs. 258 lacs (last year Rs. 220 lacs), lease rental Rs. 3.27 lacs (last years Rs. 2.71 lacs) and sale bill discounting Rs. 1.65 lacs as against last year's Rs. 1.10 lacs.

FIXED DEPOSITS

The discipline and regulations on NBFCs continued but some relaxations were announced during the year. Your company has been adhering to all the directions and discipline of RBI. The fixed deposits as on 31.03.1999 stood at Rs. 221 lacs excluding interest accrued but not due as against last year's Rs. 348 lacs.

With regard to credit rating for FD Programme your company has been included in the list of very few upgrades in the whole country during last year. The credit rating has been upgraded to MB+ from MB by ICRA Ltd., New Delhi. Although the credit rating is yet one notch below the investment grade but we are confident that there will be further upgrade during the current year.

CAPITAL ADEQUACY

The capital adequacy of the company as on 31.03.1999 is 29.68% (last year 34.36%) 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

It is a matter of privilege that your company has not only been registered by RBI, Lucknow but registration certificate has also been received.

PROSPECTS

Although the heavy pressures on NBFCs have not yet been released but due to practical approach of Reserve Bank of India there is significant improvement. Your company has been able to sustain high recovery levels and is not carrying any NPA accounts. The bad debts to the tune Rs. 6.63 lacs have been written off, although legal action and recovery efforts are continuing.

COMPANY SECRETARY

In spite of best efforts the company secretary could not be available at Agra. The efforts are going on to recruit a whole time Company Secretary as soon as available in Agra.

PERSONNEL

The Statement of Particulars of employees as required under Sec. 217 (2A) of the Companies Act, 1956 is as under :—

Name = Mr. Sunil Agarwal, Designation & nature of Duties = Managing Director, Managerial & Supervisory, Remuneration paid = Rs. 3,00,000/- Qualification = B. Com., Diploma in Computers, Experience = 9 years, Date of commencement of service = 05.03.1992, Age = 28 years, Last Employment = Chief Executive of M/s Sunil Enterprises, Agra.

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.

STOCK EXCHANGE REQUIREMENTS

In compliance of Stock Exchange Listing Agreement variation between projected utilisation of funds and/or projected profitability statement made by the Company in its Prospectus and actual utilisation of funds and/or actual profitability are given hereunder :

PROJECTION VS PERFORMANCE

(Rs. in lacs)

	Projections 1998-99	Performance 1998-99
Total Income	590.93	309.17
PBIDT	507.90	202.38
Financial Expenses	178.39	121.54
Depreciation	96.14	7.23
EPS (Rs.)	7.41	2.07
Book value (Rs.)	20.81	13.61

In view of the stiff competition and adverse market conditions and non availability of projected resources the company could not achieve the projections inspite of best efforts.

Y2K PROBLEM

In compliance to the directions of SEBI and RBI it is to submit that the software and hardware used by the company are Y2K compliant and no adverse effect or risk or cost is expected due to year 2000 bug. As contingency plan the company is fully equipped to handle the problem by operating manually.

DIRECTORS

Shri Sanjay Agarwal & 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 Auditor's 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 : 15th April, 1999

SUNIL AGARWAL
Managing 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 1999 and also the Profit and Loss account of the company for 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 and Loss account dealt with by this report are in agreement with the books of accounts;
 - (d) 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, 1999 and
 - (ii) In the case of Profit and Loss Account of the profit of the company for the year ended on that date.

DATED : 15th day of April 1999
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. 1998-99)

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 revalued 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 stocks 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. In the case of stock of shares & debentures the company uptill financial year 1995-96 was valuing at cost only but subsequently the stocks have been valued at cost or market value which ever is lower. It has been explained to us that the method at cost broadly includes the method at cost or market value which ever is lower and gives better transparency to the accounts and book results.
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 advance 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 became 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 Provision) 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 provision 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 : 15th day of April 1999
PLACE : AGRA

