

15TH ANNUAL REPORT
2006-07



अर्थ: समाजस्य न्यासः

S. E. INVESTMENTS LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

MR. PURUSHOTTAM AGRAWAL

CHAIRMAN

MR. SUNIL AGARWAL

MANAGING DIRECTOR

MR. SACHIN AGARWAL

WHOLETIME DIRECTOR

MR. SANJAY AGARWAL

DIRECTOR

MR. SURESH CHAND SHARMA

DIRECTOR

DR. SHYAM LAL GARG

DIRECTOR

COMPANY SECRETARY

MR. SACHIN AGARWAL

COMPANY AUDITORS

M/s R. LAL & COMPANY

CHARTERED ACCOUNTANTS

A-4, Indrapuri New Agra, Agra

BANKERS & FINANCIAL INSTITUTIONS

PUNJAB NATIONAL BANK

ICICI BANK LIMITED

HDFC BANK LIMITED

UTI BANK LIMITED

ORIENTAL BANK OF COMMERCE

SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA

INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY

REGISTRAR & TRANSFER AGENTS

M/s Alankit Assignments Ltd.

Alankit House, 2E/21, Jhandewalan Extension.

New Delhi—110 055 E-mail : rta@alankit.com



NETWORK OF OFFICES

CORPORATE OFFICE

5-D, Atmaram House, 1, Tolstoy Marg, New Delhi-110001 (INDIA)
Ph. +91 11 23316800 Fax. : +91 11 23313400 E-mail : delhi@seil.in

REGISTERED OFFICE

S-547, IInd Floor, Main Road, Shakarpur, Delhi-92
Ph. +91 11 22482345 Fax. +91 11 22481340 E-mail : delhi@seil.in

HEAD OFFICE

Block 54, 1st Floor, Sanjay Place, Agra-282 002
Ph. +91 562 2851788 2853092 Fax. +91 562 2855388 E-mail : agra@seil.in

BRANCHES

MATHURA

369/2, Krishna Nagar, Goverdhan Road, Mathura
Ph. +91 565 2423660 2424310 E-mail : mathura@seil.in

ALIGARH

76, Malviya Pustakalaya Market, G. T. Road, Aligarh
Ph. : +91 571 2421866

JAIPUR

H.No. 622, Bordi Ka Rasta, Marva House,
Shop No. 203-204, First Floor, Kishanpole Bazar, Jaipur
Ph. +91 141 2313811 Fax. : +91 141 2311422 E-mail : jaipur@seil.in

AHMEDABAD

Shop No. D-E Dhanlaxmi Chamber, Near Gujrat Vidhya Peeth, Ashram Road, Ahmedabad
Ph. +91 79 27540060 27540080 Fax. : +91 79 27544830 E-mail: ahmedabad@seil.in

JODHPUR

Gulab Singh Building, 11th Chopasni Road,
Near Bombay Motor Circle, Jodhpur
Ph. +91 471 2638926 2638929 Fax. : + 91 291 2638927 E-mail: jodhpur@seil.in

MUMBAI

108, Gokul Arcade, 'B' Building, Subhash Road, Opp. Garware House,
Ville Parle (East), MUMBAI-400057
Ph. +91 22 26835584

THIRUVANANTHPURAM

Kovilazhikam, TC 7/1816, Kochullor,
Thiruvanathpuram-695 001 (Kerala)
Ph. +91 471 3258014

LISTING OF EQUITY SHARES

The Delhi Stock Exchange Association Ltd. New Delhi
U. P. Stock Exchange Association Ltd. Kanpur
Ahmedabad Stock Exchange Ltd. Ahmedabad

OUR MISSION



- To uphold the motto 'Artha Samajasya Nyasah' that is 'Wealth is the Trust Property of the Society'
- To achieve excellence in service, quality, reliability, safety and customer care.
- To earn the trust and confidence of all customers and stakeholders, exceeding their expectations and make the Company a respected household name.



Notice of Annual General Meeting

Notice is hereby given that the 15th Annual General Meeting of the members of the company will be held on Tuesday, 12th June 2007 at 11.00 A.M. at the Registered Office of the company at S-547, IIInd Floor, Main Road, Shakarpur, Delhi, to transact the following business:

Ordinary Business:

1. To consider and adopt the Audited Balance Sheet as at 31st March 2007, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To confirm the Interim Dividend @10% declared and paid by the Company in February 2007 as the final dividend for the year ended 31st March 2007.
3. To appoint a Director in place of Mr. Sanjay Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Suresh Chand Sharma, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s R. Lal & Co., Chartered Accountants, be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors."

By order of the Board of Directors,
For S. E. Investments Limited,
(SACHIN AGARWAL)
Company Secretary

Place: Delhi
Date: 7th May 2007

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies, in order to be effective must be lodged with the company not less than 48 hours before the commencement of the Annual General Meeting, i.e., by 11.00 A.M. on 10th June 2007.
3. Shareholders are requested to bring their copy of Annual Report to the Meeting.
4. Members/Proxies should fill the Attendance Slip for attending the meeting.
5. In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
7. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Saturday between 11.00 A.M. and 1.00 P.M. upto the date of the Annual General Meeting.
8. As required under the Listing Agreement, the particulars of Directors seeking re-appointment as Directors are given elsewhere in this Annual Report.
9. The Register of Members and Share Transfer Books of the company shall remain closed from 07-06-2007 to 12-06-2007 (both days inclusive).
10. Members are requested to notify their change of

address, if any, to the Company/Share Transfer Agent, M/s. Alankit Assignments Limited, New Delhi-110 055

11. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting are requested to send a duly certified copy of the Board Resolution authorising their representatives to attend and vote at the Meeting.
12. Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form 2B (which will be made available on request) to the Registrar and Transfer Agent, Alankit Assignments Limited.

Place : Delhi
Date : 7th May 2007

By order of the Board of Directors,
For S. E. Investments Limited,
(SACHIN AGARWAL)
Company Secretary

Brief resume of Directors proposed for Re-appointment

1. Mr. Sanjay Agarwal is a Chartered Accountant and a member of Audit Committee, Shareholders/ Investors Grievance Committee, and Remuneration Committee of the Board of Directors of the Company. He joined the Company as Director in the year 1995. Mr. Sanjay Agarwal has got vast experience in corporate laws and finance and is not in the Board of any other Company.
2. Mr. Suresh Chand Sharma is an Advocate and a member of Audit Committee, Shareholders/ Investors Grievance Committee, and Remuneration Committee of the Board of Directors of the company. He joined the Company as Director in the year 1995. He is not in the Board of any other Company.

DIRECTORS' REPORT

TO THE MEMBERS :

Your Directors have pleasure in presenting the 15th Annual Report, together with the Audited Statement of Accounts of the Company for the year ended March 31, 2007.

FINANCIAL RESULTS:

(Rs. in Lacs)

	Year Ended 31/03/2007	Year Ended 31/03/2006
Total Income	2209.16	1650.45
Less: Expenditure	648.16	506.84
PBDIT	1561.00	1143.61
Less: Interest	551.33	354.30
PBDT	1009.67	789.31
Less: Depreciation	191.48	164.74
Profit Before Tax	818.19	624.57
Less : Provision for Tax	92.22	53.62
Less : Provision for FBT	5.90	4.80
Profit after Tax (before deferred tax)	720.07	566.15
Less : Deferred Tax current year	183.18	167.83
Profit After Tax	536.89	398.32
Add: Profit b/f from previous year	9.05	6.54
Profit Available for Appropriation	545.94	404.86
Dividend Including Tax	35.80	35.80
Transfer to General Reserve	400.00	280.00
Transfer to Statutory Reserve Fund	108.00	80.00
Balance Carried to Balance Sheet	2.14	9.05

DIVIDEND:

The Board has declared and paid an Interim Dividend @10% (Rs. 1/- per share) on the equity share capital of the Company in the month of February 2007. Your Directors have recommended confirming the said Interim Dividend as the final dividend for the year ended 31st March 2007.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE:

S. E. Investments Ltd.'s (SEIL's) gross income for the financial year ended March 31, 2007 increased to Rs. 2209.16 Lacs from Rs. 1650.45 Lacs in the previous year, registering a growth of over 33 percent.

The operating profit (PBDIT) of the Company increased 36 percent to Rs. 1561 Lacs during the year up from Rs. 1143.61 Lacs in the previous year.

As per Accounting Standard 22 issued by The Institute of Chartered Accountants of India, Provision for Deferred Tax for Rs. 183.18 lacs has been made as against last year's Rs. 167.83. Additionally provision for Fringe Benefit Tax (FBT) amounting to Rs. 5.90 lacs has been made during the year.

