

# **5th Annual Report**

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## **1996-97**



**S.E. Investments Limited**

**AUTO FINANCE**

**EQUIPMENT LEASING**

**FIXED DEPOSITS**

**BOARD OF DIRECTORS**

Sunil Agarwal Managing Director  
Onkar Sharma  
Prem Prakash Agrawal  
Purushottam Agrawal  
K.K. Anand  
Sanjay Agarwal  
Suresh Chand Sharma

**AUDITORS**

M/s R. Lal & Company  
Chartered Accountants  
A-4, Indra Puri, New Agra, Agra-282 002

**BANKERS**

Central Bank of India  
Civil Lines, Agra

**REGISTERED & CORPORATE OFFICE**

Block-54, Sanjay Place, Agra-282 002  
Phones : (0562) 353092, 351788, 54813  
Fax : (0562) 355388, 351871

**ADMINISTRATIVE OFFICE**

S-547, IInd Floor, Main Road  
Shakarpur, Delhi-110 092  
Phones : (011) 2211340, 2218561

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**NOTICE**

Notice is hereby given that the **Fifth Annual General Meeting** of the Members of S. E. Investments Limited will be held on **Thursday the 24th Day of July 1997, 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, 1997 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. Prem Prakash Agrawal who retires by rotation and is eligible for reappointment.
3. To appoint a Director in place of Mr. K. K. Anand 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 re-appointment.

By Order of the Board of Directors

Place : Agra

Dated : 23rd June 1997

**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 21st July 1997 to 23rd July 1997. (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 : 23rd June, 1997

**SUNIL AGARWAL**  
Managing Director

**DIRECTORS' REPORT****To The Share Holders**

Your Directors have pleasure in presenting the Fifth Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March, 1997.

**FINANCIAL RESULTS**

(Rs. in Lacs)

	Year Ended 31.03.97	Year Ended 31.03.96
Total Income	143.71	91.64
Less: Expenditure	126.08	57.55
Profit before depreciation and tax	17.63	34.09
Less: Depreciation	10.35	4.63
Profit before tax	7.28	29.46
Less: Provision for Tax	3.24	—
Profit after tax	4.04	29.46
Add: Balance brought forward from previous year	7.57	2.41
Amount available for appropriation	11.61	31.90
<b>APPROPRIATIONS</b>		
Proposed dividend	—	16.33
Transfer to General Reserve	1.00	8.00
Transfer to Reserve Fund (as per RBI Act)	.82	—
Balance Carried to Balance Sheet	9.79	7.57
	11.61	31.90

**PERFORMANCE**

Total income at Rs. 143.71 lacs improved by 57% over the previous year. Net Profit at Rs. 4.04 lacs for the year under review has decreased mainly due general adverse conditions in the line of business and stiff competition.

**DIVIDEND**

Considering the profits achieved during the year and the need to build up higher reserves through retained earnings and as a cushion for the future, your directors recommend that no dividend be declared for the year ended 31st March 1997.

**OPERATIONS**

The Company is presently engaged in the business of Hire Purchase Financing, Leasing and Investment in Shares & Securities in Secondary markets & bill discounting. As on 31.3.97 the Company has invested a sum of Rs. 719 lacs in Hire Purchase & Leasing Business as against last year's Rs. 357 lacs. Income from Hire Purchase of vehicles etc. for the year under review was Rs. 129 lacs compared to Rs. 85 lacs in the previous year. Lease rent receipts for the year were Rs. 5.45 as against Rs. 2.91 lacs of last year. The stock on hire as

at 31st March 1997, was Rs. 682 lacs (31st March 1996, Rs. 307 lacs) exclusive of unexpired hire charges. Gross income from bill discounting stands at Rs. 1.07 lacs on bills of Rs. 35 lacs discounted during the year.

While the commulative value of leased assets (Net of depreciation written off) on 31st March 1997 stood at Rs. 28.12 lacs (31st March 1996, Rs.56.74 lacs). The decrease is due to sale of part of leased assets.

#### **FIXED DEPOSITS**

The Company's Fixed Deposit stood at Rs. 154.90 lacs as on 31st March, 1997 against last year's Rs. 54.77 lacs. There are no overdue unpaid deposits.