For **R. LAL & COMPANY**
Chartered Accountants

(RAM LAL AGARWAL)
Proprietor

BALANCE SHEET AS AT 31st MARCH 1999

PARTICULARS	SCHEDULE	AMOUNT 31.03.99	AMOUNT 31.03.98
I. SOURCES OF FUNDS			
1. SHARE HOLDERS FUNDS			
Share Capital	1	31014000.00	31014000.00
Reserves & Surplus	2	11901087.94	5592808.52
		<u>42915087.94</u>	<u>36606808.52</u>
2. LOAN FUNDS			
Secured Loans	3	16514297.45	7518079.57
Unsecured Loans	4	46970525.77	38229922.80
		<u>63484823.22</u>	<u>45748002.37</u>
	TOTAL	<u>106399911.16</u>	<u>82354810.89</u>
II. APPLICATION OF FUNDS			
1. FIXED ASSETS :			
Gross Block	5	19641339.16	7310249.57
Less : Depreciation		1832799.95	1191849.95
NET BLOCK		<u>17808539.21</u>	<u>6118399.62</u>
2. INVESTMENTS	6	5643452.00	5538024.00
		<u>5643452.00</u>	<u>5538024.00</u>
3. CURRENT ASSETS, LOANS & ADVANCES			
Inventories	7	120052811.36	95531227.57
Stock of Shares & Debentures	8	805895.00	900790.00
Cash & Bank Balances	9	2729571.96	963717.43
Loans & Advances	10	4835022.25	2735077.81
		<u>128423300.57</u>	<u>100130812.81</u>
4. Less : CURRENT LIABILITIES & PROVISIONS			
Liabilities	11	45100500.12	28505155.54
Provisions	12	1053164.00	1711861.00
		<u>46153664.12</u>	<u>30217016.54</u>
Net Current Assets		<u>82269636.45</u>	<u>69913796.27</u>
5. Misc. Expenditure (to the extent not written off or adjusted)			
Preliminary Expenses		678283.50	784591.00
		<u>678283.50</u>	<u>784591.00</u>
TOTAL		<u>106399911.16</u>	<u>82354810.89</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 : 15th April, 1999
Place : Agra

For and on behalf of the Board

SUNIL AGARWAL - Mg. Director

Purushottam Agrawal - Director

SANJAY AGARWAL - Director

S. C. SHARMA - Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING ON 31st MARCH 1999

PARTICULARS	SCHEDULE	AMOUNT 31.03.99	AMOUNT 31.03.98
I. INCOME			
1. Income from Operations	13	30917253.94	24573295.32
		<u>30917253.94</u>	<u>24573295.32</u>
II. Expenditure			
2. Expenses	14	22747727.02	18737426.29
3. Depreciation		722916.00	562736.00
4. Preliminary Exp. Written off		106307.50	106307.50
5. Provision for Bad debts on NPA		-21140.00	-48740.00
		<u>23555810.52</u>	<u>19357729.79</u>
III. PROFIT BEFORE TAX I-II		7361443.42	5215565.53
6. Provision for Income Tax		1053164.00	1690721.00
Income Tax of earlier years		0.00	93384.70
IV PROFIT AFTER TAX		<u>6308279.42</u>	<u>3431459.83</u>
7. Balance as per last year account		822808.52	979348.69
V. SURPLUS AVAILABLE FOR APPROPRIATION		<u>7131087.94</u>	<u>4410808.52</u>
8. APPROPRIATIONS			
Transfer to General Reserve		5000000.00	2900000.00
Reserve Fund (As per RBI Act)		1262000.00	688000.00
Balance Carried to Balance Sheet		869087.94	822808.52
		<u>7131087.94</u>	<u>4410808.52</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 : 15th April, 1999
Place : Agra

