

Growth *for* Life



20th Annual Report
2011-12

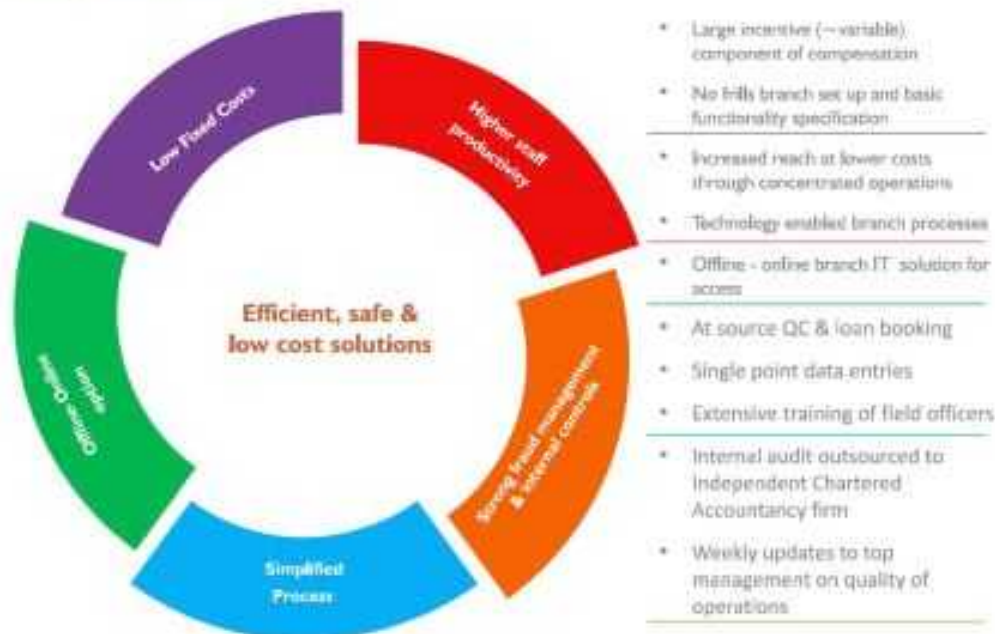


अर्थ: समाजस्य न्यासः

S. E. INVESTMENTS LIMITED



SEIL has well defined process for large retail outreach





अर्थ: समाजस्य न्यासः

S. E. Investments Limited

XX

Annual Report
for the Year Ended
31st March, 2012

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Non-banking financial companies (NBFCs) are fast emerging as an important segment of Indian financial system. They provide financial support to some important segments of the economy which plays a key role in stimulating the engine of economic growth.



Purushottam Agrawal
Chairman

FROM THE DESK OF CHAIRMAN

Dear Shareholders,

It gives me immense pleasure to present 20th Annual Report of our Company, a year of accomplishments and a chronicle of how we made it happen. The year has been pivotal for us at SEIL. Our existence endows us with virtues such as maturity, a sense of mission and purpose in life, and the zest to be bigger than what we already are. And all that we stand for today - trust, uncompromising integrity, exceptional success - we owe it to our stakeholders.

During the year we managed our liquidity as bank funding quickly dried up. We prioritized our outflows, operating expenses, debt service requirements and serving our regular good customers. Meanwhile, there was a concerted search for funds. We are extremely grateful to our bankers for providing funds to us in times of our need. Company successfully scaled its operations during the year by reviewing its business portfolio so as to ensure focus on businesses for competitive advantage.

Your Company has shown great adaptability towards stringent regulatory changes and has performed exceptionally well during the year by relying on strategic principles and fundamentals. Business demand rose steadily throughout the year and the gross income for the financial year grew exceptionally well registering a growth of over 16.29% to Rs. 21098.39 Lacs from Rs. 18143.66 Lacs in the last year. Our Net profits grew by 4.17% to Rs. 6335.34 Lacs from Rs. 6081.59 Lacs in the last year.

Non-banking financial companies (NBFCs) are fast emerging as an important segment of Indian financial system. They provide financial support to some important segments of the economy which plays a key role in stimulating the engine of economic growth. Since commercial banks have their limitations relating to whom they lend to, NBFCs get a free-hand in providing finance to infrastructure equipment, farm equipment and commercial vehicles. Banks seldom provide loans to these segments since these require the banks to appraise the client before advancing the loan and accepting money in cash from lenders. Thus, they have broadened and diversified the range of products and services offered by a financial sector. Gradually, they are being recognized as



complementary to the banking sector due to their customer-oriented services; simplified procedures; attractive rates of return on deposits; flexibility and timeliness in meeting the credit needs of specified sectors; etc.

NBFCs due to their inherent strengths in the areas of fast and easy access to market information for credit appraisal, well-trained collection machinery, close monitoring of individual borrowers & personalized attention to each client as well as minimum overhead costs, are in a better position to cater to these segments of the economy. In view of the recent proposal for considering these NBFCs for new banking licenses, the sector's modus-operandi is likely to add another feather to its wings.

NBFC sector faced significant stress on asset quality, liquidity and funding costs due to the global economic slowdown & its impact on the domestic economy. While all the NBFCs were affected, the impact varied according to the structural features of each NBFC.

Also, the Demerger of Non Conventional Energy Division from the Company into M/s S. E. Power Limited has been successfully done. Hon'ble Delhi High Court sanctioned the Scheme of Arrangement and S. E. Power Limited (Transferee Company) has been Listed on Bombay Stock Exchange & National Stock Exchange of India Limited and trading in S. E. Power Limited shares has commenced from 27th July, 2012 in the respective Stock Exchanges. Demerger is in the overall interest of shareholders and will attract sets of investors, strategic partners, lenders and other stakeholders which will lead to higher growth of businesses.

Going forward in 2012, we will continue to focus on our key business proven strategic principles for customer satisfaction, profitable market share and employee engagement. Our endeavour has always been to protect our stakeholders interest as a primer driver of business.

Lastly, I am indebted to all our distinguished shareholders and to our employees for the confidence and efforts they have put into making SEIL a success. I wish to express our sincere thanks to Reserve Bank of India for their guidance and understanding at all times. I would like to thank our Bankers and business associates in our growth and I wish to thank them for their continuous support and co-operation. With the support of all our stakeholders, the Company is geared to scale greater heights in the years to come.

Warm Regards,
Purushottam Agrawal
(Chairman)

21st August, 2012

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Purushottam Agrawal
Chairman

Mr. Sachin Agarwal
Whole Time Director

Dr. Arun Gopal Agarwal
Independent Director

Mr. Suresh Chand Sharma
Independent Director

Mr. Sunil Agarwal
Managing Director

Mr. Harish Singh
Executive Director

Mr. Brij Lal Goel
Independent Director

Mr. Dharam Vir Gupta
Independent Director

COMPANY SECRETARY CUM COMPLIANCE OFFICER

Mr. Vishal Sharma

STATUTORY AUDITORS

PMS & CO.
Chartered Accountants

R. LAL & COMPANY
Chartered Accountants

BANKERS AND FINANCIAL INSTITUTIONS

PUNJAB NATIONAL BANK

CENTRAL BANK OF INDIA

SYNDICATE BANK

HDFC BANK LIMITED

ICICI BANK LIMITED

AXIS BANK LIMITED

BANK OF INDIA

UNITED BANK OF INDIA

ORIENTAL BANK OF COMMERCE

UCO BANK

CORPORATION BANK

SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA

DEVELOPMENT CREDIT BANK LIMITED

INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED

RELIANCE CAPITAL LIMITED

FULLERTON INDIA CREDIT COMPANY LIMITED

REGISTRAR AND SHARE TRANSFER AGENTS

M/s Alankit Assignments Ltd.

ALANKIT HOUSE, 2E/21,

Jhandewalan Extension

New Delhi—110 055

E-mail: ramap@alankit.com

LISTING OF EQUITY SHARES

National Stock Exchange of India Limited

Exchange Plaza, Bandra Kurla Complex

Bandra (East), Mumbai -400 051

Bombay Stock Exchange Limited

25, P. J. Towers, Dalal Street

Mumbai -400 001

LISTING OF GLOBAL DEPOSITARY RECEIPTS

SOCIETE DE LA BOURSE DE LUXEMBOURG

11, av de la Porte-Neuve

L-2227, Luxembourg

LATEST CREDIT RATING

CARE A (F D Rating)

CARE A- (BASIL Rating)

NETWORK OF OFFICES

REGISTERED OFFICE	S-547, IInd Floor, Main Road, Shakarpur, Delhi-110092 (INDIA) Ph. +91 11 43018888 Fax. +91 11 43018802 E-mail: delhi@seil.in
CORPORATE OFFICE	M-7, 1st Floor, M-Block Market, Greater Kailash, Part-2, New Delhi-110048 (INDIA) Ph. +91 11 43518888 Fax. : +91 11 43518816 E-mail: delhi@seil.in
HEAD OFFICE	Block 54, 1st Floor, Sanjay Place, Agra-282 002 (INDIA) Ph. +91 562 4028888 Fax. +91 562 4028822 E-mail: agra@seil.in

BRANCHES

JAIPUR	203-204, First Floor, 622, Bordin Ka Rasta, Kishanpole Bazar, Jaipur (INDIA) Ph. +91 141 4068888 E-mail: jaipur@seil.in
JODHPUR	Gulab Singh Building, 11th Chopasni Road, Near Bombay Motor Circle, Jodhpur (INDIA) Ph. +91 291 2638926 E-mail: jodhpur@seil.in
MATHURA	369/2, Krishna Nagar, Goverdhan Road, Mathura (INDIA) Ph. +91 565 2424310 E-mail: mathura@seil.in
AHMEDABAD	203, IInd Floor, Jitendra Chambers, Near Reserve Bank of India, Ashram Road, Ahmedabad (INDIA) Ph. +91 79 27544830 E-mail: ahmedabad@seil.in
MUMBAI	261, Solitair Corporate Park, Building No. 2, Andheri Kurla Road,, Chakia, Andheri (East), Mumbai (INDIA) Ph. +91 22 42288888, Email: mumbai@seil.in
ALIGARH	76, Malviya Pustakalaya Market, G. T. Road, Aligarh (INDIA)
THIRUVANANTHPURAM	Kovilazhikam, TC 7/1816, Kochullor, Thiruvananthapuram-695 001 (Kerala) (INDIA) Ph. +91 471 3258014
BAREILLY	16-17/211, Nariman Colony, Junction Road, Civil Lines, Bareilly-243001 (INDIA) Ph. +91 581 2510755



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 (hereinafter referred as "SEIL") that is 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 conditions and result of operations should be read together with our Audited Financial Statements and the notes to these statements included in the Annual Report.

inspire

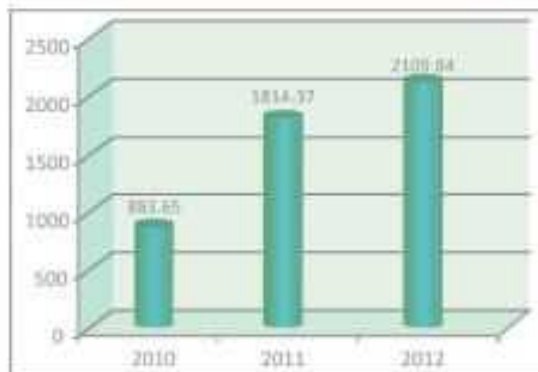
OUR MISSION

- To uphold the motto 'Arthah Samajasya Nyasah' that is 'Wealth is the Trust Property of the Society'.
- The Philosophy of the Company is deeply rooted in the Indian Tradition of "Business with a social conscience".
- The Company operates with utmost transparency and efficiency thereby ensuring maximum returns to share holders with minimum risk.
- To achieve excellence in service, quality, reliability, safety and customer care.
- The three words of ancient Sanskrit phrase 'reproduces the motto' and philosophy behind the Group's ideology.
- To earn the trust and confidence of all customers and stakeholders, exceeding their expectations and make the Company a respectful household name.
- We aspire to provide financial and non financial products to the working poor, to nurture their dreams and to enable them to contribute in the country's financial system.
- To provide comprehensive range of financial services and to strive for exceptional financial performance and growth based on commitment for a sustainable world through combining long term economic values, environmental stewardship and social responsibility.
- To be valued by our customers for bringing competitive solutions, reliability, comfort and convenience to their lives and businesses.
- To create a value and make a difference, to be a brand.

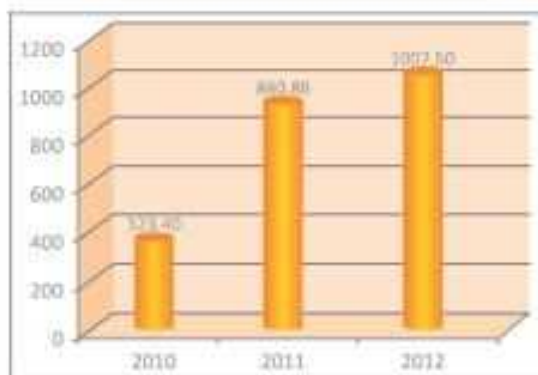


FINANCIAL HIGHLIGHTS

INCOME FROM OPERATIONS (IN MILLIONS)

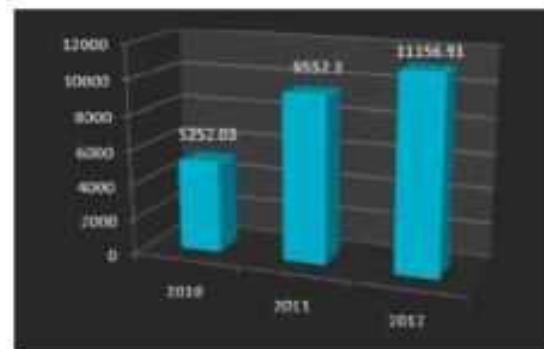


PBT (IN MILLIONS)



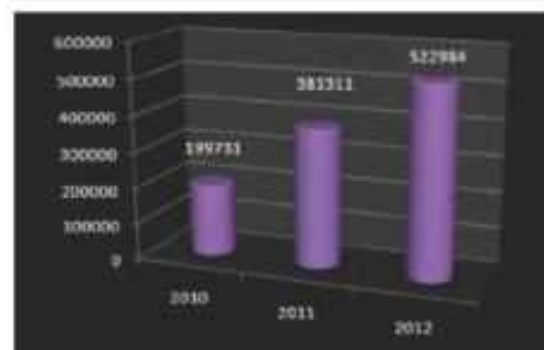
OPERATIONAL HIGHLIGHTS

DISBURSEMENT (IN MILLIONS)

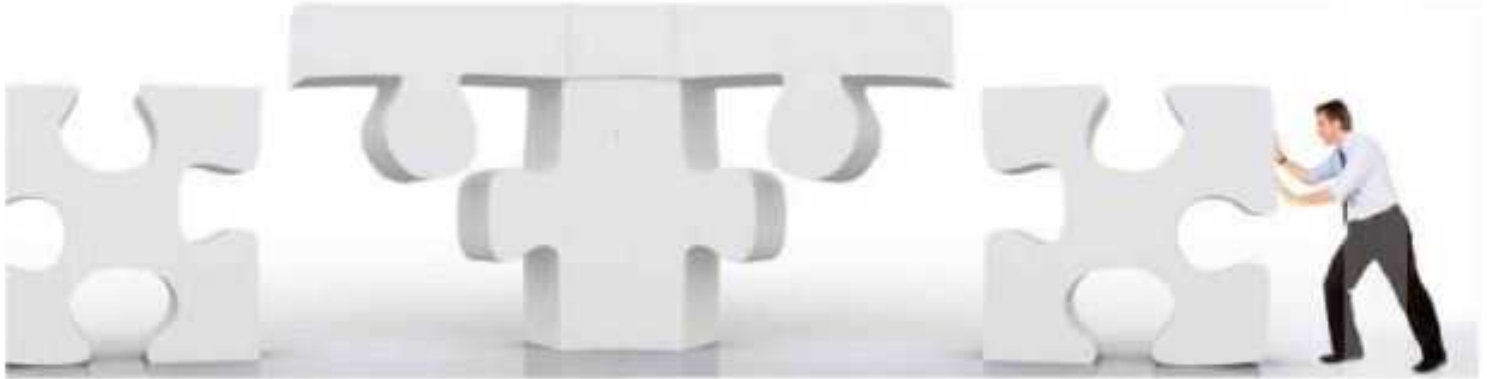


Note: Figures for FY 11&12 includes figures of 100% subsidiary.

NUMBER OF CUSTOMERS OUTREACH




Note: Figures for FY 11&12 includes figures of 100% subsidiary.



SEIL METHODOLOGY AND PROCESS





The first rule of luck in business is that you should persevere in doing the right thing. Opportunities will come your way if you do.

-Ronald Cohen

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Twentieth Annual General Meeting of the members of the Company will be held on Thursday 27th September, 2012 at 10.00 A.M. at Auditorium ISKCON Complex, Hare Krishna Hill, Sant Nagar, Main Road, East of Kailash, New Delhi-110065, to transact the following business(s):

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2012, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon,
2. To appoint a Director in place of Mr. Purushottam Agrawal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Dr. Arun Gopal Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To declare dividend on equity shares and preference shares and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution**:

"RESOLVED THAT a final dividend of 10% on fully paid-up equity share capital i.e. Rs. 1 on every Equity share of Rs. 10/- each of the Company as recommended by the Board of Directors be and is hereby declared.

RESOLVED FURTHER THAT a final dividend of 10% on fully paid-up preference share capital i.e. Rs. 1 on every 10% redeemable Preference shares of Rs. 10/- each of the Company be and is hereby declared."

5. To appoint Statutory 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 **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions of Companies Act, 1956, if any, M/s R. Lal & Company,

Chartered Accountants, (Firm Registration No. 000926C) and M/s P M S & Co., Chartered Accountants, (Firm Registration No. 013398C), the retiring Joint Auditors of the Company being eligible for re-appointment, be and is hereby appointed as Joint Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company on such terms and conditions as may be fixed by the Board of Directors of the Company on recommendation of the Audit Committee."

SPECIAL BUSINESS

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

"RESOLVED THAT Mr. Brij Lal Goel, who was appointed as an Additional Director in the meeting of the Board of Directors of the Company held on 16th May, 2012 under Section 260 of the Companies Act, 1956 and who holds office as such upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing, under Section 257 of the Companies Act, 1956 from a member signifying their intention to propose Mr. Brij Lal Goel as a candidate for the office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT Mr. Dharam Vir Gupta, who was appointed as an Additional Director in the meeting of the Board of Directors of the Company held on 24th July, 2012 under Section 260 of the Companies Act, 1956 and who holds office as such upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing, under Section 257 of the Companies Act, 1956 from a member signifying their intention to propose Mr. Dharam Vir Gupta as a candidate for the office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation."

8. 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, 349, 350, 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) sanction be and is hereby accorded for payment of remuneration as set out herein to Mr. Sunil Agarwal, Managing Director of the Company, with effect from 1st April, 2011 and as approved by the Board of Directors at their meeting held on 15th October, 2011 on the recommendation of Remuneration Committee.

Mr. Sunil Agarwal, Managing Director shall be paid remuneration as follows;

Basic Salary of Rs. 12,50,000/- (Rupees Twelve Lacs Fifty Thousand Only) per month or Rs. 1,50,00,000/- (Rupees One Crore Fifty Lacs Only) 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 Managing Director, if the Company has no profits or its profits are inadequate, the Company may pay to the Managing 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.

RESOLVED FURTHER THAT all the remaining terms and conditions of appointment of Mr. Sunil Agarwal as Managing Director of the Company contained in his Agreement with the company shall remain unchanged and effective."

9. 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, 349, 350, 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) sanction be and is hereby accorded for payment of remuneration as set out herein to Mr. Sachin Agarwal, Whole Time Director of the Company, with effect from 1st April, 2011 and as approved by the Board of Directors at their meeting held on 15th October, 2011 on the recommendation of Remuneration Committee.

Mr. Sachin Agarwal, Whole Time Director shall be paid remuneration as follows;

Basic Salary of Rs. 12,50,000/- (Rupees Twelve Lacs Fifty Thousand Only) per month or Rs. 1,50,00,000/- (Rupees One Crore Fifty Lacs Only) 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, if 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.

RESOLVED FURTHER THAT all the remaining terms and conditions of appointment of Mr. Sachin Agarwal as Whole Time Director of the Company contained in his Agreement with the company shall remain unchanged and effective."

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

"RESOLVED THAT pursuant to the provision of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, as amended or restated (the "Companies Act"), the listing agreements with the stock exchanges where the company's equity shares are listed and the provisions of the Foreign Exchange Management Act, 1999, as amended or restated, the Foreign Exchange Management (Transfer or Issue of Security by a Resident Outside India) Regulations, 2000, as amended or restated, the Foreign Exchange Management (Borrowing or Lending in Rupees) Regulations, 2000, as amended or restated, the issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depositary Receipt Mechanism) Scheme, 1993, as amended or restated, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended or restated (the "ICDR Regulations"), as applicable and such other statutes, notifications, circulars, rules and regulations as may be applicable and relevant, each as amended or restated and the Memorandum and Articles of Association of the Company, as amended and subject to such approvals, consents, permissions and sanctions, if any, of the Government of India, the Reserve Bank of India (the "RBI"), the Foreign Investment Promotions Board (the "FIPB"), the Securities and Exchange Board of India (the "SEBI"), the relevant Registrar of Companies (the "ROC"), the relevant stock exchanges and other regulatory authority as may be required under applicable laws or regulations and subject to such conditions as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions which may be agreed by the Board of Directors of the Company (the "Board"), which term shall be deemed to include any committee constituted or to be constituted by the Board, or any person (s) authorized by the Board or its committee for such purpose(s), consent of the Company be and is hereby accorded to the Board in its absolute discretion, to create, offer, issue and allot in the course of either one or more international offering(s), in one or more foreign markets and/or in the course of one or more domestic offering(s) in India, including by way of qualified institutional placement under the ICDR Regulations ("QIP"), such number of equity shares and/or any securities linked to, convertible into or exchangeable for equity shares including without limitation through Follow on Public Offer/ Preferential Issue/ Right Issue/ Private Placement/ Global Depositary Receipts ("GDRs") and/or American Depositary Receipts ("ADRs"), and /or convertible preference shares and /or convertible debentures (compulsorily and /or optionally, fully and/or partly) and/or non-convertible debentures, (or other securities) with warrants and/or warrants with a right exercisable by the warrant holder to exchange or convert such warrants with equity shares of the Company at a later date simultaneously with the issue of non-convertible debentures and/or foreign Currency Convertible Bonds ("FCCBs") and/or Foreign Currency Exchangeable Bonds ("FCEBs") and/or any other permitted fully or partly paid Securities/instruments/warrants, convertible into or exchangeable for equity shares at the option of the Company

and/or the holder(s) of the security(ies), and/or securities linked to equity shares, (hereinafter collectively referred to as the "securities"), in one or more tranches, whether rupee denominated or denominated in foreign currency, to General Public, Members, Employees, Non-Resident Indians, Foreign Institutional Investor(s) (FII's), Companies including Insurance Company whether General Insurance or Life Insurance, Mutual Funds, Banks, Financial Institutions, Stabilizing Agents (SA), other entity(ies) and/ or to the Company's Promoters, their Relatives, Friends and Associates including Body Corporates, whether in group or not, by way of Follow on Public Offer/ Preferential Issue/ Right Issue/ Private Placement/ Global Depositary Receipts ("GDRs") and/or American Depositary Receipts ("ADRs"), and /or convertible preference shares and /or convertible debentures (compulsorily and /or optionally, fully and/or partly) and/or non-convertible debentures, (or other securities) with warrant and/or warrants whether or not such persons are existing shareholders of the Company or not and to such investors who are eligible to acquire such securities in accordance with all applicable laws, rules, regulations, guidelines and approvals, through public issue(s), right issue(s) preferential issue(s), private placement(s) or any combination thereof, through any prospectus, offer documents, offer letter, offer circulars, placement documents or otherwise, at such time or times and at such price or prices subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, at a discount or premium to market price or prices in such manner and on such terms and conditions including as regards security, rate of interest, etc., as may be deemed appropriate by the Board in its absolute discretion, subject to compliance with all applicable laws, rules, regulations and guidelines and approvals, for an aggregate amount, in one or more offering(s) and/or in one or more tranches, not exceeding USD 250 million, either by way of offer for sale or a sponsored issue of Securities (by one or more existing shareholders of the Company) or through a fresh issue of Securities or in any combination thereof, and the Board shall have the discretion to determine the categories of eligible investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of investors at the time of such offer, issue and allotment considering the prevailing market conditions and all other relevant factors and wherever necessary in consultation with advisor(s), and underwriter(s) appointed by the company.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the issue(s) of Securities may, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals have all or any terms or combination of terms, in accordance with domestic and/or international practice, including, but not limited to, conditions in relations to payment of interest, additional interest, premium on redemption, repayment and any other debt services payments whatsoever and all other such terms as are provided in offerings of such nature including terms for issue of additional equity shares or variation of the conversion prices of the securities during the duration of the securities.