Your company had been extending personal loans mainly upto Rs. 50,000 since December 2003 at Agra and at various branches, i.e., Mathura, Jaipur, Jodhpur, Ahmedabad and Delhi. In the month of May 2006 your directors realising the emerging importance of Micro Finance entered into this segment by extending loans of small ticket size to weaker and poor sections of society, focusing women beneficiaries on daily, weekly and monthly collections on group-based system. The schemes of the Company have been well received by borrowers in the rural and semi-urban areas and micro finance has been extended to a sizable population even below the poverty line, thus serving commercial as well as social needs of the society. During the year the Company raised financial resources by assigning part of the Micro Finance portfolio to FIs and raising Term Loan for onward lending to borrowers. The present portfolio including that assigned amounts to Rs. 8027 lacs covering 44270 beneficiaries which translate into around 50% of the total portfolio of your company. Considering the expansion plans for Micro Finance, the portfolio may grow substantially in near future.

RESOURCES AND LIQUIDITY:

During the year, the Company has availed financial assistance from various Banks and Financial Institutions including ICICI Bank Limited, Punjab National Bank, HDFC Bank Limited, UTI Bank Limited, Small Industries Development Bank of India, to strengthen its financial position, and to generate long term resources for accelerating its future growth plans.

FIXED DEPOSITS :

Your Company is adhering to all the directions and guidelines of Reserve Bank of India for acceptance of deposits. The fixed deposits raised by the Company as on 31/03/2007 stood at Rs. 826 Lacs excluding accrued interest thereon against last year's Rs. 1157 Lacs. Number of fixed deposits having matured and remaining unclaimed as on 31/03/2007 is 11 amounting to Rs. 1.48 Lacs.

SEIL's fixed deposit programme was reaffirmed a rating of "MA-" by ICRA Limited. The credit rating assigned is of investment grade.

CAPITAL ADEQUACY

Reserve Bank of India has stipulated a minimum capital adequacy (of the risk weighted assets) requirement of 12% (15% in case of below investment grade rated deposit). Your directors take pleasure to inform you that SIEL's capital adequacy stands at 27.34% against the statutory requirement of 12% (last year 39%).

Industry Structure and Developments:

The operations of Non Banking Financial Companies (NBFC's) are regulated and supervised by the Reserve bank of India vide powers conferred under Chapter III-B of Reserve Bank of India Act, 1934. The regulatory and supervisory framework for NBFC's have been continuously strengthened in order to ensure strong and healthy functioning, by limiting excessive risk taking practices and protecting the interest of deposit holders.

The NBFC sector in India has become very mature with reduced dependence on the acceptance of public deposits as part of its overall funding. NBFC's are now represented by mix of a few large companies with nationwide presence and a large number of small and medium-sized Companies with regional focus.

Opportunities:

With GDP growth forecasts of 7%-8% p.a. over the next few years, the Indian economy will continue to provide several attractive growth opportunities. The increased thrust on the infrastructure sector, including power, roads, ports, telecom and other urban infrastructure projects, will continue to provide

excellent investment opportunities in the future.

In addition, the service sector, which is growing at rapid pace and contributes substantially to GDP, will provide excellent investment opportunities in the future.

The poor will continue to require special attention and it is our endeavour to provide it, particularly credit.

Over the past decade awareness and empowerment programs by both the Government as well as the social sector has seen formation of thousands of SHGs and other micro enterprises in rural and semi-urban areas. This awareness has lead to an exponential growth for micro finance in rural India.

The potential for Urban micro finance is equally huge. The nature of urban micro finance demand ranges from loans for financing small business and bridge loan to cover family needs such as festivals, marriages, illness and education expenses.

SEIL sees growth opportunities in each of its existing business areas, and will also be expanding the focus of activities to new areas, arising from the strong growth momentum in the economy.

Challenges:

The NBFC sector continues to face competitive pressures from the banking sector and financial institutions, due to their increased penetration in the consumer financing market, with comparatively low cost of funds at their disposal. The spreads in the lending business have also narrowed considerably, bringing risk-adjusted margins to generally unviable levels.

Outlook:

The financial services sector is one of the key growth sectors of the economy. Globally, 5 of the top 20 Fortune 500 Companies are financial services companies. Nearly 16% of the total revenues and 28% of total profits of all Fortune 500 companies are generated by the financial services sector, the largest by any single sector.

SEIL intends to actively pursue growth opportunities in the fast growing financial services sector in the country, to become a professionally managed and growth oriented Company.

Risks and Concerns:

SEIL is exposed to specific risks that are particular to its



businesses and environment within which it operates, including interest rate volatility, economic cycle, market risk and credit risk. SEIL manages these risks by maintaining a conservative financial profile and by following prudent business and risk management practices.

Adequacy of Internal Control:

An extensive system of internal control is practised by SEIL to ensure that all its assets are safeguarded and protected against loss from unauthorized use or disposition and that all transactions are authorised, recorded and reported correctly. SEIL ensures adherence to all internal control policies and procedures as well as compliance with all regulatory guidelines.

The Audit Committee of Directors reviews the adequacy of internal controls.

Human Resource Development:

SEIL has a team of able and experienced professionals. The company gives importance on training and development of its manpower.

Directors:

Mr. Sanjay Agarwal and Mr. Suresh Chand Sharma, both Directors of the Company, retire by rotation and being eligible offer themselves for re-appointment at the ensuing Annual General Meeting.

A brief resume of the Directors retiring by rotation and seeking appointment at the ensuing Annual General Meeting, nature of their expertise in the specific functional areas, and names of Companies in which they hold directorship and/or membership/Chairmanship of committees of Board, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are given in the section on Corporate Governance elsewhere in the Annual Report.

Directors' Responsibility Statement:

Pursuant to the requirement under Section 217(2A) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

1. In the preparation of the accounts for the financial year

ended March 31, 2007, the particular Accounting Standards issued by ICAI have been followed along with proper explanation relating to material departures;

2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at March 31, 2007 and of the profit of the Company for the year under review;
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. The Directors have prepared the annual accounts of the Company on a 'going concern' basis.

Auditors & Auditor's Report:

M/s R. Lal & Company, Chartered Accountants, Auditors of the company, hold office until the conclusion of the ensuing Annual General Meeting. The Company has received a letter from M/s R. Lal & Company, Chartered Accountants, expressing their willingness to be reappointed as Auditors.

Your Directors have therefore proposed to appoint M/s R. Lal & Company, Chartered Accountants, as Statutory Auditors of the Company, subject to the approval of the members at the ensuing Annual General Meeting. The Company has received letter from M/s R. Lal & Company, Chartered Accountants, to the effect that their appointment, if made, would be within the prescribed limits under section 224(1-B) of the Companies Act, 1956, and that they are not disqualified for such appointment within the meaning of section 226 of the Companies Act, 1956.

The notes to the accounts referred to in the Auditor's Report are self explanatory and therefore do not call for any further comments.

Particular of Employees:

In terms of the provisions of section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the name and other particulars of the employees drawing remuneration above the specified

limits are required to be set out in the Annexure to the Directors' Report. There is no employee in the company drawing salary at a scale requiring disclosure in terms of section 217 (2A) of the Companies Act, 1956.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo:

Particulars required to be furnished under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are as under:

Part A and B pertaining to conservation of energy and technology absorption are not applicable to the Company.

Foreign Exchange earnings and outgo:

Earnings	:	Nil
Outgo	:	Rs. 103800/-

CORPORATE GOVERNANCE:

The report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges,

forms part of the Annual Report.

A Certificate from the Auditors of the company, M/s R. Lal & Company, Chartered Accountants, confirming compliance with conditions of Corporate Governance as stipulated under the aforesaid clause 49 is annexed to this report.

Acknowledgments :

Your Directors express their sincere appreciation of the co-operation, guidance and support received from shareholders, bankers, regulatory bodies and other business constituents during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in the successful performance during the year.

For and on behalf of the Board,
Purushottam Agrawal
Chairman

Place : Delhi
Dated : 7th May 2007

CORPORATE GOVERNANCE

The Company pursuant to clause 49 of the listing agreement with the Stock Exchanges furnishes its report on the code on Corporate Governance.

1. Company's Philosophy on Code of Governance

The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations and in all its interactions with its stakeholders, including shareholders, employees, the Government and lenders.

The Company is committed to achieve the highest international standards of Corporate Governance.

The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value over a sustained period of time.

2. Board of Directors

I. Composition and Category

The Board of the Company at present consists of six Directors, four being Non-Executive, three of whom are independent.