For and on behalf of the Board

SUNIL AGARWAL - Mg. Director

P. AGRAWAL - Director

S. AGARWAL - Director

S. C. SHARMA - Director

SCHEDULES FORMING PART OF BALANCE SHEET

PARTICULARS	AMOUNT 31.03.99	AMOUNT 31.03.98
SCHEDULE 1 - SHARE CAPITAL		
AUTHORISED CAPITAL		
35,00,000 Equity Shares of Rs. 10 each	35000000.00	35000000.00
	35000000.00	35000000.00
ISSUED SUBSCRIBED & PAID UP CAPITAL		
3152500 Equity shares of Rs. 10/- each fully paid up	31525000.00	31525000.00
Less : Allotment Money Due	511000.00	511000.00
	31014000.00	31014000.00
SCHEDULE 2- RESERVE & SURPLUS		
Profit & Loss Account	869087.94	822808.52
General Reserve	9000000.00	4000000.00
Reserve Fund (As per RBI Act)	2032000.00	770000.00
	11901087.94	5592808.52
SCHEDULE 3 - SECURED LOANS :		
Loan from central Bank of India, Civil Lines, Agra 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 house & a shop belonging to a director & his wife, office premises of the company & pledge of shares of the company & its guarantors and FDR of Rs. 20000 in the name of the Co.	8701594.45	7518079.57
Secured Redeemable Non-convertible Debentures (Privately Placed) of Rs. 1000 each, secured by charge on specific assets given on hire purchase		
(i) Series 'AB' - 4860 Debentures 4860000		
(ii) Series 'AC' - 1403 Debentures 1403000		
(iii) Series 'AE' - 664 Debentures 664000		
(iv) Series 'AF' - 269 Debentures 269000	7196000.00	-
Interest accrued on Debentures	616703.00	-
	16514297.45	7518079.57
SCHEDULE 4 - UNSECURED LOANS :		
Fixed Deposits	22062174.70	34759224.70
Interest Accrued on FD	3964934.07	3470698.10
Inter Corporate Deposits	8790000.00	-
Interest Accrued on ICD	795979.00	-
Loan from suppliers - Central Electronics Ltd.	11304700.00	-
Interest Accrued on Above	52738.00	-
	46970525.77	38229922.80

S. E. INVESTMENTS LIMITED
Schedule 5 Schedule of fixed assets as on 31.03.1999

Particulars	Original Cost 1.4.98	Additions	Disposal Loss Due to Fire	Total	Rate of Dep.	Dep. upto 31.3.98	Dep. on Assets sold/ Disposed	Dep. for 1.4.98 to 31.3.99	Total Dep.	Wdv as on 31.3.99	Wdv as on 31.03.98
1. Leased Assets :											
Solar Devices	0.00	11499100.00	0.00	11499100.00	4.75%	0.00	0.00	136852.00	136852.00	11362248.00	0.00
-Moulding Boxes	479566.55	0.00	0.00	479566.55	11.31%	166783.55	0.00	54178.00	220961.55	258605.00	312783.00
-Oxygen Cylinders	1542000.00	0.00	0.00	1542000.00	16.21%	645725.00	0.00	249675.00	895400.00	646600.00	896275.00
Furniture	988902.27	185667.87	381734.00	792836.14	6.23%	91015.32	53111.00	54819.00	92723.32	700112.82	897886.95
Books	1364.00	0.00	0.00	1364.00	4.75%	178.00	0.00	63.00	241.00	1123.00	1186.00
Fans	12845.00	0.00	5845.00	7000.00	6.23%	2134.00	1172.00	597.00	1559.00	5441.00	10711.00
Typewriter	8500.00	0.00	8500.00	0.00	4.75%	1242.00	1424.00	182.00	0.00	0.00	7258.00
Fax Machine	53040.00	8900.00	0.00	61940.00	4.75%	6555.00	0.00	2821.00	9376.00	52564.00	46485.00
Computer	332905.00	178241.50	90450.00	420696.50	16.21%	74709.00	13290.00	56612.00	118031.00	302665.50	258196.00
PBX & Telephone	193529.00	147275.00	102109.00	238695.00	4.75%	11783.00	8074.00	9550.00	13259.00	225436.00	181746.00
Air Conditioner	165700.00	0.00	15000.00	150700.00	4.75%	8991.00	1452.00	7474.00	15013.00	135687.00	156709.00
Cycle	1055.00	0.00	0.00	1055.00	7.07%	214.00	0.00	73.00	287.00	768.00	841.00
Generator	33484.00	182000.00	0.00	215484.00	4.75%	4578.00	0.00	8104.00	12682.00	202802.00	28906.00
Water Filter	30440.00	0.00	0.00	30440.00	4.75%	2967.00	0.00	1442.00	4409.00	26031.00	27473.00
Office Premises	2114941.00	0.00	71520.00	2043421.00	1.63%	95337.00	2370.00	33796.00	126763.00	1916658.00	2019604.00
Motor cycle & Scooter	66042.00	23282.00	0.00	89324.00	9.5%	9111.00	0.00	8079.00	17190.00	72134.00	56931.00
Maruti Omni & Car	341122.08	0.00	0.00	341122.08	9.5%	52281.08	0.00	32373.00	84654.08	256468.00	288841.00
Computer	98700.00	4386.00	0.00	103086.00	16.21%	12174.00	0.00	16630.00	28804.00	74282.00	86526.00
Software	30283.00	0.00	10382.00	19901.00	4.75%	2179.00	1073.00	1167.00	2273.00	17628.00	28104.00
Audio Visual Equipments	36040.00	2500.00	0.00	38540.00	4.75%	1497.00	0.00	1816.00	3313.00	35227.00	34543.00
U. P. S.	32400.00	0.00	0.00	32400.00	4.75%	1480.00	0.00	1536.00	3016.00	29384.00	30920.00
Electrical Equipments	21000.00	0.00	0.00	21000.00	4.75%	711.00	0.00	995.00	1706.00	19294.00	20289.00
Arms	7500.00	0.00	0.00	7500.00	4.75%	180.00	0.00	359.00	377.00	7123.00	7482.00
Kitchen machine	718990.67	36717.22	0.00	755607.89	4.75%	187.00	0.00	35456.00	35643.00	719964.89	718703.67
Safe Deposit Vault (Lockers)	0.00	57684.00	0.00	57684.00	4.75%	0.00	0.00	1308.00	1308.00	56376.00	0.00
Plant & Machinery	0.00	75378.00	0.00	75378.00	4.75%	0.00	0.00	2675.00	2675.00	72703.00	0.00
Photo Copier	0.00	591498.00	0.00	591498.00	1.63%	0.00	0.00	3943.00	3943.00	587555.00	0.00
Flat	0.00	24000.00	0.00	24000.00	4.75%	0.00	0.00	341.00	341.00	23659.00	0.00
Fire Fighting Equipments	0.00	0.00	0.00	0.00							
Total	7310249.57	13016629.59	685540.00	19641339.16		1191849.95	81966.00	722916.00	1832799.95	17808539.21	6118399.62
Last Year	7385602.21	1619283.62	1694636.26	7310249.57		1072297.21	443183.26	562736.00	1191849.95	6118399.62	6313305.00