RESOLVED FURTHER THAT the company and/or any agency or body authorized by the company may, subject to compliance with all applicable laws, rules, regulations, guidelines, and approvals, issue certificate and/or Depositary receipt including global certificate representing the securities with such features and attributes as are prevalent in international and/or domestic capital markets for instruments of such nature and to provide for the tradability or transferability thereof as per the international and/or domestic practices and regulations and under the forms and practices prevalent in such international and/or domestic Capital markets.

RESOLVED FURTHER THAT the securities issued in foreign markets shall be deemed to have been made abroad and/ or at place of issue of the securities in international capital markets and shall be governed by the applicable domestic/foreign laws and regulations.

RESOLVED FURTHER THAT the company may enter into any agreements with any agency or body for the issue, upon conversion of the securities of equity shares of the company in registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the international practices and regulations, and under the form and practices prevalent in international capital markets.

RESOLVED FURTHER THAT the securities may be redeemed and/or converted into and/or exchanged for the equity shares of the Company, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, in a manner as may be provided in the terms of their issue.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of equity shares of the company as may be required to be issued and allotted upon conversion, exchange, redemption or cancellation of

any of the securities as may be necessary in accordance with the terms of the offering and all such equity shares shall rank pari passu with the existing equity shares of the company in all respects, except such right as to dividend as may be provided under the terms of the issue and in the offer documents if any.

RESOLVED FURTHER THAT the relevant date for the purpose of Pricing of securities (i) by way of Follow on Public Offer/ Preferential Issue/ Right Issue/ Private Placement/ Global Depositary Receipts ("GDRs") and/or American Depositary Receipts ("ADRs"), and /or convertible preference shares and /or convertible debentures (compulsorily and /or optionally, fully and/or partly) and/or non-convertible debentures, (or other securities) with warrants and/or warrants, shall be the date as specified under the applicable law or regulation; or (ii) in the event of conversion or exchange of Securities Issued under QIP, shall be the date of the meeting in which the Board decides to open the issue.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions the Board be and is hereby authorized to do all such acts, deeds, matter and /or things including but not limited to finalization and approval of the preliminary as well as the final document(s) determining the form and manner of the issue including the class of investors to whom the securities are to be issued and allotted, the number of securities to be allotted, the issue price, the face value, the premium amount on the issue/conversion/exchange of the Securities, if any, the rate of interest, the execution of various transaction documents, creation of mortgage/charge in accordance with applicable provisions of the Companies Act, 1956, in respect of any securities, either pari passu basis or otherwise as it may in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in relation to the issue offer or allotment of securities including amending the terms of securities and subject to applicable law for the utilization of issue proceeds as it may in its absolute discretion fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto for all such acts, deeds, matters, and/or things, expressly by the concerned authority.

RESOLVED FURTHER THAT the Board be and is hereby authorized to appoint such Consultants, Lead Managers, Underwriters, Guarantor(s), Depositories, Custodian(s), Registrar(s), Agent(s), Authorised Representative, Trustee(s), Bank(s) Lawyer(s), Merchant Banker(s) and any other Advisor(s), Professional(s) and intermediaries as may be required to pay them such fees, commission and other expenses as it may deem fit and enter into or execute all such agreement(s)/ Arrangement(s)/ MOU(s)/ Placement agreement(s)/ deposit agreement(s)/Trust deeds/subscription agreement/payment and conversion agency agreement/ or any other agreement(s) or document(s) with any such agencies, listing of securities in domestic and/or international stock exchanges authorizing any Director(s) or any officer(s) of the company, severally to sign for and on behalf of the company offer document(s), agreement(s), applications, authority letter or any other related paper(s)/documents, give any undertaking(s), affidavit(s), certification(s), as he/she may in his/her absolute discretion deem fit including without limitation the authority to amend or modify such document(s).

RESOLVED FURTHER THAT the Board and other designated officers of the Company, be and are hereby severally authorized to make all filings including as regards the requisite listing application(s)/ prospectus(es)/ offer document(s)/ registration statement(s), or any amendments or supplements thereof, and of any other relevant documents with the stock exchanges (in India or abroad), the RBI, the FIPB, the RoC and such other authorities or institutions in India and/or abroad for this purpose and to do all such acts, deeds and things as may be necessary or incidental to give effect to the resolutions above and the Common Seal of the Company be affixed wherever necessary.

RESOLVED FURTHER THAT the Board be and is hereby authorized to severally delegate all or any of its powers conferred to any Committee of Directors or any Executive Director or Directors or any other Officer of the Company, in order to give effect to the above resolutions.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any or the foregoing resolutions are hereby approved, ratified and confirmed in all respects."

11. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT consent of the Company be and is hereby granted in accordance with Section 293(1)(d) and other

applicable provisions, if any, of the Companies Act, 1956, and the Articles of Association of the Company, to the Board of Directors of the Company, to borrow any sum or sums of money (including non fund based facilities) from time to time at their discretion, for the purpose of the business of the Company, from any one or more Banks, Financial Institutions and other persons, firms, body corporates, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company, (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may, at any time, upto a sum of Rs. 3000 crore (Rupees Three Thousand Crores) over and above the aggregate of the paid up capital of the Company and its free reserves (that is to say, reserves, not set apart for any specific purpose) and that the Board of Directors be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may deem fit.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

Place : New Delhi
Date : 21st August, 2012

By Order of the Board of Directors
For **S. E. Investments Limited**
sd/-
(Vishal Sharma)
Company Secretary

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting ("the meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself/ herself and the proxy need not be a member of the Company. The instrument appointing proxy in order to be effective should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than forty-eight hours before commencement of the Meeting.
2. Corporate Members intending to send their authorized representative to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. In terms of Article 115 of the Articles of Association of the Company, Mr. Purushottam Agrawal, Director and Dr. Arun Gopal Agarwal, Director, liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. A brief resume of Mr. Purushottam Agrawal and Dr. Arun Gopal Agarwal, nature of their expertise in specific functional areas, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is provided in the Report on Corporate Governance forming part of the Annual Report. The Board of Directors of the Company recommend their re-appointment.
4. Members attending the meeting are requested to bring with them the Attendance Slip attached to the Annual Report duly filled in and signed and handover the same at the entrance of place of the meeting. Proxy/Representative of a member should mark on the Attendance Slip as "Proxy" or "Representative" as the case may be. Members holding shares in electronic form and desirous of attending the meeting are required to bring alongwith them Client ID and DP ID Numbers for easy identification.
5. 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.
6. Members who hold shares in dematerialized mode are requested to intimate any changes pertaining with their bank account details, ECS mandates, nominations, power of attorney, change of address/name etc. to their Depository Participant only and not to the Company's Registrar & Share Transfer Agent. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its Registrar & Share Transfer Agent to provide efficient and better service to the members.

7. Members holding shares in physical form are requested to intimate all changes pertaining to their bank details, ECS mandates, nominations, power of attorney, change of address/name etc. to the Company's Registrar & Share Transfer Agent quoting their registered folio number.
8. Members are advised to avail nomination facility as per the amended provisions of the Companies Act, 1956, for which nomination forms are available with the Registrar.
9. Consequent upon amendment of Section 205A of the Companies Act, 1956 and introduction of Section 205C, by the Companies (Amendment) Act, 1999, the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund.
10. 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.
11. Register of Members and Share Transfer Books of the Company will remain closed from 21st September, 2012 to 27th September, 2012 (both days inclusive).
12. Members desirous of having any information regarding accounts are requested to address their queries to the Company Secretary at the Head Office of the Company at least seven days before the date of the meeting, so that the requisite information is made available at the meeting.
13. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.
14. The Securities and Exchange Board of India (SEBI) has notified that the shareholders/ transferee(s) of shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their PAN card to the company / RTA for transactions in the securities market including transfer, transmission or any other corporate action.
Accordingly, all the shareholders / transferee(s) of shares (including joint holders) are requested to furnish a certified copy of their PAN card to the company/ RTA while transaction in the securities market including transfer, transmission or any other corporate action.
15. All communication relating to shares are to be addressed to the Company's Transfer Agents, M/s Alankit Assignments Limited, ALANKIT HOUSE, 2E/21, Jhandewalan Extension, New Delhi-110055.
16. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 setting out all material facts relating to the special business is annexed hereto.
17. The Ministry of Corporate Affairs has vide Circular No.s 17/2011 and 18/2011 dated 21st April, 2011 and 29th April, 2011 respectively, undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through electronic mode. Members are requested to support this green initiative by registering /updating their email addresses, in respect of shares held in dematerialized form with their respective depository participants and in respect of shares held in physical form, with Alankit Assignments Ltd., the Company's Registrar and Share Transfer Agent.

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956

Item No. 6

Pursuant to the Article 107 of the Articles of Association of the Company and in terms of Section 260 of the Companies Act, 1956, Mr. Brij Lal Goel was appointed as an Additional Director w.e.f. 16th May, 2012 on the Board of the Company. Pursuant to the provisions of Section 260 of the Companies Act, 1956, he holds office as Director upto the date of ensuing Annual General meeting. The Company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing the name of Mr. Brij Lal Goel as Director of the Company. A brief resume of Mr. Brij Lal Goel as required in terms of Clause 49 of the Listing Agreement is enclosed with this Annual Report. The Board recommends that he may be appointed as Director, liable to retire by rotation.

The Board of Directors recommends the resolution for approval to the shareholders.

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

Item No. 7

Pursuant to the Article 107 of the Articles of Association of the Company and in terms of Section 260 of the Companies Act, 1956, Mr. Dharam Vir Gupta was appointed as an Additional Director w.e.f. 24th July, 2012 on the Board of the Company. Pursuant to the provisions of Section 260 of the Companies Act, 1956, he holds office as Director upto the date of ensuing Annual General meeting. The Company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing the name of Mr. Dharam Vir Gupta as Director of the Company. A brief resume of Mr. Dharam Vir Gupta as required in terms of Clause 49 of the Listing Agreement is enclosed with this Annual Report. The Board recommends that he may be appointed as Director, liable to retire by rotation.

The Board of Directors recommends the resolution for approval to the shareholders.

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

Item No. 8 & 9

After reviewing the Managerial Remuneration being paid by the Company in the same industry as well as their priceless contribution for the progress of the Company, on the recommendation of Remuneration Committee the Board of Directors in their meeting held on 15th October, 2011 has decided to increase the remuneration of Mr. Sunil Agarwal, Managing Director, and Mr. Sachin Agarwal, Whole Time Director, upto 12,50,000/- (Rupees Twelve Lacs Fifty Thousand Only) per month or Rs. 150,00,000/- (Rupees One Crore Fifty Lacs Only) per annum with effect from 1st April, 2011.

The other terms and conditions except remuneration shall remain the same as per the Agreement made at the time of appointment and supplementary agreement thereto with Mr. Sunil Agarwal, Managing Director, and Mr. Sachin Agarwal, Wholetime Director of the Company.

The proposed resolutions are required to be passed as Special Resolution and as such, the Directors recommend your approval.

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

Item No. 10

In view of the proposed diversification plans, your company may have to go in for augmentation of the equity capital base either by making Right offer or Public offer or issue of ADR or GDR or Issue of Debenture whether convertible or non convertible both, to partly finance the proposed projects.

The consent of the shareholders is being sought by the Special Resolution for approving an enabling authority in favour of the Board of Directors (the "Board") to issue securities under QIP category to the Qualified Institutional Buyers (QIBs) in accordance with the ICDR regulations and to any other international or domestic Investor outside or inside India, through Follow on Public Offer/ Preferential Issue/ Right Issue/ Private Placement/ Global Depositary Receipts ("GDRs") and/or American Depositary Receipts ("ADRs"), and /or convertible preference shares and /or convertible debentures (compulsorily and /or optionally, fully and/or partly) and/or non-convertible debentures, (or other securities) with warrant and/or warrants or any combination thereof.

Pursuant to the above, the Board may, in one or more tranches, issue or allot equity shares/ Foreign Currency Convertible Bonds, fully convertible debentures/ partly convertible debentures/ non-convertible debentures with

warrant/ any other securities, which are convertible into or exchangeable with equity shares on such date as may be determined by the Board but not later than such time period as permitted under applicable law.

The QIP as proposed shall be subject to the provision of the ICDR Regulations including the pricing, as set out in the resolution. Accordingly, an enabling resolution is proposed to be passed to give adequate flexibility and discretion to the Board to finalize the term of the issue. The securities issued pursuant to the offering may be listed on the Stock exchanges inside and outside India to the extent permissible by the law.

The securities issued under QIP or under any domestic or international offering pursuant to an offer may, if necessary, be secured by way of mortgage/ hypothecation on the Company's assets as may be finalized by the Board in consultation with securities holders/trustees for the holders of the securities and enabling approval is also sought under the applicable provisions of the Companies Act 1956.

The approval of the shareholder is also sought by the special resolution for enabling authority(ies) to the Board to create/offer/issue and allot in the course of either one or more international offering(s) in one or more foreign markets and/or in the course of one or more domestic offering(s) including by way of QIP under ICDR Regulations, such number of equity shares and/or any securities linked to, convertible or exchangeable for equity shares, including without limitation through FPO/ GDRs/ ADRs/ FCCBs/ fully convertible debentures/partly convertible debentures / non-convertible debentures with warrant/any other securities, which are convertible into or exchangeable with equity shares at the option of the Company and/or holder(s) of the security(ies) as the Board may decide, at such time and at such price as the Board may in consultation with lead managers, advisors and other intermediaries deem fit.

Section 81(1A) of the Companies Act, 1956 and the relevant clause of the listing agreement with the Stock Exchanges provides, inter-alia that when it is proposed to increase the issued capital of a company by allotment of further Equity shares, such further Equity Shares shall be offered to the existing Equity Shareholders of such company in the manner laid down in the Section 81 unless the shareholders in the general meeting decide otherwise. As the aforesaid resolution provide for or may result into issue of Equity Shares to persons other than the existing shareholders of the Company, consent of the shareholders is being sought, pursuant to Section 81(1A) and all applicable provisions, if any of the Companies Act, 1956 and the SEBI Guidelines.

The Board believes that such issue is in the interest of the Company and therefore recommends passing of the Special resolution contained in the notice.

The Board of Directors accordingly recommend the resolution set out as in Item No. 10 of the accompanying notice for approval of the members. Your approval is sought by show up hands in the ensuing Annual General Meeting of the Company.

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

Item No. 11

Pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of the Company can't, except with the permission of the shareholders in general meeting, borrow monies in excess of the aggregate of the paid up capital of the Company and its free reserves.

The increasing business operations and future growth plans of the Company would necessitate restructuring of the borrowing limits by authorizing the Board of Directors to borrow monies which may exceed at any time the aggregate of the paid up capital of the Company and its free reserves but not exceeding Rs. 3000 Crore (Rupees Three Thousand Crore).

The Board of Directors accordingly recommend the resolution set out at Item No. 11 of the accompanying notice for approval of the members. Your approval is sought by show of hand in the ensuing Annual General Meeting of the Company.

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

Place : New Delhi
Date : 21st August, 2012

By Order of the Board of Directors
For **S. E. Investments Limited**
sd/-
(Vishal Sharma)
Company Secretary

Increasing wealth for our investors



DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors have pleasure in presenting the Twentieth Annual Report of your Company with the Audited Statement of Accounts for the year ended March 31, 2012.

FINANCIAL HIGHLIGHTS

Your Company's financial performance for the year under review has been encouraging and is summarized below:

Particulars	(Rs. In Lacs) 2011-12	(Rs. In Lacs) 2010-11
Total Income	21098.39	18143.66
Less: Expenditure	3825.30	2905.59
Profit before Depreciation, Interest & Tax (PBDIT)	17273.09	15238.07
Less: Interest	7121.84	6201.76
Profit before Depreciation & Tax (PBDT)	10151.25	9036.31
Less: Depreciation	76.24	427.68
Profit Before Tax (PBT)	10075.01	8608.63
Less: Provision for Tax	3042.98	2527.04
Profit After Tax (PAT)	7032.03	6081.59
Profit of Resulting Company	696.69	—
Net Profit After Tax (PAT)	6335.34	6081.59
Add: Profit b/f from the previous year	936.75	1780.18
Profit Available for Appropriation	7272.09	7861.77
Dividend Including Tax	500.45	501.92
Provision for Standard Assets	13.41	206.77
Transfer to General Reserve	5000.00	5000.00
Transfer to Reserve Fund (RBI Act)	1406.41	1216.32
Balance Carried to Balance Sheet	351.82	936.76

REVIEW OF OPERATIONS

The Company's gross income for the financial year ended March 31, 2012 increased to Rs. 21098.39 Lacs from Rs. 18143.66 Lacs in the last year registering a growth of over 16.29%.

The operating profit (PBDIT) of the Company increased by 13.35% to Rs. 17273.09 Lacs during the year, up from Rs. 15238.07 Lacs in the last year.

Interest expenses for the year increased by 14.83% to Rs. 7121.84 Lacs from Rs. 6201.76 Lacs in the last year. Depreciation was at Rs. 76.24 Lacs as against Rs. 427.68 Lacs in the last year. Net Profit for the year increased by 4.17% to Rs. 6335.34 Lacs from Rs. 6081.59 Lacs in the last year.

An amount of Rs. 1406.41 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. 5000 Lacs was transferred to the General Reserve during the year under review. The Company's Net Worth as on March 31, 2012, stood at Rs. 36458.47 Lacs, as against Rs. 34984.14 Lacs in the last year.

DIVIDEND

Your Directors have recommended a dividend of Re. 1/- (10%) per equity share of Rs. 10/- each which will absorb Rs. 471.40 Lacs (inclusive of dividend tax) for the financial year ended March 31, 2012. This dividend, if approved at ensuing Annual General Meeting, will be paid to (i) all those equity share holders whose name appear in the Register of Members as on 21st September, 2012 (ii) to those whose name as beneficial owners, are furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd. for the purpose.

OPERATIONS

The Financial Year 2011-12 was a year of significant growth and the same is detailed below:

Disbursements

The financial year 2011-12 was very significant for the Company in creating a strong platform for sustained growth. TOTAL DISBURSEMENTS (including figures of subsidiary) reached Rs. 11156.91 millions during financial year 2011-12, recording 16.80% growth over Rs. 9552.30 millions achieved during financial year 2010-2011. SEIL was successful in augmenting its portfolio without increasing the risk profile, mainly on account of increase in small loans and business loans.

Number of Customers

Total Customer Outreach stood at 522984 being increased by 37.15% as compared to previous year.

Net Worth and Capital to Risk Adjusted Assets Ratio

The Net Worth of the Company improved to Rs. 36458.47 Lacs as on 31st March, 2012 from Rs. 34984.14 Lacs as on 31st March, 2011. The Capital to Risk Adjusted Assets Ratio (CRAR) stood at 36.37% as on 31st March, 2012 as against 35.87% as on 31st March, 2011 which is much above the requirement as stipulated by Reserve Bank of India and is one of the best in the industry.

FIXED DEPOSITS

The fixed deposits of the Company as on 31st March, 2012 stood at Rs. 2449.99 Lacs excluding accrued interest thereon against last year's Rs. 1884.43 Lacs. No unclaimed matured deposits are lying with the company as on 31st March, 2012.

CREDIT RATING

The Bank Borrowing and fixed deposit programme of the Company is assigned rating of "CARE A-" & "CARE A" by CARE Limited respectively which denotes "ADEQUATE SAFETY".

TIMELY REPAYMENT OF LOAN LIABILITIES

The Company has not defaulted in payment of interest and/or repayment of loans to any of the financial institutions and /or banks during the year under review.

DIRECTORS

In terms of Article 115 of the Articles of Association of the Company, Shri Purushottam Agrawal and Dr. Arun Gopal Agarwal, Directors, retire by rotation and being eligible, offer themselves for reappointment at the ensuing Annual General Meeting.

REGULARISATION OF ADDITIONAL DIRECTORS AS DIRECTORS

Mr. Brij Lal Goel was appointed as Additional Director on 16th May, 2012 and Mr. Dharam Vir Gupta was appointed as Additional Director on 24th July, 2012. As per the provisions of the Section 260 of the Companies Act, 1956, Mr. Brij Lal Goel and Mr. Dharam Vir Gupta holds office upto the date of the forthcoming Annual General Meeting of the Company. The Company has received notice from a member proposing their candidature for the office of Director.

CONSOLIDATION OF EQUITY SHARES

The equity shares of the company were Consolidated from Ten Equity Shares of the face value of Re. 1/- each into One Equity Share of the face value of Rs. 10/- each in the meeting of the Board of Directors of the company held on 24th September, 2011, pursuant to the Special Resolution passed by the shareholders of the Company on 29th August, 2011. Record Date for Consolidation was 5th October, 2011 as decided in the meeting of Board of Directors of the Company.

SCHEME OF ARRANGEMENT AMONGST S. E. INVESTMENTS LIMITED, S. E. POWER LIMITED AND THEIR RESPECTIVE SHAREHOLDERS

The Board of Directors of your Company has approved the Scheme of Arrangement amongst M/s S. E. Investments Ltd. (Transferor Company), M/s S. E. Power Ltd. (Transferee Company) and their Respective Shareholders in its meeting held on 19th November, 2010. The Appointed Date for the said Scheme has been fixed as 30.09.2010.

