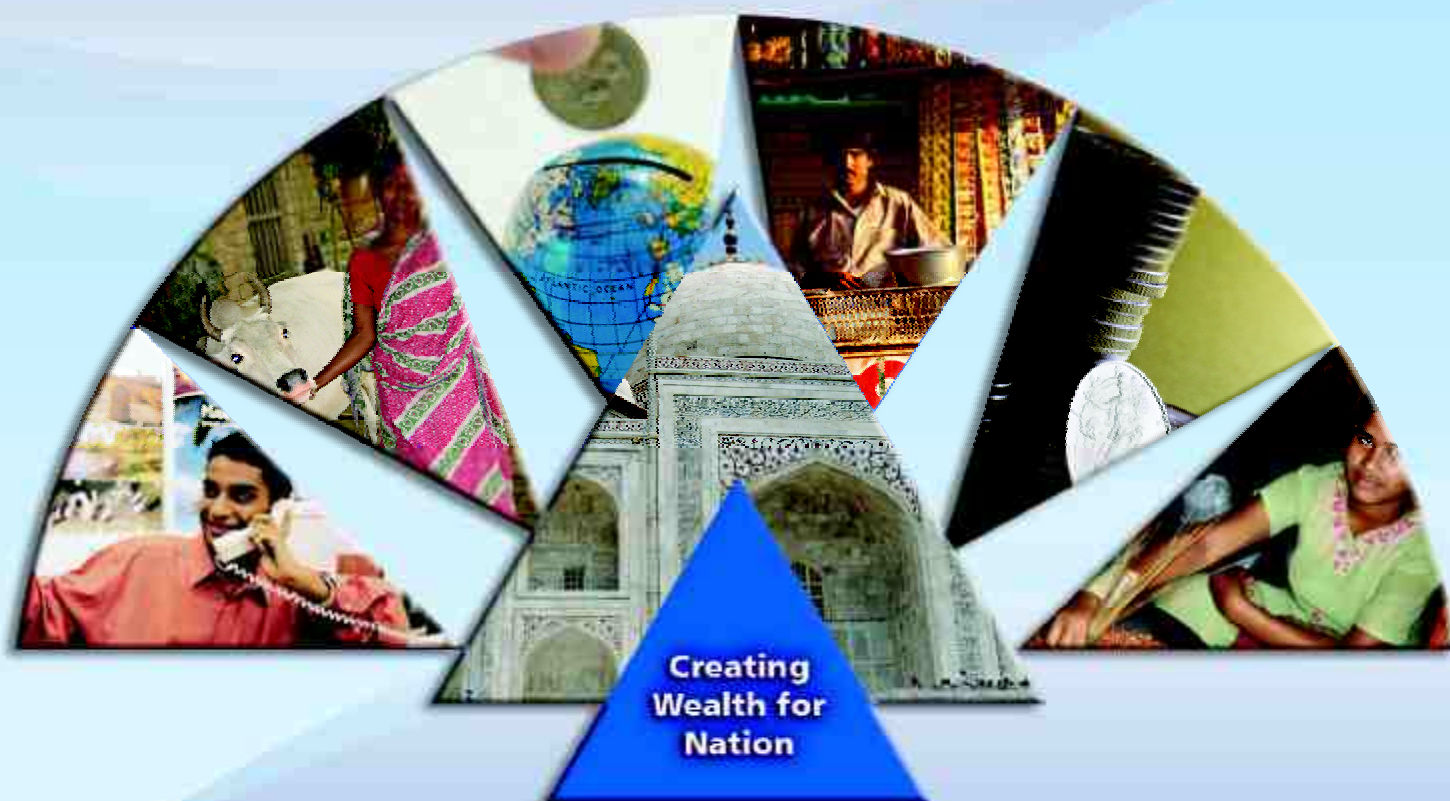


17th
Annual Report
2008-09



अर्थ: समाजस्य न्यासः

S. E. INVESTMENTS LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

MR. PURUSHOTTAM AGRAWAL
CHAIRMAN

MR. SUNIL AGARWAL
MANAGING DIRECTOR

MR. HARISH SINGH
EXECUTIVE DIRECTOR

MR. SACHIN AGARWAL
WHOLE TIME DIRECTOR

DR. ARUN GOPAL AGARWAL
DIRECTOR

DR. SHYAM LAL GARG
DIRECTOR

MR. SANJAY AGARWAL
DIRECTOR

MR. SURESH CHAND SHARMA
DIRECTOR

COMPANY SECRETARY

MR. SACHIN AGARWAL, FCS

STATUTORY AUDITORS

M/s R. LAL & COMPANY
CHARTERED ACCOUNTANTS

BANKERS & FINANCIAL INSTITUTIONS

PUNJAB NATIONAL BANK

ICICI BANK LIMITED

HDFC BANK LIMITED

AXIS BANK LIMITED

FULLERTON INDIA CREDIT COMPANY LIMITED

SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA

INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED

HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED

DEVELOPMENT CREDIT BANK LIMITED

REGISTRAR & TRANSFER AGENTS

M/s Alankit Assignments Ltd.

Alankit House, 2E/21, Jhandewalan Extension

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

CREDIT RATINGS

ICRA Limited (MA—)

Micro-Credit Ratings International Limited (α Positive)

NETWORK OF OFFICES

CORPORATE OFFICE

5-D, Atmaram House, 1, Tolstoy Marg, New Delhi-110001 (INDIA)
Ph. +91 11 43518888 Fax. : +91 11 43518816 E-mail : delhi@seil.in

REGISTERED OFFICE

S-547, IInd Floor, Main Road, Shakarpur, Delhi-110092
Ph. +91 11 43018888 Fax. +91 11 43018802 E-mail : delhi@seil.in

HEAD OFFICE

Block 54, Ist Floor, Sanjay Place, Agra-282 002
Ph. +91 562 4028888 2853092 Fax. +91 562 4028822 E-mail : agra@seil.in

BRANCHES

JAIPUR

H.No. 622, Bordi Ka Rasta, Marva House,
Shop No. 203-204, First Floor, Kishanpole Bazar, Jaipur
Ph. +91 141 4068888 Fax. : +91 141 4068810 E-mail : jaipur@seil.in

JODHPUR

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

MATHURA

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

AHMEDABAD

203, 2nd Floor, Jitendra Chambers, Near RBI (P.F. Office) Income Tax,
Ashram Road, Ahmedabad
Ph. +91 79 27540060 Fax. : +91 79 27544830 E-mail: ahmedabad@seil.in

MUMBAI

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

ALIGARH

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

THIRUVANANTHPURAM

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

LISTING OF EQUITY SHARES

Bombay Stock Exchange Limited, Mumbai
Delhi Stock Exchange Limited, New Delhi
The Uttar Pradesh Stock Exchange Association Limited, Kanpur
Ahmedabad Stock Exchange Limited, Ahmedabad

OUR MISSION



- To uphold the motto 'Arthah 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 17th Annual General Meeting of the members of the Company will be held on Saturday, 4th July 2009 at 10.00 A.M. at Conference Hall No.2, Second Floor, YWCA of Delhi, Near Gurudwara Bangla Sahib, Ashoka Road, New Delhi- 110001 to transact the following business:

Ordinary Business:

1. To consider and adopt the audited Balance Sheet as at 31st March 2009, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares and preference shares.
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 of the Company."

Special Business:

6. To consider and, if thought fit, to pass, with or without modification, the following resolution as **Ordinary Resolution**:

"RESOLVED that Dr. Arun Gopal Agarwal, who had been co-opted as an Additional Director of the Company and who in terms of Section 260 of the Companies Act, 1956 holds office as an Additional Director until this Annual General Meeting, and for the appointment of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of the Director, be and is hereby appointed as Director of the Company whose period of office will be liable to retirement by rotation."

7. To consider and, if thought fit, to pass, with or without modification, the following resolution as **Special Resolution**:

"RESOLVED that pursuant to the provisions of sections 198, 269, 309, 310, 311, Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and such other approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the Authorities in granting such approvals, permissions and sanctions, and pursuant to the approval of the remuneration committee of the Board and the Board of Directors at its meeting held on 27th March 2009, approval of the Company be accorded to the re-appointment of Mr. Sachin Agarwal as the Whole Time Director of the Company for a period of 5 (Five) years with effect from 1st April 2009 on the following remuneration:

- (i) Basic Salary of Rs.26,40,000/- per annum (Rs.2,20,000/- per month) and House Rent Allowance of Rs.6,00,000/- per annum (Rs.50,000/- per month) subject to annual increment in basic salary of Rs.2,40,000/- per annum.

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to vary, alter, increase, enhance or widen the scope of remuneration and perquisites, to the extent specified in schedule XIII and other applicable provisions, if any, of the Act as amended from time to time.

RESOLVED FURTHER that where in any financial year during the currency of the tenure of the Whole Time Director, the Company has no profits or its profits are inadequate, the Company may pay to the Whole Time Director the above remuneration as the minimum remuneration by way of salary subject to obtaining of the requisite approvals, if any.

RESOLVED FURTHER that for the purpose of giving effect to this resolution, any Director of the Company be authorised to do all acts, deeds, matters and things as he may in his absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

8. To consider and, if thought fit, to pass, with or without modification, the following resolution as **Special Resolution**:

"RESOLVED that subject to the provisions of the Companies Act, 1956, Securities Contracts (Regulation) Act, 1956, and the rules framed there under, Listing Agreement, SEBI (Delisting of Securities) Guidelines, 2003, and such other applicable laws, rules, regulations and guidelines, and subject to such approvals, permission and sanctions, as may be necessary, the Board of Directors of the Company be and is hereby authorised to seek voluntarily delisting of its securities from the three Stock Exchanges, i.e., Delhi Stock Exchange Limited, The Uttar Pradesh Stock Exchange Association Limited and Ahmedabad Stock Exchange Limited.

RESOLVED FURTHER that the securities of the Company shall continue to be listed on the Stock Exchanges having nation wide trading terminals viz. Bombay Stock Exchange Limited and therefore as per the said guidelines issued by the Securities and Exchange Board of India, no exit opportunity need to be given to the shareholders of the Company.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable and to execute all such deeds and documents as may be considered necessary and expedient to give effect to the above said resolution."

9. To consider and, if thought fit, to pass, with or without modification, the following resolution as **Special Resolution**:

"RESOLVED that in modification of the resolution passed at the Extraordinary General Meeting of the Company held on 19th January 2007, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company pursuant to Section 293(1)(d) and other applicable provisions of the Companies Act, 1956, for borrowing from time to time, any sum or sums of money for the purposes of the Company upon such terms and conditions and with or without security as the Board of Directors may in its discretion think fit, notwithstanding, that the money or monies to be borrowed by the Company (apart from the temporary loans obtained or to be obtained from time to time from the Company's Bankers in the ordinary course of business) together with the money already borrowed, may exceed the aggregate of the Paid-up Share Capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose(s), provided however that the money or monies to be borrowed by the Company together with the money already borrowed shall not, at any time exceed Rs. 1000 Crores (Rupees One Thousand Crores only)".

Place : New Delhi
Date : 6th June 2009

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

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.
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.
2. Shareholders are requested to bring their copy of Annual Report to the Meeting.
3. Members/Proxies should fill the Attendance Slip for attending the meeting.
4. In case of Joint holders attending the meeting, only such joint holder whose name appears first in the order of names will be entitled to vote.
5. Members who hold shares in dematerialized 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 Numbers in the attendance slip for attending the meeting.
6. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Sunday between 11.00 a.m. to 1.00 p.m. upto the date of the Annual General Meeting.
7. The Register of Members and Share Transfer Books of the Company shall remain closed from 29th June 2009 to 4th July 2009 (both days inclusive).
8. Members are requested to notify their change of address, if any, to the Company/Share Transfer Agent, M/s. Alankit Assignments Limited, Alankit House, 2E/21, Jhandewalan Extension, New Delhi.
9. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Meeting.
10. 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.
11. Re-appointment/ Appointment of Director: At the forthcoming Annual General Meeting Mr. Sanjay Agarwal and Mr. Suresh Chand Sharma retire by rotation and being eligible offer themselves for re-appointment. The information or details pertaining to the Directors, to be provided in terms of clause 49 of the Listing Agreement are furnished in the statement on Corporate Governance published elsewhere in this Report.

Place : New Delhi
Date : 6th June 2009

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

Explanatory Statement pursuant to Section 173(1) of the Companies Act, 1956**Item No. 6**

Dr. Arun Gopal Agarwal was co-opted as an Additional Director in the Board Meeting held on June 25, 2008. Under Section 260 of the Companies Act, 1956 read with Article 107 of the Articles of Association of the Company, Dr. Arun Gopal Agarwal vacates the office on the forthcoming Annual General Meeting.