#### **BANK FINANCE**

The Central Bank of India, Civil Lines, Agra had been pleased to enhance the cash credit limit to Rs. 100 lacs from Rs. 50 lacs of last year.

#### **REGISTRATION WITH RBI**

The Company has been registered by Reserve Bank of India in July, 1995 under RBI NBFC Directions 1977. Pursuant to amendment in RBI Act, fresh registration application will be filed before due date i.e. 08.07.1997.

#### **PROSPECTS**

Inspite of continuous pressure of competitiveness and entry of so many players in the field, your company could boost its business and has concentrated mainly on Hire Purchase business. The commercial banks and financial institutions as well as bigger NBFC's have entered into the regional market where your company is doing business. But the efforts of shareholders and staff have borne fruits and your company could utilise whatever funds were available to your company. Your directors are confident that your company will continue to grow with your continuous whole hearted support.

#### **CHANGE IN REGISTERED OFFICE**

The Company has changed its registered office w.e.f 15.04.1997 to Block 54, Sanjay Place, Agra (Police Station, Hariparwat, Agra) from Block No. 34, Sanjay Place, Agra.

#### **COMPANY SECRETARY**

The Company Secretary Smt. S. Bansal resigned w.e.f. 01.10.1996. Inspite 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.

#### **CAPITAL ADEQUACY**

The capital adequacy of the Company as at 31.03.1997 is 40.92% of the risk weighted assets as against a minimum requirement of 8% as stipulated by the Reserve Bank of India.

#### **PERSONNEL**

The Statement of Particulars of Employees as required under Sec. 217 (2A) of the Companies Act, 1956 is not annexed as no employee has drawn remuneration exceeding the limits prescribed under Sec. 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.

#### **STOCK EXCHANGE REQUIREMENTS**

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

**PROJECTIONS VS PERFORMANCE***(Rs. in Lacs)*

	Projection (1996-97)	Performance (1996-97)
Total Income	276.55	143.71
PBIDT	237.36	61.95
Financial Expenses	107.83	44.32
Depreciation	30.45	10.35
EPS (Rs)	3.14	0.13
Book Value (Rs)	12.64	10.21

In view of the stiff competition and adverse market conditions and delay in receipt of allotment money and sanction of bank limits and consequent increase in expenses the company could not achieve the projections inspite of best efforts.

**DIRECTORS**

Shri Prem Prakash Agrawal & Shri K.K. Anand, Directors of the company retire by rotation and being eligible offer themselves for re-appointment.

**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 re-appointment. 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 re-appointment as Auditors of the Company.

**ACKNOWLEDGEMENT**

Your Directors acknowledge with thanks the assistance, support and advice given by the Shareholders, Reserve Bank of India, Securities and Exchange Board 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

Dated : 23rd June 1997

**SUNIL AGARWAL**

Managing Director



## AUDITOR'S 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 1997 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, 1997 and
    - (ii) In the case of Profit and Loss Account of the profit of the company for the year ended on that date.

Dated : 23rd Day of June, 1997

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 FY 1996-97)

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 last year was valuing at cost only but this year 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, firms 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 cases 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 framed there-under have been complied with.

