



S. E. Investments Limited

S-547, IInd Floor, Main Road, Shakarpur, Delhi-92
Ph. : (011) 22482345 Fax : (011) 22481340 E-mail : seil@ndb.vsnl.net.in

12th

ANNUAL REPORT

2003-2004

Financing

Leasing

**Fixed
Deposits**

**Safe Deposit
Lockers**

**Personal
Loan**

S. E. Investments Limited

12th Annual Report
2003-2004

BOARD OF DIRECTORS	Sunil Agarwal, Managing Director Onkar Sharma Purushottam Agrawal Sanjay Agarwal Suresh Chand Sharma Sachin Agarwal - Whole Time Director
AUDITORS	M/s.R. Lal & Company Chartered Accountants A-4, Indra Puri, New Agra, Agra – 282002
COMPANY SECRETARY	Parul Shukla, ACS
BANKERS	Central Bank of India
REGISTRAR AND TRANSFER AGENTS	Alankit Assignments Ltd. 2E/8, 1st Floor Jhandewalan Extn. New Delhi-110055
REGISTERED OFFICE	S-547, IIInd Floor, Main Road, Shakarpur, Delhi –92 Phones : 011-22481340 Fax : 011-22481340 E-mail : seil@ndb.vsnl.net.in
CORPORATE & ADMINISTRATIVE OFFICE	Block 54, Sanjay Place, Agra – 282002 Phones : 2153628, 2156924, 2153092, 2151788, 2154148 Fax : 0562-2155388 Email : seil@sanchamet.in
ALIGARH OFFICE	76, Malviya Pustakalaya Market, G.T.Road, Aligarh. Phones : 0571-2421866
MATHURA OFFICE	369/2, Krishna Nagar, Govardhan Road, Mathura Phones : 0565-2423660, 2424310
LISTING OF EQUITY SHARES	Stock Exchanges - Kanpur, Delhi, Ahmedabad

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NOTICE

Notice is hereby given that the 12th Annual General Meeting of the Members of S. E. Investments Limited will be held on Saturday the 10th Day of July 2004, at 11.00 A.M. at S-547, IInd Floor, Main Road, Shakarpur, Delhi-92 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2004 and the Profit & Loss Account for the year ended on that date together with Reports of Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Purushottam Agrawal who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Onkar Sharma who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration M/s. R. Lal & Company, Chartered Accountants, the present Auditors of the Company retire and are eligible for reappointment.

SPECIAL BUSINESS

5. Increase in remuneration of Managing Director.

"RESOLVED that consent of the company be and is hereby accorded for agreement dated 20th Feb 2003 for appointment of Mr. Sunil Agarwal, Managing Director of the Company and supplementary agreement dated 30th March 2004 for changing remuneration clause and the agreement to pay a sum of Rs. 630000/- comprising of salary Rs. 420000/- and House Rent Allowance Rs. 210000/- for the financial year 2003-2004 for the services rendered as the Managing Director of the Company."

FURTHER RESOLVED that w.e.f. 01.04.2004 he may be paid remuneration as under :-

- (i) Salary - Rs. 35000/- p.m.
- (ii) H.R.A. - Rs. 17500/- p.m.

6. Reappointment of Mr. Sachin Agarwal, Whole Time Director of the Company.

"RESOLVED that Mr. Sachin Agarwal who fulfills the conditions specified in section 269 and schedule-XIII and other applicable provisions of the Companies Act, 1956 be and is hereby reappointed as the Whole Time Director of the Company for a period of 5 years effective from 01.04.2004 and that he may be paid remuneration as under :-

- (i) Salary - Rs. 35000/- p.m.
- (ii) H.R.A. - Rs. 17500/- p.m.


FURTHER RESOLVED that consent of the company be and is hereby accorded to pay Mr. Sachin Agarwal, Whole Time Director of the Company the sum of Rs. 630000/- comprising of salary of Rs. 420000/- and H.R.A. Rs. 210000/- for the financial year 2003-2004 for the service rendered as the Whole Time Director of the Company."