A notice has been received from a member as required under Section 257 of the Companies Act, 1956 proposing Dr. Arun Gopal Agarwal as a candidate for the office of Director.

Dr. Arun Gopal Agarwal is an independent accounting consultant. He specializes in commercial arbitration, management accounting, financial management including budgetary controls, cost accounting, internal audit, etc. He is a fellow member of the Institute of Cost & Works Accountants of India and the Institute of Company Secretaries of India and also Ph.D. in Commerce. He is also a fellow member of Management Association and Arbitration Council of India. Dr. Agarwal had served as Chairman and Managing Director of Central Electronics Limited, a pioneer industry in solar photovoltaic system. He had also served as Director (Finance) at India Tourism Development Corporation Limited. He is a Director of Wapcos Limited.

Dr. Arun Gopal Agarwal may be deemed to be interested or concerned in the Resolution at Item No. 6.

Item No. 7

The tenure of Mr. Sachin Agarwal as Whole Time Director was upto 31st March 2009. Subject to the approval of the shareholders, the Board of Directors has at its meeting held on 27th March 2009, pursuant to the approval of the remuneration committee, approved the re-appointment of Mr. of Sachin Agarwal as the Whole Time Director of the Company for a period of 5 years w.e.f. 01.04.2009 up to 31.03.2014.

Mr. Sachin Agarwal is a Commerce Graduate having multifunctional experience of 15 years. He is very well versed in all aspects of finance, technical matters and administration. The operations of the Company have grown multiple due to his contribution. He is aged about 34 years. The proposed remuneration will be within overall limit of Schedule XIII of the Companies Act, 1956.

Briefly, the terms and conditions of the re-appointment and remuneration of Mr. Sachin Agarwal are as follows:

1. He shall carry out such duties as may be entrusted to him subject to the supervision of the Board of Directors.
2. The re-appointment shall be for a period of 5 (Five) years w.e.f. 01.04.2009.
3. Remuneration:
 - (i) Basic Salary of Rs.26,40,000/- per annum (Rs.2,20,000/- per month) and House Rent Allowance of Rs.6,00,000/- per annum (Rs.50,000/- per month) subject to annual increment in basic salary of Rs.2,40,000/- per annum.

The proposed resolution is required to be passed as Special Resolution and as such, the Directors commend your approval.

Copy of the terms and conditions governing the appointment is available for inspection by members during business hours on any working day before the date of Annual General Meeting.

None of the directors except Mr. Sachin Agarwal, Mr. Sunil Agarwal and Mr. Purushottam Agrawal are interested or concerned in this resolution.

Item No. 8

The Securities & Exchange Board of India (SEBI) notified guidelines for voluntary delisting of securities from the stock exchanges. As per clause 5.2 of SEBI (Delisting of Securities) Guidelines, 2003 an exit opportunity to the shareholders need not be given where securities of the Company remain listed on the stock exchanges having nation wide trading terminal, i.e., Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) and any other stock exchange that may be specified by SEBI in this regard.

At present the equity shares of the Company are listed at Bombay Stock Exchange Limited, Delhi Stock Exchange Limited, The Uttar Pradesh Stock Exchange Association Limited and Ahmedabad Stock Exchange Limited.

Considering the negligible volume of trading and as a part of its cost reduction measure, the consent of members is sought for getting its securities delisted from Delhi Stock Exchange Limited, The Uttar Pradesh Stock Exchange Association Limited and Ahmedabad Stock Exchange Limited as proposed in the special resolution. The securities of the Company shall continue to be listed on Bombay Stock Exchange Limited, Mumbai.

The Board recommends the resolution for approval of members.

None of the directors is, in any way, concerned or interested in the said resolution.

Item No. 9

As per the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of a Public Company can not borrow money (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) in excess of the Company's Paid-up Capital and Free Reserves (that is, reserves not set apart for any specific purpose) without the consent of the shareholders in the General Meeting.

The shareholders of the Company at the Extraordinary General Meeting held on 19th January 2007 authorized the Board of Directors to borrow upto Rs.500 Crores. Keeping in view the growth objectives of the Company, the present borrowing limits are proposed to be enhanced. Therefore, for enabling the Company to avail further loans from the Banks/Financial Institutions or any other Lenders for business purposes, it is considered to enhance the said borrowing limits of the Board of Directors to Rs.1000 Crores. The Special Resolution set out at item No.9 of the notice is put forth for consideration of the members as a Special Resolution pursuant to section 293(1)(d) of the Companies Act, 1956, authorizing the Board of Directors to borrow upto a sum of Rs.1000 Crores.

Your Directors recommend the above Resolution for your approval.

None of the Directors of the Company is in any way concerned or interested in the said resolution.

Place : New Delhi
Date : 6th June 2009

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

DIRECTORS' REPORT

DEAR MEMBERS,

Your Directors have pleasure in placing before you the 17th Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March 2009.

FINANCIAL RESULTS:

The performance of the Company for the financial year ended March 31, 2009 is summarized below:

	Year Ended 31/03/2009	Year Ended 31/03/2008
	(Rs. in Lacs)	
Total Income	4891.16	3238.71
Less: Expenditure	1156.32	872.63
Profit before Depreciation, Interest and Tax (PBDIT)	3734.84	2366.08
Less: Interest	1776.31	1229.13
Profit before Depreciation & Tax (PBDT)	1958.53	1136.95
Less: Depreciation	252.57	221.54
Profit Before Tax (PBT)	1705.96	915.41
Less : Provision for Tax	333.71	221.41
Less : Income Tax for previous year	0.60	0.00
Less : Provision for Fringe Benefit Tax	7.54	6.56
Less : Deferred Tax	(-)14.02	(-)427.11
Profit After Tax (PAT)	1378.13	1114.55
Add: Profit b/f from previous year	55.95	2.14
Profit Available for Appropriation	1434.08	1116.69
Dividend Including Tax	44.19	36.74
Transfer to General Reserve	1050.00	800.00
Transfer to Reserve Fund (RBI Act)	276.00	224.00
Balance Carried to Balance Sheet	63.89	55.95

FINANCIAL PERFORMANCE:

The Company's gross income for the financial year ended March 31, 2009 increased to Rs.4891.16 Lacs from Rs. 3238.71 Lacs in the last year registering a growth of over 51 Percent.

The operating profit (PBDIT) of the Company increased 58 percent to Rs.3734.84 Lacs during the year, up from Rs.2366.08 Lacs in the last year.

Interest expenses for the year increased by 45 percent to Rs.1776.31 Lacs from Rs.1229.13 Lacs in the last year. Depreciation was at Rs. 252.57 Lacs as against Rs.221.54 Lacs in the last year. Net Profit for the year increased by over 24 percent to Rs.1378.13 Lacs from Rs.1114.55 Lacs in the last year.

An amount of Rs.276 Lacs was transferred to Statutory Reserve Fund pursuant to Section 45-IC of the Reserve Bank of India Act, 1934, and an amount of Rs.1050 Lacs was transferred to the General Reserve during the year under review. The Company's Net Worth as on March 31, 2009, stood at Rs. 6982.54 Lacs, as against Rs.3419.55 Lacs in the last year.

DIVIDEND:

Your Directors have recommended a dividend of Re.1/- (10 percent) per equity share on 31,40,000 equity shares of Rs.10/- each which will absorb Rs.36.74 Lacs (inclusive of dividend tax) for the financial year ended March 31, 2009. This dividend, if approved at the ensuing Annual General Meeting, will be paid to (i) all those equity shareholders whose names appear in the Register of Members as on June 27, 2009 and (ii) to those whose names as beneficial owners, are furnished by the National Securities Depository Ltd. and Central Depository Services (India) Ltd. for the purpose.

OPERATIONS:

Disbursements

The financial year 2008-09 was very significant for the Company in creating a strong platform for sustained growth. TOTAL DISBURSEMENTS reached Rs. 22606 Lacs during financial year 2008-09, recording 43% growth over Rs. 15837 Lacs achieved during financial year 2007-08. In spite of the trend in personal loans tended towards a slowdown in off take, SEIL was successful in augmenting its portfolio without increasing the risk profile, mainly on account of increase in micro finance loans and business loans. The emphasis on micro finance disbursements for agriculture and other activities continued in the year under review and the same will continue in future also.

Islamic Finance

As a social measure for welfare of minority community in our area, the Company is offering products and services that are in compliance with Shariat (Islamic Law) to serve the low-income Muslim Community of the Society. The Islamic Finance Scheme is not just Shariat compliant but it is Shariat based. No interest is charged from the borrowers under this scheme. The income is generated by way of differential timings of repayments and time value of money.

Rickshaw Pullers Scheme

As a social upliftment measure, during the year under review, the Company has started finance scheme for the benefit of rickshaw pullers. By this scheme, a rickshaw puller can finance the rickshaw from the Company and can conveniently repay the loan amount in the daily installments of Rs.30/- each for 400 days with weekly off. This loan scheme is having accidental insurance cover for the rickshaw puller and the passengers and also provides a prepaid mobile connection to the rickshaw puller at the option of the rickshaw puller.

Non-Conventional Energy Generation

The **Wind Mills Projects** of the Company are running successfully in the States of Karnataka and Rajasthan. During the year under review, the electricity generated by Karnataka Wind Mills Project was 52,50,746 units and by Rajasthan Wind Mills Project was 12,41,464 units.

During the year under review, as further step to achieve the nationalistic goal of development of non-conventional energy at affordable cost, your Company has taken initiative along with M/s. Unnati Financial Services Private Limited for biogas generation and setting-up of bio power plants. The main raw material is gobar (dung) and bio waste. Biogas is a type of gas that is formed by the biological breakdown of organic matter in an oxygen deficient environment. It is an eco-friendly bio-fuel. Biogas contains 60% methane and carbon dioxide. It can be employed for generating electricity and also as automotive fuel. By this project, the Company aims to meet the cooking, lighting and fertilizer requirements of rural areas where such plants are being setup.

Fixed Deposits

The fixed deposits of the Company as on 31/03/2009 stood at Rs.903 Lacs excluding accrued interest thereon against last year's Rs. 963 Lacs. Number of fixed deposits having matured and remaining unclaimed as on 31/03/2009 is 6 amounting to Rs. 4.28 Lacs.

Promotion of Women Entrepreneurs Revolution (POWER)

The Company has promoted an NGO named POWER for extending training and assistance to women folk especially in rural areas through imparting vocational and professional training programmes. During the year under review, 81 training camps were organized by POWER and 609 women were trained to start their own vocation for their livelihood.

Net Worth and Capital to Risk Adjusted Assets Ratio

The Net Worth of the Company improved to Rs.6982.54 Lacs as on 31st March 2009 from Rs. 3419.55 Lacs as on 31st March 2008. The Capital to Risk Adjusted Assets Ratio (CRAR) stood at 30.91% as on 31st March 2009 as against 22.37% as on 31st March 2008, which is much above the requirement as stipulated by Reserve Bank of India and is one of the best in the industry.

Credit Rating

The fixed deposit programme of the Company continued to be assigned a rating of **"MA-"** by ICRA Limited, which denotes **'ADEQUATE SAFETY'**. Keeping in view the micro finance operations the rating assigned by Micro-Credit Ratings International Limited (MCRIL) to your Company is **"α Positive"** denoting **"HIGH SAFETY, GOOD SYSTEMS HIGHLY RECOMMENDED"**.

Preferential Issue of 10% Non-Cumulative Redeemable Preference Shares

During the year under review, the Company made a preferential issue of 25 Lacs 10% Non- Cumulative Redeemable Preference Shares of Rs. 10/- each at a premium of Rs.90/- per share after taking the approval of members in their Extra-Ordinary General Meeting held on 29th December 2008. By this issue, the Company has raised the funds for an aggregate amount of Rs.25 Crores for its growth objectives. The redemption of preference shares will be made by the Board of Directors in consultation of the Statutory Auditors of the Company within a period of 20 years from the date of their issue.

Scheme of Amalgamation of Unnati Financial Services Private Limited with the Company

During the year under reporting, the Board of Directors of your Company approved the Scheme of Amalgamation of Unnati Financial Services Private Limited (UFSPL) with the Company in its meeting held on 11th September 2008. The Appointed Date for the said Scheme has been fixed as 31/08/2008. Pursuant to the said Scheme, the Shareholders of UFSPL will get 1 share of the Company in exchange of 10 shares of UFSPL held by them. The following are some of the benefits, which would arise upon the Scheme coming into effect: -

- The facilities available to the companies could be pooled together and the amalgamated Company (SEIL) will be better able to utilize the facilities available as one single unit for its benefits.
- By the proposed amalgamation, the operational costs will be considerably reduced.
- It will make to the amalgamated Company, the benefits of financial resources managerial, technical and marketing expertise of the Companies.
- The proposed amalgamation will be conducive to better and more efficient conduct of the business.