14. There were no realisable by-products 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 : 23rd Day of June, 1997

Place : Agra

For R. LAL & COMPANY  
Chartered Accountants

**(RAM LAL AGARWAL)**  
Proprietor

**BALANCE SHEET AS AT 31.03.1997**

PARTICULARS	SCHEDULE	AMOUNT 31.03.97	AMOUNT 31.03.96
<b>I. SOURCES OF FUNDS</b>			
1. SHARE HOLDERS FUNDS :			
Share Capital	01	30038000.00	16500000.00
Reserves & Surplus	02	2161348.69	1757267.02
Share application Pending Allotment		—	7666500.00
		<u>32199348.69</u>	<u>25923767.02</u>
2. LOAN FUNDS :			
Secured Loans	03	20334237.74	6037377.63
Unsecured Loans	04	15490379.00	5475640.00
		<u>35824616.74</u>	<u>11514017.63</u>
TOTAL		<u>68023965.43</u>	<u>37437784.65</u>
<b>II. APPLICATION OF FUNDS</b>			
1. FIXED ASSETS :			
Gross Block	05	7385602.21	8855704.89
Less: Depreciation		1072297.21	483162.89
NET BLOCK		<u>6313305.00</u>	<u>8372542.00</u>
2. INVESTMENTS :			
	06	<u>3541109.00</u>	<u>865774.00</u>
3. CURRENT ASSETS, LOANS AND ADVANCES:			
Inventories	07	68160951.58	30658757.45
Stock of Shares & debentures	08	792905.00	978723.00
Cash & Bank Balances	09	665000.00	7921273.48
Loans & Advances	10	1584940.93	2789459.05
		<u>71203797.51</u>	<u>42348212.98</u>
4. Less: CURRENT LIABILITIES AND PROVISIONS:			
Liabilities	11	13544633.58	12996305.83
Provisions	12	380511.00	1689652.00
		<u>13925144.58</u>	<u>14685957.83</u>
Net Current Assets		<u>57278652.93</u>	<u>27662255.15</u>
5. Misc. Expenditure (to the extent not written off or adjusted)			
Preliminary Expenses		87652.00	99388.00
Working Capital Issue Expenses		803246.50	437825.50
		<u>890898.50</u>	<u>537213.50</u>
TOTAL		<u>68023965.43</u>	<u>37437784.65</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 : 23rd Day of June, 1997  
Place : Agra

For and on behalf of the Board

SUNIL AGARWAL - Mg. Director

P. AGARWAL -Director

S. AGARWAL -Director

S. C. SHARMA -Director

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING ON 31.03.1997**

PARTICULARS	SCHEDULE	AMOUNT 31.03.97	AMOUNT 31.03.96
<b>I INCOME :</b>			
1. Income from operations	13	14371345.57	9163737.64
		<u>14371345.57</u>	<u>9163737.64</u>
<b>II EXPENDITURE :</b>			
2. Expenses	14	12564844.58	5562947.06
3. Depreciation		1035296.32	462750.58
4. Preliminary & Public Issue Exp. written off		105557.00	60383.00
5. Provision for Bad debts on NPA		(-)62080.00	131960.00
		<u>13643617.90</u>	<u>6218040.64</u>
<b>III PROFIT BEFORE TAX I-II</b>		727727.67	2945697.00
6. Provision for Income Tax		323646.00	—
<b>IV PROFIT AFTER TAX</b>		404081.67	2945697.00
7. Balance as per Last Year account		757267.02	244357.02
<b>V SURPLUS AVAILABLE FOR APPROPRIATION</b>		<u>1161348.69</u>	<u>3190054.02</u>
8. APPROPRIATIONS			
Transfer to General Reserve		100000.00	800000.00
Reserve Fund (as per RBI Act)		82000.00	—
Proposed Dividend (Subject to I.T.)		—	1632787.00
Balance Carried to Balance Sheet		979348.69	757267.02
		<u>1161348.69</u>	<u>3190054.02</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 : 23rd Day of June, 1997  
Place : Agra

For and on behalf of the Board

SUNIL AGARWAL - Mg. Director

P. AGARWAL -Director

S. AGARWAL -Director

S. C. SHARMA -Director

**SCHEDULES FORMING PART OF BALANCE SHEET**

PARTICULARS	AMOUNT 31.03.97	AMOUNT 31.03.96
<b>SCHEDULE 1-SHARE CAPITAL :</b>		
AUTHORISED CAPITAL :		
35,00,000 Equity Shares of Rs. 10 each	35000000.00	35000000.00
	<u>35000000.00</u>	<u>35000000.00</u>
ISSUED SUBSCRIBED & PAID UP CAPITAL :		
3152500 Equity Shares (Last Year 1650000 Equity Shares) of Rs. 10/- each fully paid up	31525000.00	16500000.00
Less: Allotment Money Due	1487000.00	—
	<u>30038000.00</u>	<u>16500000.00</u>
<b>SCHEDULE 2-RESERVES &amp; SURPLUS :</b>		
Profit & Loss Account	979348.69	757267.02
General Reserve	1100000.00	1000000.00
Reserve Fund (as per RBI Act)	82000.00	—
	<u>2161348.69</u>	<u>1757267.02</u>
<b>SECHEDULE 3-SECURED LAONS :</b>		
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.500000 and units of UTI worth Rs. 141800 in the name of the Company	12660124.74	6037377.63
Negotiable Instruments(Promotes of Hirers)	7674113.00	—
Discounted Net of unexpired discounting charges	<u>20334237.74</u>	<u>6037377.63</u>
<b>SECHEDULE 4- UNSECURED LOANS :</b>		
Fixed Deposits	14514534.00	5188051.00
Interest on above	975845.00	288589.00
	<u>15490379.00</u>	<u>5476640.00</u>