SCHEDULES FORMING PART OF BALANCE SHEET

PARTICULARS	AMOUNT 31.03.99	AMOUNT 31.03.98
SCHEDULE 6 - INVESTMENTS		
IN GOVERNMENT SECURITIES & GOVT. GUARANTEED BONDS	5076706.00	4683506.00
Units of UTI 1964	—	141800.00
In Bank FDR's - Face Value	20000.00	539963.00
Interest accrued but not due on above	546746.00	172755.00
	<u>5643452.00</u>	<u>5538024.00</u>
SCHEDULE 7 - INVENTORIES		
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)	120052811.36	95531227.57
	<u>120052811.36</u>	<u>95531227.57</u>
SCHEDULE 8 - STOCK OF SHARES & DEBENTURES (Refer note no. 12 of Schedule 15)		
SHARES - QUOTED : Fully paid up	476595.00	571490.00
DEBENTURES - QUOTED : Fully paid up (Aggregate market value of quoted shares & debentures is Rs. 1105425 as on 31.03.99 last year Rs. 1103550 as on 31.03.98)	329300.00	329300.00
	<u>805895.00</u>	<u>900790.00</u>
SCHEDULE 9 - CASH & BANK BALANCES :		
Cash in Hand	1397829.75	918489.79
Current A/C with Scheduled Banks	1331742.21	45227.64
	<u>2729571.96</u>	<u>963717.43</u>
SCHEDULE 10 - LOANS & ADVANCES		
ADVANCES RECOVERABLE IN CASH OR IN KIND OF FOR VALUE TO BE RECEIVED CONSIDERED GOOD :		
Prepaid Expenses	48670.00	6623.00
Income Tax & TDS paid	1103712.00	1720966.00
Loans to Sundry Parties - Secured	20894.00	12631.00
Other Advances	3661746.25	994857.81
	<u>4835022.25</u>	<u>2735077.81</u>
Over Six Months Old	1403340.00	1503678.00
Others	3431682.25	1231399.81
	<u>4835022.00</u>	<u>2735077.81</u>