The Company has obtained the approval for the said Scheme of Amalgamation from all the Stock Exchanges, where the shares of the Company are listed, under clause 24 (f) of the Listing Agreement. The requisite majority of the Equity Shareholders, the Secured Creditors, the Unsecured Creditors and the Fixed Deposit Holders of the Company in their respective meetings convened on 25th April 2009 by order of Hon'ble High Court of Delhi dated 18th March 2009 have approved the said Scheme of Amalgamation. Now, the matter is before Hon'ble High Court of Delhi to sanction the said Scheme of Amalgamation.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION:

Management Discussion and Analysis of financial conditions and results of operations of the Company for the year under review, as required under Clause 49 of the listing agreement with the Stock Exchanges, is given as a separate statement forming part of the Annual Report.

DIRECTORS:

Dr. Arun Gopal Agarwal was appointed as an Additional Director on 25th June 2008. As per the provisions of Section 260 of the Companies Act, 1956, Dr. Arun Gopal Agarwal holds office upto the date of the forthcoming Annual General Meeting of the Company. The Company has received notice from a member proposing Dr. Arun Gopal Agarwal as candidate for the office of Director.

Mr. Sanjay Agarwal, Director retires by rotation and being eligible, offers himself for re-election.

Mr. Suresh Chand Sharma, Director retires by rotation and being eligible offers himself for re-election.

Necessary resolutions with regard to the above are being placed before the Shareholders for their approval.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (i) In the preparation of the accounts for the financial year ended March 31, 2009, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at March 31, 2009 and of the profit of the Company for the year under review;
- (iii) 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
- (iv) the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

AUDITORS & AUDITORS' REPORT:

The Auditors, M/s. R. Lal & Co., Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. The Company has received a certificate from the Auditors pursuant to the provisions of Section 224(1B) of the Companies Act, 1956 regarding their eligibility for re-appointment and necessary resolution in this regard is proposed at the forthcoming Annual General Meeting.

PARTICULARS OF EMPLOYEES:

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, regarding employees is given in Annexure "A" to the Directors' Report.

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:

- (i) With regard to the Non-Conventional Energy Generation Projects of the Company, the required measures are taken from time to time for conservation of energy and technology absorption.
- (ii) Foreign Exchange Earnings and Outgo:

Earnings	:	Nil
Outgo	:	Rs.120551/-

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 Statutory 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 Company continues to receive the necessary support and guidance from Banks and Financial Institutions. Your Directors place on record their sincere appreciation for the same.

Your Directors are also pleased to record their appreciation for the hard work put in by the employees at all levels which has enabled your Company to achieve good performance in the emerging competitive environment.

Your Directors also take this opportunity to express their sincere gratitude to the Shareholders and Depositors for their continued support.

Your Directors would like to place on record their gratitude for the valuable guidance and support received from the Reserve Bank of India, Securities and Exchange Board of India and other Government and Regulatory Authorities..

Place : New Delhi
Date : 6th June 2009

By order of the Board of Directors
Purushottam Agrawal
Chairman

Annexure "A" to the Directors' Report

Statement pursuant to Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975

Sr. No.	Name	Age (Years)	Designation	Gross Remuneration (Rs.)	Qualifications	Total Experience (Years)	Date of Commencement of Employment	Last Employment held
1.	Mr. Sunil Agarwal	38	Managing Director	30,00,000/-	B. Com.	20	05/03/1992	—
2.	Mr. Sachin Agarwal	34	Whole Time Director	30,00,000/-	B. Com. (Hons.)	15	29/03/2000	—

MANAGEMENT DISCUSSION & ANALYSIS

FORWARD LOOKING STATEMENTS

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles (GAAP) in India. However, readers are cautioned that this discussion may contain "forward-looking statements" by S. E. Investments Limited ("SEIL") that are not historical in nature. These forward looking statements, which may include statements relating to future results of operations, financial condition, business prospects, plans and objectives, are based on the current belief, assumptions, expectations, estimates, and projections of the directors and management of SEIL about the business, industry and markets in which SEIL operates. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond SEIL's control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements. Such statements are not, and should not be construed, as a representation as to future performance or achievements of SEIL. In particular, such statements should not be regarded as a projection of future performance of SEIL. It should be noted that the actual performance or achievements of SEIL may vary significantly from such statements.

The following discussions on our financial condition and result of operations should be read together with our audited financial statements and the notes to these statements included in the annual report.

MACRO-ECONOMIC ENVIRONMENT

The financial markets in the last few months have been volatile triggered by the subprime mortgage crisis in the US. This has adversely affected the liquidity and the risk perception of the international capital markets. Despite the global financial crisis, impacting most emerging market economies, 7.1 per cent rate of GDP growth in the current year makes India the second fastest growing economy in the world. Fallout of global slowdown on Indian economy was countered with fiscal stimulus packages providing tax relief to boost demand and increasing expenditure on public projects. RBI has taken number of monetary easing and liquidity-enhancing measures such as reduction in cash reserve ratio, statutory liquidity ratio and key policy rates.

Inflation has been an ongoing threat in India, especially when it reached a peak of 12% in early August, 2008. Much of what drive this inflation is the country's rapid growth and rising oil prices. Oil has fallen considerably since then, easing inflation.

The global slowdown will affect both export growth in goods and services as well as corporates' access to diverse and reasonably priced funding. India's growth is not totally dependent on the West, but the slumps in the US, Europe, and even the Far East will be felt in India's exports. Given the continuing slowdown in the world economy, the government has assumed a GDP growth rate of about 7 per cent and an inflation of 4 per cent while working out the revenue-expenditure estimates for the next financial year in its interim Budget.

FINANCIAL REVIEW

SEIL delivered superior financial performance during the year with improvement across all major parameters. Total Income achieved for the year ended 31st March 2009 was Rs.4891.16 Lacs, reflecting a growth of 51% over the last year.

Interest costs were Rs. 1776.31 Lacs as against Rs.1229.13 Lacs in the last year. Employee cost was Rs. 222.36 Lacs for the year as against Rs. 114.94 Lacs in the last year.

Operating Profit increased by 58% from Rs. 2366.08 Lacs in the last year to Rs. 3734.84 Lacs this year.

Depreciation was marginally higher at Rs. 252.57 Lacs against Rs.221.54 Lacs in the last year.

Profit after tax was Rs. 1378.13 Lacs as against Rs. 1114.55 Lacs for the last year, an increase of 24%.

An amount of Rs. 276 Lacs was transferred to Statutory Reserve Fund pursuant to section 45IC of Reserve Bank of India Act, 1934 and an amount of Rs. 1050 Lacs was transferred to the General Reserve during the year under review.

The Company's Net worth as on March 31, 2009 stood at Rs. 6982.54 Lacs as against Rs. 3419.55 Lacs last year. Basic Earning Per Share (EPS) was Rs. 43.65 as against Rs.35.50 last year.

CREDIT RATING

The fixed deposit programme of the Company continued to be assigned a rating of "MA-" by ICRA Limited, which denotes "ADEQUATE SAFETY". Keeping in view the micro finance operations of the Company, the rating assigned by Micro-Credit Ratings International Limited (MCRIL) is "α Positive" denoting "HIGH SAFETY, GOOD SYSTEMS HIGHLY RECOMMENDED".

INFORMATION TECHNOLOGY

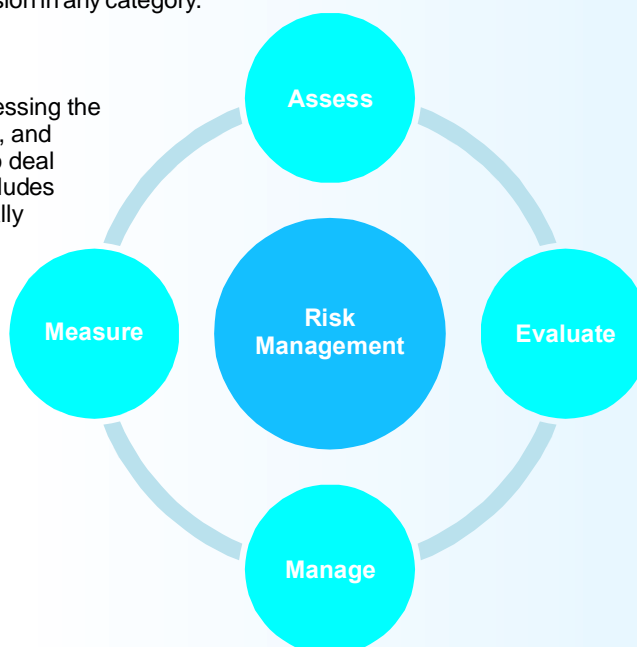
Leveraging Information Technology tools to improve overall productivity and efficiency of the organization has been a key focus area for the Company. Thus, SEIL maintains an unwavering focus on leveraging IT to function seamlessly across tasks, departments and geographies. As the Company's business grows in scale and scope, constant upgrading of the IT backbone - in terms of infrastructure, application and compliance – remains a key priority. The Company's IT initiatives are aimed at enhancing service levels, increasing customer convenience and improving loan administration & recovery, while minimizing costs at the same time.

STRENGTHS

- The Company focuses on semi-urban and rural areas, reaching across remote locations, where no other financier is available, thus carving a niche for itself.
- The Company aims at targeting the common man, who is unable to get credit from banks and who is saved from the clutches of the local moneylenders with the help of SEIL. It offers attractively packaged, quick credit against a wide variety of products that touch an individual's life.
- The Company has a longstanding presence spanning over two decades of financing, resulting in deep understanding of the market that it operates in.
- The Company's biggest strength is its trained manpower. This enables smooth conduct of operations.
- Over the years, the Company has established a name for itself in the retail debt market, which gives it access to an uninterrupted resources base.
- SEIL has a de-risked business portfolio. The Company's presence in various retail finance segments provides it an effective hedge against recession in any category.

RISK MANAGEMENT

Risk management is about identifying risk, assessing the impact on business if a security incident occurs, and making the right financial decision about how to deal with the results of one's assessment. It also includes the implementation of a programme to continually measure and assess the effectiveness of existing safeguards in protecting one's critical assets. Thus, managing risks is not a one-time activity; it's an ongoing process. It is also critical to recognize that certain business risks are unavoidable, and have to be dealt with as they arise.



The above diagram indicates the risk management model adopted by the Company. The diversified business activities require the Company to identify, measure, aggregate and manage risks effectively, and to allocate capital among its businesses appropriately. Some of the key risks faced by the Company include:

- Increasing interest rates
- Rising inflation
- Competition from local and multinational players
- Frequent changes in the regulatory framework
- Non recovery of funds from its customers
- Loss of critical documents

The Company has carved a niche for itself with its unique business model, which enables it to counter the risk of competition from peers. With minimum documentation, the Company is targeting customers from the non-metro, semi-urban and rural areas of the country. The fact that there is no organized, prompt finance available in these areas, even for the creditworthy borrowers, has helped it create a niche market in this entrepreneurial business segment and enables it to emerge as the preferred choice over competitors.

These measures have resulted in the Company reporting amongst the lowest delinquencies and NPAs in the industry. For the Company, the safety of its documents is critical. Thus it has put in place robust systems for the preservation of all its documents. The Company is constantly enhancing its risk control systems with a view to maintaining a competitive edge, while growing assets profitably.

INTERNAL CONTROLS

The Company maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls and compliances with applicable laws and regulations.

The organization is well structured and the policy guidelines are well documented with pre-defined authority. The Company has also implemented suitable controls to ensure that all resources are utilized optimally, financial transactions are reported with the accuracy and there is strict compliance with all the applicable laws and regulations.

The Company has put in place sufficient systems to ensure that assets are safeguarded against loss from unauthorized use of disposition and that transactions are authorized, recorded and reported. Recognizing the important role of internal scrutiny, the Company has an internal audit function, which is empowered to examine the adequacy and the compliance with policies, plans and statutory requirements. It is also responsible for assessing and improving the effectiveness of risk management, control and governance process. It also evaluates the Company's risk mitigation measures for all key operations. In addition, the top management and the Audit committee of the Board review the findings and recommendations.