## SCHEDULE FORMING PART OF THE BALANCE SHEET

### SCHEDULE 5-SCHEDULE OF FIXED ASSETS AS ON 31.03.1997

PARTICULARS	ORIGINAL COST 1.04.96	ADDITIONS	DISPOSAL	TOTAL	RATE OF DEP.	DEP. UP TO LAST YEAR	DEP. ON ASSETS SOLD	DEP. FOR THIS YEAR	TOTAL DEP.	WDV AS ON 31.03.97	WDV ON 31.03.96
<b>1. ASSETS ON LEASE</b>											
VEHICLES	417248.76	-	-	417248.76	16.21%	81773.76	-	67636.00	149409.76	267839.00	335475.00
<b>PLANT &amp; MACHINERY</b>											
<b>MOULDING</b>											
BOXES	1622859.05	-	-	1622859.05	11.31%	123491.05	-	183545.00	307036.05	1315823.00	1499368.00
<b>OXYGEN</b>											
CYLINDERS	4057195.00	-	2403400.00	1653795.00	16.21%	218288.00	446162.00	652334.00	424460.00	1229335.00	3838907.00
2. FURNITURE	185142.00	594239.32	-	789381.32	6.23%	3857.00	-	33894.32	37751.32	751630.00	191285.00
3. BOOKS	1339.00	-	-	1339.00	4.75%	51.00	-	63.00	114.00	1225.00	1283.00
4. FANS	12845.00	-	-	12845.00	6.23%	534.00	-	800.00	1334.00	11511.00	12311.00
5. TYPEWRITER	8500.00	-	-	8500.00	4.75%	436.00	-	403.00	839.00	7661.00	8064.00
6. FAX MACHINE	43500.00	-	-	43500.00	4.75%	2333.00	-	2066.00	4399.00	39101.00	41167.00
7. COMPUTER	150630.00	-	-	150630.00	16.21%	12816.00	-	24417.00	37233.00	113397.00	137614.00
8. PEX & TELEPHONE	72070.00	94209.00	-	116279.00	4.75%	1140.00	-	3904.00	5044.00	111235.00	20930.00
9. AIR CONDITIONER	34300.00	54000.00	-	88300.00	4.75%	1035.00	-	3165.00	4200.00	84100.00	33265.00
10. CYCLE	1055.00	-	-	1055.00	7.07%	65.00	-	74.00	139.00	916.00	990.00
11. GENERATOR	33484.00	-	-	33484.00	4.75%	1398.00	-	1590.00	3988.00	30496.00	32086.00
12. WATER FILTER	4990.00	25450.00	-	30440.00	4.75%	237.00	-	1284.00	1521.00	28919.00	4753.00
12. OFFICE PREMISES	2034925.00	110016.00	-	2114941.00	1.63%	27144.00	-	33719.00	60863.00	2054078.00	1977781.00
14. MOTOR CYCLE	30000.00	-	-	30000.00	9.5%	1188.00	-	2950.00	4038.00	25962.00	28812.00
15. MARUTI OMNI	191122.08	-	-	191122.08	9.5%	6052.08	-	18156.00	24208.08	166914.00	185070.00
16. COMPUTER SOFTWARE	24500.00	-	-	24500.00	16.21%	1324.00	-	3971.00	5295.00	19205.00	23176.00
17. PAGER	-	7500.00	-	7500.00	4.75%	-	-	297.00	297.00	7203.00	-
18. AUDIO VISUAL EQUIPMENTS	-	30283.00	-	30283.00	4.75%	-	-	741.00	741.00	29542.00	-
19. U.P.S.	-	17600.00	-	17600.00	4.75%	-	-	387.00	387.00	17213.00	-
<b>TOTAL</b>	<b>8855704.89</b>	<b>933297.32</b>	<b>2403400.00</b>	<b>7385602.21</b>		<b>483162.89</b>	<b>446162.00</b>	<b>1035296.32</b>	<b>1072297.21</b>	<b>6313305.00</b>	<b>8372542.00</b>
<b>LAST YEAR</b>	<b>1073065.31</b>	<b>7782539.59</b>	<b>-</b>	<b>8855704.89</b>		<b>20412.31</b>	<b>-</b>	<b>462750.58</b>	<b>483162.89</b>	<b>8372542.00</b>	<b>1052653.00</b>