CERTIFIED TRUE COPY

By order of the Board of Directors

Place : Delhi

Date : 31st May 2004

S. E. INVESTMENTS LIMITED

 Director

Sd/-
 SUNIL AGARWAL
 Managing Director

Director

12th Annual Report 2003-2004

ANNEXURE TO NOTICE

As required by section 173 of the Companies Act, 1956, (hereinafter referred to as "the Act" the following explanatory statements set out all material facts relating to the business mentioned under item No. 5 & 6 of the accompanying notice dated 31.05.2004.

FOR ITEM NO. 5 & 6

In view of increased turn over, higher profits and resultant increase in the responsibilities it was decided that company shall pay or cause to pay in consideration of the performance of duties the sum of Rs. 6,30,000/- (Rupees Six Lacs Thirty Thousand only) comprising of salary of Rs. 420000/- and House Rent Allowance of Rs. 210000/- each to Mr. Sachin Agarwal, Whole Time Director and Mr. Sunil Agarwal, Managing Director for the financial year 2003-04. subject to the approval of the members in Annual General Meeting. Further keeping in mind, the remuneration policy of the company it was decided had w.e.f. 01/04/2004 is salary of Rs. 52500/- pm including HRA shall be paid to Mr. Sunil Agarwal, Managing Director and to Mr. Sachin Agarwal, Wholetime Director.

FOR ITEM NO. 6

Consequent upon the approval of the members at the Annual General Meeting of the Company held on 06-06-2002, the company entered into agreement with Mr. Sachin Agarwal reappointing him the Whole Time Director of the company for a period of 5 years with effect from 01-04-2004 and also for the payment of revised remuneration to him.

FOR ITEM NO. 5 & 6

Mr. Sunil Agarwal, Managing Director and Mr. Sachin Agarwal, Wholetime Director & Mr. Purushottam Agrawal, Director being relative of Mr. Sunil Agarwal and Mr. Sachin Agarwal, are concerned or interested in these resolutions. None of the other Directors are concerned or interested in these resolutions.

The draft agreements between the company and the reappointees Wholetime Director and Mr. Sunil Agarwal the Managing Director are available for inspection by the members of the company at its registered office between 11 a.m. to 1.00 p.m.

By order of the Board of Directors

Place : Delhi

Date : 31st May 2004

Sd/-
SUNIL AGARWAL
Managing Director

NOTES

1. *A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXIES NEED NOT BE A MEMBER OF THE COMPANY.*
Proxies in order to be effective must be received by the company not less than 48 hours before the Meeting.
2. *The register of Members and share transfer books of the company will remain closed from 7th July 2004 to 10th July 2004 (Both days inclusive).*
3. *The instrument of share transfer complete in all respects should reach the company prior to closure of the Register of Members, as stated above.*
4. *Members are requested to send their queries, if any, at least ten days in advance of the meeting so that information can be made available at the meeting.*
5. *Members who have multiple accounts in identical names or joint names in same order are requested to send all the share certificate(s) to the company, for consolidation of all such shareholdings into one account to facilitate better service.*
6. *As a measure of economy, copies of the annual report will not be distributed at the Annual General Meeting. Members/Proxies etc. are, therefore, requested to bring their copies of the annual report to the meeting.*
7. *Members/Proxies should bring the attendance slip duly filled in for attending the meeting.*
8. *Members are requested to intimate to the company the changes, if any, in their registered addresses along with the pin code numbers.*

Brief profile of the directors seeking re-appointment at the ensuing Annual General Meeting

1. MR. PURUSHOTTAM AGRAWAL (M.Com., LL.B., F.C.A.), Director, aged 59 years, is a Chartered Accountant in practice for the last 36 years at Agra. He is engaged in the fields of Auditing, Corporate counseling, Income Tax practice, Project consultancy and other related areas. He had been a member of the Regional Direct Taxes Advisory Committee set up by the Central Board of Direct Taxes. He is a social worker and is associated with many social organisations and is member of many prominent clubs of Agra.
2. MR. ONKAR SHARMA (IPS Retd.) aged 72 years, is an IPS officer who retired as Inspector General, Uttar Pradesh Police. He has served in various senior administrative positions for more than three decades.