HUMAN RESOURCES

The Company places a lot of emphasis on continuous up-gradation of its Human Resources. Human Resources represent the only valuable asset, which can't be replicated by the competition. SEIL seeks to attract and retain the best talent available. Given the right environment and nurturing that is provided, time and time again seemingly ordinary people surprise the Company as they deliver extraordinary things. This has indeed been the cornerstone of SEIL's resounding success. While continuing to harness the limitless potential and capability of the Human Mind, Spirit and Energy, the Company constantly endeavours to provide a platform for individual opportunities and growth of its people in multiple locations. The employees today, include amongst others, Chartered Accountants, Company Secretaries, Legal Professionals, Management Graduates and Engineers. The Company's talent pool is an aggregation of diverse and disparate skill-sets and effective management of this pool is the parallel challenge in the Human Resources domain. The significant tools in this regard have been a well-structured system of performance appraisal and a clutch of employee welfare measures designed to boost employee motivation and morale and improve the work-life balance.

The Company's HR structure is appropriately geared and continuously fine-tuned to meet the complexities in the business in the coming years, and to provide effective support to the business teams to deliver value to customers and stakeholders.

OPPORTUNITIES

- Low retail penetration of financial services/ products in India.
- Increased purchasing power
- Burgeoning middle class - increase in consumers with high earnings

THREATS

- Rising inflation
- Competition from local and multinational players
- Slowdown in global liquidity flows
- Frequent changes in the regulatory framework

OUTLOOK

A structural change has propelled real GDP growth in the Indian economy from the 6 per cent averaged over the previous two decades to an 8 per cent average or beyond in the coming years. This has happened thanks to:

- Productivity gains in both industry and services,
- Increased participation in international trade and investment,
- Free movement of technology and human resources across India's borders in both directions and
- Increased financial intermediation that has helped to accelerate the pace of domestic investment while allowing households to reap the benefits of corporate profitability via financial market participation.

Notwithstanding the headwinds from a global slowdown, inflationary pressures and consequent tighter policy responses in 2008 and 2009, the above factors are here to stay, making the long-term prospects for the Indian economy very robust.

CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company is committed to adhering to good corporate governance practices. Good corporate governance enables the management to direct and control the affairs of the Company in an efficient manner and to achieve the Company's goal of maximizing value for all its stakeholders. In your Company, the pursuit of achieving good governance is an ongoing process, thereby ensuring transparency, accountability and responsibility in the operations and in interactions with shareholders, employees, government, regulatory bodies, and the community at large. Your Company recognizes good corporate governance as a key driver to sustainable growth and long-term value creation. The brand value and reputation of your Company are seen as the most valuable assets. Your Company recognizes its economic, social and environmental responsibilities and continuously strives towards putting in place the best practices in every sphere of its operations.

The corporate governance philosophy of the company is driven by the following fundamental principles:

- Adhere to corporate governance standards beyond the letter of law;
- Maintain transparency and high degree of disclosure levels;
- Maintain a clear distinction between the personal interest and corporate interest;
- Have a transparent corporate structure driven by business needs and
- Ensure compliance with applicable laws.

BOARD OF DIRECTORS

The corporate governance principles of the Company ensure that the Board remains informed, independent and involved in the Company and that there are ongoing efforts towards better corporate governance to mitigate "non business" risks.

The Board is fully aware of its fiduciary responsibilities and recognizes its responsibilities to shareholders and other stakeholders to uphold the highest standards in all matters concerning SEIL and has empowered responsible persons to implement its broad policies and guidelines and has set up adequate review processes.

Directors at SEIL possess the highest personal and professional ethics, integrity and values and are committed to representing the long-term interests of the stakeholders. The basic responsibility of the Board is to provide effective governance over the Company's affairs and exercising its reasonable business judgment on the affairs of the Company. The Company's business is conducted by its employees under the direction of the Managing Director and the overall supervision of the Board.

Composition

The Board of the Company comprises 8 Directors including the non-executive Chairman. The Independent Directors on the Board are experienced, competent and highly reputed persons from their respective fields. The Independent Directors take active part at the Board and Committee Meetings, which adds value in the decision making process of the Board of Directors.

The composition of the Board of Directors as on 31st March 2009 was as under:

Name of the Director	Category	No. of Directorships held in other companies*	No. of Board Committees (other than SEIL) in which#	
			Chairman	Member
Mr. Purushottam Agrawal	Non-Executive Chairman (Promoter)	—	—	—
Mr. Sunil Agarwal	Managing Director (Promoter)	—	—	—
Mr. Sachin Agarwal	Wholtime Director (Promoter)	—	—	—
Mr. Harish Singh	Executive Director	—	—	—
Mr. Sanjay Agarwal	Non-Executive Independent	—	—	—
Mr. Suresh Chand Sharma	Non-Executive Independent	—	—	—
Dr. Shyam Lal Garg	Non-Executive Independent	—	—	—
Dr. Arun Gopal Agarwal	Non-Executive Independent	1	1	1

* Excluding private limited companies, foreign companies and companies under Section 25 of the Companies Act, 1956.

Membership in Audit Committee, Remuneration Committee and Shareholders' Grievance Committee.

Board Meetings

The Board of Directors meet at regular intervals with a formal schedule of matters specifically reserved for its attention to ensure that it exercises full control over significant strategic, financial, operational and compliance matters.

During the year ended March 31, 2009, 26 Board Meetings were held on:

(i) April 11, 2008, (ii) April 16, 2008, (iii) April 25, 2008, (iv) June 3, 2008, (v) June 25, 2008, (vi) July 14, 2008, (vii) July 23, 2008, (viii) July 30, 2008, (ix) August 9, 2008, (x) September 6, 2008, (xi) September 11, 2008, (xii) October 7, 2008, (xiii) October 14, 2008, (xiv) November 7, 2008, (xv) November 8, 2008, (xvi) December 3, 2008, (xvii) December 8, 2008, (xviii) December 29, 2008, (xix) January 1, 2009, (xx) January 20, 2009, (xxi) March 7, 2009, (xxii) March 14, 2009, (xxiii) March 16, 2009, (xxiv) March 18, 2009 (xxv) March 27, 2009 and (xxvi) March 30, 2009.

The last Annual General Meeting of the Company was held on 3rd June 2008. The attendance of Directors at the Board Meetings held during the year and at the last Annual General Meeting (AGM) was as under: -

Attendance particulars for 2008-09

Name of the Director	Board Meetings held during tenure of Director	Meetings Attended	Attendance at the Last AGM
Mr. Purushottam Agrawal	26	25	Yes
Mr. Sunil Agarwal	26	25	Yes
Mr. Sachin Agarwal	26	26	Yes
Mr. Harish Singh*	18	18	No
Mr. Sanjay Agarwal	26	23	Yes
Mr. Suresh Chand Sharma	26	24	Yes
Dr. Shyam Lal Garg	26	22	Yes
Dr. Arun Gopal Agarwal*	21	21	No

* Dr. Arun Gopal Agarwal was appointed as Additional Director w.e.f. 25th June 2008 and Mr. Harish Singh was appointed as Executive Director w.e.f. 1st August 2008.

Disclosure regarding appointment or re-appointment of Directors

The brief resume along with additional information required under Clause 49(VI)A of the Listing Agreement for the Directors seeking appointment/re-appointment is as under:

Mr. Sanjay Agarwal (M.Com., F.C.A.), aged 46 years is a Chartered Accountant in Practice since the year 1987 at Agra. He has written many books on the subjects of Economics and Commerce for the use of graduate and postgraduate level students. He is acting as the member of Audit committee and Shareholders/Investors Grievance Committee of the Company. He is not a Director in any other Company.

Mr. Suresh Chand Sharma (B.Com., LL.B.), aged 48 years is a taxation advocate in practice at Agra since the year 1986. He is the Chairman of Remuneration Committee and member of Audit Committee and Shareholders / Investors Grievance Committee of the Company. He is not a Director in any other Company.

Dr. Arun Gopal Agarwal (Ph.D. F.C.S., F.I.C.W.A.), aged 63 years is an Independent Accounting Consultant based in New Delhi. He specializes in Commercial Arbitrations, Management Accounting, Financial Management including Budgetary Controls, Cost Accounting, Internal Audit, etc. He is a qualified Cost Accountant and Company Secretary and Ph.D. in Commerce. He is also a fellow member of Management Association and Arbitration Council of India. He is a Director of Wapcos Limited.

COMMITTEES OF THE BOARD

Various committees of the board have been constituted to assist the Board in discharging its responsibilities. There are four committees constituted by the Board – the audit committee, the shareholders/investors grievance committee, the remuneration committee and the asset liability committee.

(i) Audit Committee

Terms of Reference of the Audit Committee are as per Section 292A of the Companies Act, 1956 and the guidelines set out in the listing agreements of the Stock Exchanges that inter-alia, include overseeing financial reporting processes, reviewing periodic financial results, reviewing with the management the financial statements and adequacy of internal control systems, reviewing the adequacy of internal audit function, discussions with the Internal and statutory auditors about the scope of audit including the observations of the auditors and discussion with them on any significant findings.

Composition and Attendance

During the financial year ended 31st March, 2009, four meetings were held on (i) April 19, 2008, (ii) July 19, 2008, (iii) October 7, 2008, (iv) January 12, 2009.

S. No.	Name of the Member	No. of Meetings Attended
1.	Mr. Purushottam Agrawal, Chairman	4
2.	Mr. Sanjay Agarwal	4
3.	Mr. Suresh Chand Sharma	4

(ii) Remuneration Committee

The Remuneration Committee has been constituted in accordance with Schedule XIII of the Companies Act, 1956 and Clause 49 of the listing agreement.

The Committee has been entrusted with the power of deciding and approving remuneration including revisions thereto, from time to time, in respect of managerial personnel, including the Managing Director(s) and Whole-time Director(s).

Composition and Attendance

During the financial year ended 31st March, 2009, two meetings were held on (i) 5th August, 2008, (ii) 24th March, 2009.

S. No.	Name of the Member	No. of Meetings Attended
1.	Mr. Suresh Chand Sharma, Chairman	2
2.	Mr. Purushottam Agrawal	2
3.	Dr. Shyam Lal Garg	2

The Company Secretary acts as the Secretary of the committee.

Remuneration Policy

The Remuneration Policy of the Company for the managerial personnel is primarily based on the Performance of the Company and its units and track record, potential and performance of individual/personnel.

(iii) Shareholders/Investors Grievance Committee

The Shareholders/Investors Grievance Committee specifically looks into redressal of complaints of shareholders and investors such as transfer of shares, non-receipt of shares, ensures expeditious share transfer process, effect dematerialization and rematerialisation of shares and all incidental matters thereto. The Company has appointed M/s. Alankit Assignments Limited to act as the Registrar & Transfer Agent of the Company. The committee oversees the performance of the Registrar & Transfer Agent and recommends measures to improve the level of investor services.

During the year ended 31st March 2009, the Company had not received any grievances from Investors/ SEBI/Stock Exchanges.

Composition and Attendance

During the financial year ended 31st March 2009, twelve meetings were held on (i) April 30, 2008, (ii) May 30, 2008, (iii) June 30, 2008, (iv) July 31, 2008, (v) August 30, 2008, (vi) September 30, 2008, (vii) October 31, 2008, (viii) November 29, 2008, (ix) December 16, 2008, (x) January 31, 2009, (xi) February 28, 2009, (xii) March 31, 2009.

S. No.	Name of the Member	No. of Meetings Attended
1.	Mr. Purushottam Agrawal, Chairman	12
2.	Mr. Sunil Agarwal	12
3.	Mr. Sanjay Agarwal	12
4.	Mr. Suresh Chand Sharma	12

(iv) Asset Liability Committee (ALCO)

The Asset Liability Committee functions with the following objectives:

- To perform the role of Risk Management in pursuance of the Risk Management guidelines issued periodically by RBI and the Board.
- To monitor the business of the Company periodically and also to suggest ways and means to improve the working and profitability of the Company from time to time.

4 meetings of the Asset Liability Committee were held during the year.

WHISTLE BLOWER MECHANISM

The Company promotes ethical behaviour in all its business activities and has put in place mechanism of reporting illegal or unethical behaviour. Employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor / notified person. The reports received from any employee will be reviewed by the audit committee. The Directors and Senior Management are obligated to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discriminatory practices.