**SCHEDULES FORMING PART OF BALANCE SHEET**

PARTICULARS	AMOUNT 31.03.97	AMOUNT 31.03.96
<b>SCHEDULE 6-INVESTMENTS :</b>		
In GOVERNMENT SECURITIES & GOVT.GUARANTEED BONDS	2766700.00	440450.00
Unit of UTI 1964	141800.00	141800.00
In Bank FDR'S -Face Value	500000.00	239265.00
Intt. accrued but not due on above	132609.00	44259.00
	<u>3541109.00</u>	<u>865774.00</u>
<b>SCHEDULE 7-INVENTORIES :</b>		
Hire Purchase Stock of Motor Vehicles and Plant & Machinery etc. covered under Hire Purchase Agreements net of provision for bad debts on NPA & excluding unexpired Hire Charges etc. at Book Value considered good (As certified by the Managing Director)	68160951.58	30658757.45
	<u>68160951.58</u>	<u>30658757.45</u>
<b>SCHEDULE 8-STOCK OF SHARES &amp; DEBENTURES</b>		
(Refer note no 10 of schedule 15)		
SHARES - QUOTED : Fully paid up	596825.00	864423.00
DEBENTURES - QUOTED: Partly paid up (Aggregate market value of quoted shares & debentures is Rs. 832505 as on 31.03.97 last year Rs. 419625 as on 31.03.96)	196080.00	114300.00
	<u>792905.00</u>	<u>978723.00</u>
<b>SCHEDULE 9-CASH &amp; BANK BALANCES:</b>		
Cash in hand	506188.98	250763.48
Current A/c with Scheduled Bank	158811.02	4010.00
Share Application Money with Scheduled Bank	—	7666500.00
	<u>665000.00</u>	<u>7921273.48</u>
<b>SCHEDULE 10-LOANS &amp; ADVANCES</b>		
ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED CONSIDERED GOOD :		
Prepaid Expenses	7268.00	4429.00
Income Tax & TDS paid	481934.70	110808.00
Loans to Sundry Parties - Secured	6042.00	11080.00
Other Advances	1089696.23	2663142.05
	<u>1584940.93</u>	<u>2789459.05</u>
Over six months old	648753.88	181420.05
Others	936187.05	2608039.00
	<u>1584940.93</u>	<u>2789459.05</u>

**SCHEDULES FORMING PART OF BALANCE SHEET**

PARTICULARS	AMOUNT 31.03.97	AMOUNT 31.03.96
<b>SCHEDULE 11-CURRENT LIABILITIES :</b>		
Sundry Creditors	1264106.43	8184606.43
Other Liabilities	12280527.15	4811699.40
	<u>13544633.58</u>	<u>12996305.83</u>
<b>SCHEDULE 12-PROVISIONS :</b>		
Provision for taxation	380511.00	56865.00
Proposed Dividend	—	1632787.00
	<u>380511.00</u>	<u>1689652.00</u>

**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT**

<b>SCHEDULE 13-INCOME FROM OPERATIONS</b>		
Income from Hire Charges	12924249.83	8466476.94
Income from Lease Rent	545179.20	291103.00
Loss in Share Trading	(-) 670278.00	(-)9712.00
Income from Investments	248107.75	6370.00
Dividend income (Gross)		
(I.T. deducted at source Rs. 387/-)	18931.20	1650.00
Finance Charges	—	62813.00
Other income from operations	1198010.79	345036.70
Income from Bill Discounting	107144.80	—
	<u>14371345.57</u>	<u>9163737.64</u>
<b>SCHEDULE 14-EXPENSES :</b>		
Printing & Stationery	542845.50	102745.25
Auditors Remuneration	5000.00	5000.00
Salary & Establishment	363793.00	303100.00
Office and general expenses	269829.57	61213.10
Interest Discounting & Bank Charges	4432424.35	2259252.91
Legal Expenses	127949.50	87389.25
Rent	60000.00	86900.00
Mg. Director Remuneration	96000.00	96000.00
Advertisement & Business Promotion	3943830.35	846478.00
Travelling Expenses	219617.30	33910.75
Postage & Telephone Expenses	179509.35	74555.70
Rebate, Remission, bad-debts & Brokerage	1133325.26	822315.50
Recovery Expenses	211212.68	141842.70
Car & scooter Exps	416256.12	458513.75
Repair & Maintenance	108638.30	90498.55
Insurance	13867.00	3446.00
Electricity & Water Expenses	48199.30	19464.60
Rates & Taxes	7020.00	2600.00
Hire Charges of Assets	380289.00	67721.00
Loss on Sale of Assets	5238.00	—
	<u>12564844.58</u>	<u>5562947.06</u>