IIa. Attendance of each Director at the Board Meetings, last Annual General Meeting

Name of the Director	Attendance particulars for 2006-07		
	Board meetings held during tenure of Director	Board meetings attended	Last AGM
Shri Purushottam Agrawal	28	28	Yes
Shri Sunil Agarwal	28	28	Yes
Shri Sachin Agarwal	28	28	Yes
Shri Suresh Chand Sharma	28	28	Yes
Dr. Shyam Lal Garg	28	28	Yes

IIb. Number of other Directorship and Chairmanship/ Membership of Committee of each Director in various companies

Name of the Director	No. of other Directorship and Committee membership/ Chairmanship		
	Other Directorship#	Committee Membership*	Committee Chairmanship*
Shri Purushottam Agarwal (C)	—	2	1
Shri Sunil Agarwal (M)	1	1	—
Shri Sachin Agarwal (W)	1	—	—
Shri Sanjay Agarwal (I)	—	2	1
Shri Suresh Chand Sharma (I)	—	2	—
Dr. Shyam Lal Garg (I)	—	—	—

C-Chairman, M-Managing Director, W-Whole Time Director, I-Independent Director

* Only membership/chairmanship of Audit and Shareholders/Investor Grievances Committee is taken into consideration as per clause 49 of the listing agreement.

(excluding directorship held in Private Limited Companies and Section 25 Companies)

III. Number of Board Meetings held and the dates on which held

During the year ended 31st March, 2007, twenty eight Board Meetings were held as against the minimum requirement of four meetings. The meetings were held on April 22, 2006, May 5, 2006, May 19, 2006, May 29, 2006, June 27, 2006, June 29, 2006, July 8, 2006, July 31, 2006, August 21, 2006, August 28, 2006, September 12, 2006, September 20, 2006, September 25, 2006, October 18, 2006, October 31, 2006, November 24, 2006, November 25, 2006, December 5, 2006, December 20, 2006, December 29, 2006, January 3, 2007, January 31, 2007, February 19, 2007, February 28,

2007, March 5, 2007, March 9, 2007, March, 20, 2007, March 23, 2007.

The Company has held at least one meeting in every three months and the maximum time gap between any two Board Meetings was not more than four months. None of the directors of the Company was a member of more than ten committees or the Chairman of more than five committees across all public limited companies in which he is a Director.

For the purpose of considering the limit of the Committees as stated above, only Audit Committee and Shareholders/ Investors Grievances Committee across all public limited companies has been considered in accordance with clause 49 of the listing agreement.

3. BOARD COMMITTEES

A. Audit Committee

I. Composition, names of members and Chairperson

The Audit Committee, during the year under review, comprised of three non-executive Directors, majority of them being independent. Shri Purushottam Agrawal is the Chairman of the Committee and all the members of the Audit Committee possess financial/accounting expertise. The constitution of the Audit Committee also meets with the requirements under section 292A of the Companies Act, 1956 and Para 9A of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.

II. Terms of Reference

The terms of reference of the Audit Committee, as contained under Clause 49 of the listing agreement and section 292A of the Companies Act, 1956, are as follows:

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information.
- b) Recommending the appointment and removing of external auditors, fixation of audit fee and also approval for payment for any other services.
- c) Reviewing with the management the Annual Financial Statements before submission to the board, focusing

primarily on (i) any changes in Accounting Policies and Practices, (ii) major Accounting Entries based on exercise of judgment by management, (iii) qualifications in Draft Audit Report, (iv) significant adjustments arising out of audit, (v) the going concern assumption, (vi) compliance with Accounting Standards, (vii) compliance with stock exchanges and legal requirements concerning financial statements and (viii) any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large.

- d) Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- e) Reviewing the adequacy of internal audit functions.
- f) Discussion with the Internal Auditors any significant findings and follow up there on.
- g) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- h) Discussion with External Auditors before the audit commences nature and scope of audit as well as have post-audit discussion to ascertain any area of concern
- i) Reviewing the company's financial and risk management policies.
- j) To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non payment of declared dividends) and creditors.

III. Meetings and Attendance during the year

During the year ended 31st March 2007, the committee has met four times. The meetings were held on 25th May 2006, 21st July 2006, 20th October 2006 and 22nd January 2007. All the members were present at all the above meetings.

Representatives of Internal Auditors/Statutory Auditors were invited to be present at the Audit Committee Meetings.



15TH ANNUAL REPORT 2006-07

B. Remuneration Committee

The remuneration committee comprises of Shri Suresh Chand Sharma, Shri Sanjay Agarwal, Shri Purushottam Agrawal and Dr. Shyam Lal Garg. The remuneration policy is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industry practice.

The Board comprises of four non-executive directors and no remuneration is paid to the non-executive directors. The committee accordingly did not meet during the year under review as the need did not arise.

C. Shareholders/Investors Grievance Committee:

The Board of the Company has constituted a Shareholders/Investors Grievance Committee comprising of Shri Purushottam Agrawal as Chairman of the committee and Shri Sunil Agarwal, Shri Sanjay Agarwal and Shri Suresh Chand Sharma as members of the committee.

The Committee oversees the performance of Registrars and Transfer Agents and recommends measures to improve the level of investor services.

The Board has designated Shri Sachin Agarwal, Company Secretary, as the compliance officer.

The total number of complaints received and replied to the satisfaction of the shareholders during the year under review were nil and thus the outstanding complaints as on 31st March 2007 were nil.

4. General Body Meetings

I. Location and time of the last three Annual General Meetings were as follows:

Year	Location	Date	Time
2003-04	S-547, IInd Floor Main Road, Shakarpur, Delhi	10th July 2004	11:00 a.m.
2004-05	S-547, IInd Floor Main Road, Shakarpur, Delhi	16th June 2005	11:00 a.m.

2005-06	S-547, IInd Floor Main Road, Shakarpur, Delhi	27th June 2006	11:00 a.m.
---------	---	-------------------	------------

II. Special Resolution

During the year under review, four special resolutions were passed. On 20/04/2007, the Special Resolution to approve the hypothecation of movable properties of the company relating to its wind energy projects in favour of Indian Renewable Energy Development Agency Limited (IREDA) was passed. On 19/01/2007, Special Resolutions for amending the main object clause of the Memorandum of Association and for increasing the borrowing power of the company from 100 crore to 500 crore and for providing corporate guarantee to ICICI Bank Limited upto Rs. 400 crore were passed. The Main Object Clause [Clause III(A)] of the Memorandum of Association of the Company has been altered by inserting a new clause 3 after existing clauses 1 & 2 so as to enable the company to carry on the micro finance activity specifically.

III. Postal Ballot

At the ensuing Annual General Meeting there is no resolution, which is proposed to be passed by postal ballot.

5. DISCLOSURES

I. Disclosures on materially significant related party transactions i.e., transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or associates or relatives, etc. that may have potential conflict with the interests of the company at large.

None of the transactions with any of the related parties were in conflict with the interest of the company. Attention of members is drawn to the disclosures of transactions with related parties set out in the notes on accounts of the annual report.

II. Details of non-compliance by the company, penalties, strictures imposed on the company by stock exchanges or SEBI or any statutory authority, on any matter related to capital

markets, during the last three years.

There have been no instances of non-compliance by the company on any matters related to Capital Markets, during last 3 years and hence no penalties and strictures have been imposed on the company by the Stock Exchanges or SEBI or any statutory authority.

6. Means of Communication

I. Quarterly Results:

In compliance of the provisions of clause 41 of the listing agreement, the un-audited quarterly financial results as approved by the Board, were duly published within the stipulated time period in "Delhi Mid Day" (English) and "Shah Times" (Vernacular).

II. The Company's website www.seil.in contains a separate dedicated section "Corporate Governance and Financial Results" where useful information for shareholders is available.

Management Discussion and Analysis forms part of the *Directors' Report* which is posted to the shareholders of the company.