GENERAL BODY MEETINGS

Particulars of venue, date and time of the previous three annual general meetings and the details of special resolutions passed in the meetings are given below:

Year	Date and Time	Venue	Special Resolutions Passed
2006	June 27, 2006 11.00 a.m.	S-547, IIInd Floor, Main Road, Shakarpur Delhi	NIL
2007	June 12, 2007 11.00 a.m.	S-547, IIInd Floor, Main Road, Shakarpur Delhi	NIL
2008	June 3, 2008 10.00 a.m.	Conference Hall No. 1 India International Centre, 40, Max Muller Marg, New Delhi	1. Re-appointment of Mr. Sunil Agarwal as the Managing Director of the Company 2. Authority to the Board to create, offer, issue and allot FCCBs/ADRs/GDRs/QIPS

During the year 2008-2009, the company has not passed any special resolution through postal ballot.

DISCLOSURES

There are no materially significant related party transactions with the Company's promoters, Directors, management, subsidiaries or relatives, which may have potential conflict with the interest of the Company at large.

Disclosures on transactions with related parties as required under Accounting Standard 18 have been incorporated in the Notes to the Accounts.

MEANS OF COMMUNICATION

The Un-audited / Audited financial results of the Company are submitted to the Stock Exchanges in accordance with Listing Agreement and also usually published in the newspapers "Economic Times" (English Edition) and "Navbharat Times" (Hindi Edition) as per the requirements of the Listing Agreement.

All vital information relating to the Company and its performance including financial results etc. are being posted on Company's website www.seil.in.

GENERAL SHAREHOLDER INFORMATION

Seventeenth Annual General Meeting

Date and time : July 4 2009, at 10.00 A.M.

Venue : Conference Hall No. 2, Second Floor, YWCA of Delhi, Near Gurudwara Bangla Sahib, Ashoka Road, New Delhi-110001

Book Closure : June 29, 2009 to July 04, 2009

Financial Calendar 2009-10

Unaudited results for the quarter ending 30th June 2009	Last Week of July 2009
Unaudited results for the quarter/half-year ending 30th September 2009	Last Week of October 2009
Unaudited results for the quarter ending 31st December 2009	Last Week of January 2010
Audited results for the year ending 31st March 2010	In the month of May/June 2010
Annual General Meeting	June/July 2010

Listing of Equity Shares

Bombay Stock Exchange Limited	: 532900
Delhi Stock Exchange Limited	: 8568
The Uttar Pradesh Stock Exchange Association Limited	: S00169
Ahmedabad Stock Exchange Limited	: 51236
Demat ISIN Number in NSDL & CDSL (Equity Shares)	: INE420C01018
Demat ISIN Number in NSDL (Preference Shares)	: INE420C04012

Registrar and Shares Transfer Agent

Alankit Assignments Limited
Alankit House, 2E/21,
Jhandewalan Extension,
New Delhi-110 055

Shareholders/investors are requested to forward share transfer documents, dematerialization requests and other related correspondence directly to Alankit Assignments Limited at the above address for speedy response.

Share Transfer System

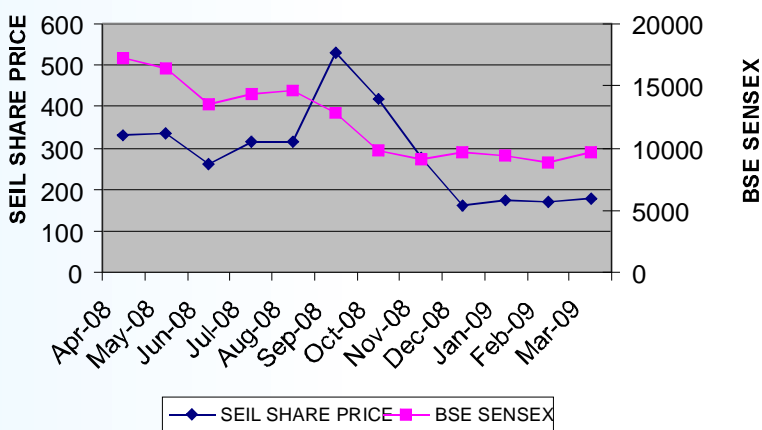
Shareholders / investors are requested to send share transfer related documents directly to our Registrar and Transfer Agent, Alankit Assignments Limited, whose address is given above. If the transfer documents are in order, the transfer of shares is registered within 7 days of receipt of transfer documents by our RTA.

Share Market Data

Monthly high and low quotations as well as volume of shares traded at BSE during the year 2008-2009 are given in the table below:

Months	Bombay Stock Exchange Limited (BSE)		
	Share Price		Volume
	High (Rs.)	Low (Rs.)	
April 2008	345.00	213.05	28852
May 2008	353.80	302.40	29437
June 2008	342.80	256.75	26622
July 2008	329.90	236.55	30616
August 2008	325.60	288.00	10484
September 2008	588.00	309.00	164974
October 2008	540.00	394.30	47425
November 2008	438.95	241.25	15026
December 2008	293.00	150.50	34166
January 2009	186.85	152.15	17452
February 2009	184.25	166.00	23518
March 2009	182.50	144.00	115594

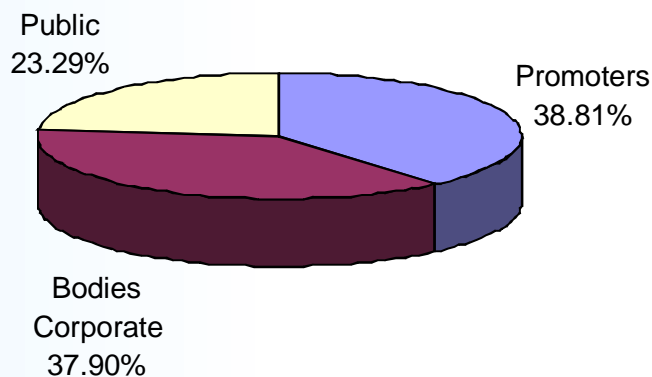
Share Price performance in comparison to the broad based indices – BSE Sensex
SHARE PRICE Vs. SENSEX



Distribution of Shareholding as on March 31, 2009

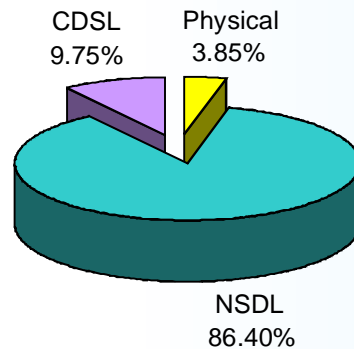
No. of Equity Shares Held	Shareholders		Shares	
	Number	%	Number	%
Upto 500	441	77.64	20754	0.66
501-1000	21	3.70	19953	0.63
1001-5000	24	4.22	66008	2.10
5001-10000	22	3.87	168723	5.37
10001-20000	36	6.34	546364	17.40
20001-30000	1	0.18	25000	0.80
30001-40000	2	0.35	72758	2.32
40001-100000	15	2.64	1026780	32.70
100001 and above	6	1.06	1193660	38.02
Total	568	100.00	3140000	100.00

Shareholding Pattern as on March 31, 2009



Dematerialization of Shares

The equity shares of the Company can be held and traded in Electronic Form. As on 31st March 2009, 96.15% of the total equity shares have been dematerialized.



The Company has issued 25,00,000 10% Non-Cumulative Redeemable Preference Shares during the year under review in dematerialized mode. The Company has not issued any GDRs/ADRs/Warrants or other instruments which are pending for conversion.

Liquidity

After listing at Bombay Stock Exchange Limited (BSE), the shares of the Company have good liquidity.

List of Branches

List of Branches are mentioned in the "Network of Offices" section of the Annual Report.

Address for Correspondence & Registered Office

Registered Office : S-547, 2nd Floor, Main Road, Shakarpur, Delhi-110092
Corporate Office : 5-D, Atmaram House, 1, Tolstoy Marg, New Delhi-110001

CEO/CFO CERTIFICATION

The Board of Directors
S. E. Investments Limited

Sirs,

We certify that,

- a) We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2009 and that to the best of our knowledge and belief.
 - i) These statements do not contain any materially untrue statement or omit any material fact or they contain statements that might be misleading ;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions enter into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we further certify that there are no deficiencies in the design or operation of internal controls, which are to be disclosed to the Auditors and/or to the Audit Committee.
- d) We have indicated to the Auditors and the Audit Committee that
 - i) there has not been any significant change in internal control over financial reporting during the year under reference;
 - ii) there has not been any significant changes in the accounting policies except to the extent already disclosed in the financial statement(s) and
 - iii) there are not instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place : New Delhi
Date : 6th June 2009

Sunil Agarwal
Managing Director

Harish Singh
Executive Director

**CERTIFICATE OF COMPLIANCE FROM AUDITORS AS STIPULATED UNDER CLAUSE
49 OF THE LISTING AGREEMENT OF THE STOCK EXCHANGES IN INDIA**

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 on 31st March 2009, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examinations was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions 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.

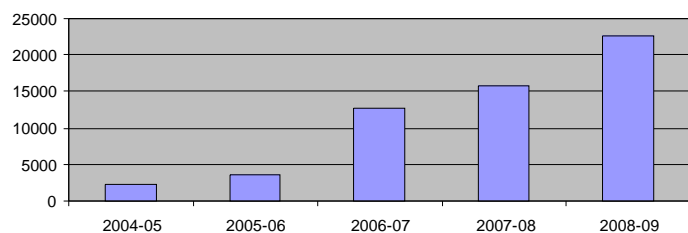
In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

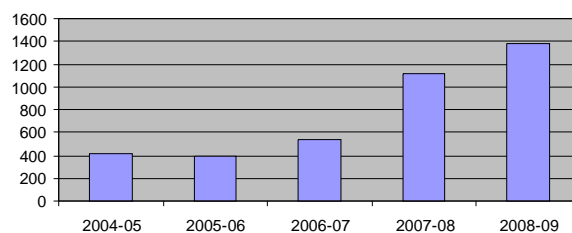
Place : Camp Delhi
Date : 6th June 2009

For **R. Lal & Company**
Chartered Accountant
Ram Lal Agarwal
Proprietor
M. No. 17583

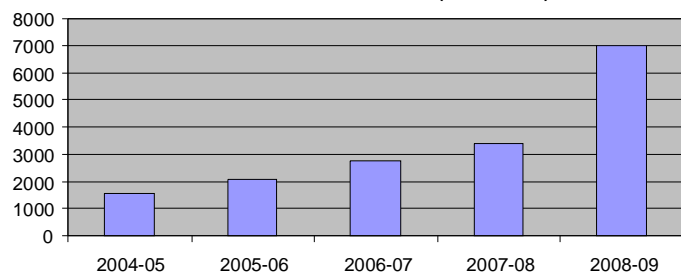
DISBURSEMENT CHART (Rs in Lacs)



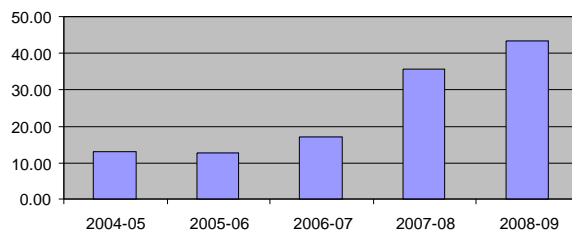
PROFIT AFTER TAX CHART (Rs in Lacs)



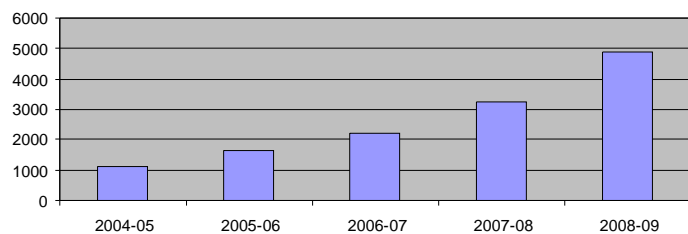
NET OWNED FUNDS CHART (Rs in Lacs)



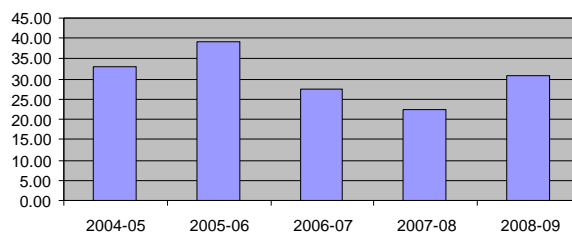
EARNING PER SHARE CHART



REVENUE CHART (Rs in Lacs)



CAPITAL ADEQUACY CHART %



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, 2009, 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 2009 from being appointed as a director in terms of clause (g) of sub-section (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, 2009;
 - 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 : 30th May 2009
Place : Camp Delhi

For R. Lal & Company
Chartered Accountants
(Ram Lal Agrawal)
Proprietor
M. No. 17583

ANNEXURE TO AUDITORS' REPORT

OF M/S S. E. INVESTMENTS LTD.