**NOTES ON ACCOUNTS****SCHEDULE 15-NOTES ON ACCOUNTS :**

- The Company has followed Mercantile System of Accounting. The accounts have been made on Accrual Basis as a going concern.
- Income from lease rentals and Hire charges on hire purchase are recognised as revenue as per the terms of the agreement entered into with Lessees/Hirers. 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. Over due 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.
- Inventories being hire purchase stocks are valued at book value net of Hire Charges. Stocks of shares and debentures are valued at cost or market value which ever is less. Investments are valued at cost.
- Preliminary Expenses & Public issue expenditure are amortised in equal instalments over a period of 10 years.
- 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.
- There is no employee who has drawn remuneration exceeding the limits prescribed under section 217(2A) of the Companies Act, 1956.

- Remuneration of Auditors :-

	As on 31.03.97	As on 31.03.96
For Statutory Audit	Rs. 3000.00	Rs. 1000.00
For Certification work/other services	Rs. 1000.00	Rs. 4000.00
Tax Audit	Rs. 1000.00	Rs. 1000.00
<b>Total</b>	<b>Rs. 5000.00</b>	<b>Rs. 6000.00</b>

- Contingent Liability on Partly paid up Triple Option Convertible Debentures of Reliance Petroleum Ltd. - Call not yet paid by the Company Rs.127500.
- Sundry Creditors include Rs. 105445 due to M/s S. E. Auto Financers, Proprietor Mr. Sunil Agarwal (Managing Director).
- Statement showing details of stock of shares and debentures (under current assets) as on close of financial year is as under :-

S.NO	NAME OF BODY CORPORATE	NATURES & EXTENT	QUANTITY	COST	MARKET VALUE AS ON 31.3.97
1.	Reliance Petroleum Ltd.	Triple Option convertible debentures of Rs. 40 each Rs. 25 each partly paid Equity shares of Rs. 10 each fully paid up.	8600 11000	201800 110000	196080 139700
2.	Morgan Stanley Growth Fund	Units of Rs. 10 each fully Paid up.	10900	109000	65400
3.	Punit Resins Ltd.	Equity Shares of Rs. 10 each fully paid up	2100	60900	5775
4.	Kotak Mahindra Finance Ltd.	Equity Shares of Rs. 10 each fully paid up	200	71000	10650
5.	IPCA Laboratories Ltd.	Equity Shares of Rs. 10 each fully paid up	100	52000	10125
6.	Savita Chemicals Ltd.	Equity Shares of Rs. 10 each fully paid up	200	50000	8500
7.	Prime Securities Ltd.	Equity Shares of Rs. 10 each fully paid up	500	125000	10025
8.	Elegant Floriculture Ltd. (Formerly Raymonds Floriculture Ltd.)	Equity Shares of Rs. 10 each fully paid up	2500	57500	3750
9.	Phoenix International Ltd.	Equity Shares of Rs. 10 each fully paid up	500	223612	13950
10.	Finolax Cables Ltd.	Equity Shares of Rs. 10 each fully paid up	100	32886	14000

11. Bharat Forge Ltd.	Equity Shares of Rs. 10 each fully paid up.	100	11825	8950
12. Cubical Finance Ltd.	Equity Shares of Rs. 10 each fully paid up.	1000	8500	2750
13. Unicorp Limited.	Equity Shares of Rs. 10 each fully paid up.	200	7200	2850
14. Surlux Health Centres Limited	Equity Shares of Rs. 10 each fully paid up.	20000	38760	30000
15. Surlux Mediequip Ltd.	Equity Shares of Rs. 10 each fully paid up.	2000	4600	4000
16. Andhra Valley Power Co. Ltd.	Equity Shares of Rs. 10 each fully paid up.	2500	235000	232500
17. Tata Power Co. Ltd.	Equity Shares of Rs. 10 each fully paid up.	600	63600	73500
		<b>63100</b>	<b>1463183</b>	<b>832505</b>