The requisite majority of the Equity Shareholders, the Secured Creditors and the Unsecured Creditors & Fixed Deposit Holders of the Company in their respective meetings convened on 9th April, 2011 by order of Hon'ble High Court of Delhi dated 23rd February, 2011 have approved the said Scheme of Arrangement. Hon'ble High Court of Delhi has approved the Scheme of Arrangement on 1st November, 2011.

RBI GUIDELINES

The Company continues to comply with all the requirements prescribed by the Reserve Bank of India as applicable to it.

SUBSIDIARY

We have only one subsidiary - M/s Nupur Finvest Private Limited (NBFC).

As per Section 212 of the Companies Act, 1956, we are required to attach the Directors' Report, Balance Sheet and Profit and Loss account of our subsidiary. The Ministry of Corporate Affairs, Government of India vide its circular no. 2/2011 dated February 8, 2011 has provided exemption to companies from complying with Section 212, provided such companies publish the audited consolidated financial statements in the Annual Report. Accordingly, the Annual Report 2011-12 does not contain the financial statements of our subsidiary but discloses the consolidated financial statement giving information of its subsidiary. The audited annual accounts and related information of our subsidiary, where applicable, will be made available upon request. These documents will also be available for inspection during business hours at our registered office at Delhi.

FUTURE PROSPECTS

The year 2011-12 has been a milestone for the Company. While on one hand, Company successfully scaled its operations through improved reach and streamlined business to an ever growing consumer base, on the other hand, it undertakes funding initiatives, mitigating interest risk to a large extent.

- SEIL plans to achieve new horizons in the Business loans including Small and Medium Enterprises (SME)/ Priority sector, Lending to Corporates, Individuals, Partnership Firms and others.
- SEIL proposes to open new branches at Bangalore, Pune, Indore etc.

- The Company is also looking to venture into other activities similar in nature being housing loans for LIG (Low Income Group).

The Company and its subsidiary aims at leveraging the opportunities provided by a growing economy and continues to see healthy growth in its lending activities.

Our Company is continuously improving its performance and looking for new areas for broader development in finance sector. Through a variety of innovative ideas & initiatives, we are looking at enhancing the finance facilities for weaker and poor section of the society.

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

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.

GOVERNANCE

Your Company is committed to adhere to the best practice of governance. It is always ensured, that the practices being followed by the Company are in alignment with its philosophy towards Corporate Governance. Your Company believes that the Corporate Governance is all about effective management of relationship among constituents of the system and always works towards strengthening this relationship through corporate fairness, transparency and accountability. In your Company, prime importance is given to reliable financial information, integrity, transparency, fairness, empowerment and compliance with law in letter and spirit.

Your Company proactively follows Government principles and practices as to meet the business and regulatory needs, which has enabled it to emerge as one of the best corporate governed companies of India.

Detailed compliances with the provisions of Clause 49 of the Listing Agreement for the year ended 2011-12 has been given in Corporate Governance Report, which is attached and forms part of this report.

Certificate from the Statutory Auditor 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.

AUDITORS & AUDITORS' REPORT

M/s R. Lal & Company, Chartered Accountants & M/s P M S & Co., Chartered Accountants, Joint Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment. The Company has received a certificate from the Auditors to the effect that their re-appointment if made, would be in accordance with the provisions of section 224(1B) of the Companies Act, 1956. The Directors recommend the re-appointment of M/s R. Lal & Company, Chartered Accountants & M/s P M S & Co., Chartered Accountants, as Joint Statutory Auditors of the Company.

The observations of Auditors in their report read with notes to the accounts are self explanatory and do not call for any further explanation.

HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATION

Your company strives to provide the best work environment with ample opportunities to grow and explore. The human resources development function of the Company is guided by a strong set of values and policies. The details of initiatives taken by the Company for development of human resources are given in Management Discussion and Analysis Report.

The Company maintained healthy, cordial and harmonious industrial relations at all levels.

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.

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 on March 31, 2012, 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, 2012 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.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

After Demerger of Non Conventional Energy Division, Energy Generation Projects stands transferred to S. E. Power Limited (Transferree Company). Particulars required to be furnished under the Companies [Disclosure of Particulars in the Report of Board of Directors] Rules, 1988, are given under S. E. Power Limited Annual Report.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Earnings	:	NIL
Outgo	:	NIL

ACKNOWLEDGMENTS:

The Board of Directors wishes to place on record its appreciation for the commitment, dedication and hard work done by the employees of the Company and the co-operation extended by Banks, Government Authorities, Customers, Shareholders and Employees of the Company and looks forward to a continued mutual support and co-operation.

Place : New Delhi
Date : 21st August, 2012

sd/-
(Purushottam Agrawal)
Chairman

sd/-
(Sunil Agarwal)
Managing Director

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	Qualification	Total Experience (Years)	Date of Commencement of Employment	Last Employment
1.	Mr. Sunil Agarwal	41	Managing Director	1,50,00,000/-	Graduate	23	05/03/1992	—
2	Mr. Sachin Agarwal	37	Whole Time Director	1,50,00,000/-	Graduate, MBA	18	29/03/2000	—
3	Mr. Harish Singh	45	Executive Director	82,92,026/-	Post Graduate, FCA, MBA	20	25/08/1997	—



MANAGEMENT DISCUSSION AND ANALYSIS

CURRENT SCENARIO

India's NBFC sector, which accounts for about 13% of the total assets of the banking sector, is passing through a critical phase. By all objective measures, this sector has made rapid strides in recent years and led the way forward in delivering innovation and outstanding value to stakeholders. Moreover, it plays a critical part in filling the many gaps left by the banking sector. The performance of the NBFCs has been particularly impressive in areas that are national priorities, like infrastructure finance, SME finance, housing finance, micro finance and financial inclusion.

An unfortunate outcome of tight regulation of the NBFC sector has been that more effort and energy is being expended on curbing the growth of NBFCs by adding to their regulatory burden than on furthering their potential to be a transformative force for financial inclusion. For instance, the recent move to deny priority sector status to the loans given by banks to NBFCs has had the effect of pushing up cost of funds for the sector. Unfortunately, the ultimate impact falls on borrowers who belong largely to the underprivileged and financially excluded sections of society.

Recent years have witnessed significant increase in financial intermediation by the NBFCs. But as far as the current status of the NBFCs is concerned, these are trapped in a cycle of high costs of funds leading to high rate of interest for borrowers. In order to meet with the fund requirements, NBFCs borrow from the markets directly at much higher rates than the banks. Consequently, the rates at which they lend are also higher. As a result, higher interest outgo caps margins of the borrowers from the NBFCs and also deters their growth.

NBFCs mostly lend to sectors like infrastructure equipment, farm equipment and commercial vehicles since these areas do not get loans from the banks. Conversion of some of these NBFCs into full-fledged banking structure would enable these infrastructure companies to raise loans at a cheaper rate. Low cost of fund raising will enable these infra companies to maintain the competitive spirit of the industry.

Amidst looming risks, the global economy has managed to hold its own so far. However, the dark clouds continue to threaten, such as the mounting risk of the

Eurozone debt crisis getting out of hand, the continuing slump in the US realty market accompanied by distressingly high unemployment levels, elevated commodity prices, early indications of overheating in the emerging markets, and various geopolitical perils, that threaten to derail the global economic recovery all over again. Thanks largely to the cumulative economic reforms from 1991 onwards, the Indian economy is on a firmer footing and has been able to weather the impact till now.

At the same time, warning signs have emerged which need immediate attention. With the perceptible slowdown in the reform impetus over the last few years, the economy is now beginning to show telltale signs of wear and tear. Food inflation has spread outwards and the consequent monetary tightening by RBI has led to a sharp increase in interest rates and heightened anxieties about an impending slowdown. Given the nature of the inflationary pressures we face, we believe the government can no longer delay hard decisions about accelerating the pace of fiscal consolidation. Otherwise, India faces the real danger of getting caught in an inflationary spiral.

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 2012 was Rs. 21098.39 Lacs reflecting a growth of 16.29% over the Total Income of last year. Interest costs were Rs. 7121.84 Lacs as against Rs. 6201.76 Lacs in the last year. Operating Profit (PBDIT) increased by 13.35% from Rs. 15238.07 Lacs in the last year to Rs. 17273.09 Lacs this year. Depreciation was at Rs. 76.74 Lacs against Rs. 427.68 Lacs in the last year.

Profit after tax was Rs. 6335.34 Lacs as against Rs. 6081.59 Lacs for the last year. An amount of Rs. 1406.41 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. 5000 Lacs was transferred to the General Reserve during the year under review.

The Company's Net worth as on March 31, 2012 stood at Rs. 36458.47 Lacs as against Rs. 34984.14 Lacs last year. Basic and Diluted Earning Per Share (EPS) was Rs. 15.55 (Face Value Rs. 10/-) as against Rs. 1.49 (Face Value Re. 1/-) in the last year.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

As Non Banking Finance Companies (NBFCs) grow and operate as regulated financial intermediaries, internal control becomes essential to long-term institutional viability. The number and types of stakeholders concerned with the NBFC's financial well-being increases; board members want to protect their reputations and fulfil their obligations; investors are interested in preserving capital; borrowers are concerned with continuous access to loans; depositors want to ensure the safety of their savings; and regulators want to protect the financial environment and depositor's interests. To remain competitive, NBFCs are undertaking product and geographical expansion, which introduce new risks and challenge imposed by rapid growth. An effective system of internal control allows the NBFCs to assume additional risks in a calculated manner while minimizing financial surprises and protecting itself from significant financial loss. Thus, internal control is an integral component of risk management.

The Internal control checks and internal audit programmes adopted by our Company plays an important role in the risk management feedback loop, in which the information generated in the internal control process is reported back to the Board and Management.

Your Company believes in formulating adequate and effective internal control systems to verify the efficiency and effectiveness of the operations and implementing the same strictly to ensure that assets and interest of the Company are safeguarded and to assure the reliability and completeness of financial and management information. The internal control systems are modified continuously to meet the dynamic changes in the business condition and to comply with applicable laws, regulations, statutory and accounting requirements.

The Company has engaged a competent firm of Chartered Accountants to conduct internal audit, examine and evaluate the adequacy and effectiveness of the Internal Control System. The internal audit ensures that the systems designed and implemented, provides adequate internal control commensurate with the size and operations of the Company.

The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and the corrective actions taken.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal controls systems and suggests improvements for strengthening them. The Company has a strong Management Information System which is an integral part of the control mechanism. Internal control mechanisms work to improve decision making by ensuring that the information is accurate, complete and timely so that the board and management can respond to control issues promptly as they arise.

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.

Some of the key risks faced by the Company includes:

- Credit risk
- Liquidity risk
- Interest rates risk
- Rising inflation
- Competition from local and multinational players
- Frequent changes in the regulatory framework
- Transaction risk
- Non recovery of funds from its customers.
- Fraud risk
- Loss of critical documents

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 operation.
- 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.

ECONOMIC OUTLOOK, OPPORTUNITIES & CHALLENGES

NBFC sector faced significant stresses on asset quality, liquidity and funding costs due to the global economic slowdown & its impact on the domestic economy. While all the NBFCs were affected, the impact varied according to the structural features of each NBFC. However, with Indian economy recovering rapidly over the last few quarters, demand side of NBFCs has improved and challenges to asset quality have also come down. As such, the sector is now more robust due to the lessons learned from this crisis. Though, profitability is expected to be lower than historical levels due to conservative ALM (asset-liability management), higher provisioning and avoidance of high yielding unsecured loan segments. However, profits are at the same time expected to be much more stable & less susceptible to liquidity related pressures going forward.

A robust banking and financial sector is crucial for facilitating higher economic growth and financial intermediaries like NBFCs have a definite and very important role in the financial sector, particularly in a developing economy like ours. NBFCs provide a vital link among various building blocks in a financial system. Hence, NBFCs in India are expected to flourish in the medium-long term since they serve a strong source of finance to infra and auto segments which will be the key sectors for the country's economic growth in the coming years. After the approval of banking license in this budget, these NBFCs will be able to avail deposits from the public which will be the cheapest and best source of fund and will enable these NBFCs to expand their operations in an aggressive manner.

Halt monetary tightening - Another demand of the industry is that it wants the finance ministry to urge Reserve Bank of India (RBI) on the issue of monetary tightening because though controlling inflation is of utmost importance, further monetary tightening measures will further boost the refinancing rates for NBFCs. This will result in higher lending and hence decline in overall volume of business as well because of increase in borrowing rates and tight liquidity conditions will hamper borrowing and lending conditions.

Stable, But Cautious Outlook: Fitch Ratings maintains a stable but cautious outlook on the major Indian non-bank finance companies (NBFCs) sector for 2012. The impact of a cyclical increase in delinquencies and a drop in loan growth could be absorbed by high pre-provision profits, and capital buffers are adequate at most of the nine major NBFCs (large commercial finance companies) covered in this report. However, regulatory changes could increase the costs of raising fresh capital and funding, and sharply reduce profitability in the medium term.

Asset Quality Deterioration Expected: The cyclical headwinds from a moderating economy are affecting the NBFCs' asset quality, and loan growth will slow down in 2012. Fitch expects "reported" non-performing loan (NPL - 180 days overdue) ratios at the nine NBFCs of 2.5%-3.0% in 2012 (2.1% for the financial year to end-March 2011 (FY11)). Delinquencies are increasing in key business lines, but unless this is accompanied by a sharp erosion of collateral values, the high risk-adjusted margins should be able to absorb the jump in credit costs.

Regulatory Changes: The Reserve Bank of India (RBI) has introduced guidelines under which bank loans to NBFCs are not considered priority-sector loans from 1 April, 2011 which reduces incentives for banks to lend directly to NBFCs and will increase the latter's funding costs.

Further, proposed regulatory changes include revising the NPL definition to 90 days overdue, setting a minimum Tier 1 ratio of 12% and introducing a liquidity ratio requirement. The RBI may also propose similar measures for bilateral securitisations for NBFCs to those proposed for banks. These proposed and potential changes could weaken the NBFCs' profitability and affect access to fresh capital and funding.

Funding Access Could Worsen: The large dependence on institutional/wholesale funding is an industry-wide issue. While the proportion of short-term borrowings in FY12 was lower at most companies (compared with FY08), the regulatory changes could adversely affect funding from banks, which represents the NBFCs' largest source of funding. Although some of the larger NBFCs have attracted investments from domestic and international institutional investors, gaining access to alternate long-term debt funding is a broad industry-wide challenge.

Profitability Under Pressure: Despite the likely downward shift in interest rates in 2012, funding costs for NBFCs may increase in the year, which, together with higher credit costs, will reduce profitability. Fitch expects the weighted average return on assets (ROA) of the nine NBFCs to range from 1.5% to 2% in 2012 (H1FY12: 2.6%; FY11: 2.9%), from shrinking net interest margins (NIMs), low loan growth and high credit costs.

HUMAN RESOURCE DEVELOPMENT

"HUMAN CAPITAL IS ESSENTIAL TO STRATEGY EXECUTION AND IT MUST BE PART OF THE C-SUITE AGENDA"

Dynamic change, as well as innovation, demands robust human capital that is fully engaged and agile, aggressively developed and skillfully deployed. One of the "Key" reasons for the exponential growth of S. E. Investments Limited is undoubtedly its "People". Human capital is primed to become a more dominant variable and a key driver of productivity and profits. It is by far the most abundant, flexible and readily leveraged resource organizations have. A well-considered, well-executed human capital development initiative yields a virtually limitless resource essential in a knowledge-based economy. Effective human capital utilization-matching the right people to the right tasks - has the potential to enhance client and customer interactions, as well as foster internal relationships necessary to pursue new opportunities. Specifically, it enables a shift from an individual-focused culture to behaviors focused on collaboration and generative thinking. Focusing on Human capital development enables organizations to think more broadly, plan more wisely and be more innovative. SEIL is continuously focusing on tapping maximum talent optimization.

APPRECIATION

Your directors express their warm appreciation to all the employees for their diligence and contribution. Your Directors also wish to record their appreciation for the support and co-operation received from Bankers, agents and all other stakeholders.

Date : 21st August, 2012
Place : New Delhi

sd/-
(Purushottam Agrawal)
Chairman

sd/-
(Sunil Agarwal)
Managing Director



CORPORATE GOVERNANCE REPORT

Corporate Governance is the set of policies, processes and practices governing the affairs of a company in pursuit of its business goals. Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good governance practices stem from the culture and mindset of the organization. As stakeholders across the globe evince keen interest in the practices and performance of companies, Corporate Governance has emerged on the centre stage.

Over the years, governance processes and systems have been strengthened and institutionalized at S. E. Investments Limited. Effective implementation of these policies underpins the commitment of the Company to uphold highest principles of Corporate Governance consistent with the Company's goal to enhance shareholders' value.

Keeping in view the Company's size, complexity, global operations and corporate traditions, the Company's Governance framework is based on the following main principles:

- Constitution of Board of Directors, their composition, size, varied expertise and commitment to discharge their responsibilities and duties.
- Ensuring timely flow of information to the Board and its Committees to enable them discharge their functions effectively.
- A sound system of risk management and internal control.
- Independent verification and safeguarding integrity of the Company's financial reporting.
- Timely and balanced disclosure of all material information concerning the Company to all stakeholders.
- Transparency and accountability.
- Fair and equitable treatment of all stakeholders including employees, customers, shareholders and investors.

- Compliance with all the rules and regulations.

The Company recognizes that good Corporate Governance is a continuing exercise and is committed to follow the best practices in the overall interest of the stakeholders.

In accordance with clause 49 of the Listing Agreement with the Stock Exchanges in India and the best practices followed internationally on corporate governance, the details of governance systems and processes are as under:

Company's philosophy on Code of Governance

Corporate Governance at S. E. Investments Limited cares for the overall well-being and welfare of all the constituents of the system and takes into account the stakeholders' interest at every business decision.

The Company is committed to pursue growth by adhering to the highest National and International standards of Corporate Governance. The Company's philosophy on corporate Governance is based on following principles.

- Lay solid foundation for management
- Structure the Board to add value
- Promote ethical and responsible decision-making
- Safeguard integrity in financial reporting
- Make timely and balanced disclosures
- Recognize and manage business risks
- Respect the rights of the shareholders
- Encourage enhanced performance
- Remunerate fairly and responsibly
- Recognize the legitimate interest of the stakeholders
- Legal and Statutory compliances in its true spirit.

The Board of company has adopted 'Code of Conduct for prohibition of Insider Trading' based on the principles of good corporate governance and best management practices being followed globally besides complying with the needs of the law of land.

Corporate Governance philosophy is put into process in SEIL, through the following three layers namely:



FIRST LAYER: GOVERNANCE BY SHAREHOLDERS

Annual General Meeting

Annual General Meeting for the year 2011-12 is scheduled on 27th September, 2012, at 10.00 A.M. The meeting will be conducted at Auditorium ISKCON Complex, Hare Krishna Hill, Sant Nagar, Main Road, East of Kailash, New Delhi-110065.

For those of you, who cannot make it to the meeting, please remember that you can appoint a proxy to represent you in a meeting. For this you need to fill in a proxy form enclosed with the notice for the meeting and send it to us. The last date for receipt of proxy forms by us is 25.09.2012 before 10.00 A.M.

Annual General Meetings of last three years:

Year	AGM	Date	Time	Venue	Special Resolution passed
2008-09	17th AGM	July 4, 2009	10.00 a.m.	Conference Hall No. 2 11nd Floor, YWCA of Delhi Near Gurudwara Bangla Sahib Ashoka Road, New Delhi-110001	Three
2009-10	18th AGM	Sept. 13, 2010	10.30 a.m.	Auditorium ISKCON Complex Hare Krishna Hill, Sant Nagar Main Road, East of Kailash New Delhi-110065	Four
2010-11	19th AGM	Aug. 29, 2011	10:00 a.m.	Auditorium ISKCON Complex Hare Krishna Hill, Sant Nagar Main Road, East of Kailash New Delhi-110065	One

Postal Ballot

No Postal Ballot was conducted during the year 2011-12.

Extraordinary General Meeting

One Court convened meeting of the Members, Creditors & Fixed Deposit Holders of the Company was conducted during the year 2011-12 on 9th April, 2011.

Financial Calendar for the year 2012-13

■ Financial reporting for the quarter ending June 30, 2012	:	By Mid Aug., 2012
■ Financial reporting for the half year ending September 30, 2012	:	By Mid Nov., 2012
■ Financial reporting for the quarter ending December 31, 2012	:	By Mid Feb., 2013
■ Financial reporting for the year ending March 31, 2013	:	By End May, 2013

Book Closure Period

21st September, 2012 to 27th September, 2012 (Both days inclusive)

Dividend

Dividend Type	Recommended at Board Meeting	Dividend rate per share	Record date
Final Dividend for 2011-12	23.05.2012	Re. 1/-	21.09.2012

Stock Exchanges where Equity shares of the Company are listed

National Stock Exchange of India Limited, (NSE)
Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai-400051

Bombay Stock Exchange Limited, (BSE),
P. J. Towers 25th Floor, Dalal Street, Mumbai-400001

Stock Exchanges where Global Depository Receipts (GDR's) of Company are listed

Luxembourg Stock Exchange
SOCIETE DE LA BOURSE DE LUXEMBOURG
11, av de la Porte-Neuve, L-2227, Luxembourg

Listing fees

Annual Listing fee for the year 2012-13 has been paid to the Stock Exchanges where the equity shares of the Company are listed in the month of April, 2012 i.e. within the stipulated time.

Stock Code

Scrip Symbol – Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. – 'SEINV'
Scrip Code – Bombay Stock Exchange Ltd. – '532900'
ISIN for Equity Shares – INE 420C01042
ISIN for Preference Shares – INE 420CD4012
GDRs Listed on Luxembourg Stock Exchange
ISIN code - US78413C1009
Scrip Symbol (Bloomberg) - SEIN:IN

Stock Market Data

Monthly high and low prices of equity shares of S. E. Investments Limited at the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) during the year under review in comparison to BSE (Sensex) and NSE (Nifty) are given hereunder:

MONTH	Price in BSE		Price in NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2011	21.45	16.15	21.50	17.00
May, 2011	17.60	12.50	17.50	12.55
June, 2011	20.35	9.63	20.35	9.70
July, 2011	17.55	12.27	17.40	12.40
August, 2011	14.85	7.11	14.90	7.15
September, 2011	11.94	7.23	12.00	7.25
October, 2011 **	118.00	9.35	118.50	89.20
November, 2011	170.00	113.6	169.00	112.50
December, 2011	205.00	152.00	204.00	153.25
January, 2012	243.75	70.00	244.00	190.45
February, 2012	251.00	205.05	260.05	222.00
March, 2012	328.00	207.00	326.00	243.00

Source: websites of the respective stock exchanges
Note: High and low are in rupees per traded share.