(Referred to in paragraph (3) of our Report of even date for F. Y. 2008-09)

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 of inventory 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 explanations 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, firms & 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.

There being no such loans, the questions regarding 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, fixed assets, sale of goods and services.

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 Reserve Bank of India and provisions of section 58A & 58AA or any other relevant provision of the Companies Act, 1956 and the rules framed thereunder 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 are not applicable.
9. According to the information and explanations 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. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the year and during the immediately preceding financial year.
11. The Company has not defaulted in the repayment of dues to a financial institution or bank or debenture holders.
12. 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.
13. The provisions of any special statute applicable to chit fund, nidhi or mutual benefit society are not applicable to the Company.
14. 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.
15. 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.
16. 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.
17. 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, have not been used during the year for long term investment (fixed assets).
18. The company has made preferential allotments of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 in our opinion the price at which shares have been issued is not prejudicial to the interest of the Company.
19. The company has not issued any debentures. Accordingly clause 4(xix) of the order is not applicable.
20. The Company has not raised any funds by public issue during the year.
21. According to information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

Date : 30th May 2009
Place : Camp Delhi

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

S. E. INVESTMENTS LIMITED

Balance Sheet as on 31st March 2009

PARTICULARS	SCHEDULE	AMOUNT 31.3.2009	AMOUNT 31.3.2008
SOURCES OF FUNDS			
1. SHARE HOLDERS FUNDS			
(a) Share Capital	1	56,462,500	31,462,500
(b) Reserves & Surplus	2	641,791,959	283,397,988
		<u>698,254,459</u>	<u>314,860,488</u>
2. LOAN FUNDS			
(a) Secured Loans	3	1,251,847,644	723,795,075
(b) Unsecured Loans	4	434,360,104	490,565,636
		<u>1,686,207,748</u>	<u>1,214,360,711</u>
3. Deferred Tax Reserve	2A	25,691,990	27,094,063
TOTAL		<u>2,410,154,197</u>	<u>1,556,315,262</u>
I. APPLICATION OF FUNDS			
1. FIXED ASSETS:			
(a) Gross Block	5	560,685,976	310,673,780
(b) Less: Depreciation		<u>122,097,207</u>	<u>96,840,068</u>
(c) NET BLOCK		<u>438,588,769</u>	<u>213,833,712</u>
2. INVESTMENTS	6	246,125,935	173,848,082
3. CURRENT ASSETS, LOANS & ADVANCES			
(a) Inventories including Book Debts	7	1,639,430,159	1,203,070,356
(b) Cash & Bank Balances	8	213,397,322	57,266,505
(c) Loans & Advances	9	103,282,599	62,726,649
		<u>1,956,110,080</u>	<u>1,323,063,510</u>
4. Less : CURRENT LIABILITIES & PROVISIONS			
(a) Liabilities	10	159,518,782	116,516,708
(b) Provisions	11	<u>71,151,805</u>	<u>37,913,334</u>
		<u>230,670,587</u>	<u>154,430,042</u>
Net Current Assets		<u>1,725,439,493</u>	<u>1,168,633,468</u>
5. Misc. Expenditure (to the extent not written off or adjusted)			
TOTAL		<u>2,410,154,197</u>	<u>1,556,315,262</u>
Accounting Policies and Notes on Accounts	14		

Schedules referred to above, form an integral part of the Balance sheet

Signed in terms of our report of even date

For **R. Lal & Company**

Chartered Accountants

Ram Lal Agrawal)

Proprietor

M. No. 17583

Date : 30th May 2009

Place : Camp Delhi

For and on behalf of the Board

Sunil Agarwal

Managing Director

Harish Singh

Executive Director

Sachin Agarwal

Wholetime Director

Purushottam Agrawal

Director

Sachin Agarwal,FCS

Company Secretary

S. E. INVESTMENTS LIMITED**Profit & Loss Account for the year ended 31st March 2009**

PARTICULARS	SCHEDULE	AMOUNT 31.3.2009	AMOUNT 31.3.2008
I. INCOME			
1. Income from Operations	12	<u>489,115,601</u>	<u>323,871,362</u>
		<u>489,115,601</u>	<u>323,871,362</u>
II. EXPENDITURE			
2. Expenses	13	293,263,281	210,176,525
3. Depreciation		<u>25,257,139</u>	<u>22,154,207</u>
		<u>318,520,420</u>	<u>232,330,732</u>
III. PROFIT BEFORE TAX I-II		170,595,181	91,540,630
4. Provision for Income Tax		33,370,699	22,140,678
5. Provision for Fringe Benefit Tax		754,202	655,419
6. Previous years Income Tax		59,497	—
7. Provision for Deferred Tax		<u>(1,402,073)</u>	<u>(42,710,615)</u>
IV. PROFIT AFTER TAX		137,812,856	111,455,148
8. Balance as per last year account		<u>5,595,616</u>	<u>214,111</u>
		<u>143,408,472</u>	<u>111,669,259</u>
V. SURPLUS AVAILABLE FOR APPROPRIATION			
9. APPROPRIATIONS			
Transfer to General Reserve		105,000,000	80,000,000
Proposed Dividend & Tax		4,418,885	—
Interim Dividend Paid		—	3,673,643
Reserve Fund (As per RBI Act)		27,600,000	22,400,000
Balance carried to Balance Sheet		<u>6,389,587</u>	<u>5,595,616</u>
		<u>143,408,472</u>	<u>111,669,259</u>
Accounting Policies and Notes on Accounts	14		

Schedules referred to above, form an integral part of the Profit & Loss Account

Signed in terms of our report of even date

For **R. Lal & Company**

Chartered Accountants

(Ram Lal Agrawal)

Proprietor

M. No. 17583

Date : 30th May 2009

Place : Camp Delhi

For and on behalf of the Board

Sunil Agarwal

Managing Director

Harish Singh

Executive Director

Sachin Agarwal

Wholetime Director

Purushottam Agrawal

Director

Sachin Agarwal, FCS

Company Secretary

S. E. INVESTMENTS LIMITED

Schedules Forming part of Balance Sheet

PARTICULARS	AMOUNT 31.3.2009	AMOUNT 31.3.2008
SCHEDULE 1- SHARE CAPITAL		
AUTHORISED CAPITAL:		
3,500,000 Equity Shares of Rs. 10/- each	35,000,000	35,000,000
2,500,000 Preference Shares of Rs. 10/- each (Last year NIL)	25,000,000	—
	<u>60,000,000</u>	<u>35,000,000</u>
ISSUED, SUBSCRIBED CAPITAL		
3,152,500 Equity Shares of Rs. 10/-each	31,525,000	31,525,000
2,500,000 Preference Shares of Rs. 10/- each (Last year NIL)	25,000,000	—
	<u>56,525,000</u>	<u>31,525,000</u>
PAID UP CAPITAL		
3,140,000 Equity Shares of Rs. 10/-each fully paid up	31,400,000	31,400,000
Add : Share Forfeited A/c (Amount originally Paid-up on 12,500 Equity Shares of Rs. 10/- each)	62,500	62,500
2,500,000 10% Reedmable Preference Shares of Rs. 10/- each fully paid up (Last year NIL)	25,000,000	—
	<u>56,462,500</u>	<u>31,462,500</u>
SCHEDULE 2 - RESERVES & SURPLUS		
General Reserve	321,993,372	216,993,372
Reserve Fund (As per RBI Act)	88,409,000	60,809,000
Security Premium	225,000,000	—
Profit & Loss Account	6,389,587	5,595,616
	<u>641,791,959</u>	<u>283,397,988</u>
SCHEDULE 2A - DEFERRED TAX RESERVE		
Deferred Tax Reserve	25,691,990	27,094,063
	<u>25,691,990</u>	<u>27,094,063</u>
SCHEDULE 3 - SECURED LOANS :		
Working Capital Borrowing Cash Credit/Overdraft Facilities		
From Banks (Refer Note No 13)		
- Punjab National Bank	283,859,773	239,842,309
-AXIS Bank Ltd.	1,709,788	13,820,416
Term Loan Borrowings (Refer Note No 14)		
-Indian Renewable Energy Development Agency Ltd.	71,420,000	81,604,000
-Small Industries Development Bank of India	100,830,000	30,099,600
-HDFC Bank Ltd.	94,610,390	110,757,576
-HSBC Bank Ltd.	166,666,666	—
-Punjab National Bank	100,000,000	—
-Axis Bank Ltd.	125,555,551	76,666,667
-ICICI Bank Ltd.	307,142,853	169,999,998
-Vehicle Loans	52,623	1,004,509
	<u>1,251,847,644</u>	<u>723,795,075</u>
SCHEDULE 4 - UNSECURED LOANS :		
Fixed Deposits	90,346,186	96,327,514
Interest Accrued on Fixed Deposits	9,999,217	7,823,077
Inter Corporate Deposits and Interest Accrued thereon.	312,921,004	357,640,716
Loan from suppliers - Central Electronics Ltd. and Interest Accrued thereon	21,093,697	28,774,329
	<u>434,360,104</u>	<u>490,565,636</u>

S. E. INVESTMENTS LIMITED

SCHEDULE 5
Fixed Assets as on 31st March 2009

(Amount in Rs.)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Balances as on 1/4/2008	Additions	Deductions	Gross Block as on 31/3/2009	Balance as on 1/4/2008	For the year	Deduction	Total Depreciation as on 31/3/2009	Balance as on 31/3/2009	Balance as on 31/3/2008
LEASED ASSETS										
SOLAR DEVICES	88,784,200	1,910,480	—	90,694,680	61,939,850	8,966,608	—	70,906,458	19,788,222	26,844,350
LAND & BUILDING										
LAND & BUILDING BUILDING	1,590,620	—	—	1,590,620	—	—	—	—	1,590,620	1,590,620
	6,937,695	—	—	6,937,695	746,026	133,041	—	879,067	6,058,628	6,191,669
NON CONVENTIONAL ENERGY PLANTS	164,340,621	246,618,050	—	410,958,671	22,903,053	9,643,161	—	32,546,214	378,412,457	141,437,568
FURNITURE & FITTINGS	6,431,954	317,548	—	6,749,502	1471,225	396,223	—	1,867,448	4,882,054	4,960,729
COMPUTER PERIPHERAL & SOFTWARE	32,266,004	778,176	—	33,044,180	6,502,602	5,325,252	—	11,827,854	21,216,326	25,763,402
VEHICLES	6,119,513	20,000	45,000	6,094,513	2,130,947	580,635	—	2,711,582	3,382,931	3,988,566
EQUIPMENT, PLANT & MACHINERY	4,203,173	412,942	—	4,616,115	1,146,365	212,219	—	1,358,584	3,257,531	3,056,808
TOTAL	310,673,780	250,057,196	45,000	560,685,976	96,840,068	25,257,139	—	122,097,207	438,588,769	213,833,712
LAST YEAR	299,533,618	12,140,162	1,000,000	310,673,780	74,685,861	22,154,207	—	96,840,068	2,138,33712	22,4847,757

S. E. INVESTMENTS LIMITED

Schedules Forming part of Balance Sheet

<i>PARTICULARS</i>	<i>AMOUNT</i> <i>31.3.2009</i>	<i>AMOUNT</i> <i>31.3.2008</i>
SCHEDULE - 6 INVESTMENTS		
Government Guaranteed Bonds	10,628,886	10,928,886
Bank FDR's - Face Value (Refer Note no 16)	199,915,752	121,933,212
FDR's with NBFC - Face Value (Refer Note no 17)	24,980,357	34,699,002
Interest accrued but not due	10,600,940	6,286,982
	<u>246,125,935</u>	<u>173,848,082</u>
SCHEDULE 7 - INVENTORIES		
A. Hire Purchase Stock of Motor Vehicles and & Other Assets etc. covered under Hire Purchase Agreement excluding unexpired Hire Charges etc. including overdue installments at Book value considered good. (As certified by the Management)	212,477	1,206,026
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 installments at book value considered good. (As certified by the Management)	<u>1,639,217,682</u>	<u>1,201,864,330</u>
	<u>1,639,430,159</u>	<u>1,203,070,356</u>
SCHEDULE 8 - CASH & BANK BALANCES:		
Cash in Hand	33,911,796	12,331,312
Current A/C with Scheduled Banks (Subject to Reconciliation)	<u>179,485,526</u>	<u>4,49,35,193</u>
	<u>213,397,322</u>	<u>57,266,505</u>
SCHEDULE 9 - LOANS & ADVANCES		
ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED CONSIDERED GOOD :		
Prepaid Expenses	168,490	198,219
Loan Against Deposits	202,384	—
Income Tax & TDS paid	70,990,759	40,971,502
Other Advances	<u>31,920,966</u>	<u>21,556,928</u>
	<u>103,282,599</u>	<u>62,726,649</u>
Over Six Months Old	69,397,166	30,108,429
Others	<u>33,885,433</u>	<u>32,618,220</u>
	<u>103,282,599</u>	<u>62,726,649</u>