By order of the Board of Directors

Place : Delhi
Date : 31st May 2004

Sd/-
SUNIL AGARWAL
Managing Director

DIRECTORS' REPORT

TO THE SHARE HOLDERS

Your Directors have pleasure in presenting the 12th Annual Report of the company together with the Audited Statement of accounts for the year ended 31 March, 2004.. Your Directors wish to bring to your notice that the Registered office of the company has been shifted from Block no. 54, Sanjay Place, Agra to S-547, IInd Floor, Main Road, Shakarpur, Delhi-92 with effect from 8th Feb. 2003. The Company now falls under the jurisdiction of the Registrar of Companies, NCT of Delhi & Haryana and has been given registration no. 120483.

FINANCIAL RESULTS

(Rs. In lacs)

	Year Ended 31.03.2004	Year Ended 31.03.2003
Total Income	558.80	488.80
Less : Expenditure	<u>304.04</u>	<u>259.00</u>
Profit before depreciation and tax	254.76	229.80
Less : Depreciation	<u>94.22</u>	<u>93.39</u>
Profit before Tax	160.54	136.41
Less : Provision for tax	<u>13.47</u>	<u>4.27</u>
Profit after tax (before deferred tax)	147.07	132.14
Less : Deferred Tax current year	<u>38.65</u>	<u>82.16</u>
Profit After Tax	108.42	49.98
Add : Balance brought forward from previous year	<u>1.58</u>	<u>1.60</u>
Amount available for appropriation	110.00	51.58
APPROPRIATIONS		
Transfer to General Reserve	80.00	40.00
Transfer to Reserve Fund (As per RBI Act)	22.00	10.00
Balance Carried to balance sheet	<u>8.00</u>	<u>1.58</u>
	<u>110.00</u>	<u>51.58</u>

PERFORMANCE

Year 2003-04 had not been good for NBFC industry as a whole and the impact of the slow down and tough competition from bigger NBFC and Banks is continuing. Only moderate recovery is seen in some quarters. The NBFC industry continues under heavy pressures on gross spreads and due to expenses to meet competition. Another blow to NBFCs engaged in Hire Purchase and Leasing is in the shape of Service Tax imposed by Finance Act, 2001.

Total income during the year under consideration had been Rs.558.80 lacs as against last year's Rs.488.80 lacs thus giving increase of 14.32% over last year. PAT this year stands at Rs. 108.42 lacs against last years Rs. 49.98 lacs. Additional provision of deferred tax as per guidelines of Institute of Chartered Accountants of India (AS-22) has consumed Rs. 38.65 lacs against last year Rs. 82.16 lacs.

To continue the volumes in business your company has entered in extending personal loans and advances to individuals belonging to weaker sections which is well received by the public and it is proving fruitful. Your company is now extending personal loans and term loans from the premises of registered office of the company with an emphasis to create more business under personal loans.

The company has continued offices at Aligarh and Mathura to give better service to customers in these areas.

DIVIDEND

Since the necessity of infusion of fresh working funds continues unabated it has been thought in the best interest of the share holders that the surplus should be redeployed and hence no dividend is declared for the year.

OPERATIONS

In the past the main business had been hire purchase financing but in this year the company could not get leasing business. Starting from July 2001 your company has entered business of extending loans and advances against security of specific assets specially vehicles and/or property in the regular course of business and in the month of December 2003 personal loan segment has been taken up. During the year ending 31.03.2004 the disbursements had been Rs.1942 Lacs as against last year's Rs.1629 lacs. As on 31.03.2004 investment in hire purchase, leasing and loans and advances against security of specific assets and property and personal loans had been Rs.2578 Lacs as against last year's Rs.2472 Lacs.