- |  |                |               |
|--|----------------|---------------|
| 11. Statement showing details of investments : | 31.03.97       | 31.03.96      |
| Indira Vikas Patra                             | 1016700        | 440450        |
| Govt. Guaranteed Bonds                         | 1750000        | —             |
| Units of UTI                                   | 141800         | 141800        |
|  | <b>2908500</b> | <b>582250</b> |
| Repurchase value of units of UTI               | 123646         | 143480        |
12. Income Tax assessment has been framed in respect of assessment year 1995-96 creating demand of Rs. 18678/-. The Company has filed an appeal and the whole demand is disputed.
13. The Company came out with public issue of 15,00,000 Equity Shares of Rs. 10 each (Rs. 5 payable on application) which opened for subscription on 26.02.96 and closed on 01.03.96. The issue was fully subscribed and application money of Rs. 76,66,500/- was lying in Central Bank of India in application money account as on 31.03.96, since allotment has been made after 31.03.96 interest accrued but not due on application money account was not been taken into account last year and has been considered when received after allotment date during the current year.
14. There is no unclaimed matured deposit lying with the company.
15. 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.
16. Figures for the previous year have been regrouped/rearranged wherever found necessary.

#### SCHEDULE - 16

Pursuant to provisions of paragraphs 3 & 4D of part II of Schedule VI to the Companies Act, 1956  
Particulars in respect of trading of Shares/Debtures

	As on 31.03.1997		As on 31.03.1996	
	No. of Shares/ Debtures	Amount	No. of Shares/ Debtures	Amount
Opening Stock	38000	978723	28250	1055458
Add Purchase/Conversion	25100	341960	14700	401175
Add Call Money Paid	—	142500	—	110000
	<b>63100</b>	<b>1463183</b>	<b>42950</b>	<b>1566633</b>
Less: Sales (Cost of Sale)	—	—	4950	587910
Less: Diminution in value at lower of cost or market value	—	670278	—	—
Closing Stock	<b>63100</b>	<b>792905</b>	<b>38000</b>	<b>978723</b>

**SCHEDULE 17**

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

I. Registration Details

Registration No.	14135	State Code : 20
Balance Sheet Date	31.3.97	

II. Capital raised during the year (Amount in Thousands)

Public Issue (Allotment Money received)	Rs. 5872	Rights Issue	Rs. NIL
Bonus Issue	Rs. NIL	Private Placement	Rs. NIL

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

Total Liabilities	Rs. 81949	Total Assets	Rs. 81949
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Source of Funds

Paid of Capital	Rs. 30038	Reserve & Surplus	Rs. 2161
Secured Loans	Rs. 20334	Unsecured Loans	Rs. 15491

Application of Funds

Net Fixed Assets	Rs. 6313	Investments	Rs. 3541
Net Current Assets	Rs. 57279	Miscellaneous	
Accumulated Losses	Rs. NIL	Expenditure	Rs. 891

IV. Performance of Company (Amount in Thousands)

Turnover (Gross Income)	Rs. 14371	Total Expenditure	Rs. 13644
Profit/Loss before Tax	Rs. 728	Profit/Loss after Tax	Rs. 404
Earning per share	Rs. .13	Dividend Rate	NIL