Schedules Forming part of Balance Sheet

PARTICULARS	AMOUNT 31.3.2009	AMOUNT 31.3.2008
SCHEDULE - 10 CURRENT LIABILITIES		
Other Liabilities	159,518,782	116,516,708
	<u>159,518,782</u>	<u>116,516,708</u>
SCHEDULE 11 - PROVISIONS		
Provision for Taxation	64,733,626	36,668,242
Provision for FBT	1,999,294	1,245,092
Provision for Proposed Dividend and Tax there on	4,418,885	—
	<u>71,151,805</u>	<u>37,913,334</u>
SCHEDULE 12 - INCOME FROM OPERATIONS		
Income from Hire Charges	90,485	296,632
Income from Lease Rent	4,730,880	4,589,622
Profit on Shares & Investments	—	19,076
Income on Government Guaranteed Bonds	1,284,552	993,409
Dividend income (Gross)	193,516	9,601
Interest on Loans	452,101,321	292,218,043
Other income from Operations	650,630	231,812
Income from Energy Division	23,317,361	23,621,670
Bad Debts Recovered	6,746,856	1,891,497
	<u>489,115,601</u>	<u>323,871,362</u>
SCHEDULE - 13 EXPENSES		
Printing & Stationery	3,155,370	2,105,977
Auditors Fee	100,000	100,000
Salary & Establishment	14,018,258	8,974,135
Office and General Expenses	5,273,940	4,800,290
Non Conventional Energy Plants Charges	7,401,590	7,938,902
Interest Discounting & Bank Charges	170,629,721	114,974,241
Legal Expenses	6,771,264	4,241,366
Rent	3,001,395	4,311,020
Managing Director's & Director's Remuneration	6,738,128	1,680,000
Managing Director's & Director's House Rent Allowance	1,480,000	840,000
Advertisement and Business Promotion Expenses	19,742,007	8,558,397
Travelling Expenses	3,236,710	2,888,170
Postage and Telephone Expenses	3,306,273	2,390,620
Bad Debts written off	20,618,781	18,478,192
Rebate & Remission & Brokerage	6,396,035	1,293,515
Recovery Expenses	13,637,135	18,903,544
Car & Scooter Expenses	4,111,659	4,192,900
Repairs & Maintenance	1,523,354	1,062,459
Insurance Expenses	857,790	721,866
Electricity & Water Expenses	1,021,316	1,139,503
Rates & Taxes	217,698	463,757
Security Expenses	24,857	117,671
	<u>293,263,281</u>	<u>210,176,525</u>

Schedule 14 : Accounting Policies and Notes on Accounts

ACCOUNTING POLICIES

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention method, in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956, as adopted consistently by the Company.

B. REVENUE RECOGNITION

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 charges. However interest income on loans and advances 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 and timely payment are accounted for as and when received or allowed because these charges and rebates are contingent.

Initial lumpsum future interest in respect of the hire purchase cases/loans and advances cases which carry hire/finance charges in addition to the same has been apportioned on the basis of period of contracts on accrual basis and in hire purchase cases/loan and advances cases where hire/finance charges are inherent in initial lump-sum interest the same also has been apportioned on the basis of period of contracts on accrual basis. Uptil last year these charges were being considered as income in year of receipt. This approach is considered to be more fair and real as compared to practice upto last year. Management fees has been treated as income in the year of receipt.

C. PROVISIONING FOR SUBSTANDARD/LOSS/DOUBTFUL ASSETS

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.

D. FIXED ASSETS

All fixed assets are stated at cost less accumulated depreciation after considering lease adjustment account. All costs including financing cost attributable to fixed assets till assets are ready for intended use are capitalized.

E. INTANGIBLE ASSETS

Intangible assets are stated at cost of acquisition less accumulated write off.

F. DEPRECIATION

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.

G. IMPAIRMENT OF ASSETS

An asset is treated as impaired, when carrying cost of assets exceeds its recoverable amount. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount.

H. INVESTMENTS

Investments are valued at cost

I. STOCK IN TRADE/ASSETS HELD FOR SALE

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..

J. FOREIGN CURRENCY TRANSACTIONS

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

K. BORROWING COSTS

Borrowing costs, which are directly attributable to the acquisition/construction of fixed assets, till the time such assets are ready for intended use, are capitalized as part of the cost of the assets. Other borrowing costs are recognized as an expense in the year in which they are incurred.

L. PROVISION FOR CURRENT TAX, DEFERRED TAX AND FRINGE BENEFIT TAX.

Income tax expenses comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future: however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets, deferred tax assets/liabilities are reviewed as at each balance sheet date and written down or written up to reflect the amount

that is reasonably/virtually certain (as the case may be) to be realized/incurred. Provisions of AS 22 'Accounting for Taxes on income' issued by Institute of Chartered Accountants of India has been complied with to all possible extent.

Provision for Fringe Benefit Tax has been recognized on the basis of a harmonious, contractual interpretation of the Income Tax Act, 1961.

M. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

N. EMPLOYEE RETIREMENT BENEFITS

Company's contribution to Provident Fund and Superannuation Fund are charged to profit and loss account, Gratuity benefits are charged to profit and loss account on the basis of actuarial valuation as contribution to Life Insurance Corporation of India Policy premium.

- O.** The Company has followed Mercantile System of Accounting and the accounts have been made consistently on Accrual Basis as a going concern.

NOTES ON ACCOUNTS

1. 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/liabilities arising from temporary timing difference are recognized to the extent there is reasonable certainty that the assets can be realized in future or liabilities are to be provided for in future. During last F. Y. 2007-08 a sum of Rs. 473.51 lacs had been written back in respect of wind mills in view of the provision of Accounting Standard 22 for tax shield due to benefits available u/s 80IA of Income Tax Act, 1961. Further during the current year the company has installed and put to use Bio gas generation along with generation of power by setting up Bio-waste including Gobar energy plants amounting to Rs. 2466.18 lacs and according to provisions of AS-22 for Tax shield benefits available u/s 80IA of Income Tax Act, 1961, in the opinion of Management and expert opinion obtained no provision of deferred tax is required to be created.
2. No remuneration has been paid to directors excepting remuneration to whole time Director , Executive Director and Managing Director. The remuneration paid to Wholetime Director, Executive Director and Managing Director during the F.Y. 2008-2009 is Rs. 82,18,128/- (last year 2,520,000/-) which is less than that permitted under Section 309 read with Schedule XIII of the Companies Act, 1956. .

3. Remuneration of Auditors :-

	Current Year 31/03/2009	Previous Year 31/03/2008
For Statutory Audit	Rs. 80,000	Rs. 80,000
Tax Audit	Rs. 10,000	Rs. 10,000
For Certification work/other services	Rs. 10,000	Rs. 10,000
Total	Rs. 100,000	Rs. 100,000

4. Contingent Liabilities:

Interest Tax matters In appeal	Rs. 4,923,788	Rs.4,923,788
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5. Unclaimed matured deposit lying with the company amount to Rs. 4.28 lacs number of deposits 6.

6. Information pursuant to the provisions of Paragraph 3 and 4D of part II & IV of Schedule VI to the Companies Act, 1956, is given in Schedule 15 & 16 respectively.

7. No amount is payable to Small Scale Industrial Undertakings. The company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Act, 2006 and hence disclosures, if any relating to amounts unpaid as at the year end together with interest paid/payable as required under the Act can not be furnished.

8. Earning per Share

	2008-09	2007-08
Net profit for the year (After Tax)	137,812,856	111,455,148
Proposed Preference dividend and tax thereon	7,45,242	—
No. of Equity Shares	3,140,000	3,140,000
Basic and diluted earning per share Rs.	43.65	35.50

9. (i) During the year the company has sold by way of assignment 41753 cases of loan contracts to a scheduled bank and Non Banking Financial Companies amounting to Rs.8604.55 lacs.

(ii) During the year the company has sold by way of assignment 339 number of loan contracts to an assignee company amounting to Rs. 95.11 lacs.

10. Figures for the previous year have been regrouped/rearranged/reclassified wherever considered necessary.

1. Disclosure of related party transactions

A. List of related parties and relationship:—

PARTY	RELATION
Key Managerial Personnel	
Mr. Sunil Agarwal	Managing Director
Mr. Harish Singh	Executive Director
Mr. Sachin Agarwal	Whole time Director
Mr. Purushottam Agrawal, Mrs. Raj Agarwal, Mrs. Neetu Agarwal, Mrs. Shikha Agarwal, Mrs. Preeti Chauhan, Mrs. Sushila Devi Chauhan	Relatives of key managerial personnel

3. Enterprises over which significant influence exercised by Key Managerial Person/Directors/Relatives of Key Management personnel

1. Siyaram Motors Pvt. Ltd.	Company controlled by Mr. Sunil Agarwal and Mr. Sachin Agarwal
2. Spring Infradev Pvt. Ltd.	Company controlled by Mr. Purushottam Agrawal, Mr. Sunil Agarwal and Sachin Agarwal
3. Century Commotrade Pvt. Ltd.	Company controlled by Mr. Purushottam Agrawal and Mrs. Raj Agarwal
4. Nupur Finvest Pvt Ltd.	Company controlled by Mr. Sunil Agarwal and Mr. Sachin Agarwal
5. Unnati Financial Services Pvt Ltd.	Company controlled by Mrs. Neetu Agarwal and Mrs. Shikha Agarwal
6. Siyaram Infrastructure Pvt. Ltd.	Company controlled by Mrs. Neetu Agarwal and Mrs. Shikha Agarwal
7. Helios Aviation Pvt. Ltd.	Company controlled by Mr. Sunil Agarwal and Mr. Sachin Agarwal
8. Spring Education Venture Pvt. Ltd.	Company controlled by Mr. Sunil Agarwal and Mr. Sachin Agarwal
9. S. E. Micro Housing Finance Ltd.	Company controlled by Mrs. Neetu Agarwal and Mrs. Shikha Agarwal
10. Ravitel Agri Industriale Pvt. Ltd.	Company controlled by Mr. Sunil Agarwal and Mr. Sachin Agarwal
11. Spring Resorts Pvt. Ltd.	Company controlled by Mr. Purushottam Agrawal and Mr. Sunil Agarwal

C. Disclosures required for related party transactions.

	KMP & Relative	Enterprise over which significant influence Exercised by KMP/Directors	Total
Transactions during the year			
Rendering of Services (Rent/hire charges)	12.72	—	12.72
Remuneration	82.18	—	82.18
Loan received	35.40	1066.15	1101.55
Interest paid	24.66	92.64	117.30
Amount outstanding at Balance Sheet date			
—Amount Payable	106.70	104.40	211.10

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 consideration for furnishing such guarantees.

12. During the year the Company has allotted 25,00,000 (Twenty Five Lacs) 10% Redeemable Preference Shares of face value of Rs. 10 (Ten) each at a premium of Rs. 90 (Rupees Ninety per share) amounting to Rs. 2500 lacs (Rupees Twenty Five Crores Only).

13. Working Capital Borrowing

- A. **Punjab National Bank** : The facilities from Punjab National Bank, Surya Nagar is secured by hypothecation of book debts pertaining to advances. The credit facilities are secured by equitable mortgage of office premises and a flat belonging to the company and equitable mortgage of one house and one shop belonging to a director and his wife, and lien on FDR of the company and three commercial buildings and land and two flats in the name of the guarantors and personal guarantee of directors and corporate guarantee of the companies who have stood as guarantors.
- B. **AXIS Bank** : The Facilities from AXIS Bank is secured by hypothecation of book debts pertaining to Micro Finance business and personal guarantee of three directors.

14. Term Loans :

- A. **Indian Renewal Energy Development Agency Ltd.** : Term loan assistance for 'Wind Energy Generation Machines (wind mills) being secured by first charge mortgage of the projects and personal guarantee of the directors, PDCs towards payment of installments of principal and interest and bank guarantee.

- B. Small Industries Development Bank of India** : Term loan assistance secured by hypothecation of book debts, term deposits and equitable mortgage of immovable property of a company which stood as guarantor and personal guarantee of the directors.
- C. HDFC Bank Ltd.** : Term Loan assistance secured by hypothecation of books debts, term deposits and personal guarantee of the Directors and equitable mortgage of land and building belonging to the company.
- D. AXIS Bank Ltd.** : 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 term deposit receipts 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 term deposit receipts and personal guarantee of the directors.
- F. HSBC Bank Ltd.** : Term loan assistance for on lending to micro finance customers secured by hypothecation of book debts arising out of the bank assistance and personal guarantee of the directors .
- G. Punjab National Bank** : 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 personal guarantee of the directors.