** Consolidation of Equity Shares of the Company from Ten Equity Shares of Re. 1/- each into One Equity Share of Rs. 10/- each on 5.10.2011.

Registrar & Share Transfer Agent

M/s Alankit Assignments Limited, New Delhi has been appointed as the Registrar and Share Transfer Agent of the Company for handling the share transfer work both in physical and electronic form. All correspondence relating to share transfer, transmission, dematerialization, rematerialisation etc. can be made at the following address:

ALANKIT ASSIGNMENTS LIMITED

Alankit House, 2E/21,
Jhandewalan Extension
New Delhi-110055. Tel.: 011 42541955
Contact Person – Mr. Ram Avtar Pandey
Email: ramap@alankit.com
Time: 10.00 a.m. to 1.00 p.m.
and 2.00 p.m. to 4.00 p.m. (Monday to Friday)

Share Transfer System

Shares sent for transfer in physical form are processed and completed by our Registrar and Share Transfer Agents within a period of 15 days from the date of receipt provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. Shares under objection are returned within two weeks.

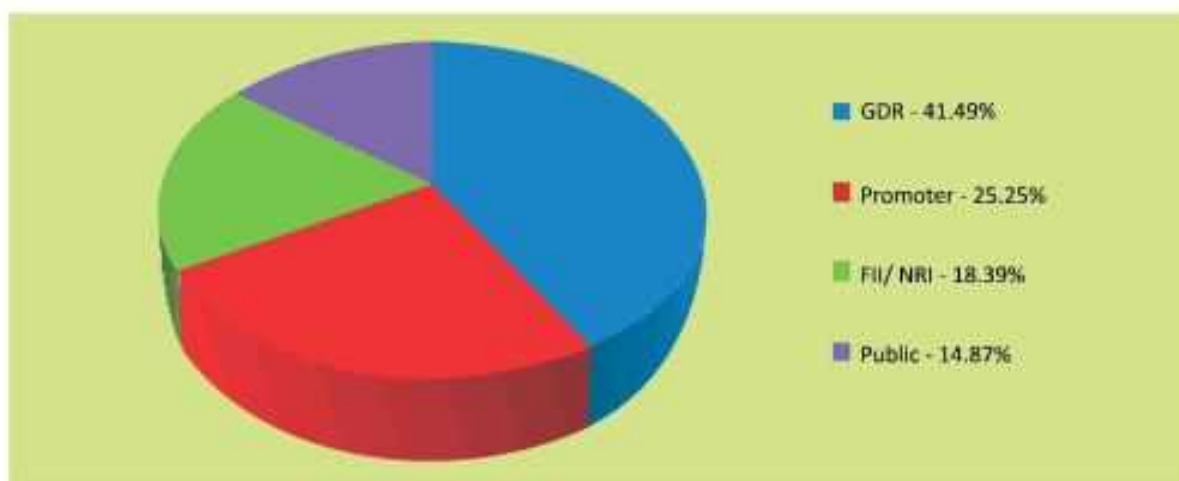
Shareholders can trade in the Company's share only in electronic form. The process for getting the shares dematerialised is as follows:

- Shareholder submits the shares certificate along with Dematerialisation request Form (DRF) to Depository Participant (DP).
- DP processes the DRF and generates a unique Dematerialisation Request Number.
- DP forwards DRF and share certificates to Registrar and Share Transfer Agents (RTA).
- RTA after processing the DRF confirms or rejects the request to Depositories.
- If confirmed by the RTA, depositories give credit to shareholder in his account maintained with DP.

This process takes approximately 10-15 days from the date of receipt of DRF.

As trading in shares of the Company can be done only in electronic form, it is advisable that the shareholders who have shares in physical form get their shares dematerialised.

Distribution of Shareholding as on March 31, 2012



Shareholding Pattern as on March 31, 2012

CATEGORY	NUMBER OF SHARES HELD	PERCENTAGE OF SHAREHOLDING
(A) Shareholding of Promoter and Promoter Group		
1. Indian		
(a) Individuals/ Hindu Undivided Family	7,328,640	18.07
(b) Bodies Corporate	29,10,881	7.18
Sub Total(A)(1)	1,02,39,521	25.25
2. Foreign		
Sub Total(A)(2)	—	—
Total Shareholding of Promoter and Promoter Group		
(A) = (A)(1)+(A)(2)	1,02,39,521	25.25
(B) Public shareholding		
1 Institutions		
(a) Foreign Institutional Investors	74,46,011	18.36
(b) Insurance Companies	1,50,000	0.37
Any Others (Specify)		
(c) Foreign Institutional Investors - DR	—	—
Sub-Total (B)(1)	75,96,011	18.73
2. Non-institutions		
(a) Body Corporates	50,60,357	12.48
(b) Individuals		
I. Individual shareholders holding nominal share capital up to Rs 1 lakh	5,12,514	1.26
II. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	2,70,318	0.67
(c) Any Other		
I. Non-Resident Individuals/Foreign Individuals	12,191	0.03
II. Clearing Members	39,088	0.10
Sub-Total (B)(2)	58,94,468	14.53
Total Public Shareholding (B) = (B)(1)+(B)(2)	1,34,90,479	33.26
TOTAL (A)+(B)	2,37,30,000	58.51
(C) Shares held by Custodians and against which Depository Receipts have been issued	1,68,30,000	41.49
GRAND TOTAL (A)+(B)+(C)	4,05,60,000	100.00

Shareholding Pattern by Size

The distribution of shareholding as on 31st March, 2012 is given below:

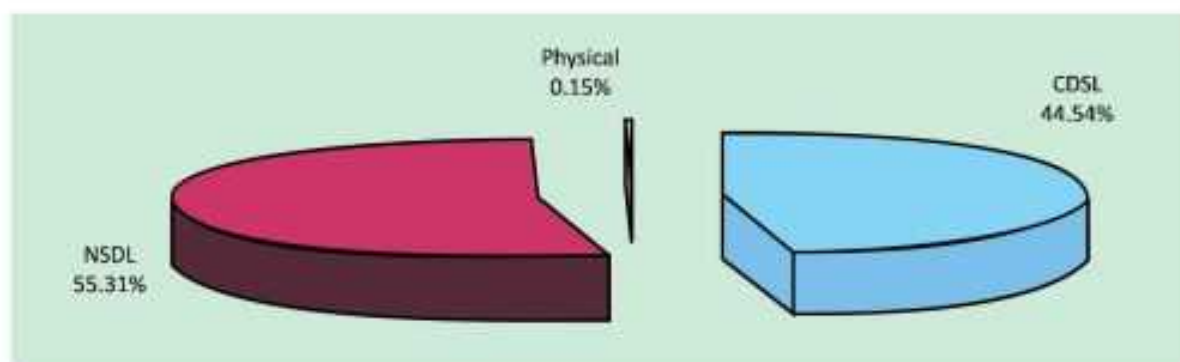
Shares holding of nominal value of		Share holders		Amount	
Rs.	Rs.	Number	% of total	(In Rs.)	% to total
1	50000	3409	93.117	1894780	0.467
5001	10000	84	2.294	631120	0.156
10001	20000	48	1.311	791220	0.195
20001	30000	12	0.328	304430	0.075
30001	40000	17	0.464	647900	0.159
40001	50000	6	0.164	278080	0.069
50001	100000	25	0.683	1715400	0.423
100001	Above	60	1.639	399337070	98.456
TOTAL		3661	100.00	405600000	100.00

Details of Public Shareholding having more than 1 % holding as on March 31, 2012

Name of shareholder	No. of shares held	% of shareholding
Davos International Fund	27,29,449	6.73
Elara India Opportunities Fund Limited	17,46,704	4.31
Kuvera Capital Partners LLP A/C Kuvera Fund Limited	16,29,760	4.02
Krishna Human Resource Management Pvt Ltd	13,86,000	3.42
Radha Chemicals Pvt Ltd	6,40,000	1.58
HSBC Bank (Mauritius) Ltd A/c Plutus Terra India Fund	13,37,607	3.29
Total	94,69,520	23.35

Dematerialization of Shares

The equity shares of the Company can be held and traded in Electronic Form. As on March 31, 2012, 99.85% of the total equity shares have been dematerialized.



Outstanding GDRs/Warrants and convertible bonds

Outstanding numbers of 84150000 Global Depositary Receipts (the "GDRs") representing 16830000 Equity Shares (41.49%) of the total paid-up share capital as on 31.03.2012. Since the underlying equity shares represented by GDRs have been allotted in full, the outstanding have no impact on the equity of the Company.

Nomination

Shareholders holding shares in physical form and desirous of making nomination in respect of their shareholding in the Company are requested to submit their request to Company in Form 2B.

Address for Correspondence

(a) Investor Correspondence: For any query relating to the shares of the Company.

For Shares held in Physical Form:

ALANKIT ASSIGNMENTS LIMITED

Alankit House, 2E/21, Jhandewalan Extension

New Delhi-110055. Tel.: 011 42541955

Contact Person – Mr. Ram Avtar Pandey

Email: ramap@alankit.com

Time: 10.00 a.m. to 1.00 p.m. and 2.00 p.m. to 4.00 p.m. (Monday to Friday)

For Shares held in Demat Form:

To the Investors' Depository participant(s) and / or Alankit Assignments Limited at the above address

- (b) For grievance redressal and any query on Annual Report
Secretarial Department
S. E. Investments Limited
5-547, IIInd Floor, Main Road,
Shakarpur, Delhi-110092
Phone No. 91 011 43518888
Fax No. 91 011 43518816
e-mail ID: cs@seil.in
Website: www.seil.in

Means of Communication

- The Board of Directors of the Company approves and takes on record the quarterly, half yearly and yearly financial results as per the performa prescribed by Clause 41 of the Listing Agreement.
- The approved financial results are forthwith sent to the Stock Exchanges and are published in the leading National English Newspapers namely 'Economic Times'. In addition, the same are published in Local language Newspaper namely 'Jansatta' with in forty-eight hours of approval thereof. The same are not sent to the shareholders separately.
- The Company's financial results and official news releases are displayed on the Company's website www.seil.in.
- No formal presentations were made to the institutional investors and analyst during the year under review.
- Management Discussion and Analysis forms part of the Annual Report, which is posted to the shareholders of the Company.

SECOND LAYER: GOVERNANCE BY BOARD OF DIRECTORS

Composition and category

The Board of Directors of the Company ("the Board") consists of 8 Directors, out of which more than 50% are Non-executive directors. The Chairman is Non-Executive and the number of Independent Directors i.e. those who have no business relationship with the Company is 50%. The Independent Directors on the Board are experienced, competent and highly reputed persons from their respective fields. None of directors on the Board is member of more than five Board level Committees.

Board's definition of independent director

Independent director shall mean Non-executive director of the Company who:

- apart from receiving director's remuneration, does not have any material pecuniary relationships or transactions with the Company, its promoters, its senior management or its holding Company, its subsidiaries and associated companies.
- is not related to Promoters, Chairman, Managing director, Whole time director, Secretary, CEO or CFO and of any person in the management at one level below the board.
- has not been an executive of the company in the immediately preceding three financial years.

- d) is not a partner or any executive of the statutory audit firm or the internal audit firm that is associated with the Company, and has not been a partner or an executive of such firm for the last three year. This will also apply to legal firm(s) and consulting firm(s) that have a material association with the entity.
- e) is not a supplier, service provider or customer of the Company. This should include lessor-lessee type relationships also; and
- f) is not a substantial shareholder of the Company, i.e. owning two percent or more of the block of voting shares.
- g) is not less than 21 years of age.

The Board of the Company has also decided that materiality of relationship with directors shall be ascertained on the following basis:

- The concept of materiality is relevant from the recipient's point of view and as well as from that of Company.
- Based on the above test of independence, Mr. Suresh Chand Sharma, Dr. Arun Gopal Agarwal, Mr. Brij Lal Goel and Mr. Dharam Vir Gupta are categorized as Independent directors. Mr. Brij Lal Goel and Mr. Dharam Vir Gupta were appointed as Independent Directors on the Board of Directors of the Company on 16th May, 2012 & 24th July, 2012 respectively.

Other details relating to the Board as on 31.03.2012 are as follows:

Name	Designation	Category	Shareholding in Company (No. of Shares)	No. of directorships held in all public companies#	No. of Board Committees memberships held in all public companies#@	No. of Board Committees Chairmanships held in all public companies#@
Mr. Purushottam Agrawal	Chairman	Non-Executive Non-Independent	2,690,000	1	2	NIL
Mr. Sunil Agarwal	Managing Director	Executive Non-Independent	12,000,000	3	3	NIL
Mr. Sachin Agarwal	Whole Time Director	Executive Non-Independent	10,672,400	1	2	1
Mr. Harish Singh	Executive Director	Executive Non-Independent	NIL	NIL	NIL	NIL
Mr. Suresh Chand Sharma	Director	Non-Executive Independent	4,40,000	1	2	1
Dr. Shyam Lal Garg*	Director	Non-Executive Independent	NIL	NIL	NIL	NIL
Dr. Arun Gopal Agarwal	Director	Non-Executive Independent	NIL	2	5	NIL
Mr. Yashwant Rao Deshmukh*	Director	Non-Executive Independent	NIL	NIL	NIL	NIL

excluding S. E. Investments Limited and excluding alternate directorship, Directorships in private and foreign companies and Companies under section 25 of the Companies Act, 1956

@ Board Committee for this purpose includes Audit Committee, Remuneration Committee, Shareholders'/Investors' Grievance Committee and IPO Committee.

* Mr. Yashwant Rao Deshmukh and Dr. Shyam Lal Garg resigned from Board of Directors on 18th May, 2012 & 24th July, 2012 respectively.

None of the Directors on the Board is a member of more than ten Committees and Chairman of more than five Committees across all companies in which they are Directors.

Directors' Profile

Brief resume of all the Directors and nature of their expertise in specific functional areas as provided below:

Sh. Purushottam Agrawal (DIN 00007483)

Shri Purushottam Agrawal, aged 68 years, a post graduate in commerce and law graduate is a Chartered Accountant holding fellow membership of the Institute of chartered Accountants of India. He has more than four decades of experience in corporate advisory, income tax practice, project consultancy and related areas. He has been a member of the Regional Direct Taxes Advisory Committee set up the Central Board of Direct Taxes.

Sh. Sunil Agarwal (DIN 00006991)

Shri Sunil Agarwal, aged 41 years, is the Managing Director of the Company. He is bachelor of commerce from St. John's College Agra. He is responsible for the business and brand building of the Company. He has been Pro-Vice Chairman of Delhi Public School, Agra and Raj Nagar, Ghaziabad promoted by the reputed Delhi Public School Society of Delhi.

Sh. Sachin Agarwal (DIN 00007047)

Shri Sachin Agarwal, aged 37 years, holds a graduate degree in commerce with honours. He looks after the retail operations of the Company. His key responsibilities include providing leadership in establishing, planning, priority setting and communicating strategic direction of initiatives and brand development with customer base for annual and on going business plan.

Sh. Suresh Chand Sharma (DIN 01688986)

Shri Suresh Chand Sharma, aged 51 years, is a post graduate in commerce and bachelor of law graduate. He has been practicing as tax advocate and has more than two decades of experience in taxation.

Dr. Arun Gopal Agarwal (DIN 00374421)

Dr. Arun Gopal Agarwal, aged 66 years, holds a doctorate degree in commerce. He is a Company Secretary holding fellow membership of the Institute of Company Secretaries of India and a Cost Accountant holding fellow membership of the Institute of Cost Accountant of India. He is an independent accounting consultant based at New Delhi and specializes in commercial arbitrations, management accounting, financial management including budgetary controls, cost accounting and internal audit. He is also a fellow member of the Management Association and Arbitration Council of India.

Sh. Harish Singh (DIN 00039501)

Shri Harish Singh, aged 45 years, an MBA in marketing and post graduate in commerce, is a Chartered Accountant holding fellow membership of the Institute of Chartered Accountants of India. He has been in practice with about two decades of post qualification experience. He has developed an expertise in the field of Audit, Taxation and Corporate Advisory Services.

Sh. Brij Lal Goel (DIN 05280672)

Shri Brij Lal Goel, Aged 67 years, is a Graduate in Mechanical Engineering from Institute of Engineers, AMIE & Law Graduate. He possess rich experience in the field of Engineering as he worked in Ordnance Factory and possess rich knowledge in Manufacturing of Tools, Gauges, Jigs, Fixtures & Templaters. Later on in his carrier in 1980's he joined Central Excise of Custom Services as Superintendent, promoted to IRS 1991 and he retired as Additional Commissioner from Delhi Appellate Tribunal in 2006.

Sh. Dharam Vir Gupta (DIN 01639124)

Shri Dharam Vir Gupta, aged 70 years is a post graduate in Engineering, M.B.A., LLB, having around 41 years of enriched experience in various Government Assignments / PSUs with senior level positions. He has been Chairman of Airports Authority of India in December 2001, Joint Managing Director in Indian Ports Association, Ministry of Shipping from June

2002 to June 2004, Director of Maharashtra Airport Development Company Ltd. (A Govt. of Maharashtra Organisation). He is a practicing Advocate in Supreme Court of India.

BOARD PROCEDURE

The Board meets at least once in a quarter to review the quarterly performance and the financial results. The Board Meetings are generally scheduled in advance and the notice of each Board Meeting is given in writing to each Director. All the items on the agenda are accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial/business plans, financial results, detailed presentations are made.

The information as specified in Annexure (I) (A) to the Clause 49 of the Listing Agreement is regularly made available to the Board.

To enable the Board to discharge its responsibilities effectively, the members of the Board are briefed of every Board Meeting, on the overall performance of the Company, with presentations by Business Heads. Senior management is invited to attend the Board Meeting so as to provide additional inputs to the items being discussed by the Board.

The Board's role, functions, responsibility and accountability are clearly defined. In addition to matters statutory requiring Board's approval, all major decisions involving policy formulation, strategy and business plans, annual operating and capital expenditure budgets, new investment, details of joint ventures, sale of business unit/division, compliance with statutory/regulatory requirements, major accounting provisions and write-offs are considered by the Board.

Attendance of Directors at the meetings of the Company

During the year ended March 31st, 2012, 39 (Thirty Nine) Board Meetings were held on :

26.04.2011, 30.04.2011, 02.05.2011, 16.05.2011, 08.06.2011, 25.06.2011, 26.06.2011, 25.07.2011, 27.07.2011, 30.07.2011, 25.08.2011, 29.08.2011, 02.09.2011, 05.09.2011, 12.09.2011, 22.09.2011, 23.09.2011, 24.09.2011, 11.10.2011, 15.10.2011, 18.10.2011, 25.10.2011, 07.11.2011, 10.11.2011, 17.11.2011, 19.11.2011, 25.11.2011, 02.12.2011, 05.12.2011, 13.01.2012, 16.01.2012, 31.01.2012, 02.02.2012, 13.02.2012, 17.02.2012, 18.02.2012, 27.02.2012, 29.02.2012, 12.03.2012.

The last Annual General Meeting of the Company was held on 29th August, 2011. The detail of attendance of each director of the Company in Board Meetings and Annual General Meeting held during the financial year 2011-12 is given below:

Name of Director	Attendance of meetings during 2011-12		
	Board Meeting held during the year	Meeting attended	Last AGM
Mr. Purushottam Agrawal	39	39	Yes
Mr. Sunil Agarwal	39	36	Yes
Mr. Sachin Agarwal	39	39	Yes
Mr. Harish Singh	39	39	No
Mr. Suresh Chand Sharma	39	39	Yes
Dr. Shyam Lal Garg*	39	11	No
Dr. Arun Gopal Agarwal	39	31	Yes
Mr. Yashwant Rao Deshmukh*	39	7	No

*Mr. Yashwant Rao Deshmukh & Dr. Shyam Lal Garg resigned from the Board of Directors on 16th May, 2012 & 24th July, 2012 respectively.

Agenda and Minutes

All the departments in the Company communicate to the Company Secretary well in advance with regard to matters requiring approval of the Board/Committees of the Board to enable him to include the same in the agenda for the Board/Committee meeting(s). Agenda papers are generally circulated to the Board members well in advance before the meeting of the Board.

The Company Secretary while preparing the agenda and minutes of the Board/Committee meeting is required to ensure

adherence to the applicable provisions of the law including the Companies Act, 1956. The applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) are also being complied by the Company. The draft minutes of the proceeding of each meeting duly initialled by the Chairman of the meeting are circulated to the members for their comments and thereafter, confirmed by the Board/Committee in its next meeting. The Board also takes note of the minutes of the Committee meetings duly approved by their respective Chairman.

All material information is incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meeting. The information regularly supplied to the Board inter-alia includes the following:

- Annual operating plans and budgets and any updates thereon.
- Capital budgets and updates, if any.
- Quarterly results for the Company and its operating divisions or business segments.
- Minutes of meetings of Audit Committee and other committees of the Board & Minutes of Subsidiary Company.
- Legal compliance report and certificates.
- Information on recruitment, resignation and remuneration of senior officers.
- Show cause, demand, prosecution notices and penalty notices issued against the Company having material impact.
- Fatal or serious accidents, dangerous occurrences, any other problems, if any.
- Any material default in financial obligations to and by the Company, or substantial non-recoveries against sale, if any.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed structures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implication on the Company, if any.
- Details of any joint venture or collaboration agreement, if any.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property, if any.
- Any significant development in Human resources/Industrial Relations front like signing of wage agreement, implementation of voluntary Retirement Scheme etc, if any.
- Sale of material, nature of investment, subsidiaries, assets, which is not in normal course of business, if any.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as delay in share transfer, etc.

Compliance Certificate by the Statutory Auditor

The Statutory Auditor M/s R. Lal & Company, Chartered Accountants have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange and the same is annexed to the Directors' Report and Management Discussion and Analysis.

The Certificate from the Statutory Auditor will be sent to the Listed Stock Exchange alongwith the Annual Report of the Company.

Reconciliation of Share Capital Audit

As stipulated by SEBI, a qualified Practicing Chartered Accountant/Practicing Company Secretary carries out the Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The audit confirms that the total Listed and Paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

Observance of the Secretarial Standards issued by the Institute of Company Secretaries of India

The Institute of Company Secretaries of India (ICSI) has issued Secretarial Standards on important aspects like Board Meetings, General meetings, Maintenance of Registers and Records, Minutes of meetings and transmission of Shares, etc. though these standards are recommendatory in nature, the company adheres to the standards voluntarily.

Management Discussion & Analysis Report

A detailed review of the progress and the future outlook of the Company and its business, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is presented in a separate section forming part of the Annual Report.

Compliance Officer

Mr. Vishal Sharma, Company Secretary is the Compliance Officer for complying with the requirements of the Listing Agreement with the Stock Exchanges and requirements of SEBI (Prohibition of Insider Trading) Regulation, 1992.

Corporate Governance Manual

The Board of Directors of the Company approved and adopted a comprehensive Corporate Governance Manual setting out the procedures for effective functioning of the Board and its Committees. It also incorporates the Code of Business Conduct and Ethics for Directors and Senior Management, Code of Ethics for Employees and Policy on Prohibition of Insider Trading. These policies are regularly monitored and reviewed.