FIXED DEPOSITS

Your company has been adhering to all the directions and discipline of RBI. The fixed deposits as on 31.03.2004 stood at Rs.639 lacs excluding interest accrued but not due as against last year's Rs.479 lacs. Number of fixed deposits having matured but remaining unpaid as on 31.03.2004 had been 9 amounting to Rs.3.82 lacs. As on date of this report seven deposit amounting to Rs. 3.27 lacs have been repaid and two deposit amounting to Rs. 0.55 lacs remains unclaimed.

With regard to credit rating for FD Programme it continued at MA- by ICRA Ltd., New Delhi. The credit rating is of investment grade.

CAPITAL ADEQUACY

The capital adequacy of the company as on 31.03.2004 is 37.06% (last year 33.07%) of the risk weighted assets as against a minimum requirement of 12% (15% for companies accepting public deposits in case credit rating is below investment grade) stipulated by the RBI.

REGISTRATION WITH RESERVE BANK OF INDIA

Your company continues to be duly registered with Reserve Bank of India, in Deposit accepting NBFC category. However the classification of the company has been changed by Reserve Bank of India as loan company from hirepurchase vide letter dated 20th April 2004.

PROSPECTS

The NBFC industry continues under tremendous pressure but your company is confident to perform well against odds with your support. The bad debts to the tune of Rs.54.39 lacs have been written off during the year as against last year's Rs. 24.95 lacs although legal action & recovery efforts are continuing even on amounts written off as bad debts. During the year your company has recovered out of past bad debts amounts of Rs. 11.50 Lacs.

COMPANY SECRETARY

Ms Parul Shukla, A.C.S. has been appointed as Company Secretary with effect from 29.07.2002.

PERSONNEL

There is no employee drawing remuneration above that prescribed u/s 217(2A) of the Companies Act, 1956

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

The company not being a manufacturing company has no activity relating to Conservation of Energy or Technology absorption. Further, the company did not have any Foreign Exchange Earnings/Outgoing during the year under review.

CORPORATE GOVERNANCE REPORT

A separate report on Corporate Governance is furnished as a part of the Director's Report and the certificate from the company's Auditors regarding compliance of conditions of Corporate Governance is annexed to the said Report.

REVISION OF DIRECTORS REMUNERATION

Looking to the increased turnover, higher profits and resultant increase in responsibilities, it was decided to increase the remuneration paid to Managing Director & Whole-time Director from financial year 2003-04 to Rs. 525000/- p.m. including HRA

DIRECTORS RESPONSIBILITY STATEMENT :**Your directors confirm**

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed. There are no material departures;
- (ii) that the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that year.
- (iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors have prepared the annual accounts on a going concern basis.

SEGMENT REPORTING

The Institute of Chartered Accountants of India issued an Accounting Standard AS-17 for reporting on the basis of each segment in which the companies are engaged. Since your company is engaged in funds based financing there had been only one segment hence the AS-17 is not applicable to your company.

DIRECTORS

Shri Purushottam Agrawal & Shri Onkar Sharma, Directors of the company retire by rotation and being eligible, offer themselves for reappointment.

AUDITORS' REPORT

Auditors observations as contained in the Auditors' Report are self-explanatory and do not call for any explanations.

AUDITORS

M/s.R.Lal & Company, Chartered Accountants, retire and are eligible for reappointment. They have submitted a certificate as required under section 224 of the Companies Act, 1956 to the effect of their re-appointment, if considered, would be in conformity with the limits specified in the said section. The audit committee recommended their reappointment as Auditors of the Company.

ACKNOWLEDGEMENT

Your Directors acknowledge with thanks the assistance, support and advice given by the Shareholders, Reserve Bank of India, Stock Exchanges, Central Bank of India, Depositors and Customers and look forward to their continued support and guidance. Your Directors place on record their appreciation for the valuable, dedicated and committed contribution made by the employees of the Company.