5. The Company has filed an application having appointed date 31/08/2008 for amalgamation and merger of Unnati Financial Services Pvt. Ltd. (Transferor Company) before the Hon'ble High Court of Delhi, As directed by the Hon'ble High Court the meetings of the Shareholders, Secured Creditors, Unsecured Creditors and Fixed Deposit holders were convened and the Equity Shareholders, Secured Creditors, Unsecured Creditors and Fixed Deposit holders have approved the Scheme of amalgamation at their respective meetings. The final order of Hon'ble High Court is still pending hence no effect of the amalgamation scheme is required to be incorporated in the annual accounts for F. Y. 2008-09.
6. Details of Bank FDR's Held as on 31.03.2009

Held as Cash Collateral for Assignment/Term Transactions.

S.No.	Name of Bank	Purpose	Principal Amount
(i)	ICICI Bank Ltd.	Assignment of book debts	34,822,538
(ii)	HDFC Bank Ltd.	Assignment of book debts	7,708,000
(iii)	Development Credit Bank	Assignment of book debts	4,224,071
(iv)	Punjab National Bank	Assignment of book debts	74,664,143
	Sub Total		121,418,752

Held as cash collateral for Term Loans

(i)	AXIS Bank Ltd.	Term Loan	15,800,000
(ii)	HDFC Bank Ltd.	Term Loan	13,000,000
(iii)	ICICI Bank Ltd.	Term Loan	12,000,000
(iv)	SIDBI Lucknow	SIDBI Term Loan	12,500,000
	Sub Total		53,300,000

Held to avail overdraft facility against FDR's

(i) Punjab National Bank	Over Draft	10,000,000
(ii) Central Bank of India	Over Draft	200,000
Sub Total		10,200,000

Held to avail bank guarantee to IREDA for Wind Energy Generation Machines Term Loans

(i) HDFC Bank Ltd.	IREDA Bank Guarantee	9,497,000
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Unencumbered FDR

(i) HDFC Bank Ltd.		2,500,000
(ii) Oriental Bank of Commerce Ahmedabad		3,000,000
Sub Total		5,500,000

Grand Total **199,915,752**

7. Details of FDR's with NBFC held as on 31.03.2009 as Cash Collateral for Assignment of book debts transactions

(i) Fullerton India Credit Company Ltd.	Assignment of book debts	24,980,357
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Total **24,980,357**

8. The company is owning Wind Mills (Wind Energy Generation Machines) at Vani Vilas Sagar, Distt. Chitradurga (Karnataka) and in District Jaisalmer (Rajasthan) and has setup bio-waste including Gobar energy plants for bio-gas generation alongwith generation of power, the results of which are merged in the accounts. Stand alone results of Energy Division are as under : —

**NON-CONVENTIONAL ENERGY DIVISION
PROFIT & LOSS ACCOUNT**

	Year ended 31.03.2009	Year ended 31.03.2008		Year ended 31.03.2009	Year ended 31.03.2008
EXPENDITURE			INCOME		
Interest	7,001,590	7,938,902	Sales of Energy etc.	23,317,361	23,217,199
Expences	471,957	38,034	Carbon credit on Wind Mills		404,470
Depreciation	9,643,161	8,217,031			
Surplus	6,200,653	7,427,702			
	23,317,361	23,621,669		23,317,361	23,621,669

BALANCE SHEET

	As on 31.03.2009	As on 31.03.2008		As on 31.03.2009	As on 31.03.2008
Head Office Contribution	317,934,103	71,429,738	Fixed Assets		
			Non Conventional Energy Plants (at cost)	410,958,671	164,340,621
Secured Loans			Less: Depreciation	32,546,214	22,903,053
Term Loan from IREDA	71,420,000	81,604,000	W.D.V.	378,412,457	141,437,568
Ennercon India	—	351,108	Investments Bank FDR's	9,470,000	10,231,958
			Other Loans & Advances		
			Banglore Electric Supply Co. Ltd.	944,365	1,125,654
			Jodhpur Vidhut Vitran Nigam Ltd.	456,507	570,198
			Unexpired Insurance	70,774	19,468
	389,354,103	153,384,846		389,354,103	153,384,846

9. Segment Reporting

(Amount in lacs Rs.)

Particulars	Segment reporting Finance Division		Non conventional energy division		Consolidated	
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
Segment Revenue	3002.50	4657.99	236.21	233.17	3238.71	4891.16
Segment Result PBT	841.13	1643.94	74.28	62.01	915.41	1705.95
Total Carrying amount of segment assets	15573.60	22514.71	1533.85	3893.54	17107.45	26408.25
Total amount of segment liabilities	12868.36	18453.51	819.55	714.20	13687.91	19167.71
Cost incurred to acquire segment assets useable for more than one period	723.96	601.77	1414.38	3784.12	2138.34	4385.89
Depreciation	139.37	156.14	82.17	96.43	221.54	252.57

SCHEDULE 15

(A) 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 31/03/2009		As on 31/03/2008	
	No.	Amt.	No.	Amt.
Opening Stock	—	—	33,567	746,397
Add : Purchase	—	—	—	—
	—	—	—	—
	—	—	33,567	746,397
Less : Sale/Redemption of Debentures	—	—	33,567	746,397
Closing Stock	—	—	—	—

No. of units generated and sold

(B) Particulars with regard to generation of Wind Energy	Year ending 31.03.2009	Year ending 31.03.2008
Wind Mills at Vani Vilas Sagar Chitradurga (Karnataka)	5,250,746	5,643,872
Wind Mills in Distt. Jaisalmer (Rajasthan)	1,241,464	1,311,021
Total	6,492,210	6,954,893

(C) Particulars with regard to Bio Gas Generation

Bio Gas Generation along with generation of power for the same are uncertain and beyond measurement hence quantities could not be disclosed.

SCHEDULE 16

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 : 31.03.2009

II. Capital raised during the year

(Amount in Thousand)

Public Issue

(Allotment Money received)	Rs.	NIL	Right Issue	Rs.	NIL
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Bonus Issue	Rs.	NIL	Private Placement (Preference shares)	Rs.	250,000
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III. Position of Mobilisation and Deployment of funds

(Amount in Thousand)

Total Liabilities	Rs.	2,640,825	Total Assets	Rs.	2,640,825
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Source of Funds

Paid up Capital	Rs.	56,463	Reserves & Surplus	Rs.	641,792
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Secured Loans	Rs.	1,251,848	Unsecured Loans	Rs.	434,360
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Deferred Tax	Rs.	25,692
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Application of Funds

Net Fixed Assets	Rs.	438,589	Investments	Rs.	246,126
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Net Current Assets	Rs.	1,725,439	Miscellaneous		
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Accumulated Losses	Rs.	NIL	Expenditure	Rs.	NIL
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IV. Performance of Company

(Amount in Thousand)

Turnover (Gross Income)	Rs.	489,115	Total Expenditure	Rs.	318,520
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Profit before Tax	Rs.	170,595	Profit after tax	Rs.	137,813
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Earning per share	Rs.	43.65	Dividend Rate		10%
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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 Agrawal)

Proprietor

M. No. 17583

Date : 30th May 2009

Place : Camp Delhi

For and on behalf of the Board

Sunil Agarwal	Managing Director
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Harish Singh	Executive Director
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Sachin Agarwal	Wholetime Director
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Purushottam Agrawal	Director
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Sachin Agarwal, FCS	Company Secretary
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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	210.94	—
(c) Term Loans	9662.78	—
(d) Inter-corporate loans and borrowing	3129.21	—
(e) Commercial Paper		
(f) Public Deposits*	941.63	4.28
(g) Other Loans (specify nature)		
Punjab National Bank (Cash Credit a/c)	2838.60	—
AXIS Bank Ltd. (Overdraft a/c)	17.10	—
*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	941.63	4.28
ASSETS SIDE :		
	Amount outstanding	
(3) Break-up of Loans and Advances including bills receivables (other than those included in (4) below)		
(a) Secured		16392.17
(b) Unsecured		—
(4) Break-up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities		—
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial lease		
(b) Operating lease		197.88
(ii) Stock on hire including hire charges under sundry debtors :		
(a) Assets on hire		2.12
(b) Repossessed Assets		—
(iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed		—
(b) Loans other than (a) above		—

(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	106.29
(v) Others (please specify)	
Fixed Deposit with NBFC	249.80
Fixed deposit with Bank's	1999.16
Interest accrued	106.01

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)	
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	16392.17	—	16392.17
Total	16392.17	—	16392.17

- 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	2461.26	2461.26
Total	2461.26	2461.26

**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 Agrawal)

Proprietor

1. No. 17583

Date : 30th May 2009

Place : Camp Delhi

For and on behalf of the Board

Sunil Agarwal

Managing Director

Harish Singh

Executive Director

Sachin Agarwal

Wholetime Director

Purushottam Agrawal

Director

Sachin Agarwal, FCS

Company Secretary

S. E. INVESTMENTS LIMITED

Cash Flow Statement

A. CASH FLOW FROM OPERATING ACTIVITIES:	31.03.2009	31.03.2008
Net Profit before tax and Extraordinary Items and Interest	382,410,890	237,249,870
Adjustment For :		
1. Depreciation	25,257,139	22,154,206
2. Misc. Expenditure Written off	25,257,139	—
Operating Profit before working Capital Charges	407,668,028	259,404,076
Adjustment For :		
Trade & Other Receivable	-40,555,950	-21,503,004
Inventories	-436,359,803	-442,804,085
Trade Payable	43,002,074	50,843,776
Inventories - Shares	—	746,397
Cash generated from operations	-26,245,651	-153,312,840
1. Interest Paid	-177,631,311	-122,913,143
2. Direct taxes paid	-34,184,398	-22,796,096
Cash flow before extra ordinary items	-238,061,360	-299,022,079
Income tax provision of last year adjusted	-5,364,812	—
Excess income tax paid	-5,364,812	—
Net cash flow from operating activities	-243,426,172	-299,022,079
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	-250,057,196	-12,140,162
Sale of fixed assets	45,000	1,000,000
Sale of Investments	-72,277,853	-43,093,861
Net cash used in investing activities	-322,290,049	-54,234,023
Total	-565,716,221	-353,256,102
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	250,000,000	—
Interim Dividend Paid	—	-3,673,643
Proceeds from Long Term Borrowings	528,052,569	181,094,001
Proceeds from Short Term Borrowings	-56,205,531	191,215,977
Net cash used in financing activities	721,847,038	368,636,335
Net increase in cash & cash equivalents	156,130,817	15,380,233
Opening cash and cash equivalents	57,266,505	41,886,272
Closing cash & cash equivalents	213,397,322	57,266,505

Signed in terms of our report of even date

For **R. Lal & Company**

Chartered Accountants

(Ram Lal Agrawal)

Proprietor

M. No. 17583

Date : 30th May 2009

Place : Camp Delhi

For and on behalf of the Board

Sunil Agarwal

Managing Director

Harish Singh

Executive Director

Sachin Agarwal

Wholtime Director

Purushottam Agrawal

Director

Sachin Agarwal,FCS

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, 2009 and 31st March, 2008 and found the same in agreement therewith.

Date : 30th May 2009

Place : Camp Delhi

For **R. Lal & Company**

Chartered Accountants

(Ram Lal Agrawal)

Proprietor

M. No. 17583

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 17th Annual General Meeting of the Company being held on Saturday 4th July 2009 at 10.00 A.M. at Conference Hall No. 2, Second Floor, YWCA of Delhi Near Gurudwara Bangla Sahib, Ashoka Road, New Delhi-110001.

SIGNATURE OF THE SHAREHOLDER OR PROXY.....

S. E. Investments Limited

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

PROXY FORM

DP ID/Clien ID/Folio No.....
I/We.....of.....being a member/members of
S. E. Investments Limited hereby appoint.....of.....or failing him.....
ofas my/our proxy to attend and vote for me / us on my / our behalf at the 17th Annual
General Meeting of the Company to be held on 4th July 2009 at 10.00 A.M. at Conference Hall No. 2, Second Floor,
YWCA of Delhi Near Gurudwara Bangla Sahib, Ashoka Road, New Delhi-110001 or at any adjournment there of.

Signed this.....Day of.....2009

Signed by said.....

Affix
revenue
stamp of
Re. 1/-

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