V. Generic names 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 : 23rd Day of June, 1997  
Place : Agra

For and on behalf of the Board

SUNIL AGARWAL - Mg. Director

P. AGARWAL -Director

S. AGARWAL -Director

S. C. SHARMA -Director



**CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET  
FOR THE YEAR ENDED MARCH 31, 1997**

<b>A. Cash flow from Operating Activities:</b>	<b>31.3.97</b>		<b>31.3.96</b>	
Net Profit before tax and Extraordinary Items and Interest	5531278		5255958	
Adjustment For.:				
1. Depreciation	(+)	1035296	(+)	462750
2. Foreign Exchange	—		—	
3. Investments	—		—	
4. Misc. Expenditure Written off	(+)	105557	(+)	60383
		<u>(+) 1140853</u>		<u>(+) 523133</u>
Operating Profit before working Capital Changes		6672131		5779091
Adjustment For:				
Trade & Other Receivable	(+)	1204519	(-)	2175945
Inventories	(-)	37502194	(-)	9959893
Trade Payable	(+)	548328	(+)	4076046
Inventories - Shares	(+)	185818	(+)	76735
		<u>(-) 35563529</u>		<u>(-) 7983057</u>
Cash Generated from Operations		<u>(-) 28891398</u>		<u>(-) 2203966</u>
1. Interest paid	(-)	4432424	(-)	2259253
2. Direct Taxes Paid	(-)	371127	(-)	51008
		<u>(-) 4803551</u>		<u>(-) 2310261</u>
Cash flow before Extraordinary items		<u>(-) 33694949</u>		<u>(-) 4514227</u>
Miscellaneous Expenses (Increase)	(-)	459242	(-)	556472
Share Application Money (Increase)	(-)	7666500	(+)	7231500
		<u>(-) 8125742</u>		<u>(+) 6675028</u>
Net Cash flow from Operating Activities		<u>(-) 41820691</u>		<u>(+) 2160801</u>
<b>B. Cash flow from Investing Activities :</b>				
Purchase of Fixed Assets	(-)	933297	(-)	7782640
Sale of Fixed Assets	(+)	1957238	—	
Acquisitions of Companies	—		—	
Purchase of Investments	(-)	2675335	(-)	831326
Sale of Investments	—		—	
Interest received	—		—	
Dividend Received	—		—	
Net Cash used in Investing Activities		<u>(-) 1651394</u>		<u>(-) 8613966</u>
		<u>(-) 43472085</u>		<u>(-) 6453165</u>



**C. Cash flow from financing Activities**

Proceeds from Issue of Share Capital	(+) 13538000	(+) 4500000
Proceeds from Long Term borrowings	(+) 14296860	(+) 4720661
Repayment of finance lease liabilities	—	—
Dividend Paid	(-) 1632787	(-) 245183
Proceeds from Short Term borrowings	(+) 10013739	(+) 5233075
Net Cash used in financing Activities	(+)36215812	(+) 14208553
Net Increase in Cash & Cash Equivalents	(-) 7256273	(+) 7755388
Opening Cash & Cash Equivalents	(+) 7921273	(+) 165885
Closing Cash & Cash Equivalents	665000	7921273

Dated : 23rd Day of June 1997  
Place : Agra

For and on behalf of the Board

SUNIL AGARWAL - Mg. Director  
P. AGRAWAL - Director  
S. AGARWAL - Director  
S. C. SHARMA - Director

**AUDITORS' REPORT**

We have verified the attached Cash Flow Statement of S. E. Investment Limited, derived from audited financial statements and the books and records maintained by the Company for the year ended 31st March, 1997 and 31st March, 1996 and found the same in agreement therewith.

Dated : 23rd Day of June, 1997  
Place : Agra

For R. LAL & COMPANY  
Chartered Accountants

(RAM LAL AGARWAL)  
Proprietor

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**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 **Fifth Annual General Meeting** of the Company to

be held on Thursday, the 24th July, 1997 at 11.00 A.M. at the Registered Office of the

Company at Block 54, Sanjay Place, Agra or at any adjourned there of

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 1997

Signed by said \_\_\_\_\_

Affix a 30  
Paise Revenue  
Stamp

The Proxy must be deposited at the Registered Office of the company not less than 48 hours before the time for holding the aforesaid meeting.



# S.E. Investments Limited

Regd. Office : BLOCK 54, SANJAY PLACE, AGRA

## ATTENDANCE SLIP

(Please complete this Attendance Slip and Hand it over at the Entrance of the Meeting Hall)

L F No (S) \_\_\_\_\_

Name & Address of the Share Holder \_\_\_\_\_

No. of shares held \_\_\_\_\_

I hereby record my presence at the **Fifth Annual General Meeting** of the Company being

held on Thursday, the 24th July, 1997 at 11.00 A.M. at Block 54, Sanjay Place, Agra

SIGNATURE OF THE SHARE HOLDER OR PROXY\* \_\_\_\_\_

\* Strike out whichever is not applicable