Legal Compliance Reporting

As required under Clause 49 of the Listing agreement, the Board periodically reviews compliances of various laws applicable to the Company.

Disclosure

- There are no materially significant related party transactions made by the Company with its Promoters, Directors or management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large. The transactions with related parties as per requirements of Accounting Standard (AS-18) – 'Related Party Disclosures' are disclosed in Note No. 30 of the Accounts in the Annual Report.
- In the preparation of the financial statements, the Company has followed the Accounting Standards referred in Section 211(3) (c) of the Companies Act, 1956. The significant accounting policies which are consistently applied are set out in Annexure to Notes to the Accounts.
- Business risk evaluation and management is an ongoing process within the Company. During the year under review, a detailed exercise on 'Risk Assessment and Management' was carried out covering the entire gamut of business operation and the Board was informed of the same.
- The Company has complied with all requirements of the Listing Agreements entered into with the Stock Exchanges as well as the regulations and guidelines of SEBI. Consequently, there were no instructions or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital market since the Company be listed.
- Adoption of non-mandatory requirements of Clause 49 of the Listing Agreement is being reviewed by the Board from time to time.

Corporate Ethics

As a reasonable corporate citizen, the Company consciously follows corporate ethics in both business and corporate interactions. The Company has framed various codes and policies, which act as guiding principles for carrying business in ethical way. Some of our policies are:

- Code of conduct for prevention of Insider Trading;
- Fair Practice Code;
- Whistle Blower Policy

Compliance status with mandatory and non-mandatory requirements of clause 49 of listing agreement

Mandatory requirements

The Company has complied with all the mandatory requirement of clause 49 of Listing Agreements entered into with Stock Exchange.

Non-mandatory requirements

Compliance status with non-mandatory requirements is given below:

- a) Chairman of the Company is entitled to seek any advice and consultancy in relation to the performance of his duties and is also entitled to claim reimbursement of the expenses incurred in this regard and other office facilities.
- b) The Company has constituted a Remuneration Committee. Relevant details of the Remuneration Committee are provided in separate section in this report.
- c) Presently, Quarterly/half yearly financial performance is not being sent to each household to shareholders.
- d) The Company believes and maintains its Accounts in transparent manner and aims at receiving unqualified report from the Auditors on the financial statement of the Company.
- e) As regards training of Board members, the Directors on the Board are experienced professionals having wide range of expertise in diverse fields. They keep themselves abreast with the latest developments in the field of Management, Technology and Business Environment through various symposiums, seminars, etc.
- f) The Company has adopted "Whistle Blower Policy". No personnel have been denied access to the Audit Committee.

Whistle Blower Policy

We have established a mechanism for employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of our code of conduct or ethics policy. It provides for adequate safeguards against victimization of employees who avail of the mechanism, and also allows direct access to the Chairperson of the Audit Committee in exceptional cases. We further affirm that no employee has been denied access to the Audit Committee.

THIRD LAYER: GOVERNANCE BY COMMITTEES OF BOARD OF DIRECTORS

Our Board has constituted committees to focus on specific areas and make informed decisions within the authority delegated to each of the Committees. Each Committee of Board of Directors is guided by its Charter, which defines its scope, powers and composition of the Committee. All decisions and recommendations of the Committee are placed before the Board either for information or approval.

We have four (4) Committees of Board as on March 31, 2012.

1. Audit Committee
2. Remuneration Committee
3. Shareholders'/Investor Grievance Committee
4. Asset Liability Committee (ALCO)

1. Audit Committee

The primary responsibilities inter-alia include:

- i. Oversight of the Company's financial reporting process

- ii. Auditing and accounting matters, including recommending the appointment of our independent auditors to the shareholders.
- iii. Compliance with legal and statutory requirements.
- iv. Integrity of Company's financial statements, discussing with the independent auditors the scope of the annual audits, and fees to be paid to the independent auditors.
- v. To review Performance of Company's Internal Audit function, Independent Auditors and accounting practices.
- vi. Review of related party transactions, functioning of Whistle Blower Mechanism.
- vii. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- vi. Carrying out such other function as may be specifically referred to the Committee by the Board of Directors and / or other Committee(s) of Directors of the company.

The Audit Committee met 5 times during the year ended under consideration 09.05.2011, 19.07.2011, 10.10.2011, 20.01.2012, 31.03.2012. The constitution of Audit Committee and attendance of each member is as given below:

Name of Member	Designation	Category	No. of Meeting attended
Sh. Suresh Chand Sharma	Chairman	Non Executive Director	5
Sh. Purushottam Agrawal	Member	Non Executive Director	5
Sh. Arun Gopal Agarwal	Member	Non-Executive Director	5

The Company Secretary act as Secretary to the Committee.

Shri Suresh Chand Sharma, Sh. Arun Gopal Agarwal & Shri Purushottam Agrawal who acts as members of the Audit Committee Meetings were present at the 19th Annual General Meeting of the Company held on 29th August, 2011 to answer the shareholders' queries.

2. Remuneration Committee

Terms of Reference

- Reviewing the overall compensation policy, service agreements and other employment conditions of Managing / Whole-time Director(s).
- Reviewing the performance of the Managing / Whole-time Director and recommending to the Board, the quantum of annual increments and annual commission.

Composition

The Remuneration Committee met Five times during the year on 10.05.2011, 22.08.2011, 05.10.2011, 09.12.2011, 21.03.2012 during the year. The constitution of the Committee and attendance of each member is as given below:

Name of Member	Designation	Category	No. of Meeting attended
Mr. Suresh Chand Sharma	Chairman	Non Executive Director	5
Mr. Purushottam Agrawal	Member	Non Executive Director	5
Dr. Shyam Lal Garg*	Member	Non Executive Director	5

*Dr. Shyam Lal Garg resigned from the Board of Directors & Remuneration Committee on 24th July, 2012.

The Company Secretary acts as secretary to the Committee.

The function of the Remuneration Committee includes recommendation of appointment and remuneration of Managerial Personnel to the Board.

Remuneration Policy

Payment of remuneration to the Managing Director/Whole-time Director(s) is governed by resolution passed by the Board of Directors and shareholders of the Company, which covers the terms of such appointment and remuneration, read with the service rules of the company. Payment of remuneration to Managing Director and Whole-time Director(s) is governed by the respective agreements executed between them and the Company. Remuneration paid to Managing Director and

Whole-time Director(s) is recommended by the Remuneration Committee, approved by the Board and is within the limits set by the shareholders at the General Meetings.

The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent.

There are no separate provisions for payment of sitting fees under the resolutions governing the appointment of Chairman and Managing Director and Whole-time Director(s).

3. Shareholders'/ Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee, inter-alia, oversees and reviews all matters connected with the investor services in connection with applications received and shares allotted in the Initial Public Offer, status of refund account, conversion of partly paid shares into fully paid shares, rematerialization and dematerialization of shares and transfer of shares of the Company. The Committee oversees performance of the Registrar and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services. The Board has delegated the power of approving transfer of securities to the officers of the Company.

Five Committees meetings were held during the year on 11.05.2011, 21.07.2011, 14.10.2011, 24.01.2012, 19.03.2012. The constitution of the Committee and attendance of each member is as given below:

Name of Member	Designation	Category	No. of Meeting attended
Mr. Purushottam Agrawal	Chairman	Non Executive Director	5
Mr. Suresh Chand Sharma	Member	Non Executive Director	5
Mr. Sunil Agarwal	Member	Executive Director	5
Mr. Yashwant Rao Deshmukh*	Member	Non Executive Director	5

*Mr. Yashwant Rao Deshmukh resigned from the Board of Directors & Shareholders'/Investors Grievance Committee on 16th May, 2012.

Complaints from Investors

No. of complaints pending at the beginning of the year	:	Nil
No. of complaints received by correspondence during the year ended 31.03.2012	:	01
No. of complaints received for Refund / Instrument correction during the year	:	Nil
No. of complaints received from B.S.E during the year	:	01
No. of complaints received from SEBI during the year	:	Nil
No. of complaints resolved / replied during the year	:	02
No. of Investors complaints pending at the ending of the year 31.03.2012	:	Nil
We confirm that No complaints remained unattended / pending for more than 30 days.		
There were no share transfers pending for registration for more than 15 days as on the said date.		

4. 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.

Seven Committee meetings were held during the year on 27.04.2011, 30.06.2011, 27.08.2011, 03.10.2011, 02.11.2011, 02.01.2012, 30.03.2012. The constitution of the Committee and attendance of each member is as given below:

Name of Member	Designation	No. of meetings attended
Sh. Harish Singh	Chairman	7
Sh. Sunil Agarwal	Member	7
Sh. K. S. Seth	Member	7

DECLARATION OF THE CHAIRMAN AND MANAGING DIRECTOR

We, Purushottam Agrawal, Chairman and Sunil Agarwal, Managing Director of S. E. Investments Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed the Balance Sheet and Profit and Loss account for the year ended March 31, 2012 and its notes to accounts, as well as the cash flow statements and the directors' report;
2. Based on our knowledge and information, these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
3. Based on our knowledge and information, these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
4. To the best of our knowledge and belief, no transactions were entered into by the company during the year which is fraudulent, illegal or violative of the company's code of conduct;
5. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. Further we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to be taken to rectify these deficiencies;
6. We have indicated to the Company's Auditors and the Audit committee significant changes in internal control over financial reporting during the year and significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.

Place : New Delhi
Date : 21st August, 2012

sd/-
Purushottam Agrawal
Chairman

sd/-
Sunil Agarwal
Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Shareholders of S. E. Investments Limited,

We have examined the compliance of conditions of Corporate Governance by S. E. Investments Limited for the year ended March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

We further 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 : New Delhi

Date : 21st August, 2012

For R. Lal & Company

Chartered Accountants

Firm Reg. No. 000926C

sd/-

Ram Lal Agrawal

(Proprietor)

(Membership No. 017583)

MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATION

We have reviewed the financial statements and cash flow statement for the year 2011-12 and to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
2. These statements present a true & fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
3. There are to the best of our knowledge and belief, no transactions entered into by the Company during the year, which is fraudulent, illegal or in violation to the Company's Code of Conduct.
4. We accept the responsibility to establishing and maintaining Internal Controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal control, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies;
5. We further certify that :
 - a) There have been no significant changes in internal control during the year,
 - b) There have been no significant changes in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - c) There have been no instances of significant fraud of which we have become aware, involving management or any employee having a significant role in the Company's internal control system.

Place : New Delhi
Date : 21st August, 2012.

sd/-
Sunil Agarwal
Managing Director

sd/-
Harish Singh
Executive Director

COMPLIANCE WITH CODE OF CONDUCT

The company has adopted "Code of Conduct for Directors and Senior Management personnel"

In accordance with Clause 49(1)(D) of the Listing Agreement, we hereby certify that all the Directors and Senior Management personnel of the Company have affirmed with the Code of Conduct applicable to all the Directors and Senior Management, for the year ended March 31, 2012.

Place : New Delhi
Date : 21st August, 2012.

sd/-
Sunil Agarwal
Managing Director

sd/-
Harish Singh
Executive Director

Auditors' Report



AUDITORS' REPORT

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

We have audited the attached Balance Sheet of M/s S. E. Investments Ltd. as at 31st March, 2012, 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, 2012 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, 2012;
 - 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.

For R. LAL & Company
Chartered Accountants
Firm Reg. No. 000926C
Sd/-
(CA Ram Lal Agrawal)
Proprietor
M.No 17583

For PMS & Co.
Chartered Accountants
Firm Reg. No. 013398C
Sd/-
(CA Shilpi Agarwal)
Partner
M.No. 405692

Date : 23rd May 2012
Place : Delhi

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. 2011-12)

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, no substantial disposal of fixed assets (except demerger as per terms of demerger scheme sanctioned by Honourable Delhi High Court) has been made 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 physical 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 granted loans, secured or unsecured to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act.
The rate of interest and other terms and conditions are not prejudicial to the interest of the Company.
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 of inventory and fixed assets, sale of goods and services. During the course of our Audit, we have not observed any continuing failure to correct major weakness in internal control system.
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 Companies Act, 1956, 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 there under have been complied with.
7. In our opinion, the Company has an adequate Internal Audit System commensurate with size and nature of its business.
8. Maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act 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 and any other investments and timely entries have been made therein. All 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 Loans

for the purpose for which the loans 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.
18. The Company has not made any preferential allotments of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
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 the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **R. LAL & Company**
Chartered Accountants
Firm Reg. No. 000926C
Sd/-
(**CA Ram Lal Agrawal**)
Proprietor
M.No 17583

For **P M S & Co.**
Chartered Accountants
Firm Reg. No. 013398C
Sd/-
(**CA Shilpi Agarwal**)
Partner
M.No. 405692

Date : 23rd May 2012
Place : Delhi

BALANCE SHEET AS ON 31ST MARCH 2012

Sr. No.	Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
I	EQUITY AND LIABILITIES		₹	₹
(1)	Shareholders' Funds			
(a)	Share Capital	1	430,662,500	430,662,500
(b)	Reserves and Surplus	2	3,249,572,851	3,114,266,317
(c)	Money received against share warrants		-	-
(2)	Share Application money pending allotment		-	-
(3)	Non-Current Liabilities			
(a)	Long-Term Borrowings	3	1,428,263,727	1,466,248,934
(b)	Deferred Tax Liabilities (Net)	4	18,884,715	5,869,620
(c)	Other Long Term Liabilities	5	1,543,361,423	1,693,955,128
(d)	Long Term Provisions	6	22,018,290	20,677,413
(4)	Current Liabilities			
(a)	Short-Term Borrowings	7	2,926,860,983	3,041,868,407
(b)	Trade Payables		-	-
(c)	Other Current Liabilities	8	1,247,901,603	1,018,236,445
(d)	Short-Term Provisions	9	679,189,418	340,766,749
	Total Equity & Liabilities		11,546,715,510	11,132,551,513
II	ASSETS			
(1)	Non-Current Assets			
(a)	Fixed Assets	10		
(i)	Tangible Assets		26,663,531	502,828,631
(ii)	Intangible Assets		-	-
(iii)	Capital work in progress		-	-
(iv)	Intangible assets under development		-	-
(b)	Non-Current Investments	11	1,058,980,334	900,496,935
(c)	Deferred tax Assets (net)		-	-
(d)	Long term loans and Advances	12	50,984,339	91,859,044
(e)	Other Non-Current Assets	13	34,387,592	46,514,590
(2)	Current Assets			
(a)	Current Investments	14	354,335,879	319,824,818
(b)	Inventories	15	8,807,315,866	8,270,965,081
(c)	Trade Receivables		-	-
(d)	Cash and Cash Equivalents	16	610,813,489	647,859,368
(e)	Short-term loans and advances	17	603,234,480	352,203,046
(f)	Other current assets		-	-
	Total Assets		11,546,715,510	11,132,551,513

Notes to the Accounts & Significant Accounting Policies annexed

For and on behalf of the Board

Notes referred to above form an integral part of these Financial Statements

Signed in terms of our Report of even date

For **R. Lal & Company**

Chartered Accountants

Firm Reg. No. 000926C

Sd/-

(CA Ram Lal Agrawal)

Proprietor

M. No. 17583

Date : 23rd May 2012

For **P M S & Co.**

Chartered Accountants

Firm Reg No. 013398C

Sd/-

(CA Shilpi Agarwal)

Partner

M. No. 405692

Place : Delhi

Sd/-

Sunil Agarwal

Managing Director

Sd/-

Harish Singh

Executive Director

Sd/-

Sachin Agarwal

Wholtime Director

Sd/-

Purushottam Agrawal

Director

Sd/-

Vishal Sharma

Company Secretary

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

Sr. No.	Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
			₹	₹
I	Revenue from operations	18	2,109,838,784	1,814,365,926
	Total Revenue (I)		2,109,838,784	1,814,365,926
II	Expenses:			
	Employee Benefit Expense	19	66,038,343	45,757,235
	Financial Costs	20	712,184,400	620,175,637
	Depreciation and Amortization Expense	21	19,750,845	54,895,093
	Other Expenses	22	304,364,582	232,675,019
	Total Expenses (II)		1,102,338,170	953,502,984
III	Profit before exceptional and extraordinary items and tax (I-II)		1,007,500,614	860,862,942
IV	Exceptional Items		-	-
V	Profit before extraordinary items and tax (III-IV)		1,007,500,614	860,862,942
VI	Extraordinary Items		-	-
VII	Profit before tax (V-VI)		1,007,500,614	860,862,942
VIII	Tax expense:			
	(1) Current tax		291,282,823	271,369,732
	(2) Deferred tax		13,015,096	(18,684,182)
	(3) Previous Year Income Tax		-	18,319
IX	Profit/(Loss) from the period from continuing operations (VII-VIII)		703,202,695	608,159,073
X	Profit/(Loss) from discontinuing operations		-	-
XI	Tax expense of discontinuing operations		-	-
XII	Profit/(Loss) from Discontinuing operations (X-XI)		-	-
XIII	Profit/(Loss) for the period (IX+XII)		703,202,695	608,159,073
XIV	Earning per equity share:	27		
	(1) Basic		15.55	14.90*
	(2) Diluted		15.55	14.90*
Notes to the Accounts & Significant Accounting Policies annexed			For and on behalf of the Board	
Notes referred to above form an integral part of these Financial Statements				
Signed in terms of our Report of even date				
For R. Lal & Company	For P M S & Co.	Sd/-	Sunli Agarwal	Managing Director
Chartered Accountants	Chartered Accountants	Sd/-	Harish Singh	Executive Director
Firm Reg. No. 000926C	Firm Reg No. 013398C	Sd/-	Sachin Agarwal	Wholtime Director
Sd/-	Sd/-	Sd/-	Purushottam Agrawal	Director
(CA Ram Lal Agrawal)	(CA Shilpi Agarwal)	Sd/-	Vishal Sharma	Company Secretary
Proprietor	Partner			
M. No. 17583	M. No. 405692			
Date : 23rd May 2012	Place : Delhi			

CASH FLOW STATEMENT

	31.03.2012	31.03.2011
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax and extraordinary items and interest	2,011,041,765	1,750,976,295
Adjustment For:		
1 Depreciation	7,623,848	42,768,096
2 Misc. Expenditure written Off	12,126,998	12,126,997
Operating Profit before working capital	2,030,792,611	1,805,871,388
Adjustment For:		
Trade and Other Receivable(Loans and advances)	-251,031,434	-272,781,975
Inventories	-536,350,785	-3,033,135,048
Short term borrowings	-115,007,424	860,793,669
Trade Payable(Other Current Liabilities)	229,665,158	583,322,812
Misc Expenses	-	-51,426,987
Cash generated from operations	1,358,068,126	-107,356,141
1 Interest Paid	712,184,400	-618,743,621
2 Direct Taxes paid	291,282,823	-271,388,051
Cash flow before extra ordinary items	354,600,903	-997,487,813
Income tax provision of previous year adjusted	-	-33,370,699
Net cash flow from operating activities	354,600,903	-1,030,858,512
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	-2,710,263	-2,411,370
Sale of fixed assets	450,000	-
Purchase of Investments	-192,994,460	-671,891,171
Decrease in long term loans and advances	40,874,705	-154,380,018
<u>Net flow due to demerger</u>		
Fixed Assets transfer	-470,727,584	-
Excess of assets over liabilities	406,372,090	-
Receipts relating to resulting company	110,137,784	-45,782,290
Net cash used in investing activities	-200,162,308	-
Total	154,438,595	-1,705,161,053
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issue of share capital	-	-
Dividend paid	-2,905,563	-50,211,727
Payment of Long term borrowings	-37,985,207	671,836,597
Payment of Other long term liabilities	-150,593,705	-
Net cash used in financing activities	-191,484,475	621,624,870
Net increase in cash and cash equivalents	-37,045,880	-1,083,536,183
Opening cash and cash equivalents	647,859,369	1,731,395,551
Closing cash & cash equivalents	610,813,489	647,859,368
Actual cash balances at the end of the year	610,813,489	647,859,368

Signed in terms of our Report of even date

For and on behalf of the Board

For **R. Lal & Company**

Chartered Accountants

Firm Reg. No. 000926C

Sd/-

(CA Ram Lal Agrawal)

Proprietor

M. No. 17583

Date : 23rd May 2012

For **P M S & Co.**

Chartered Accountants

Firm Reg No. 013398C

Sd/-

(CA Shilpi Agarwal)

Partner

M. No. 405692

Place : Delhi

Sd/-

Sunil Agarwal

Sd/-

Harish Singh

Sd/-

Sachin Agarwal

Sd/-

Purushottam Agrawal

Sd/-

Vishal Sharma

Managing Director

Executive Director

Wholetime Director

Director

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 2012 and 31st March 2011 and found the same in agreement here with.

For **R. Lal & Company**

Chartered Accountants

Firm Reg. No. 000926C

Sd/-

(CA Ram Lal Agrawal)

Proprietor

M. No. 17583

Date : 23rd May 2012

Place : Delhi

For **P M S & Co.**

Chartered Accountants

Firm Reg No. 013398C

Sd/-

(CA Shilpi Agarwal)

Partner

M. No. 405692

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. The Company has followed Mercantile System of Accounting and the accounts have been made consistently on accrual basis as a going concern.

B. STOCK IN TRADE/ASSETS HELD FOR SALE

Inventories being hire purchase stocks are valued at book value net of Hire Charges/Finance Charges including overdue installments. Book debts and stock of shares and debentures are valued at cost or market value whichever is less.

C. CASH FLOW STATEMENT

As required by Accounting Standard-3 "Cash Flow Statement" issued by "The Institute of Chartered Accountants of India" the Cash Flow for the period is reported using indirect method. The Cash and Cash Equivalent of the Company comprises of Cash in hand and Current account with Scheduled Banks.

D. 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 pro rata basis.

E. REVENUE RECOGNITION

Income from Hire charges and lease rentals and interest on loans and advances cases are recognized as revenue as per the terms of the agreements entered into with Hirers/Lessees/Borrowers. Hire charges/finance charges are accounted for on accrual basis on outstanding balances in accordance with the due dates of installments of hire money/loan money and hire charges/finance charges. However interest income on loans and advances under daily collection scheme are recognized as revenue on receipt basis. Overdue charges of installments 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 & Processing charges 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 lumpsum interest the same also has been apportioned on the basis of period of contracts on accrual basis.

F. FIXED ASSETS

All assets held with the intention of being used for the purpose of producing or providing goods or services and is not held for sale in the normal course of business are accounted as Fixed Assets and are stated at cost less accumulated depreciation after considering lease adjustment account. All costs including finance cost attributable to fixed assets till assets are ready for intended use are capitalized.

G. INVESTMENTS

Investments in shares are valued at cost less advance money received under specific contracts against such investments.

H. 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.

I. 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.

J. RELATED PARTIES

Parties are considered to be related if at any time during the reporting period one party has the ability to control the other party or exercise significant influence over the other party in making financial and/or operating decisions.