SCHEDULES FORMING PART OF BALANCE SHEET

PARTICULARS	AMOUNT 31.03.99	AMOUNT 31.03.98
SCHEDULE 11 - CURRENT LIABILITIES		
Sundry Creditors	822893.43	1276014.80
Other Liabilities	44277606.69	27229140.74
	<u>45100500.12</u>	<u>28505155.54</u>
SCHEDULE 12 - PROVISIONS		
Provision for taxation	1053164.00	1690721.00
Provision for Bad debts on NPA	—	21140.00
	<u>1053164.00</u>	<u>1711861.00</u>

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT**SCHEDULE 13 - INCOME FOR OPERATIONS**

Income from Hire Charges	25843096.82	21954239.85
Income from Lease Rent	327364.00	270637.00
Loss on Shares & investments	— 109493.80	— 19615.00
Income from Investments	764200.00	423617.00
Dividend income (Gross)	12670.00	26520.00
Other income from operations	3863684.92	1792255.67
Income from Sale Bill Discounting	164767.00	109799.00
Locker Rent	31165.00	167.00
Rent Received	19800.00	15675.00
	<u>30917253.94</u>	<u>24573295.32</u>

SCHEDULE 14 - EXPENSES

Printing & Stationery	882253.65	1329338.65
Auditors Remuneration	7000.00	6000.00
Salary & Establishment	883947.78	663816.10
Office and General Expenses	417804.70	144170.60
Interest discounting & Bank Charges	12153846.84	8992434.92
Legal Expenses	240033.00	314158.00
Rent	60000.00	59175.00
Mg. Director's Remuneration	300000.00	300000.00
Advertisement & Business Promotion	3039663.97	3561008.88
Travelling Expenses	221572.18	257579.13
Postage & Telephone Expenses	570895.83	409219.29
Rebate, Remission, Bad debts & Brokerage	1729246.47	1508188.85
Recovery Expenses	326700.68	320169.35
Car & Scooter Expenses	790395.56	494279.08
Repairs & Maintenance	813600.26	260100.64
Insurance	34361.50	18162.00
Electricity & Water Expenses	85339.00	52202.80
Rates & Taxes	26601.60	7020.00
Loss on Sale of Assets	—	40403.00
Security Expenses	101170.00	—
Loss by fire	63294.00	—
	<u>22747727.02</u>	<u>18737426.29</u>

NOTES ON ACCOUNTS

SEHEDULE 15 : NOTES ON ACCOUNTS

1. The Company has followed Mercantile System of Accounting. The accounts have been made on Accrual Basis as a going concern.
2. Income from Hire charges and lease rentals on hire purchase 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 installments of hire money and hire charges. Overdue charges of installments 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.
3. Inventories being hire purchase stocks are valued at book value net of Hire Charges including overdue installments. 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.
5. Preliminary Expenses are amortized in equal installments 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. During the year 1997-98 the Company received amount of Rs. 1735920/- from an automobile manufacturer as subvention while acting as preferred financiers for financing under schemes of the said manufacturer. The whole amount of subvention receipt being treated as adhoc payment has been included in income from operations of the FY 1997-98.
During the financial year 1998-99 the company received subvention of Rs. 1093300/- from dealers/manufacturer in respect of assets given on hire purchase basis. The same are treated adhoc payments and included in income from operations of the year.
8. No remuneration has been paid to directors excepting remuneration to Managing Director. The remuneration paid to Managing Director during the FY 1998-99 is Rs. 300000/- (last year 300000/-) 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 the directors of the Company.
9. Remuneration of Auditors :

	Current Year	Previous Year
For Statutory Audit	Rs. 4000.00	3000.00
Tax Audit	Rs. 1000.00	1000.00
For Certification work/other services	Rs. 2000.00	2000.00
Total	Rs. 7000.00	6000.00

10. Contingent Liabilities – NIL

11. Statement showing details of investments :

	31.03.99	31.03.98
Indra Vikas Patras	3326706	2933506
Govt. Guaranteed Bonds	1750000	1750000
Units of UTI	NIL	141800
	5076706	4825306
Repurchase value of units of UTI		125756