7. General Shareholder Information

I. Annual General Meeting:

Date and time	Tuesday, 12th June 2007 at 11:00 a.m.
Venue	Registered Office of the Company, S-547 IInd Floor, Main Road, Shakarpur, Delhi

II. Financial Calendar 2007-08 (tentative)

Results for the quarter ended 30th June 2007	Last week of July 2007
Results for the quarter ended 30th September 2007	Last week of October 2007
Results for the quarter ended 31st Dec. 2007	Last week of January 2008
Results for the quarter/year ended 31st March 2008	In the month of May/June 2008
Annual General Meeting	June 2008

III. Book Closure Date:

Thursday, 7th June 2007 to Tuesday, 12th June 2007

IV. Listing of Equity Shares:

1. The Delhi Stock Exchange Association Ltd.
DSE House, 3/1,
Asaf Ali Road,
New Delhi- 110 003
2. The U.P. Stock Exchange Association Ltd.
14/113, Civil Lines,
Kanpur- 208001 (U.P.)
3. Ahmedabad Stock Exchange Ltd.,
Kamdhenu Complex, Panjara Pole,
Near Polytechnic,
Ahmedabad- 380 015

V. Stock Code

The Delhi Stock Exchange Association Ltd.	8568
The U. P. Stock Exchange Association Ltd.	S00169
Ahmedabad Stock Exchange Ltd.	51236
ISIN Number-NSDL	INE420C01018
ISIN Number-CDSL	INE420C01018

VI. Registrar & Transfer Agent:

M/s. Alankit Assignments Ltd.,
2E/21, Jhandewalan Extension,
New Delhi-110 055
E-mail: rta@alankit.com

VII. High/Low of Market Price of the company's Equity Shares traded on the Stock Exchanges during the financial year 2006-07

According to the information available with the company, the shares of the company have not been actually traded on any of the Stock Exchanges, hence the data is not available.

VIII. Share Transfer System:

Presently, the share transfers, which are received in physical form are processed and the Share Certificates returned within a period of 10 days from the date of receipt, subject to the documents being valid and complete in all respects. The Registrar & Transfer Agent of the Company, Alankit Assignments Ltd., receives, processes and replies to the share



15TH ANNUAL REPORT 2006-07

transfer requests of the shareholders.

The Company obtains from a Company Secretary in practice half-yearly Certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with the Stock Exchanges and files a copy of the certificate with the Stock Exchanges within the prescribed time:

IX. Distribution of Shareholding as on 31st March 2007:

a) On the basis of Shares Held:

No. of Equity shares held (Range) (1)	No. of shareholders (2)	% to Total shareholders (3)
Upto 5000	474	86.51
5001-10000	13	2.37
10001-20000	36	6.57
20001-30000	1	0.18
30001-40000	2	0.36
40001-50000	1	0.18
50001-100000	15	2.74
Above 100000	6	1.09
Total	548	100%

No. of Equity shares held (4)	% to Total shares held (5)
155800	4.96
109900	3.50
554140	17.65
25000	0.80
72000	2.29
50000	1.59
983100	31.31
1190060	37.90
Total	3140000

B) On the basis of Category:

Category	No. of shares held	% to total shares held
Promoters	1075460	34.25
Body Corporate	1294900	41.24
Indian Public	769640	24.51

X. Dematerialisation of Shares:

Approximately 81.22% of the company's paid up equity shares has been dematerialised upto 31st March 2007.

XI. Address for Correspondence:

For transfer/dematerialisation of shares and any query relating to the shares of the company, the shareholders should contact the Registrar and Transfer Agent of the company at the following address:

Alankit Assignments Ltd.
Alankit House, 2E/21,
Jhandewalan Extension,
New Delhi-110 055
E-mail: rta@alankit.com

For any other queries the shareholders may write to:

Mr. Sachin Agarwal
Company Secretary
S. E. Investments Ltd.,
S-547, 2nd Floor,
Main Road, Shakarpur,
Delhi-110 092
E-mail: delhi@seil.in

Auditors Certificate on Corporate Governance

To,
The Members of
S. E. Investments Limited,

We have examined the compliance of conditions of Corporate Governance by S. E. Investments Limited for the year ended 31st March 2007 as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the company for ensuring compliance of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the Clause 49 of the above mentioned Listing Agreement.

We state that no investor grievances were pending for a period of one month against the company as certified by the Registrars & Share Transfer Agent of the company, based on the records maintained by them.

We further state that such compliance is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

For R. Lal & Co.,
Chartered Accountants

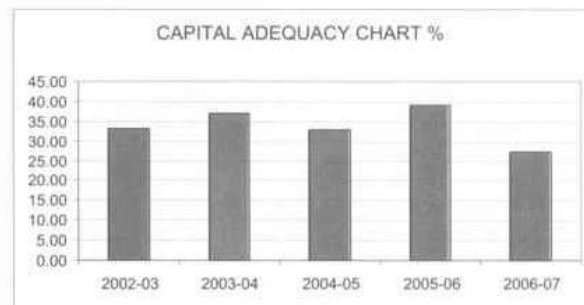
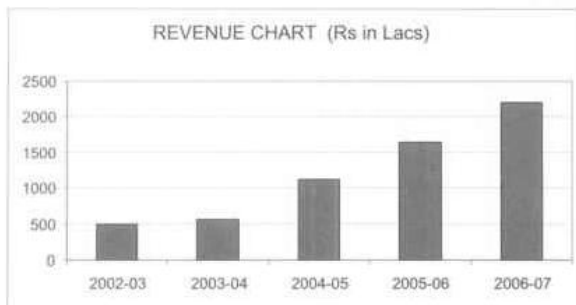
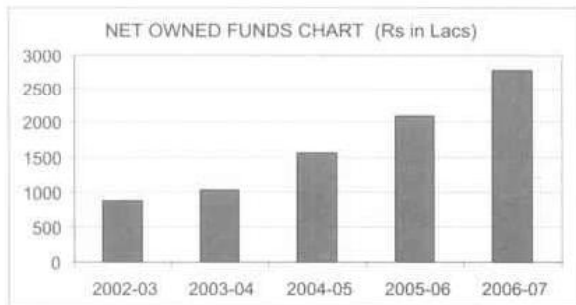
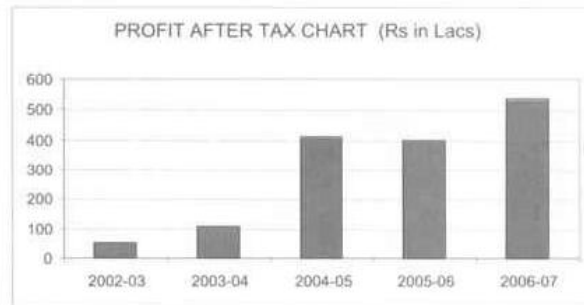
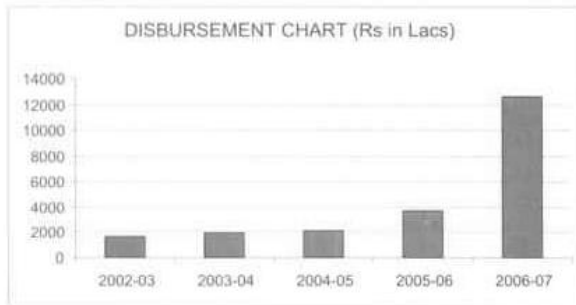
(Ram Lal Agarwal)
Proprietor

Place : Agra Camp Delhi
Date : 7th May 2007



15TH ANNUAL REPORT 2006-07

Financial Performance



AUDITORS' REPORT

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

We have audited the attached balance sheet of S. E. Investments Ltd. as at 31st March, 2007, and also the profit and loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order, 2003 and the Companies (Auditors' Report) (Amendment) Order, 2004, issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraph 4 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- i) 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.
- ii) 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 those books.

- iii) The balance sheet and profit and loss account dealt with by this report are in agreement with the books of account.
- iv) In our opinion, the balance sheet and profit and loss account dealt with by this report comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956.
- v) On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2007 from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
- vi) 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 in conformity with the accounting principles generally accepted in India;
 - a) in the case of the balance sheet, of the state of affairs of the company as at 31st March, 2007;
 - b) in the case of the profit and loss account, of the profit for the year ended on that date and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

Date 7th May 2007
Place Agra Camp Delhi

For R. LAL & COMPANY
Chartered Accountants
(RAM LAL AGARWAL)
Proprietor



ANNEXURE TO AUDITORS' REPORT

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

(Referred to in paragraph (3) of our Report of even
date for F. Y. 2006-07)

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 reasonable interval. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

According to information and explanations given to us, the Company has not made any substantial disposal of fixed assets during the year.

2. 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.

In our opinion and according to information and explanation given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on verification.

3. Company has taken loans from companies, firm & other parties or companies listed in the register maintained under section 301 of the Companies Act 1956.

The rate of interest and other terms and conditions are not prejudicial to the interest of the Company.

The Company has not granted loans, secured or unsecured to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act.

These being no such loans, the questions the rate of interest and other terms and conditions not prejudicial to the interest of the Company are not applicable.

4. 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.