As required by AS-18 "Related Party Disclosure" only following related party relationships are covered:—

- (a) Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise (this includes holding Companies, subsidiaries and fellow subsidiaries);
- (b) Associates and joint ventures of the reporting enterprise and the investing party or venture in respect of which the reporting enterprise is an associate or a joint venture;
- (c) Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual;
- (d) Key management personnel (KMP) and relatives of such personnel; and
- (e) Enterprises over which any person described in (c) or (d) is able to exercise significant influence.

K. LEASE ASSETS

Assets taken on lease are accounted for in accordance with AS-19 "Leases" issued by "The Institute of Chartered Accountants of India".

L. EARNING PER SHARE

The Earning per Share (Basic as well as Diluted) is calculated based on the net profit or loss for the period attributable to equity shareholders i.e. the net profit or loss for the period after deducting Proposed Preference Dividend and any attributable tax thereto.

For the purpose of calculating (Basic and Diluted EPS), the number of equity shares taken are the weighted average number of equity shares outstanding during the period.

M. PROVISION FOR CURRENT TAX AND DEFERRED TAX

Income tax expenses comprise 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 taxations 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 "The Institute of Chartered Accountants of India" have been complied with to all possible extent.

N. INTERIM FINANCIAL REPORT

Interim Financial Reports are prepared in accordance with AS-25 "Interim Financial Reporting" issued by "The Institute of Chartered Accountants of India."

O. INTANGIBLE ASSETS

Intangible assets are recognized only when four of below mentioned criteria are fulfilled:—

- a) Asset is identifiable.
- b) Control of the enterprise over that asset.
- c) It is probable that future economic benefits attributable to the asset will flow to the enterprise.
- d) Cost of the asset can be measured reliably.

If any of the above four criteria is not fulfilled the expenditure incurred to acquire the asset is recognized as an expense, in the year in which it is incurred.

Intangible assets are initially measured at cost, after initial recognition the intangible asset is carried at its carrying value i.e. cost less any accumulated amortization and accumulated impairment losses.

P. IMPAIRMENT OF ASSETS

An asset is treated as impaired, when carrying cost of asset exceeds its recoverable amount.

At each Balance Sheet Date, it is seen that whether there is any indication that an asset may be impaired, if any such indication exist, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss; if any. Such impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired.

When an impairment loss is subsequently reversed, the carrying amount of the asset is increased to its revised estimate of its recoverable amount. However this increased amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for that asset in prior period. A reversal of an impairment loss is recognized as income immediately in the Profit & Loss Account.

Q. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is 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 on accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

R. PROVISIONING FOR SUBSTANDARD/DOUBTFUL/LOSS ASSETS

Provisioning for Substandard Assets/Doubtful Assets/Loss 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 where hire installments are overdue for more than 12 months and loan installments are overdue for more than 6 months the company first treats these overdue and future installments as bad debts and after this treatment the provisioning for non performing assets is made in compliance with Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions 2007, as applicable to the company. As per the RBI circular dated 17th January 2011 Company has made general provision of 0.25% of Standard assets. Other directives of Reserve Bank of India have been duly complied with.

S. CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) – "Consolidated Financial Statement".

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS ON 31ST MARCH 2012

Note : 1 Share Capital		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
1	AUTHORIZED CAPITAL 120,000,000 Equity Shares (Last Year 1,200,000,000) of Rs 10/- per share (Last Year Re.1) 5,000,000 Preference Shares of Rs. 10 each	1,200,000,000 50,000,000 1,250,000,000	1,200,000,000 50,000,000 1,250,000,000
2	ISSUED , SUBSCRIBED CAPITAL 40,572,500 Equity Shares (Last Year 405,725,000) of Rs 10/- (Last Year Re 1/-) per share fully paid up 2,500,000 Preference Shares of Rs 10 each	405,725,000 25,000,000 430,725,000	405,725,000 25,000,000 430,725,000
3	PAID UP CAPITAL 40,560,000 Equity Shares (Last Year 405,600,000) of Rs 10/- (Last Year Re 1/-) per share fully paid up Add: Share Forfeited a/c (Amt originally Paid up on 12,500 Equity Shares of Rs 10 each) 2,500,000 10% Redeemable Preference Shares of Rs 10 each fully paid up	405,600,000 62,500 25,000,000	405,600,000 62,500 25,000,000
	Total in ₹	430,662,500	430,662,500

Holding of more than 5% shares - Davos International Fund - 2,729,449 shares (6.729%)

Note : 2 Reserves & Surplus		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
1	Capital Reserve	241,521,114	241,521,114
2	Securities Premium Reserve	1,939,991,229	1,939,991,229
3	General Reserve	629,525,961	576,366,388
	Opening Balance	576,366,388	380,566,388
	Less: Excess Assets over Liabilities on Demerger	406,372,090	-
	Receipts of Resulting Company for previous year	40,468,337	-
	Bonus Allotment	-	304,200,000
	Addition during the year	500,000,000	500,000,000
4	Reserve Fund (As per RBI Act)	403,352,385	262,711,847
	Opening Balance	262,711,847	141,080,033
	Addition during the year	140,640,538	121,631,814
5	Surplus (Profit & Loss Account)	35,182,162	93,675,739
	Balance brought forward from previous year	93,675,739	178,018,308
	Add: Profit for the year	703,202,695	608,159,073
	Less: Transfer to General Reserve	500,000,000	500,000,000
	Profit of Resulting Company (Application of receipts to beneficiary received as trustee)	69,669,448	-
	Provision on Standard Assets	1,340,877	20,677,413
	Proposed Dividend on Preference Shares & Equity Shares & Tax Thereon	50,045,409	50,192,415
	Reserve Fund (As per RBI Act)	140,640,538	121,631,814
	Total in ₹	3,24,95,72,851	3,11,42,66,317

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS ON 31ST MARCH 2012

Note : 3 Long Term Borrowings			
		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
1	Bonds / Debentures		
2	Secured Term Loan		
	- From Bank		
	Punjab National Bank	255,000,000	28,410,694
	Central Bank of India	333,332,000	267,606,075
	Syndicate Bank	7,858,413	101,608,412
	United Bank of India	129,613,000	144,014,813
	ICICI Bank Ltd	120,625,003	-
	Bank of India Ltd Working capital term loan	66,656,000	133,800,000
	- From Other Parties		
	Indian Renewable Energy Development Agency Ltd.	-	40,868,000
	Small Industries Development Bank of India	127,860,000	-
	Reliance Capital Limited	2,838,431	183,984,733
3	Secured Assignments		
	- From Bank		
	HDFC Bank Ltd.	50,254,878	76,110,652
	ICICI Bank Ltd.	-	35,966,962
	Punjab National Bank	25,629,530	213,597,441
	UCO Bank Ltd	171,404,432	-
	Development Credit Bank Ltd	-	36,925,812
	- From Other Parties		
	Reliance Capital Ltd.	-	316,317
	Nupur Finvest Pvt. Ltd.	-	67,468,381
	Fullerton India Credit Company Ltd.	-	32,574,318
4	Unsecured loans		
	Fixed Deposit	88,887,563	69,324,123
	Interest accrued on fixed deposit	11,470,747	5,229,848
5	Loans & Advances From Related Parties	17,249,914	14,860,800
6	Loans From Directors including interest	19,583,816	8,792,035
7	Other Loans & Advances		
	Loan from supplier- Central Electronics Ltd and interest accrued thereon	-	4,789,518
	Total in ₹	1,428,263,727	1,466,248,934

Refer to Note No. 32 & 33

Note 4 : Deferred Tax Liabilities (Net)			
		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
	Opening Balance	5,869,620	24,553,801
	Add: Provision made during the year	13,015,095	(18,684,181)
	Total in ₹	18,884,715	5,869,620

Note 5 : Other Long term liabilities			
		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
	Other long term deposits including interest thereon	1,543,361,423	1,693,955,128
	Total in ₹	1,543,361,423	1,693,955,128

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS ON 31ST MARCH 2012

Note : 6 Long Term Provisions			
		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
1	Provision For Employees Benefit	-	-
2	Others		
	Provision for standard assets	22,018,290	20,677,413
	Total in ₹	22,018,290	20,677,413

Note : 7 Short Term Borrowings			
		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
1	Secured Term Loan		
	- From Bank		
	HDFC Bank Ltd	-	25,000,003
	Punjab National Bank	208,410,694	147,807,306
	Axis Bank Ltd	-	55,555,535
	Central Bank of India	434,274,075	263,123,541
	Syndicate Bank	93,750,000	85,973,191
	United Bank of India	14,401,813	284,585,187
	ICICI Bank Ltd	377,500,000	39,999,995
	Bank of India Ltd Working capital term loan	65,639,621	64,946,622
	- From Other Parties		
	Indian Renewable Energy Development Agency Ltd.	-	10,184,000
	Small Industries Development Bank of India	22,140,000	24,400,000
	Reliance Capital Finance Limited	229,890,277	218,154,819
2	Secured Assignments		
	- From Bank		
	HDFC Bank Ltd.	180,091,360	276,917,348
	ICICI Bank Ltd.	35,966,962	68,188,742
	Punjab National Bank	187,967,911	458,882,845
	UCO Bank Ltd	358,324,716	-
	Development Credit Bank Ltd	36,925,812	57,877,503
	- From Other Parties		
	Reliance Capital Limited	316,318	656,62,739
	Nupur Finvest Pvt. Ltd	67,468,381	225,651,153
	Fullerton India Credit Company Limited	32,574,318	159,385,378
3	Unsecured loans		
	Fixed Deposit	96,749,402	96,656,834
	Interest accrued on fixed deposit	8,073,386	7,574,541
4	Loan Repayable on Demand		
	- From Bank		
	- Punjab National Bank	90,208,274	-
	- Bank of India Ltd	2,700,000	-
5	Loans & Advances From Related Parties	2,984,632	2,375,882
6	Others		
	Secured Borrowings		
	- Punjab National Bank - Cash Credit Limit	375,297,694	398,051,902
	- Axis Bank Ltd Overdraft	415,819	-
	Unsecured Borrowings		
	Loan from supplier- Central Electronics Ltd and interest accrued thereon	4,789,518	4,913,341
	Total in ₹	2,926,860,983	3,041,868,407

Refer to note no. 32 & 33

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS ON 31ST MARCH 2012

Note : 8 Other Current Liabilities			
		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
	Other Liabilities	1,247,901,603	1,018,236,445
	Total in ₹	1,247,901,603	1,018,236,445

Note : 9 Short Term Provisions			
		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
1	Provision For Employees Benefit	-	-
2	Others		
	Provision for proposed dividend on preference shares and equity shares and tax thereon	50,045,409	2,905,563
	Provision for Taxation	629,144,009	337,861,186
	Total in ₹	679,189,418	340,766,749

Note : 11 Non Current Investment			
		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
1	Investment in Government or Trust Securities	20,985,191	19,267,691
2	Investment in shares of group companies	239,030,800	239,030,800
3	Investments in subsidiary company	422,391,000	422,391,000
4	Investment in Partnership Firm/LLP	2,500,000	2,500,000
5	In Fixed Deposits		
	With Banks	354,629,107	208,726,758
	With NBFC	-	3,399,200
6	Interest accrued but not received	19,444,236	5,181,486
	Total in ₹	1,058,980,334	900,496,935

Note : 12 Long Term Loans and Advances			
		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
i)	Security Deposit		
a)	Secured, Considered Good :		
	- Earnest Money Deposit	40,000,000	80,000,000
	- Other Deposit	1,400,071	1,390,896
b)	Unsecured, Considered Good :	-	-
c)	Doubtful	-	-
ii)	Loans & Advances to Related Parties	-	-
iii)	Other Loans & Advances		
a)	Secured, Considered Good :		
	- Others	4,703,100	5,586,980
b)	Unsecured, Considered Good :	-	-
c)	Doubtful	4,881,168	4,881,168
	Total in ₹	50,984,339	91,859,044

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS ON 31ST MARCH 2012

Note : 10 Fixed Asset

Sr. No.	Description	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the Year	Value at the end	WDV as on 31.03.2012	WDV as on 31.03.2011
1	Tangible Assets										
1	Leased Assets										
	Solar Devices	90,894,680	-	-	90,894,680	85,258,350	510,095	-	85,808,446	886,234	1,436,330
2	Land & Building	1,590,620	-	-	1,590,620	-	-	-	-	1,590,620	1,590,620
3	Building	6,937,695	-	-	6,937,695	1,145,349	133,041	-	1,278,190	5,659,505	5,792,546
4	Furniture & Fittings	7,836,000	245,034	-	8,081,034	2,744,208	476,621	-	3,218,729	4,862,305	5,091,893
5	Computer Peripheral & Software	84,539,688	473,305	-	85,012,973	22,780,819	5,617,443	-	28,428,362	6,584,711	11,738,849
6	Vehicles	6,166,213	1,447,496	1,850,000	5,763,609	3,881,414	520,270	1,326,070	5,079,614	2,668,093	2,284,799
7	Equipments, Plant & Machinery	6,020,286	344,488	-	6,364,594	1,864,076	908,377	-	2,162,453	4,392,101	4,356,010
8	Energy Plant and Machinery**	955,797,974	-	955,797,974	-	83,010,390	-	85,010,390	-	-	870,727,384
	Total	709,532,936	2,710,263	557,607,974	154,635,225	206,704,306	7,613,848	86,356,160	127,971,694	26,663,531	502,828,631
	(Current Year)	709,532,936	2,710,263	557,607,974	154,635,225	206,704,306	7,613,848	86,356,160	127,971,694	26,663,531	502,828,631
	(Previous Year)	707,321,566	2,411,370	-	709,332,936	163,896,208	42,746,096	-	206,704,304	502,838,631	543,183,357

**Energy Plant and Machinery transferred to Resulting Company due to Demerger.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS ON 31ST MARCH 2012

Note : 13 Other Non Current Assets			
		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
	Preliminary Expenses	34,387,592	46,514,590
	Total in ₹	34,387,592	46,514,590

Preliminary Expenses & Amalgamation Expenses are written off over a period of five years

Note :14 Current Investment			
		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
1)	In Short term Fixed Deposits		
	With Banks	338,140,174	293,008,044
	With NBFC	3,399,200	10,268,385
	Interest accrued but not received	12,796,505	16,548,389
	Total in ₹	354,335,879	319,824,818

Note : 15 Inventories			
		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
	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.	8,807,315,866	8,270,965,081
	(As certified by the management)		
	Total in ₹	8,807,315,866	8,270,965,081

Note : 16 Cash & Cash Equivalent			
		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
1	Cash-in-Hand		
	Cash Balances	79,944,296	54,912,097
	Sub Total (A)	79,944,296	54,912,097
2	Bank Balance		
	Current a/c with scheduled bank (Subject to reconciliation)	530,869,193	592,947,271
	Sub Total (B)	530,869,193	592,947,271
	Total in ₹ [A + B]	610,813,489	647,859,368

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS ON 31ST MARCH 2012

Note :17 Short Terms Loans and Advances			
		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
1	Loans & Advances from related parties		
a)	Secured, Considered Good : Loan against fixed deposit	2,049,601	699,748
b)	Unsecured, Considered Good :	-	-
c)	Doubtful	-	-
2	Others		
	Advance Recoverable in cash or in kind or for value to be considered good		
	Income Tax and TDS paid	595,106,564	300,237,490
	Prepaid Expenses	73,715	149,605
	Other loan and advances	6,004,600	51,116,203
	Total in ₹	603,234,480	352,203,046

Note : 18 Revenue from Operations			
		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
1	Income from Hire Charges	-	(1,727)
2	Interest on Loans	2,033,977,443	1,721,887,761
3	Income from Energy Division	69,669,448	87,544,072
4	Dividend Income (Gross)	-	432,815
5	Income on Government Guaranteed Bonds	2,853,193	1,311,785
6	Income from Lease Rent	3,338,700	3,191,220
	Total in ₹	2,109,838,784	1,814,365,926

Note : 19 Employment Benefit Expenses			
		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
1	Salaries & Establishment	27,746,317	31,455,645
2	Mg. Director's & Directors Remuneration	37,872,026	12,681,590
3	Mg. Director's & Directors House Rent Allowance	420,000	1,620,000
	Total in ₹	66,038,343	45,757,235

No remuneration has been paid to directors except remuneration to Managing Director, Whole time Director and Executive Director. The remuneration paid to Managing Director, Whole time Director and Executive Director during the F.Y. 2011-2012 is ₹ 38,292,026 (last year ₹ 14,301,590/-) which is less than that permitted under Section 309 read with Schedule XIII of the Companies Act, 1956.

Note :20 Financial Cost			
		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
1	Interest charges Energy Division	-	6,600,488
2	Interest Discounting & Bank Charges	712,184,400	613,575,149
	Total in ₹	712,184,400	620,175,637

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS ON 31ST MARCH 2012

Note : 21 Depreciation & Amortised Cost			
		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
1	Depreciation	7,623,848	42,768,096
2	Preliminary Expenses W/O	12,126,997	12,126,997
	Total in ₹	19,750,845	54,895,093

Note : 22 Other Expenses			
		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
1	Car & Scooter Expenses	8,768,977	10,782,445
2	Travelling Expenses	23,871,497	13,547,138
3	Repair & Maintenance	12,325,739	6,164,883
4	Insurance Expenses	242,683	398,297
5	Electricity & Water Expenses	1,455,299	1,695,262
6	Rates & Taxes	49,936	122,940
7	Legal Expenses & Professional fees	15,865,716	11,960,707
8	Printing & Stationery	17,694,293	11,377,919
9	Postage & Telephone Expenses	8,057,323	5,361,583
10	Bad Debts Written off	103,003,934	53,842,587
11	Security Expenses	-	66,325
12	Auditors Fee	8,500,000	100,000
13	Rent	7,037,340	5,837,130
14	Rebate, Remission & Brokerage	6,847,766	2,575,899
15	Advertisement & Business Promotion Expenses	67,461,989	76,613,260
16	Recovery Expenses	3,035,023	10,869,037
17	Office and General Expenses	20,073,137	21,359,607
18	Loss on sale of assets	73,930	-
	Total in ₹	304,364,582	232,675,019

NOTES ON ACCOUNTS

23. Remuneration to Auditors:

	Current Year 31/03/2012	Previous Year 31/03/2011
For Statutory Audit	₹ 1,500,000	₹ 80,000
Tax Audit	₹ 1,500,000	₹ 10,000
For Certification work/other services	₹ 5,500,000	₹ 10,000
Total	₹ 8,500,000	₹ 100,000

24. Contingent Liabilities:

Interest Tax matters in appeal	₹ 4,923,788	₹ 4,923,788
--------------------------------	-------------	-------------

25. There are no unclaimed matured deposits lying with the company as on 31st March 2012.

26. 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.

27. Earning per Share

	2011-12	2010-11
Net profit for the year (After Tax)	703,202,695	608,159,073
Proposed Preference shares dividend and tax thereon	2,905,563	2,905,563
Profit for the Resulting Company	69,669,448	-
No. of Equity Shares (Weighted)	40,560,000	40,560,000*
Basic and diluted Earning per share ₹	15.55	14.90

* Considering the effect of change in face value of share from ₹ 1 to ₹ 10/-, EPS of last year has been restated.

28. During the year the Company has sold by way of assignment 3675 cases of loan contract to the Scheduled Banks and Non Banking Financial Companies amounting to ₹ 8,731 lacs.

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

30. Disclosure of related party transactions

A. Wholly owned Subsidiary	:	Nupur Finvest Pvt. Ltd.
B. List of related parties and relationship	:	

RELATED PARTY

Key Managerial Personnel
Mr. Sunil Agarwal
Mr. Harish Singh
Mr. Sachin Agarwal
Mr. Purushottam Agrawal

(RELATION)

(Managing Director)
(Executive Director)
(Whole Time Director)
(Director)

Relative of K M P

Mrs. Raj Agarwal
Mrs. Neetu Agarwal,
Mrs. Shikha Agarwal,
Mrs. Preeti Chauhan
Mrs. Sushila Devi Chauhan

(wife of Mr. Purushottam Agrawal)
(wife of Mr. Sunil Agarwal)
(wife of Mr. Sachin Agarwal)
(wife of Mr. Harish Singh)
(Mother of Mr. Harish Singh)

C. Enterprises over which significant influence exercised by key Managerial Personnel/ Relatives of Key Managerial Personnel.

1. Siyaram Motors Pvt. Ltd.	2. Spring Infradev Ltd.
3. Siyaram Infrastructure Pvt. Ltd.	4. Helios Aviation Pvt. Ltd.
5. Spring Education Venture Pvt. Ltd.	6. S.E. Micro Housing Finance Ltd.
7. Spring Resorts Pvt. Ltd.	8. Spring Communication Pvt. Ltd.
9. Natansh Finlease Pvt. Ltd.	10. Ujala Securities Pvt. Ltd.
11. Deepesh Consultancy Pvt. Ltd.	12. Stellar Constellation Projects Pvt. Ltd.
13. Blessing Builders Pvt. Ltd.	14. Eastern Star Infradev Pvt. Ltd.
15. Assetz Infrahomes LLP	16. Athens Computer Technologies Pvt. Ltd.
17. S. E. Homefin Pvt. Ltd.	18. S. E. Power Ltd.
19. Stellar Spring Projects Pvt. Ltd.	20. Baba Herbals Pvt. Ltd.
21. Aradhna Infradev Pvt. Ltd.	22. Balram Retails Pvt. Ltd.
23. Agrim Marketing Pvt. Ltd.	24. Gajodhari Chemicals Pvt. Ltd.
25. Bhavya Electronics and Networks Pvt. Ltd.	26. Diamond Infradev Pvt. Ltd.
27. Shri Radhey Govind Infradev Pvt. Ltd.	28. Sarin & Sarin Investment Pvt. Ltd.
29. Mor Mukut Infradev Pvt. Ltd.	30. Aerotech Aviation India Pvt. Ltd.
31. Siyaram Shelters Pvt. Ltd.	32. Spring Trading Pvt. Ltd.
33. Aanjneya Motor Pvt. Ltd.	34. Osprey E-Commerce Pvt. Ltd.
35. Dauji Infradev Pvt. Ltd.	36. RNR Infosolution Pvt. Ltd.
37. Aanjneya Vayusutra Pvt. Ltd.	38. Saket Buildcon Pvt. Ltd.
39. P N Agarwal & Sons	40. Sunil Agarwal HUF
41. Sachin Agarwal HUF	42. Harish Singh HUF

D. Disclosures required for related party transactions.

(Rupees in Lacs)

	KMP & Relative	Enterprise over which significant influence exercised by KMP/Directors	Subsidiary	Total
Transactions during the year				
Rendering of Services (Rent/hire charges)	14	80	-	94
Remuneration	382	-	-	382
Loan received	130	-	-	130
Loans given	-	300	-	300
Interest paid	37	-	-	37
Interest Received	-	43	405	448
Amount outstanding at Balance Sheet date				
—Amount Payable	398	-	675	1073
—Amount Receivable	-	400	-	400

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.