S.E. Investments Limited

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

S. No.	Name of Body Corporate	Nature & Extent	Quantity	Cost	Market Value as on 31.3.99	Cost or Market Value which ever is less
1.	Reliance Petroleum Limited	Triple Option conversion debentures of Rs. 40 each	8600	329300	531480	329300
2.	Reliance Petroleum Limited	Equity Shares of Rs. 10 each fully paid up	11000	110000	207350	110000
3.	Morgan Stanley Growth Fund	Units of Rs. 10 each fully paid up	10900	109000	80115	80115
4.	Punit Resins Ltd.	Equity shares of Rs. 10 each fully paid up	2100	60900	2100	2100
5.	Kotak Mahindra Finance Ltd.	Equity shares of Rs. 10 each fully paid up	200	71000	3600	3600
6.	IPCA Laboratories Ltd. Limited	Equity shares of Rs. 10 each fully paid up	100	52000	13830	13830
7.	Savita Chemicals Ltd.	Equity Shares of Rs. 10 each fully paid up	200	50000	7400	7400
8.	Prime Securities Ltd.	Equity Shares of Rs. 10 each fully paid up	500	125000	3900	3900
9.	Elegant Floriculture Ltd. (Formerly Raymonds Floriculture Ltd.)	Equity shares of Rs. 10 each fully paid up	2500	57500	1250	1250
10.	Phoenix International Ltd.	Equity shares of Rs. 10 each fully paid up	500	223612	9875	9875
11.	Finolax Cables Ltd.	Equity shares of Rs. 10 each fully paid up	100	32886	38190	38190
12.	Bharat Forge Ltd.	Equity shares of Rs. 10 each fully paid up	100	11825	7805	7805
13.	Cubcial Finance Ltd.	Equity Shares of Rs. 10 each fully paid up	1000	8500	1000	1000
14.	Unicorp Limited	Equity Shares of Rs. 10 each fully paid up	200	7200	5030	5030
15.	Surlux Health Centres Limited	Equity shares of Rs. 10 each fully paid up	20000	38760	30000	30000
16.	Surlux Mediequip Ltd.	Equity Shares of Rs. 10 each fully paid up	2000	4600	4000	4000
17.	Andhra Valley Power Co. Ltd.	Equity Shares of Rs. 10 each fully paid up	2500	235000	115000	115000
18.	Tata Power Co. Ltd.	Equity Shares of Rs. 10 each fully paid up	600	63600	43500	43500
			63100	1590683	1105425	805895

13. Unclaimed matured deposit lying with the company amount to Rs. 5000 (one depositor).
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. Debentures :
- (i) Series AB – 4860 Debentures of Rs. 1000 each are redeemable at Rs. 1250 on the expiry of seventeen months and twenty seven days from the date of allotment *i.e.*, 31.08.1998.
 - (ii) Series AC – 1403 Debentures of Rs. 1000 each are redeemable at Rs. 1250 on the expiry of seventeen months and twenty seven days from the date of allotment *i.e.*, 30.09.1998.
 - (iii) Series AE – 664 Debentures of Rs. 1000 each are redeemable at Rs. 1250 on the expiry of seventeen months and twenty seven days from the date of allotment *i.e.*, 16.11.1998.
 - (iv) Series AF – 269 Debentures of Rs. 1000 each are redeemable at Rs. 1250 on the expiry of seventeen months and twenty seven days from the date of allotment *i.e.*, 31.12.1998.
16. Figures for the previous year have been regrouped/rearranged wherever found necessary.

SCHEDULE 16

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

Particulars	As on 31.03.1999		As on 31.03.1998	
	No. of Shares Debentures	Amount	No. of Shares Debentures	Amount
Opening Stock	63100	900790	63100	792905
Add : Call Money Paid	—	—	—	127500
	63100	900790	63100	920405
Less : Diminution in value at lower of cost/market value	—	94895	—	19615
Closing Stock	63100	805895	63100	900790

SCHEDULES 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 31.3.99

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.	152554	Total Assets	Rs.	152554
-------------------	-----	--------	--------------	-----	--------

Source of Funds

Paid of Capital	Rs.	31014	Reserve & Surplus	Rs.	11901
-----------------	-----	-------	-------------------	-----	-------

Secured Loans	Rs.	16514	Unsecured Loans	Rs.	46971
---------------	-----	-------	-----------------	-----	-------

Application of Funds

Net Fixed Assets	Rs.	17809	Investments	Rs.	5643
------------------	-----	-------	-------------	-----	------

Net Current Assets	Rs.	82270	Miscellaneous		
--------------------	-----	-------	---------------	--	--