5. In our opinion and according to the information and explanations given to us, the transactions that need to be entered in the register in pursuance of section 301 of the Act have been entered and the transactions have been made at price which are reasonable with regard to the prevailing market price at the relevant time.

6. Directives issued by R. B. I. and provisions of section 58A & 58AA or any other relevant provision of the Companies Act and the rules framed there under have been complied with.

7. In our opinion, the Company has an adequate internal audit system commensurate with size and nature of its business.

8. Maintenance of cost records not applicable.

9. According to the information and explanation given to us, the company has been regular in depositing with appropriate authorities undisputed statutory dues and there are no undisputed amounts of Income Tax, service tax, cess, investor education and protection fund, employees state insurance, Wealth Tax, Sales Tax, Customs Duty, Excise Duty, Provident Fund etc. outstanding as at the last day of financial year concerned for a period of more than six months from the date they became payable.

10. There are no disputed dues in respect of taxes which have not been deposited on account of dispute.

11. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the financial year immediately preceding such financial year.

12. The Company has not defaulted in the repayment of dues

- to a financial institution or bank or debenture holders.
13. In our opinion adequate documents and records are maintained by the company in cases where loans & advances have been granted on the basis of security by way of pledge of shares, debentures & other securities.
14. The provision of any special statute applicable to chit fund, nidhi or mutual benefit society are not applicable to the Company.
15. 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. The investments are held in company's name.
16. According to information and explanations given to us the company has not given any guarantee for loans taken by others from banks/financial institutions. Accordingly clause 4(xv) of the order is not applicable.
17. In our opinion and according to information and explanations given to us, the company had applied the term loan for the purpose for which the loan were obtained.
18. According to the cash flow statement and the information and explanations given to us, on an overall basis, funds raised on short term basis prima facie, not been used during the year for long term investment (fixed assets).
19. The company has not made any preferential allotments of shares to parties and companies covered in the register maintained under section 301 of the Company Act.
20. The company has not issued any debentures. Accordingly clause 4(xix) of the order is not applicable.
21. The Company has not raised any funds by public issues during the year.
22. According to information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

Date 7th May 2007
Place Agra Camp Delhi

For R.LAL & COMPANY
Chartered Accountants
(RAM LAL AGARWAL)
Proprietor



15TH ANNUAL REPORT 2006-07

Balance Sheet as on 31st March 2007

PARTICULARS	SCHEDULE	AMOUNT	
		31.3.2007	31.3.2006
I. SOURCES OF FUNDS			
1. SHARE HOLDERS FUNDS			
Share Capital	1	31462500.00	31462500.00
Reserves & Surplus	2	<u>175616482.85</u>	<u>125507569.71</u>
		<u>207078982.85</u>	<u>156970069.71</u>
2. LOAN FUNDS			
Secured Loans	3	542701073.99	186553300.20
Unsecured Loans	4	<u>299349658.26</u>	<u>197785778.25</u>
		<u>842050732.25</u>	<u>384339078.45</u>
3 Deferred Tax Reserve	2A	69804678.71	51486526.71
TOTAL		<u>1118934393.81</u>	<u>592795674.87</u>
II. APPLICATION OF FUNDS			
1. FIXED ASSETS:			
Gross Block	5	299533617.73	278379734.72
Less: Depreciation		<u>74685861.00</u>	<u>55538145.42</u>
NET BLOCK		<u>224847756.73</u>	<u>222841589.30</u>
2. INVESTMENTS			
	6	<u>130754221.54</u>	<u>53214182.38</u>
		130754221.54	53214182.38
3. CURRENT ASSETS, LOANS & ADVANCES			
Inventories including Book Debts	7	760266270.96	297803660.62
Stock of Shares & Debentures	8	746397.33	747157.33
Cash & Bank Balances	9	41886271.64	59383721.86
Loans & Advances	10	<u>41223644.72</u>	<u>16793214.13</u>
		<u>844122584.65</u>	<u>374727753.94</u>
4. Less:CURRENT LIABILITIES & PROVISIONS			
Liabilities	11	65672932.11	49081731.75
Provisions	12	<u>15117237.00</u>	<u>8906119.00</u>
		<u>80790169.11</u>	<u>57987850.75</u>
Net Current Assets		<u>763332415.54</u>	<u>316739903.19</u>
5. Misc.Expenditure (to the extent not written off or adjusted)			
Preliminary Expenses		0.00	0.00
TOTAL		<u>1118934393.81</u>	<u>592795674.87</u>
Notes on Accounts	15		

Signed in terms of our report of even date

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

Date : 7th May 2007
Place : Agra Camp Delhi

For and on behalf of the Board

Sunil Agarwal Managing Director
Sachin Agarwal Wholetime Director
Purushottam Agrawal Director
Sanjay Agarwal Director
S. C. Sharma Director
Sachin Agarwal Company Secretary

Profit & Loss Account for the year ended 31st March 2007

PARTICULARS	SCHEDULE	AMOUNT 31.3.2007	AMOUNT 31.3.2006
I. INCOME			
1. Income from Operations	13	<u>220916249.68</u>	<u>165044706.54</u>
		220916249.68	165044706.54
II. EXPENDITURE			
2. Expenses	14	119949161.96	86073456.60
3. Depreciation		19147715.58	16473686.85
4. Preliminary Exp. Written off		—	40438.30
		<u>139096877.54</u>	<u>102587581.75</u>
		139096877.54	102587581.75
III. PROFIT BEFORE TAX I-II		81819372.14	62457124.79
5. Provision for Income Tax		9222249.00	5305315.00
Provision for FBT		589673.00	480166.00
Provision for Income Tax of previous years		0.00	56402.00
Deferred Tax Reserve		<u>18318152.00</u>	<u>16783686.00</u>
		18318152.00	16783686.00
IV. PROFIT AFTER TAX		53689298.14	39831555.79
6. Balance as per last year account		905197.71	654026.92
		<u>54594495.85</u>	<u>40485582.71</u>
		54594495.85	40485582.71
V. SURPLUS AVAILABLE FOR APPROPRIATION			
7. APPROPRIATIONS			
Transfer to General Reserve		40000000.00	28000000.00
Proposed Dividend & Tax		0.00	3580385.00
Interim Dividend Paid		3580385.00	0.00
Reserve Fund (As per RBI Act)		10800000.00	8000000.00
Balance Carried to Balance Sheet		<u>214110.85</u>	<u>905197.71</u>
		214110.85	905197.71
		<u>54594495.85</u>	<u>40485582.71</u>
		54594495.85	40485582.71
Notes on Accounts	15		

Signed in terms of our report of even date

For **R. Lal & Company**

Chartered Accountants

(Ram Lal Agarwal)

Proprietor

Date : 7th May 2007

Place : Agra Camp Delhi

For and on behalf of the Board

Sunil Agarwal

Managing Director

Sachin Agarwal

Wholetime Director

Purushottam Agrawal

Director

Sanjay Agarwal

Director

S. C. Sharma

Director

Sachin Agarwal

Company Secretary



15TH ANNUAL REPORT 2006-07

Schedules Forming part of Balance Sheet

PARTICULARS	AMOUNT 31.3.2007	AMOUNT 31.3.2006
SCHEDULE 1- SHARE CAPITAL		
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 CAPITAL		
3152500 Equity shares of Rs. 10/-each fully paid up	31525000.00	31525000.00
PAID UP CAPITAL		
3140000 Equity shares of Rs. 10/-each fully paid up	31400000.00	31400000.00
Add : Share Forfeited A/c	62500.00	62500.00
	<u>31462500.00</u>	<u>31462500.00</u>
SCHEDULE 2 - RESERVES & SURPLUS		
General Reserve	136993372.00	96993372.00
Reserve Fund (As per RBI Act)	38409000.00	27609000.00
Profit & Loss Account	214110.85	905197.71
	<u>175616482.85</u>	<u>125507569.71</u>
SCHEDULE 2A - DEFERRED TAX RESERVE		
Deferred Tax Reserve	69804678.71	51486526.71
	<u>69804678.71</u>	<u>51486526.71</u>
SCHEDULE 3 - SECURED LOANS :		
Working Capital Borrowings		
Cash credit/Overdraft Facilities From Bank (Refer Note No 20)		
–Punjab National Bank	236919961.86	—
–Oriental Bank of Commerce	—	84944789.17
–ICICI Bank Ltd.	10587021.94	—
–Term Loan Borrowings (Refer Note No 21)		
–IREDA	91788000.00	—
–SREI Ltd.	—	68605422.00
–SiDBI	34318400.00	30000000.00
–HDFC Bank Ltd.	48333333.34	—
–UTI Bank Ltd.	40000000.00	—
–ICICI Bank Ltd.	78571428.00	—
–Vehicle Loans	2182928.85	3003089.03
	<u>542701073.99</u>	<u>186553300.20</u>
SCHEDULE 4 - UNSECURED LOANS :		
Fixed Deposits	82623383.04	115689262.04
Interest Accrued on FD	7891506.22	7499752.21
Inter Corporate Deposits	167451000.00	27838000.00
Interest Accrued on ICD	4810263.00	2439557.00
Loan from suppliers - Central Electronics Ltd.	36091967.00	43752778.00
Interest Accrued on Above	481539.00	566429.00
	<u>299349658.26</u>	<u>197785778.25</u>

SCHEDULE 5
Fixed Assets As on 31st March 2007

(Amount in Rs.)