31. Working Capital Borrowings

- A. **Punjab National Bank:** The facility from Punjab National Bank are secured by hypothecation of book debts pertaining to advances. The credit facilities are secured by equitable mortgage of two 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 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 guarantor.
- B. **Bank of India:** The facilities from Bank of India, is secured by hypothecation of book debts pertaining to Microfinance business. The credit facilities are secured by equitable mortgage of office premises in the name of the guarantor, personal guarantee of directors and corporate guarantee of the company who have stood as guarantor.
- C. **AXIS Bank Ltd.:** The overdraft facilities from AXIS Bank are secured.

32. Term Loans

- A. **Small Industries Development Bank of India:** Term loan assistance secured by hypothecation of book debts, term deposits and equitable mortgage of immovable property in the name of guarantors, Personal guarantee of directors and corporate guarantee of the Company who has stood as guarantor.
- B. **Reliance Capital Limited:** Term loan assistance is secured by hypothecation of book debts, personal guarantee of two directors and cash collateral given by the Company.
- C. **Punjab National Bank:** Term loan assistance for on lending to micro finance clients is secured by hypothecation of book debts arising out of the Bank assistance and personal guarantee of the directors.
- D. **Central Bank of India:** The term loan facility from the Bank is secured by exclusive charge on receivables of SME's, Micro Finance and Priority Sector financed by the Company and is secured by lien on deposit, Equitable Mortgage of land belonging to the guarantor, personal guarantee of directors of the Company and Corporate guarantee of the company who has stood as guarantor.
- E. **Syndicate Bank:** Term loan assistance is secured by hypothecation of book debts pertaining to micro finance and business loans and personal guarantee of the directors.
- F. **United Bank of India:** The term loan facility from the Bank is secured by exclusive charge on book debts and is secured by cash collateral given by Company in the form of FDR, Equitable Mortgage of land belonging to the guarantor, personal guarantee of directors of the Company and Corporate guarantee of the company who has stood as guarantor.
- G. **ICICI Bank Ltd.:** Term loan assistance for on lending to micro finance clients is secured by hypothecation of book debts and personal guarantee of the directors.

Terms of Repayment of the above mentioned loan is monthly except BOI, UBI and CBI.

33. Assignment details

- A. **HDFC Bank:-** Assignment transactions are secured by hypothecation of book debts, Cash collateral given by Company in the form of FDR and personal Guarantee given by the directors of the Company.

- B. **ICICI Bank:-** Assignment transactions are secured by hypothecation of book debts pertaining to micro finance, Cash collateral given by Company in the form of FDR and Personal Guarantee given by the directors of Company.
- C. **Punjab National Bank:-** Assignment transactions are secured by hypothecation of book debts pertaining to micro finance, cash collateral given by Company in the form of FDR and personal guarantee given by the Directors of the Company.
- D. **Reliance Capital Limited:-** Assignment transactions are secured by hypothecation of book debts, personal guarantee of directors and cash collateral given by the Company.
- E. **Development Credit Bank:-** Assignment transactions are secured by hypothecation of book debts pertaining to micro finance, Cash collateral given by Company in the form of FDR and Personal Guarantee given by the director of the Company.
- F. **Nupur Finvest Pvt. Ltd.:-** Assignment transactions are secured by hypothecation of book debts pertaining to micro finance and personal guarantee given by the Directors of the Company.
- G. **Fullerton India Credit Company Ltd.:-** Assignment transactions are secured by hypothecation of book debts pertaining to micro finance, cash collateral given by Company in the form of FDR and Personal Guarantee given by the Directors of the Company.
- H. **UCO Bank Ltd:-** Assignment transactions are secured by hypothecation of book debts, Cash collateral given by Company in the form of FDR and Personal Guarantee of the director of the Company.

Terms of Repayment of the above mentioned assignments are monthly.

34. The Scheme of Arrangement under section 391-394 of the Companies Act, 1956 (the scheme) to transfer Non-Conventional Energy Division of S. E. Investments Ltd. (SEIL) on going concern basis to S. E. Power Ltd. (SEPL) w.e.f. 30th Sep, 2010, the appointed date has become effective on 21st Dec, 2011 on getting requisite approval and completion of necessary formalities.

All the assets and liabilities of the Non-Conventional Energy Division of the Company, on the appointed date, have been transferred to SEPL. The excess of assets over liabilities relating to Non Conventional Energy Division has been adjusted in terms of Scheme against the General Reserve of the Company for the amount ₹ 4,063.72 lacs.

The effect of Demerger pursuant to Scheme sanctioned by the Hon'ble Delhi High Court with Appointed and Effective date has been given during the current financial year and the incorporation has been done in above financial statements as decided by the Management in consultation with Statutory Auditors.

35. Detail of Banks FDR held as on 31.03.2012

Held as Cash Collateral for Assignment / Term Transactions.

No	Name of the Bank	Purpose	Principal Amount
1	Development Credit Bank of India	Assignment of Book Debts	7,500,000
2	HDFC Bank Ltd.	Assignment of Book Debts	108,301,530
3	ICICI Bank Ltd.	Assignment of Book Debts	19,025,774
4	Punjab National Bank	Assignment of Book Debts	41,863,888
5	UCO Bank	Assignment of Book Debts	57,000,000
	Sub Total		233,691,192

Held as security for Demand Loan

1	Bank of India	Demand Loan	3,000,000
2	Punjab National Bank	Demand Loan	99,828,968
		SUBTOTAL	102,828,968

Held as Cash Collateral for Term Loan

1	Central Bank of India	Term Loan	132,514,558
2	Small Industries Development Bank of India	Term Loan	7,500,000
3	Syndicate Bank of India	Term Loan	20,000,000
4	United Bank of India	Term Loan	500,000
5	AXIS Bank Limited	Term Loan	5,732,000
		SUBTOTAL	166,246,558

Held to avail overdraft facility against FDRs

1	Central Bank Of India	Over Draft	22,574
2	AXIS Bank Limited	Over Draft	534,448
3	State Bank of India	Over Draft	1,182,093
4	Punjab National Bank	Guarantee	27,000
		SUBTOTAL	1,766,115

Held as SLR "Statutory Liquidity Ratio" against Public Deposit

1	Bank of India	Statutory Liquidity Ratio	2,000,000
2	Central Bank of India	Statutory Liquidity Ratio	255,319
3	Punjab National Bank	Statutory Liquidity Ratio	5,250,557
		SUBTOTAL	7,505,876

Unencumbered FDR

1	Axis Bank		5,230,572
2	Punjab National Bank		175,500,000
		SUBTOTAL	180,730,572
		TOTAL	692,769,281

36. Details of FDR's with NBFC held as on 31.03.2012 as Cash Collateral

S.No	Name of the NBFC	Purpose	Principal Amount
1	Fullerton India Credit Company Ltd.	Assignment of Book Debts	3,399,200
		TOTAL	3,399,200

37. Due to demerger of Non Conventional Energy Division there is only one segment left i.e. Finance Activities. Hence Segment Reporting is not applicable.

SCHEDULE TO THE BALANCE SHEET OF A NON-BANKING FINANCIAL COMPANY

[As required in terms of Paragraph 13 of Non-Banking Financial (Deposit Accepting or Holding) Companies
Prudential Norms (Reserve Bank) Directions, 2007]

PARTICULARS	Amount Outstanding	(₹ in lacs) Overdue
LIABILITIES SIDE:		
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
(a) Debentures		
Secured	—	—
Unsecured	—	—
(other than falling within the meaning of public deposits*)		
(b) Deferred Credits	48	—
(c) Term Loans	23,575	—
(d) Inter-corporate loans and borrowing	27,913	—
(e) Commercial Paper	—	—
(f) Public Deposits*	2,052	—
(g) Other Loans (specify nature)		
Punjab National Bank (Cash Credit a/c / Overdraft)	4,655	—
AXIS Bank Ltd. (Overdraft a/c)	4	—
Bank of India	1,323	—
Assignment of Book Debts	11,469	—
*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	2,052	—
		Amount Outstanding
ASSETS SIDE		
(3) Break-up of Loans and Advances including bills receivables (other than those included in (4) below)		
(a) Secured		88,073
(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	9
(ii) Stock on hire including hire charges under sundry debtors :	
(a) Assets on hire	—
(b) Repossessed Assets	—
(iii) Other loans counting towards AFC activities	
(a) Loans where assets been repossessed	—
(b) Loans other than (a) above	—
(5) Break-up of Investments	
1. Current Investments	—
Quoted :	
(i) Shares :	—
(a) Equity	—
(b) Preference	—
(ii) Debentures and Bond	—
(iii) Units of mutual funds	—
(iv) Government Securities	—
(v) Others (please specify)	—
Unquoted :	
(i) Shares :	
(a) Equity	—
(b) Preference	—
(ii) Debentures and Bonds	—
(iii) Units of mutual funds	—
(iv) Government Securities	—
(v) Others (please specify)	
Fixed Deposit with NBFC	34
Fixed deposit with Banks	3,381
Interest accrued	128
2. Long Term Investments :	
Quoted :	
(i) Shares :	
(a) Equity	—
(b) Preference	—
(ii) Debentures and Bonds	—
(iii) Units of mutual funds	—
(iv) Government Securities	—
(v) Others (Please specify)	—
Unquoted :	
(i) Shares :	
(a) Equity- Subsidiary Company	4,224
(b) Equity- Group Company	2,390
(c) Preference	—

(ii) Debentures and Bonds	—
(iii) Units of mutual funds	—
(iv) Government Securities	210
(v) Others (please specify)	
Investment in Partnership/LLP	25
Fixed deposit with Banks	3,546
Interest accrued	194

- (6) Borrower group-wise classification of assets financed as in (3) and (4) above:
Please see Note 2

		Amount net of Provisions		
Category		Secured	Unsecured	Total
1 Related parties**		—	—	—
(a) Subsidiaries		—	—	—
(b) Companies in the same group		—	—	—
(c) Other related parties		—	—	—
2 Other than related parties		88,073	—	88,073
Total		88,073	—	88,073

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

**Please see Note 3 below

Category	Market Value/Break up or Fair Value or NAV	Book Value (Net of Provisions)
1. Related parties **		
(a) Subsidiaries	4,224	4,224
(b) Companies in the same group	2,390	2,390
(c) Other related parties	25	25
2. Other than related parties	7,493	7,493
Total	14,132	14,132

** As per Accounting Standard of ICAI (Please see note 3)

- (8) Other Information:

Particulars	Amount
(i) Gross Non-performing Assets	
(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:

1. As defined in Paragraph 2(1) (xii) of the Non-Banking financial companies acceptance of Public Deposits (Reserve Bank) Directions, 1998.
2. 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.
3. 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 and on behalf of the Board

For R. Lal & Company
Chartered Accountants
Firm Reg. No. 000926C
Sd/-
(CA Ram Lal Agrawal)
Proprietor
M. No. 17583

For P M S & Co.
Chartered Accountants
Firm Reg No. 013398C
Sd/-
(CA Shilpi Agarwal)
Partner
M. No. 405692

Date : 23rd May 2012

Place : Delhi

Sd/-

Sunil Agarwal

Managing Director

Sd/-

Harish Singh

Executive Director

Sd/-

Sachin Agarwal

Wholetime Director

Sd/-

Purushottam Agrawal

Director

Sd/-

Vishal Sharma

Company Secretary

AUDITORS' REPORT

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

We have audited the attached Consolidated Balance Sheet of M/s S. E. Investments Ltd. (the Company) and its subsidiary Nupur Finvest Pvt. Ltd. as at 31st March, 2012, and also the Consolidated Profit and Loss account and the Consolidated 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.

- (1) We report that the consolidated financial statements have been prepared by the company's management in accordance with the requirements of Accounting Standard 21 issued by ICAI, "Consolidated Financial Statements".
- (2) 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 Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - b) in the case of the Consolidated Profit and Loss, of the Profit for the year ended on that date and
 - c) in the case of the Consolidated Cash Flow Statement, of the Cash flows for the year ended on that date.

For **R. LAL & Company**
Chartered Accountants
Firm Reg. No. 000926C
Sd/-
(CA Ram Lal Agrawal)
Proprietor
M.No 17583

For **PMS & Co.**
Chartered Accountants
Firm Reg. No. 013398C
Sd/-
(CA Shilpi Agarwal)
Partner
M.No. 405692

Date : 23rd May 2012
Place : Delhi

CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH 2012

Sr. No.	Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
			₹	₹
I	EQUITY AND LIABILITIES			
	(1) Shareholders' Funds			
	(a) Share Capital	1	430,662,500	430,662,500
	(b) Reserves and Surplus	2	3,351,176,065	3,202,216,148
	(c) Money received against share warrants		-	-
	(2) Share Application money pending allotment		-	-
	(3) Non-Current Liabilities			
	(a) Long-Term Borrowings	3	1,428,263,727	1,398,780,553
	(b) Deferred Tax Liabilities (Net)	4	19,033,125	5,853,840
	(c) Other Long Term Liabilities	5	1,543,361,423	1,693,955,128
	(d) Long Term Provisions	6	24,508,194	21,485,912
	(4) Current Liabilities			
	(a) Short-Term Borrowings	7	3,396,959,758	2,854,154,391
	(b) Trade Payables		-	-
	(c) Other Current Liabilities	8	1,266,044,117	1,018,271,445
	(d) Short-Term Provisions	9	694,157,005	344,709,099
	Total Equity & Liabilities		12,154,165,914	10,970,089,016
II	ASSETS			
	(1) Non-Current Assets			
	(a) Fixed Assets	10		
	(i) Tangible Assets		28,720,841	511,926,302
	(ii) Intangible Assets		-	-
	(iii) Capital work in progress		-	-
	(iv) Intangible assets under development		-	-
	(b) Non-current investments	11	639,089,334	480,605,935
	(c) Deferred tax assets (net)		-	-
	(d) Long term loans and advances	12	50,984,339	91,859,044
	(e) Other non-current assets	13	34,662,379	46,662,286
	(2) Current Assets			
	(a) Current investments	14	372,380,961	319,824,818
	(b) Inventories	15	9,735,809,140	8,301,244,977
	(c) Trade receivables		-	-
	(d) Cash and cash equivalents	16	669,994,419	836,168,506
	(e) Short-term loans and advances	17	622,524,501	381,797,148
	(f) Other current assets		-	-
	Total Assets		12,154,165,914	10,970,089,016

Notes to the Accounts & Significant Accounting Policies annexed

For and on behalf of the Board

Notes referred to above form an integral part of these Financial Statements

Signed in terms of our Report of even date

For **R. Lal & Company**

Chartered Accountants

Firm Reg. No. 000926C

Sd/-

(CA Ram Lal Agrawal)

Proprietor

M. No. 17583

Date : 23rd May 2012

For **P M S & Co.**

Chartered Accountants

Firm Reg No. 013398C

Sd/-

(CA Shilpi Agarwal)

Partner

M. No. 405692

Place : Delhi

Sd/-

Sunil Agarwal

Sd/-

Harish Singh

Sd/-

Sachin Agarwal

Sd/-

Purushottam Agrawal

Sd/-

Vishal Sharma

Managing Director

Executive Director

Wholetime Director

Director

Company Secretary

CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

Sr. No.	Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
			₹	₹
I	Revenue from operations	18	2,220,862,323	1,844,822,902
	Total Revenue (I)		2,220,862,323	1,844,822,902
II	Expenses:			
	Employee Benefit Expense	19	82,072,976	50,991,261
	Financial Costs	20	707,150,233	621,595,261
	Depreciation and Amortization Expense	21	19,861,486	56,470,970
	Other Expenses	22	377,752,800	247,360,622
	Total Expenses (II)		1,186,837,495	976,418,114
III	Profit before exceptional and extraordinary items and tax (I-II)		1,034,024,828	868,404,788
IV	Exceptional Items		-	-
V	Profit before extraordinary items and tax (III-IV)		1,034,024,828	868,404,788
VI	Extraordinary Items		-	-
VII	Profit before tax (V-VI)		1,034,024,828	868,404,788
VIII	Tax expense:			
	(1) Current tax		302,308,059	273,052,407
	(2) Deferred tax		13,179,285	(18,698,890)
	(3) Previous Year Income Tax		-	18,319
IX	Profit/(Loss) from the period from continuing operations (VII-VIII)		718,537,484	614,032,952
X	Profit/(Loss) from discontinuing operations		-	-
XI	Tax expense of discontinuing operations		-	-
XII	Profit/(Loss) from Discontinuing operations (X-XI)		-	-
XIII	Profit/(Loss) for the period (IX+XII)		718,537,484	614,032,952
XIV	Earning per equity share:	27		
	(1) Basic		15.93	15.07
	(2) Diluted		15.93	15.07

Notes to the Accounts & Significant Accounting Policies annexed

For and on behalf of the Board

Notes referred to above form an integral part of these Financial Statements

Signed in terms of our Report of even date

For **R. Lal & Company**
Chartered Accountants
Firm Reg. No. 000926C
Sd/-
(CA Ram Lal Agrawal)
Proprietor
M. No. 17583

For **P M S & Co.**
Chartered Accountants
Firm Reg No. 013398C
Sd/-
(CA Shilpi Agarwal)
Partner
M. No. 405692

Date : 23rd May 2012

Place : Delhi

Sd/-

Sunil Agarwal

Managing Director

Sd/-

Harish Singh

Executive Director

Sd/-

Sachin Agarwal

Wholetime Director

Sd/-

Purushottam Agrawal

Director

Sd/-

Vishal Sharma

Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

	31.03.2012	31.03.2011
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax and extraordinary items and interest	2,098,979,745	1,762,313,090
Adjustment For:		
1 Depreciation	7,656,561	44,284,924
2 Loss on sale of fixed assets	2,303,520	-
2 Misc. Expenditure written Off	12,204,926	22,165,007
Operating Profit before working capital	2,121,144,752	1,818,784,060
Adjustment For:		
Trade and Other Receivable(Loans and advances)	-227,980,119	-295,791,275
Inventories	-1,208,913,011	-3,192,037,170
Short term borrowing	384,622,595	844,142,300
Trade Payable(Other Current Liabilities)	247,772,672	582,936,002
Misc Expenses	-205,020	-804,702,883
Cash generated from operations	1,316,441,869	-293,577,691
1 Interest Paid	773,598,166	-622,538,569
2 Direct Taxes paid	304,030,057	-272,826,619
Cash flow before extra-ordinary items	238,813,646	-1,188,942,879
Income tax provision of previous year adjusted	-	33,370,699
Net cash flow from operating activities	238,813,646	-1,222,313,578
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	-4,306,132	-2,621,370
Sale of fixed assets	6,750,000	-
Purchase of Investments	-211,039,541	-672,391,171
Decrease in long term loans and advances	40,874,705	-167,720,968
Net flow due to demerger	-	-
Fixed Assets transfer	-470,727,584	-
Excess of assets over liabilities	406,372,090	-
Receipts relating to resulting company	110,137,784	-45,782,290
Net cash used in investing activities	-213,503,258	-675,012,541
Total	25,310,388	-1,897,326,119
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issue of share capital	-	375,000,000
Dividend paid	-2,905,563	-50,211,727
Payment of Long term borrowings	-37,985,207	671,836,597
Payment of Other long term liabilities	-150,593,705	-
Net cash used in financing activities	-191,484,475	996,624,870
Net Increase in cash & cash equivalents	-166,174,087	-900,701,249
Opening cash & cash equivalents	836,168,506	1,736,869,755
Closing cash & cash equivalents	669,994,419	836,168,506
Actual cash balances at the end of the year	669,994,419	836,168,506
Signed in terms of our Report of even date		
For R. Lal & Company	For P M S & Co.	For and on behalf of the Board
Chartered Accountants	Chartered Accountants	Sd/- Sunil Agarwal Managing Director
Firm Reg. No. 000926C	Firm Reg No. 013398C	Sd/- Harish Singh Executive Director
Sd/-	Sd/-	Sd/- Sachin Agarwal Wholetime Director
(CA Ram Lal Agrawal)	(CA Shilpi Agarwal)	Sd/- Purushottam Agrawal Director
Proprietor	Partner	Sd/- Vishal Sharma Company Secretary
M. No. 17583	M. No. 405692	
Date : 23rd May 2012	Place : Delhi	
AUDITORS' REPORT		
We have verified the attached Consolidated 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 2012 and 31st March 2011 and found the same in agreement here with.		
	For R. Lal & Company	For P M S & Co.
	Chartered Accountants	Chartered Accountants
	Firm Reg. No. 000926C	Firm Reg No. 013398C
	Sd/-	Sd/-
	(CA Ram Lal Agrawal)	(CA Shilpi Agarwal)
	Proprietor	Partner
	M. No. 17583	M. No. 405692
Date : 23rd May 2012		
Place : Delhi		

SIGNIFICANT ACCOUNTING POLICES AND NOTES ON ACCOUNTS ON CONSOLIDATED ACCOUNTS

Accounting Policies on Consolidated Accounts

A. PRINCIPLE OF CONSOLIDATION

The consolidated financial statements relate to S. E. Investments Ltd. (the Company) and its subsidiary Nupur Finvest Pvt. Ltd. The consolidated financial statements have been prepared on the following basis:

- a) The Consolidated Financial Statements have been prepared in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements". The financials are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions.
- b) Investment in Associate Companies has been accounted under the equity method as per (AS 23) - "Accounting for Investments in Associates in Consolidated Financial Statements".
- c) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

B. INVESTMENTS OTHER THAN IN SUBSIDIARIES AND ASSOCIATES:

Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments".