Accumulated Losses	Rs.	NIL	Expenditure	Rs.	678
--------------------	-----	-----	-------------	-----	-----

IV. Performance of Company (Amount in Thousand)

Turnover (Gross Income)	Rs.	30917	Total Expenditure	Rs.	23556
-------------------------	-----	-------	-------------------	-----	-------

Profit/before Tax	Rs.	7361	Profit after tax	Rs.	6308
-------------------	-----	------	------------------	-----	------

Earning per share	Rs.	2.07	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 : 15th April, 1999
Place : Agra

For and on behalf of the Board

SUNIL AGARWAL - Mg. Director

P. AGRAWAL - Director

S. AGARWAL - Director

S. C. SHARMA - Director

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 1999

(Amount in Rs.)

A. CASH FLOW FROM OPERATING ACTIVITIES	31.03.99	31.03.98
Net Profit before tax and Extraordinary Items and Interest	18898036	15447032
Adjustment For :		
1. Depreciation	722916	562736
2. Foreign Exchange	-	-
3. Investments	-	-
4. Misc. Expenditure Written off	106308	669044
Operating Profit before working Capital charges	19727260	16116076
Adjustment For :		
Trade & Other Receivable	- 2099944	- 1150137
Inventories	- 24521584	- 27370276
Trade Payable	16595345	14960522
Inventories-Shares	94895	- 13667776
Cash generated from operations	9795972	2448300
1. Interest paid	- 12153847	- 8992435
2. Direct taxes paid	617254	- 1239031
Cash flow before extra ordinary items	- 1740621	- 7783166
Incometax provision of last year adjusted	- 1690721	- 380511
Provision on NPA	- 21140	21140
Excess incometax paid	-	- 93385
Net cash flow from operating activities	- 3452482	- 8235922
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	- 13016630	- 1619284
Sale of fixed assets	603574	1251453
Acquisitions of Companies	-	-
Purchase of Investments	-	- 1996915
Sale of Investments	- 105428	-
Interest Received	-	-
Dividend received	-	-
Net cash used in investing activities	- 12518484	- 2364746
Total	- 15970966	- 10600668
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	-	976000
Proceeds from Long Term borrowings	8996218	- 12816159
Repayment of finance lease liabilities	-	-
Dividend Paid	-	-
Proceeds from Short term borrowings	8740603	22739544
Net cash used in financing activities	17736821	10899385
Net increase in cash & cash equivalents	765855	298717

S.E. Investments Limited

Opening cash and cash equivalents	963717	665000
Closing cash & cash equivalents	2729572	963717

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

Ram Lal Agarwal
Proprietor
Dated : 15th April, 1999
Place : Agra

P. AGRAWAL - Director

S. AGARWAL - Director

S. C. SHARMA - Director

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, 1999 and 31st March, 1998 and found the same in agreement therewith.

DATED : 15th April, 1999
PLACE : AGRA

For R. LAL & COMPANY
Chartered Accountants

(RAM LAL AGARWAL)
Proprietor

BOOK-POST

(Printed Matter)

If undelivered please return to

S. E. Investments Limited

Block 54, Sanjay Place,

AGRA-282 002

S. E. Investments Limited

Regd. Office : Block 54, Sanjay Place, Agra

PROXY FORM

L. F. No. (S).....

I/We.....of.....being
a Member/Members of S. E. Investments Limited hereby appoint.....
of.....or failing him.....as my/our proxy to
attend and vote for me/us on my/our behalf at the **7th Annual General Meeting of the
Company to be held on Saturday, the 5th May, 1999 at 11.00 A.M. at Block 54, Sanjay
Place, Agra** or at any adjournment there of.

Signed this.....day of.....1999

Signed by said.....

**Affix a Re. 1
Revenue
Stamp**

The Proxy must be deposited at the Registered Office of the company not later than 48
hours before the time of the meeting.

S. E. Investments Limited

Regd. Office : Block 54, Sanjay Place, Agra

ATTENDANCE SLIP

L. F. No. (S).....

Name & Address of the share holder.....

No. of shares held.....

I hereby record my presence at the **7th Annual General Meeting of the Company being
held on Saturday the 15th May, 1999 at 11.00 A.M. at Block 54, Sanjay Place, Agra.**

SIGNATURE OF THE SHARE HOLDER OR PROXY.....

*Strike out whichever is not applicable.