Description	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	Balances as on 1/4/2006	Additions	Deductions	Gross Block as on 31/3/2007	Balance as on 1/4/2006	For the year	Deduction	Total Depreciation as on 31/3/2007	Balance as on 31/3/2007	Balance as on 31/3/2006	
LEASED ASSETS											
Solar Devices	87944200.00	0.00	0.00	87944200.00	44308240.36	8794420.00	0.00	53103660.36	34840539.64	43634959.64	
LAND & BUILDING											
Land & Building	1590620.00	0.00	0.00	1590620.00	0.00	0.00	0.00	0.00	1590620.00	1590620.00	
Building	6881531.00	56164.00	0.00	6937695.00	480602.05	132383.16	0.00	612985.21	6324709.79	6400928.95	
Wind Energy Machine	164340621.15	0.00	0.00	164340621.15	6468990.49	8217031.06	0.00	14688021.55	149654599.60	157871630.66	
Furniture & Fittings	5698177.29	285866.00	0.00	5984043.29	752545.62	355549.42	0.00	1108095.04	4875948.25	4945631.67	
Computer Peripheral & Software	3074814.00	19881575.00	0.00	22956389.00	1747907.63	913862.98	0.00	2661770.61	20294618.39	1326906.37	
Vehicles	5494112.00	500934.00	0.00	5995046.00	998078.12	560194.49	0.00	1556272.61	4438773.39	4498033.88	
Equipments, Plant & Machinery	3355659.29	429344.00	0.00	3785003.29	782781.15	174274.47	0.00	957055.62	2827947.67	2572878.14	
Total	278379734.73	21153883.00	0.00	299533617.73	55538145.42	19147715.58	0.00	74685861.00	224847756.73	222841589.30	
Last year	230377838.58	49075110.50	1073214.00	278379734.73	39178983.72	16473686.85	114525.15	55538145.42	222841589.30	191198854.95	



15TH ANNUAL REPORT 2006-07

Schedules Forming part of Balance Sheet

PARTICULARS	AMOUNT 31.3.2007	AMOUNT 31.3.2006
SCHEDULE - 6 INVESTMENTS		
Government Guaranteed Bonds & Shares	10928885.52	12428885.52
Shares Of TCS Ltd. (288 Nos.) (Market value Rs. 355348)	127856.00	127856.00
Bank FDR's - Face Value	116810501.00	39720036.00
Interest accrued but not due on above	<u>2886979.02</u>	<u>937404.86</u>
	<u>130754221.54</u>	<u>53214182.38</u>
SCHEDULE 7 - INVENTORIES		
A. Hire Purchase Stock of Motor Vehicles and & Other Assets etc. covered under Hire Purchase Agreements excluding unexpired Hire Charges etc. including overdue instalments at Book value considered good. (As certified by the Mg. Director)	3561471.99	4207944.93
B. Book Debts i.e. Advances made against agreements secured by property/vehicles and/or other assets and/or personal guarantees excluding unexpired finance charges etc including overdue instalments at book value considered good. (As certified by the Mg. Director)	<u>756704798.97</u>	<u>293595715.69</u>
	<u>760266270.96</u>	<u>297803660.62</u>
SCHEDULE 8 - STOCK OF SHARES & DEBENTURES		
(Refer note no. 11 of Schedule 15)		
SHARES - QUOTED : Fully paid up	746397.33	747157.33
(Aggregate market value of quoted shares & debentures is Rs. 815489.80as on 31.3.2007 last year Rs. 816034.30 as on 31.03.2006)	<u>746397.33</u>	<u>747157.33</u>
SCHEDULE 9 - CASH & BANK BALANCES:		
Cash in Hand	25851849.50	4124724.69
Current A/C with Scheduled Banks (Subject to Reconciliation)	<u>16034422.14</u>	<u>55258997.17</u>
	<u>41886271.64</u>	<u>59383721.86</u>
SCHEDULE 10 - LOANS & ADVANCES		
ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED CONSIDERED GOOD :		
Prepaid Expenses	397654.58	378535.00
Income Tax & TDS paid	16569198.75	5863873.41
Loans against Deposits		177415.00
Other Advances	<u>24256791.39</u>	<u>10373390.72</u>
	<u>41223644.72</u>	<u>16793214.13</u>
Over Six Months Old	24891319.13	10433220.84
Others	<u>16332325.59</u>	<u>6359993.29</u>
	<u>41223644.72</u>	<u>16793214.13</u>

Schedules Forming part of Balance Sheet

<i>PARTICULARS</i>	<i>AMOUNT 31.3.2007</i>	<i>AMOUNT 31.3.2006</i>
SCHEDULE - 11 CURRENT LIABILITIES		
Other Liabilities	65672932.11	49081731.75
	<u>65672932.11</u>	<u>49081731.75</u>
SCHEDULE 12 - PROVISIONS		
Provision for FBT	589673.00	20419.00
Provision for Proposed Dividend & Tax thereon	0.00	3580385.00
Provision for Taxation	14527564.00	5305315.00
	<u>15117237.00</u>	<u>8906119.00</u>
SCHEDULE 13 - INCOME FROM OPERATIONS		
Income from Hire Charges	3040821.85	4003529.67
Income from Lease Rent	4579680.00	4640174.40
Profit on Shares & investments	-6760.00	48152.77
Profit on Sale of Assets	0.00	723501.15
Income from Investments	1069703.00	1512745.00
Dividend income (Gross)	1972.00	0.00
Interest on Other Loans	147802026.36	121844392.67
Other income from operations	13374835.55	12168759.00
Income On Managed Receivables	26725520.03	0.00
Sale Of Energy	23384919.00	17187166.60
Locker Rent	35143.00	35574.00
Bad Debts Recovered	908388.89	2880711.28
	<u>220916249.68</u>	<u>165044706.54</u>
SCHEDULE - 14 EXPENSES		
Printing & Stationery	2229762.50	1630472.50
Auditors Fee	12000.00	6000.00
Salary & Establishment	4309230.50	3056866.90
Office and General Expenses	2842321.44	2930913.95
WEG Hire/Interest Charges	7262448.93	8014089.00
WEG Expenses	584480.00	0.00
Interest discounting & Bank Charges	47871034.16	27415598.82
Legal Expenses	3823394.00	3562809.32
Rent	4985417.00	4675431.00
Mg. Director's & Director Remuneration	1680000.00	840000.00
Mg. Director's & Director H.R.A	840000.00	420000.00
Advertisement and Business Promotion Expenses	12030842.00	10392727.00
Traveling Expenses	2735241.16	2041523.70
Postage and Telephone Expenses	2417462.40	1997651.87
Rebate & Remission, Bad Debts & Brokerage	7681982.16	7112025.65
Recovery Expenses	13092219.60	7488636.00
Car & Scooter Expenses	3016112.60	2689973.15
Repairs & Maintenance	800649.00	565156.76
Insurance	662486.42	293229.00
Electricity & Water Expenses	995099.09	875261.18
Rates & Taxes	32905.00	44724.00
Security Expenses	44074.00	20367.00
	<u>119949161.96</u>	<u>86073456.60</u>



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/borrowers. Hire charges/finance charges are accounted for on the basis of accrual on outstanding balances in accordance with the due dates of instalments of hire money/loan money and hire charges/finance. However interest income on loan & advance under daily collection scheme is recognized as revenue on receipt basis. Overdue charges of instalments from hirers/lessees/borrowers 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/lumpsum future interest 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. As per decision of the Board of Directors in the cases overdue hire instalments for more than 12 months and overdue loan instalments for more than 6 months the company first treats these overdues and future instalments as bad debts and after this treatment the provisioning for non performing assets is made in compliance to Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions 2007, as applicable to the company. Other directives of Reserve Bank of India have been duly complied with.
5. 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 pro rata basis. Fixed assets are stated at cost less depreciation.
6. 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.
7. 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 F.Y. 2006-2007 is Rs. 2520000/- (last year 12,60,000/-) 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.