C. OTHER SIGNIFICANT ACCOUNTING POLICIES

These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note : 1 Share Capital			
		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
1	AUTHORIZED CAPITAL 120,000,000 Equity Shares (Last Year 1,200,000,000) of Rs 10/- per share (Last Year Re.1) 5,000,000 Preference Shares of Rs. 10 each	1,200,000,000 50,000,000 1,250,000,000	1,200,000,000 50,000,000 1,250,000,000
2	ISSUED, SUBSCRIBED CAPITAL 40,572,500 Equity Shares (Last Year 405,725,000) of Rs 10/- (Last Year Re 1/-) per share fully paid up 2,500,000 Preference Shares of Rs 10 each	405,725,000 25,000,000 430,725,000	405,725,000 25,000,000 430,725,000
3	PAID UP CAPITAL 40,560,000 Equity Shares (Last Year 405,600,000) of Rs 10/- (Last Year Re 1/-) per share fully paid up Add: Share Forfeited a/c (Amt originally Paid up on 12,500 Equity Shares of Rs 10 each) 2,500,000 10% Redeemable Preference Shares of Rs 10 each fully paid up	405,600,000 62,500 25,000,000	405,600,000 62,500 25,000,000
	Total in ₹	430,662,500	430,662,500

Holding of more than 5% shares - Davos International Fund - 2729449 shares (6.729%)

Note : 2 Reserves & Surplus			
		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
1	Capital Reserve	241,521,114	241,521,114
2	Securities Premium Reserve	1,939,991,229	1,939,991,229
3	General Reserve	701,409,961	648,250,388
	Opening Balance	648,250,388	380,566,388
	Less: Excess Assets over Liabilities on Demerger	406,372,090	-
	Receipts of Resulting Company for previous year	40,468,337	-
	Bonus Allotment	-	304,200,000
	Addition during the year	500,000,000	500,000,000
	Add: Excess of Net Worth over Investment in Subsidiary Company	-	71,884,000
4	Reserve Fund (As per RBI Act)	409,877,927	266,170,431
	Opening Balance	266,170,431	143,363,841
	Addition during the year	143,707,496	122,806,590
5	Surplus (Profit & Loss Account)	58,375,834	106,282,986
	Balance brought forward from previous year	106,282,986	186,734,951
	Add: Profit for the year	718,537,484	614,032,952
	Less: Transfer to General Reserve	500,000,000	500,000,000
	Profit of Resulting Company (Application of receipts to beneficiary received as trustee)	69,669,448	-
	Provision on Standard Assets	3,022,283	21,485,912
	Proposed Dividend on Preference Shares & Equity Shares & Tax Thereon	50,045,409	50,192,415
	Reserve Fund (As per RBI Act)	143,707,496	122,806,590
	Total in ₹	3,351,176,065	3,202,216,148

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note : 3 Long Term Borrowings			
		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
1	Bonds / Debentures		
2	Secured Term Loan		
	- From Bank		
	Punjab National Bank	255,000,000	28,410,694
	Central Bank of India	333,332,000	267,606,075
	Syndicate Bank	7,858,413	101,608,412
	United Bank of India	129,613,000	144,014,813
	ICICI Bank Ltd	120,625,003	-
	Bank of India Ltd Working capital term loan	66,656,000	133,800,000
	- From Other Parties		
	Indian Renewable Energy Development Agency Ltd.	-	40,868,000
	Small Industries Development Bank of India	127,860,000	-
	Reliance Capital Limited	2,838,431	183,984,733
3	Secured Assignments		
	- From Bank		
	HDFC Bank Ltd.	50,254,878	76,110,652
	ICICI Bank Ltd.	-	35,966,962
	Punjab National Bank	25,629,530	213,597,441
	UCO Bank Ltd	171,404,432	-
	Development Credit Bank Ltd	-	36,925,812
	- From Other Parties		
	Reliance Capital Limited	-	316,317
	Fullerton India Credit Company Limited	-	32,574,318
4	Unsecured loans		
	Fixed Deposit	88,887,563	69,324,123
	Interest accrued on fixed deposit	11,470,747	5,229,848
5	Loans & Advances From Related Parties	17,249,914	14,860,800
6	Loans From Directors including interest	19,583,816	8,792,035
7	Other Loans & Advances		
	Loan from supplier- Central Electronics Ltd and interest accrued thereon		4,789,518
	Total in ₹	1,428,263,727	1,398,780,553

Note 4 : Deferred Tax Liabilities (Net)			
		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
	Opening Balance	5,853,840	24,552,729
	Add: Provision made during the year	13,179,285	(18,698,889)
	Total in ₹	19,033,125	5,853,840

Note 5 : Other Long term liabilities			
		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
	Other long term deposits including interest thereon	1,543,361,423	1,693,955,128
	Total in ₹	1,543,361,423	1,693,955,128

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note : 6 Long Term Provisions		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
1	Provision For Employees Benefit		
2	Others		
	Provision for standard assets	24,508,194	21,485,912
	Total in ₹	24,508,194	21,485,912

Note : 7 Short Term Borrowings		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
1	Secured Term Loan		
	- From Bank		
	HDFC Bank Ltd	-	25,000,003
	Punjab National Bank	208,410,694	147,807,306
	Axis Bank Ltd	-	55,555,535
	Central Bank of India	434,274,075	263,123,541
	Syndicate Bank	93,750,000	85,973,191
	United Bank of India	14,401,813	284,585,187
	ICICI Bank Ltd	377,500,000	39,999,995
	Bank of India Ltd Working capital term loan	65,639,621	64,946,622
	- From Other Parties		
	Indian Renewable Energy Development Agency Ltd.	-	10,184,000
	Small Industries Development Bank of India	22,140,000	24,400,000
	Reliance Capital Finance Limited	229,890,277	218,154,819
2	Secured Assignments		
	- From Bank		
	HDFC Bank Ltd.	180,091,360	276,917,348
	ICICI Bank Ltd.	35,966,962	68,188,742
	Punjab National Bank	187,967,911	458,882,845
	UCO Bank Ltd	358,324,716	-
	Development Credit Bank Ltd	136,269,808	57,877,503
	- From Other Parties		
	Reliance Capital Limited	316,318	65,662,739
	Fullerton India Credit Company Limited	32,574,318	159,385,378
3	Unsecured loans		
	Fixed Deposit	96,749,402	96,656,834
	Interest accrued on fixed deposit	8,073,386	7,574,541
4	Loan Repayable on Demand		
	- From Bank		
	- Punjab National Bank	90,208,274	-
	- Bank of India Ltd	2,700,000	-
5	Loans & Advances From Related Parties	2,984,632	2,375,882
6	Others		
	Secured Borrowings		
	- Punjab National Bank - Cash Credit Limit	375,297,694	398,051,902
	- Axis Bank Ltd Overdraft	415,819	-
	- Oriental Bank of Commerce, Delhi - Cash Credit Limit	249,223,160	37,937,137
	Unsecured Borrowings		
	Loan from supplier- Central Electronics Ltd and interest accrued thereon	4,789,518	4,913,341
	Inter Corporate Deposits	189,000,000	-
	Total in ₹	3,396,959,758	2,854,154,391

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note : 8 Other Current Liabilities			
		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
	Other Liabilities	1,266,044,117	1,018,271,445
	Total in ₹	1,266,044,117	1,018,271,445

Note : 9 Short Term Provisions			
		-	-
Sr. No.	Particulars	Current Year	Previous Year
1	Provision For Employees Benefit	-	-
2	Others	-	-
	Provision for proposed dividend on preference shares and equity shares and tax thereon	50,045,409	2,905,563
	Provision for Taxation	644,111,596	341,803,536
	Total in ₹	694,157,005	344,709,099

Note : 11 Non Current Investment			
		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
1	Investment in Government or Trust Securities	20,985,191	19,267,691
2	Investment in shares of group companies	239,030,800	239,030,800
3	Investments in Mutual Fund	2,500,000	2,500,000
	- Axis Income Saver	-	-
	(Market Value ₹ 26.89 Lacs)	-	-
4	Investment in Partnership Firm/LLP	2,500,000	2,500,000
5	In Fixed Deposits	-	-
	With Banks	354,629,107	208,726,758
	With NBFC	-	3,399,200
6	Interest accrued but not received	19,444,236	5,181,486
	Total in ₹	639,089,334	480,605,935

Note : 12 Long Term Loans and Advances			
		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
i)	Security Deposit		
a)	Secured, Considered Good :		
	- Earnest Money Deposit	40,000,000	80,000,000
	- Other Deposit	1,400,071	1,390,896
b)	Unsecured, Considered Good :	-	-
c)	Doubtful	-	-
ii)	Loans & Advances to Related Parties	-	-
iii)	Other Loans & Advances		
a)	Secured, Considered Good :		
	- Others	4,703,100	5,586,980
b)	Unsecured, Considered Good :	-	-
c)	Doubtful	4,881,168	4,881,168
	Total in ₹	50,984,339	91,859,044

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Notes : 10 Fixed Asset

Sl. No.	Description	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Adjustment due to Change in method of dep. from WDV to SLM	Deduction during the Year	Value at the end	WDV as on 31.03.2012	WDV as on 31.03.2011
1	Tangible Assets											
1	Leased Assets											
2	Solar Devices	90,694,680	-	-	90,694,680	89,258,150	550,196	-	-	89,808,446	885,234	1,416,339
	Land & Building	1,390,620	-	-	1,390,620	-	-	-	-	-	1,590,620	1,590,620
3	Building	6,937,695	-	-	6,937,695	1,145,149	133,041	-	-	1,278,190	5,659,505	5,792,546
4	Furniture & Fittings	8,423,511	886,991	-	9,310,502	2,969,523	532,697	(133,834)	-	3,367,866	5,942,696	5,453,988
5	Computer Peripheral & Software	34,795,235	1,329,517	-	36,124,752	22,956,190	5,760,389	(67,338)	-	28,689,341	7,435,511	11,799,045
6	Vehicles	6,166,213	1,407,456	1,850,000	5,763,669	3,883,414	520,270	-	1,326,070	3,075,634	2,688,055	2,284,799
7	Equipments, Plant & Machinery	8,130,296	947,158	-	9,077,454	1,892,425	385,416	(73,587)	-	2,354,344	4,518,230	4,237,871
8	Non Conventional Energy Plant	11,642,400	-	11,642,400	-	3,058,882	-	-	3,038,882	-	-	8,603,518
9	Energy Plant and Machinery**	555,757,974	-	555,757,974	-	85,030,390	-	-	85,030,390	-	-	470,727,584
	Total	722,138,624	4,306,132	569,250,374	157,194,382	210,212,323	7,881,309	(234,749)	89,395,342	128,473,541	28,720,841	511,926,302
	(Current Year)	722,138,624	4,306,132	569,250,374	157,194,382	210,212,323	7,881,309	(234,749)	89,395,342	128,473,541	28,720,841	511,926,302
	(Previous Year)	719,517,254	2,621,370	-	722,138,624	165,837,388	44,284,924	-	-	210,212,322	511,926,302	553,589,856

**Energy Plant and Machinery transferred to Resulting Company due to Demerger

**Energy Plant and Machinery transferred to Resulting Company due to Demerger

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note : 13 Other Non Current Assets			
		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
	Preliminary Expenses	34,662,379	46,662,286
	Total in ₹	34,662,379	46,662,286

Preliminary Expenses & Amalgamation Expenses are written off over a period of five years

Note : 14 Current Investment			
		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
i)	In Short term Fixed Deposits		
	With Banks	356,185,256	293,008,044
	With NBFC	3,399,200	10,268,385
	Interest accrued but not received	12,796,505	16,548,389
	Total in ₹	372,380,961	319,824,818

Note : 15 Inventories			
		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
	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.	9,735,809,140	8,301,244,977
	(As certified by the management)		
	Total in ₹	9,735,809,140	8,301,244,977

Note : 16 Cash & Cash Equivalent			
		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
1	<u>Cash-in-Hand</u>		
	Cash Balances	138,234,801	72,277,414
	Sub Total (A)	138,234,801	72,277,414
2	<u>Bank Balance</u>		
	Current a/c with scheduled bank (Subject to reconciliation)	531,759,618	763,891,092
	Sub Total (B)	531,759,618	763,891,092
	Total in ₹ [A + B]	669,994,419	836,168,506

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note :17 Short Terms Loans and Advances			
		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
1	Loans & Advances from related parties		
a)	Secured, Considered Good : Loan against fixed deposit	2,049,601	699,748
b)	Unsecured, Considered Good :	-	-
c)	Doubtful	-	-
2	Others		
	Advance Recoverable in cash or in kind or for value to be considered good		
	Income Tax and TDS paid	611,699,100	304,082,792
	Advance for Property	2,500,000	2,500,000
	Prepaid Expenses	73,715	149,605
	Other loan and advances	6,202,085	74,365,003
	Total in ₹	622,524,501	381,797,148

Note : 18 Revenue from Operations			
		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
1	Income from Hire Charges	-	(1,727)
2	Interest on Loans	2,145,000,982	1,751,231,687
3	Income from Energy Division	69,669,448	88,657,122
4	Dividend Income (Gross)	-	432,815
5	Income on Government Guaranteed Bonds	2,853,193	1,311,785
6	Income from Lease Rent	3,338,700	3,191,220
	Total in ₹	2,220,862,323	1,844,822,902

Note : 19 Employment Benefit Expenses			
		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
1	Salaries & Establishment	43,780,950	36,689,671
2	Mg. Director's & Directors Remuneration	37,872,026	12,681,590
3	Mg. Director's & Directors House Rent Allowance	420,000	1,620,000
	Total in ₹	82,072,976	50,991,261

No remuneration has been paid to directors except remuneration to Managing Director, Whole time Director and Executive Director. The remuneration paid to Managing Director, Whole time Director and Executive Director during the F.Y. 2011-2012 is ₹ 38,292,026 (last year ₹ 14,301,590/-) which is less than that permitted under Section 309 read with Schedule XIII of the Companies Act, 1956.

Note : 20 Financial Cost			
		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
1	Interest charges Energy Division	-	6,600,488
2	Interest Discounting & Bank Charges	707,150,233	614,994,773
	Total in ₹	707,150,233	621,595,261

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note : 21 Depreciation & Amortised Cost			
		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
1	Depreciation	7,656,561	44,284,924
2	Preliminary Expenses W/O	12,204,925	12,186,046
	Total in ₹	19,861,486	56,470,970

Note : 22 Other Expenses			
		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
1	Car & Scooter Expenses	13,747,796	11,367,931
2	Travelling Expenses	25,830,717	14,540,995
3	Repair & Maintenance	13,315,439	6,861,913
4	Insurance Expenses	242,683	398,297
5	Electricity & Water Expenses	1,455,299	1,695,262
6	Rates & Taxes	49,936	122,940
7	Legal Expenses & Professional fees	17,512,760	13,689,452
8	Printing & Stationery	19,365,136	12,336,195
9	Postage & Telephone Expenses	9,052,120	5,726,901
10	Bad Debts Written off	107,496,298	55,875,807
11	Security Expenses	-	66,325
12	Auditors Fee	9,475,000	107,500
13	Rent	9,277,390	6,065,130
14	Rebate, Remission & Brokerage	6,854,076	3,183,354
15	Advertisement & Business Promotion Expenses	69,080,518	77,548,660
16	Recovery Expenses	3,035,023	10,869,037
17	Office and General Expenses	22,498,586	22,952,728
18	Loss on sale of assets	2,377,450	-
19	Finance Dev. Expenses	47,086,573	3,952,195
	Total in ₹	377,752,800	247,360,622

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

23. Remuneration to Auditors:

	Current Year 31/03/2012	Previous Year 31/03/2011
For Statutory Audit	₹ 2,000,000	₹ 86,000
Tax Audit	₹ 1,700,000	₹ 11,500
For Certification work/other services	₹ 5,775,000	₹ 10,000
Total	₹ 9,475,000	₹ 107,500

24. Contingent Liabilities: Refer Note 24 of SEIL Financial Statements.

25. There are no unclaimed matured deposits lying with the company as on 31st March 2012.

26. 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.

27. Earning per Share

	2011-12	2010-11
Net profit for the year (After Tax)	718,537,484	614,032,952
Proposed Preference shares dividend and tax thereon	2,905,563	2,905,563
Profit for the Resulting Company	69,669,448	-
No. of Equity Shares (Weighted)	40,560,000	40,560,000*
Basic and diluted Earning per share ₹	15.93	15.07

* Considering the effect of change in face value of share of S. E. Investments Ltd. (the Company) from ₹ 1 to ₹ 10/-, EPS of last year has been restated.

28. During the year the Company has sold by way of assignment 14,424 cases of loan contract to the Scheduled Banks and Non Banking Financial Companies amounting to ₹ 9,672 lacs.

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

30. Disclosure of related party transactions: Refer Note No. 30 (A, B and C) of the Company's separate financial Statements.

D. Disclosures required for related party transactions.

(Rupees in Lacs)

	KMP & Relative	Enterprise over which significant influence exercised by KMP/Directors	Total
Transactions during the year			
Rendering of Services (Rent/hire charges)	14	80	94
Remuneration	382	-	382
Loan received	130	-	130
Loans given	-	300	300
Interest paid	37	-	37
Interest Received	-	43	43
Amount outstanding at Balance Sheet date			
— Amount Payable	398	-	398
— Amount Receivable	-	400	400

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.

31. Working Capital Borrowings, Term Loans and Assignment details

A. Oriental Bank of Commerce: The facility (in subsidiary) from OBC Bank are secured by first charge of hypothecation of Book debts, and collaterally secured by office premises of two companies, a flat belonging to the Directors, personal guarantees of Directors and corporate guarantee of companies.

B. Development Credit Bank of India: Assignment transaction is secured by hypothecation of Book Debts, cash collateral given by the Company in the form of FDR and personal guarantee given by the Directors of the Company.

For details of remaining facilities, loans and assignment refer Note No. 31, 32 and 33 of SEIL Financial Statements.

- 32.** Refer Note No. 34, 35, 36, 37 of SEIL Financial Statements.

Signed in term of our Report of even date

For and on behalf of the Board

For R. Lal & Company
Chartered Accountants
Firm Reg. No. 000926C
sd/-
(CA Ram Lal Agrawal)
Proprietor
M. No. 17583

For P M S & Co.
Chartered Accountants
Firm Reg No. 013398C
sd/-
(CA Shilpi Agarwal)
Partner
M. No. 405692

Date : 23rd May 2012
Place : Delhi

Sd/-	
Sunil Agarwal	Managing Director
Sd/-	
Harish Singh	Executive Director
Sd/-	
Sachin Agarwal	Wholetime Director
Sd/-	
Purushottam Agrawal	Director
Sd/-	
Vishal Sharma	Company Secretary

Statement pursuant general exemption availed under section 212 (8) of the Companies Act, 1956 relating to Subsidiary Companies (as per MCA Circular dt. 08.02.2011)

Sr. No.	Particulars	Figures (in Lacs)
1.	Name of the Company	Nupur Finvest Private Limited
2.	Share Capital	536.96
3.	Reserves	4,702.99
4.	Total Assets	10,973.10
5.	Total Liabilities	5,733.15
6.	Investments	25.00
7.	Turnover	1,774.71
8.	Profit before Taxation	265.24
9.	Provision for Taxation	111.89
10.	Profit after Taxation	153.35
11.	Proposed Dividend	Nil

S. E. Investments Limited

Registered Office: S-547, IInd Floor, Main Road, Shakarpur, Delhi-110092

ATTENDANCE SLIP

Please complete this slip and hand it over at the entrance of the Meeting Hall Registered Folio No. _____ Shares held _____ Name (in Block Letter) _____

I hereby record my presence at the 20th Annual General Meeting of the Company held at Auditorium ISKCON Complex, Hare Krishna Hill, Sant Nagar, Main Road, East of Kailash, New Delhi- 110065, on Thursday, 27th September, 2012, at 10:00 AM.

Note :

Please carry with you this Attendance Slip and hand over the same duly signed at the space provided, at the entrance of the Meeting Hall.

S. E. Investments Limited

Registered Office: S-547, IInd Floor, Main Road, Shakarpur, Delhi-110092

PROXY FORM

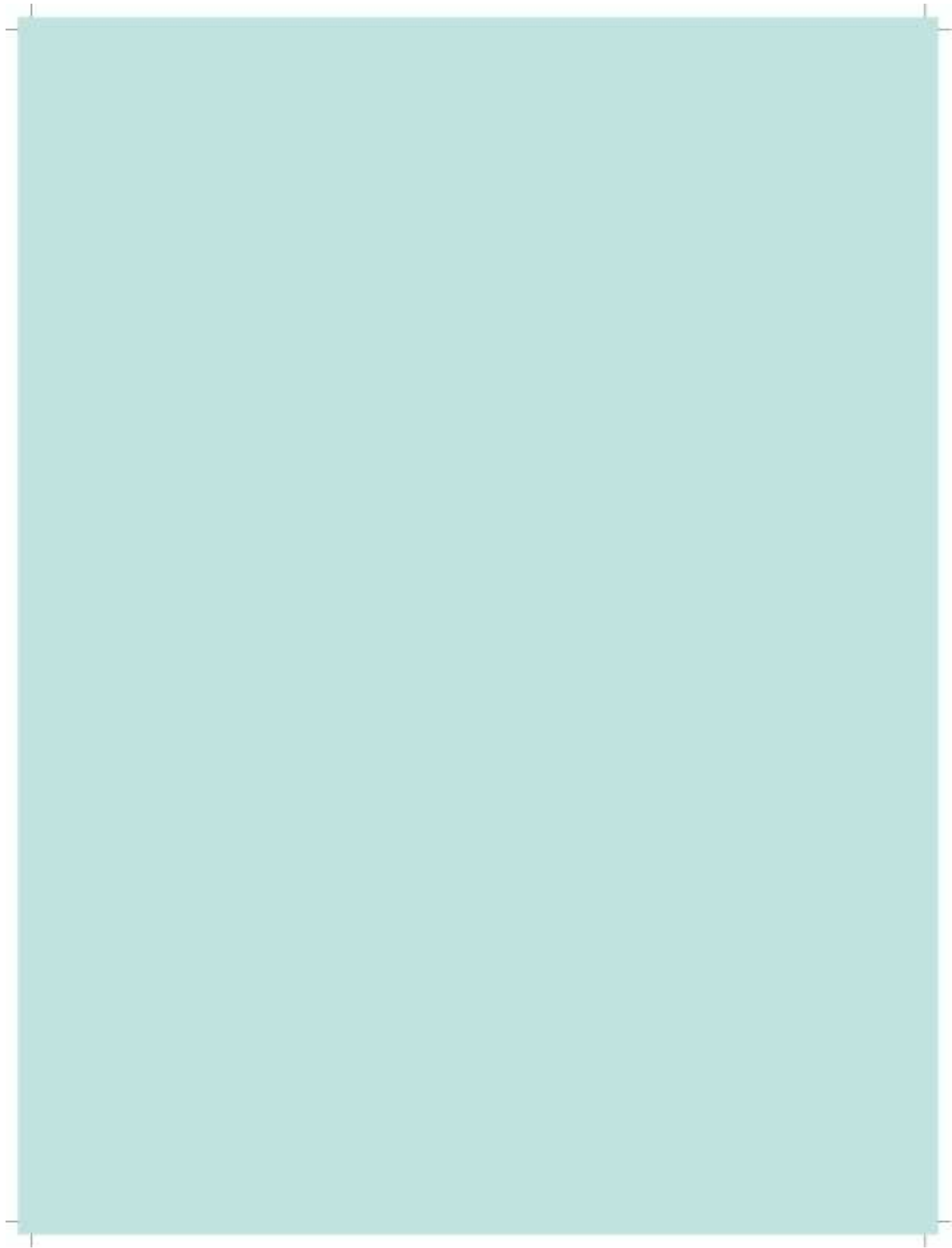
Registered Folio No. _____ Shares held _____
/We, _____ of being a member / members of the above named company hereby appoint _____ of _____ or failing him _____ of _____ as my / our proxy to vote for me / us on my / our behalf at the TWENTIETH ANNUAL GENERAL MEETING of the Company to be held at Auditorium ISKCON Complex, Hare Krishna Hill, Sant Nagar, Main Road, East of Kailash, New Delhi- 110065, on Thursday, 27th September, 2012, at 10:00 AM. and at any adjournment thereof.

Signed this _____ day of _____ 2012.

Affix ₹ 1/-
Revenue
Stamp

NOTE:

The Proxy to be effective should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of meeting.



20TH ANNUAL REPORT



अर्थ: समाजस्य न्यासः

S E INVESTMENTS LIMITED

REGISTERED OFFICE-547, 11nd Floor, Main Road, Shakarpur, Delhi-110092 (INDIA)

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