8. Remuneration of Auditors :-

	Current Year 31/03/2007		Previous Year 31/03/2006	
For Statutory Audit	Rs.	8000.00	Rs.	4000.00
Tax Audit	Rs.	2000.00	Rs.	1000.00
For Certification work/other services	Rs.	2000.00	Rs.	1000.00
Total	Rs.	12000.00	Rs.	6000.00

9. Contingent Liabilities Interest Tax matters In appeal Rs. 4923788.00 Rs. 4923788.00

10. Statement showing details of investments

Govt. Guaranteed Bonds & shares	Rs.	11553206.00	Rs.	13067590.00
Quoted shares (288 shares of TCS Ltd.)	Rs.	127856.00	Rs.	127856.00
Bank FDR's & Interest accrued thereon	Rs.	119073159.54	Rs.	40018736.38
	Rs.	130754221.54	Rs.	53214182.38

11. Details of stock of shares and debentures (under current assets) as on close of the year is as under :

S.No.	Qty	Cost	Market Value Value	Cost/Market whichever is less
1	1	148.73	1368.35	148.73
2	2500	57500.00	6875.00	6875.00
3	1000	223612.00	14550.00	14550.00
3	1000	8500.00	2300.00	2300.00
4	200	7200.00	1600.00	1600.00
5	20000	38760.00	38760.00	38760.00
6	2000	4600.00	4200.00	4200.00
7	84	12600.00	37766.40	12600.00
8	1600	303240.00	35840.00	35840.00
9	50	90.00	250.00	90.00
10	30	2085.60	143282.00	2085.60
11	5000	621148.00	650000.00	621148.00
12	1	0.00	420.00	0.00
13	1	0.00	22.15	0.00
14	100	6200.00	7155.00	6200.00
Total	33567	1285684.33	815489.80	746397.33

12. Unclaimed matured deposit lying with the company amount to Rs. 1.48 lacs number of deposits 11

13. 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.

14. No amount is payable to Small Scale Industrial Undertakings.



15TH ANNUAL REPORT 2006-07

15. Earning per Share
- | | 2006-07 | 2005-06 |
|-------------------------------------|----------|----------|
| Net profit for the year | 53689298 | 39831556 |
| No of Equity Shares | 3140000 | 3140000 |
| Basic and diluted earning per share | 17.10 | 12.69 |
16. (i) During the year the company has sold by way of assignment 22843 cases of loan contracts to a scheduled bank amounting to Rs. 4948.50 lacs.
- (ii) During the year the company has sold by way of assignment 949 number of loan contracts to an assignee company amounting to Rs. 291.91 lacs.
17. The Board of Directors of the company has decided to hold the shares of M/s TCS Ltd. as long term Investments hence same has been included in investments to exclusion of stock of shares and debentures.
18. Figures for the previous year have been regrouped/rearranged/reclassified wherever considered necessary.
19. Disclosure of related party transactions
A. List of related parties and relationship:—

Party	Relation
Key Managerial Personnel	
Mr. Sunil Agarwal	Managing Director
Mr. Sachin Agarwal	Whole time Director
Mr. Purushottam Agrawal, Mrs. Raj Agarwal, Mrs. Neetu Agarwal, Mrs. Shikha Agarwal	Relatives of key managerial personnel

- B. Enterprises over which significant influence exercised by Key Managerial Person/Directors/Relatives of Key Management personnel
- | | |
|---|--|
| 1. Siyaram Motors (P) Ltd. | Company controlled by Mr. Sachin Agarwal and Mr. Sunil Agarwal |
| 2. Gaupal Products (P) Ltd. | Company controlled by Mr. Purushottam Agrawal and Mrs. Raj Agarwal |
| 3. Spring Infradev (P) Ltd. | Company Controlled by Mr. Sachin Agarwal and Mr. Sunil Agarwal |
| 4. S. E. Overseas (P) Ltd. | Company Controlled by Mr. Sachin Agarwal, Mr. Purushottam Agrawal, Mrs. Shikha Agarwal and Mr. Sunil Agarwal |
| 5. Aanjaneya Motors (P) Ltd. | Company controlled by Mr. Sunil Agarwal and Mrs. Raj Agarwal |
| 6. New Ace Builders & Developers (P) Ltd. | Company controlled by Mr. Sachin Agarwal and Mrs. Raj Agarwal |
| 7. Nupur Computers (P) Ltd. | Company controlled by Mr. Sunil Agarwal and Mr. Sachin Agarwal |
| 8. Mangal Chand Copper & Foils Ltd. | Company controlled by Mr. Sachin Agarwal and Mr. Sunil Agarwal |

9. S.E. Infrastructure Development (P) Ltd. Company controlled by Mr. Sachin Agarwal and Mr. Sunil Agarwal
10. S. E. Retail (P) Ltd. Company controlled by Mr. Sachin Agarwal and Mr. Sunil Agarwal
11. Unnati Financial Services (P) Ltd. Company controlled by Mrs. Neetu Agarwal and Mrs. Shikha Agarwal

C. Disclosures required for related party transaction

	KMP & Relative	Enterprise over which Exercised by KMP/Directors	Total
Transactions during the year			
Rendering of Services (Rent hire charges)	34.94	9.50	44.44
Remuneration	25.20		25.20
Loan received	188.97	1762.78	1951.71
Interest paid	11.12	14.40	25.52
Amount outstanding at Balance Sheet date			
—Amount Payable	123.65	668.68	792.33

Notes:—(1) Related party relationship is as identified by the company on the basis of information available with them and accepted by the auditors as correct. (2) No amount has been written off or written back during the year in respect of debt due from or to related parties. (3) Company has entered into transactions with certain parties as listed above during the year under consideration. Full disclosures have been made and the Board considers such transactions to be in normal course of business and at rates agreed between the parties. (4) The key management personnel and their relatives have given personal guarantees and collaterals for loans raised by the company but company has not provided any guarantee to these persons nor paid any remuneration for furnishing such guarantees.

20. Working Capital Borrowing

- A. Punjab National Bank : The facility from Punjab National Bank, Surya Nagar is secured by hypothecation of book debts pertaining to other advances. The credit facilities are collaterally secured by two houses belonging to directors, one shop belonging to director and his wife, flat & FDR of the company two commercial buildings and two flats in the name of the guarantors and personal guarantee of directors and corporate guarantee of the companies stood as guarantors.
- B. Oriental Bank of Commerce : Over draft a/c (secured against hypothecation of stocks on Hire & relative Book debts and personal guarantee by Mg. Director, two Directors & collateral security of two houses belonging to directors, flat of the company and some other properties belonging to the guarantors, which borrowing have been squared up during the year.

21. Term Loan

A. IREDA : Term loan assistance for 'WEG's wind farms being secured by first charge mortgage of the projects, personal guarantee of the directors, PDCs towards payment of installments of principal loans and interest and bank guarantee.

B. SIDBI : Term loan assistance secured by hypothecation of book debts, term deposits and equitable mortgage of immovable property of a company stood as guarantor and personal guarantee of the directors.



15TH ANNUAL REPORT 2006-07

C. HDFC Bank : Term Loan assistance secured by hypothecation of books debts and personal guarantee of the Directors.

D. UTI Bank : Term loan assistance for on lending to micro finance clients. This facility is secured by hypothecation of book debts (receivables) funded out of bank assistance and collateral securities of TDRs and equitable mortgage of a flat belonging to director of the company.

E. ICICI Bank Ltd. : Term loan assistance for on lending to micro finance clients. The facility is secured by hypothecation of book debts arising out of the bank assistance and collateral securities of TDRs and personal guarantee of the directors.

F. SREI (SREI Infrastructure Finance Ltd.) : Hire Purchase finance for setting up WEG wind farms squared up during the year.

22. Segment Reporting

(Amount in lacs)

Particulars	Segment reporting As on 31/3/2007 Finance Division		Non conventional energy division		Consolidated	
	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06
1 Segment Revenue	1975.31	1478.58	233.85	171.87	2209.16	1650.45
2 Segment Result PBT	744.98	596.01	73.21	28.56	818.19	624.57
3 Total Carrying amount of segment assets	10394.37	4827.73	1602.88	1680.11	11997.25	6507.84
4 Total amount of segment liabilities	8307.02	3711.39	921.39	711.88	9228.41	4423.27
5 Cost incurred to acquire segment assets useable for more than one period	751.93	649.70	1496.55	1578.72	2248.48	2228.42
6 Depreciation	44.62	101.61	146.86	63.13	191.48	164.74

23. Transaction in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.

SCHEDULE 16

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

Particulars	As on 31/03/2007		As on 31/03/2006	
	Opening Stock	33469	747157.33	33591
Add : Purchase/Conversion of Debentures into shares	100	6000	22	—
Add : Increase in value at lower of cost/market value	—	-6770	—	48152.77
	33569	746397.33	33613	875013.33
Less : Transfer to Investments			144	127856
Less : Sale/Redemption of Debentures	2	—	—	—
Closing Stock	33567	746397.33	33469	747157.33

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. 120483	State code	: 55	
Balance Sheet Date : 31.03.2007			
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
II. Position of Mobilisation and Deployment of funds (Amount in Thousand)			
Total Liabilities	Rs.	1199725	Total Assets Rs. 1199725
Source of Funds			
Paid up Capital	Rs.	31463	Reserves & Surplus Rs. 175616
Secured Loans	Rs.	542701	Unsecured Loans Rs. 299350
			Deferred Tax Rs. 69805
Application of Funds			
Net Fixed Assets	Rs.	224848	Investments Rs. 130754
Net Current Assets	Rs.	763332	Miscellaneous
Accumulated Losses	Rs.	NIL	Expenditure Rs. NIL
IV. Performance of Company (Amount in Thousand)			
Turnover (Gross Income)	Rs.	220916	Total Expenditure Rs. 139097
Profit before Tax	Rs.	81819	Profit after tax Rs. 53689
Earning per share	Rs.	17.10	Dividend Rate 10%
V. Generic name of three Principal Products/Services of Company			
(as per monetary terms) Item code no.	NIL		
Product Description : Hire Purchase/Leasing/Finance/Energy Production etc.			

Signed in terms of our report of even date

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

Date : 7th May 2007
Place : Agra Camp Delhi

For and on behalf of the Board

Sunil Agarwal Managing Director
Sachin Agarwal Wholetime Director
Purushottam Agrawal Director
Sanjay Agarwal Director
S. C. Sharma Director
Sachin Agarwal Company Secretary



Schedule to the Balance Sheet of a Non-Banking Financial Company (As required in terms of Paragraph 13 of Non-Banking Financial Companies prudential Norms (Reserve Bank) Directions, 2007.

Particulars	(Rs. in lacs)	
LIABILITIES SIDE		
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid	Amount Outstanding	Amount Overdue
(a) Debentures	—	—
Secured	—	—
Unsecured	—	—
(other than falling within the meaning of public deposits*)		
(b) Deferred Credits	365.74	—
(c) Term Loans	2951.94	—
(d) Inter-corporate loans and borrowing	1722.61	—
(e) Commercial Paper		
(f) Public Deposits*	809.61	1.48
(g) Other Loans (specify nature)		
Punjab National Bank (Cash Credit a/c)	2369.20	—
ICICI Bank Ltd. (Overdraft a/c)	105.87	—
*Please see Note 1 below		
(2) Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid)		
(a) In the form of Unsecured debentures		
(b) In the form of partly secured debentures i.e. Debentures where there is a shortfall in the value of security		
(c) Other public deposits	809.61	1.48
ASSETS SIDE :		
(3) Break-up of Loans and Advances including bills receivables (other than those included in (4) below)	Amount outstanding	
(a) Secured		7567.05
(b) Unsecured		NIL
(4) Break-up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities		NIL
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial lease		
(b) Operating lease		348.41*
(ii) Stock on hire including hire charges under sundry debtors :		
(a) Assets on hire		35.61
(b) Repossessed Assets		0.00
(iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed		NIL
(b) Loans other than (a) above		NIL

(5) Break-up of Investments

Current Investments

1. Quoted :

- (i) Shares : (a) Equity
(b) Preference
- (ii) Debentures and Bond
- (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
- (v) Others (please specify)
Fixed deposit with Bank's
Interest accrued

109.29

1168.11

28.87

Long Term Investments :

1. Quoted :

- (i) Share : (a) Equity
(b) Preference
- (ii) Debentures and Bonds
- (iii) Units of mutual funds
- (iv) Government Securities
- (v) Others (Please specify)

8.74

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 assets financed as in (3) and (4) above :

Please see Note 2

Category	Amount net of provisions		Total
	Secured	Unsecured	
1. Related parties**	—	—	—
(a) Subsidiaries	—	—	—
(b) Companies in the same group	—	—	—
(c) Other related parties	—	—	—
2. Other than related parties	7951.07	—	7951.07
Total	7951.07		7951.07



15TH ANNUAL REPORT 2006-07

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

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	1315.01	1315.01
Total	1315.01	1315.01

**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	
(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 (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank of India) Directions, 2007.
- 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

Date : 7th May 2007
Place : Agra Camp Delhi

For and on behalf of the Board

Sunil Agarwal Managing Director
Sachin Agarwal Wholetime Director
Purushottam Agrawal Director
Sanjay Agarwal Director
S. C. Sharma Director
Sachin Agarwal Company Secretary

Cash Flow Statement

	31.03.2007	31.03.2006
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax and Extraordinary Items and Interest	146175104.00	103192128.00
Adjustment For :		
1. Depreciation	19147715.00	16473686.00
2. Misc. Expenditure Written off	0	40438.00
Operating Profit before working Capital Charges	165322819.00	119706252.00
Adjustment For :		
Trade & Other Receivable	-24430431.00	-1495261.00
Inventories	-462462610.00	-29949102.00
Trade Payable	16591200.00	8933378.00
Inventories - Shares	760.00	79703.00
Cash generated from operations	-304978262.00	-22431282.00
1. Interest Paid	-55133483.00	-35429687.00
2. Direct taxes paid	-9811922.00	-5785481.00
Cash flow before extra ordinary items	-64945405.00	-41215168.00
Income Tax provision of last year adjusted	-3011130.00	56059802.00
Excess Income Tax paid	-3011130.00	-4665230.00
Net cash flow from operating activities	-372934797.00	51394572.00
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	-21153883.00	-49075110.00
Sale of fixed assets	0.00	958689.00
Sale of Investments	-77540039.00	-33328923.00
Net cash used in investing activities	-98693922.00	-81445344.00
Total	-471628719.00	-30050772
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	0.00	0.00
Interim Dividend Paid	-3580385.00	0.00
Proceeds from Long Term borrowing	356147774.00	75658033.00
Proceeds from Short term borrowing	101563880.00	-13662019.00
Net cash used in financing activities	454131269	61996014.00
Net increase in cash & cash equivalents	-17497450.00	31945242.00
Opening cash and cash equivalents	59383722.00	27438480.00
Closing cash & cash equivalents	41886272.00	59383722.00

Signed in terms of our report of even date

For **R. Lal & Company**

Chartered Accountants

(Ram Lal Agarwal)

Proprietor

Date : 7th May 2007

Place : Agra Camp Delhi

For and on behalf of the Board

Sunil Agarwal

Managing Director

Sachin Agarwal

Wholetime Director

Purushottam Agrawal

Director

Sanjay Agarwal

Director

S. C. Sharma

Director

Sachin Agarwal

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, 2007 and 31st March, 2006 and found the same in agreement therewith.

Date : 7th May 2007

Place : Agra-Camp Delhi

For **R. Lal & Company**

Chartered Accountants

(Ram Lal Agarwal)

Proprietor



S. E. Investments Limited

Regd. Office : S-547, IInd Floor, Main Road, Shakarpur, Delhi-92

PROXY FORM

S.E. No. (S).....
I/We.....of.....being a member/members of S. E.
Investments Limited hereby appoint.....of.....or failing him.....
of.....as my/our proxy to attend and vote for me / us on my / our behalf at the 14th Annual
General Meeting of the Company to be held on Tuesday 12th June, 2007 at 11.00 A.M. at S-547, IInd Floor, Main
Road, Shakarpur, Delhi-92 or at any adjournment there of.

Signed this.....Day of.....2007

Signed by said.....

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 : S-547, IInd Floor, Main Road, Shakarpur, Delhi-92

ATTENDANCE SLIP

REGD. FOLIO NO./CLIENT ID:.....

DP ID NO.:.....

Name & Address of the Shareholder.....

No. of shares held.....

I hereby record my presence at the 14th Annual General Meeting of the Company being held on Tuesday 12th June,
2007 at 11.00 A.M. at S-547, IInd floor, Main Road, Shakarpur, Delhi-92

SIGNATURE OF THE SHAREHOLDER OR PROXY.....