Place : Delhi

For and on behalf of the Board

Date : 31st May 2004

Sd/
SUNIL AGARWAL
Managing Director

Sd/
SACHIN AGARWAL
Director

Sd/
PARUL SHUKLA
Company Secretary

CERTIFIED TRUE COPY
for S.E. Investments Ltd.
[Handwritten Signature]
S.E.

AS A PART OF DIRECTOR REPORT

Management discussion & Analysis Report

NBFC SECTOR

As a part of the economic reforms, the Govt. is reducing interest rate to lower the overall finance cost inspite of this and other banking reform, no major momentum is witnessed in credit off take by the industrial sector including core industries.

With falling rate of interest and stiff competition and Interest rate war from Banks and financial Institution, NBFC's sector growth is adversely affected.

Like last 2 to 3 years, this year also, NBFC sector has suffered adversely due to the following reasons.

- Overall economic slow down.
- Loss of faith in NBFC by the investors due to default in the repayment of liabilities towards deposit & debentures.
- Increased competition from MNCs, Banks, and FIs, having access to cheaper cost of fund.
- Large Scale default by corporate client taking shelter under BIFR

COMPANY PERFORMANCE

Due to the stiff competition from MNCs, Banks, FIS, the NBFC sector continues under heavy pressure. In spite of all this the PAT of the company increases more than twice since last year.

To continue the volume in business, the management has decided to enter in the field of extending personal loans and advances to individuals.

To over come the adverse circumstances and to service different stake holders to the extent possible, the company has decided to take, interalia the following action :

- Maximise recovery from client.
- Extend business by providing personal loan & advances to individual
- To extend the recovery department for timely recovery of dues.

OUTLOOK OF THE COMPANY

In the past the main business had been hire purchase financing but in this year the company could not get leasing business. Starting from July 2001 your company has entered business of extending loans and advances against security of specific assets specially vehicles and/or property in the regular course of business and in the month of December 2003 personal loan segment has been taken up However company has decided to open its branches in other major cities of India to provide financing facilities to the needy public under personal loans.

OPPORTUNITIES & THREATS

Company is facing competition from FI's, Banks and MNCs having wide network and large scale low Interest fund. The company is having opportunities in personal loan sector and loan against assets where spreads are better to fight this competition. However the volumes are to be managed.

RISKS & CONCERNS

Legal action & recovery efforts are continuing to recover debts from defaulted clients yet the normal credit risks are prevalent due to higher spreads.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The company has proper and adequate internal control system looking to its size and business. The Internal control system of the company are designed to ensure that the financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets. Adequate internal control system also has been maintained for the purpose of recovery of debts from the clients

HUMAN RESOURCES

For the purpose of expansion of business in several cities of the country the company is recruiting & training personal in its Agra office so that they became fit to handle their job. Company has also recruited retired police officers and public officers to take care of maximising recovery from the clients.

CAUTIONARY STATEMENT

The management discussion and analysis report may contain certain statements that might be considered forward looking. These statements are subject to certain risks and uncertainties. Actual results may differ materially from those expressed in the statement as important factors could influence the company's operation such as Govt. Policies local, political and economic scenano of the country and area of operations

CORPORATE GOVERNANCE REPORT

1. Philosophy

The Company's philosophy on Corporate Governance envisages commitment to ensure customer satisfaction through better services and satisfaction of grievances if any, of all its share holders consistent with fairness to all the stakeholders and with due concern for social responsibility.

The company believes that the best Corporate Governance promotes transparency & helps mitigate the risks associated with the business.

2. Board of Directors

The Board of Directors of the Company comprises of six Directors, of which Managing Director & Wholetime Director are Executive Directors and others are non Executive as well as Independent Directors.

Directors	Category	Board Meeting	Last AGM	Committee Membership*		No. of Membership in Board of other Pvt./Public Company.
				Member	Chairman	
Shri Purushottam Agarwal	Director	22	Yes	2	1	1
Shri Sunil Agarwal	Mgr. Director	22	No	1	--	1
Shri Sanjay Agarwal	Director	22	Yes	2	1	--
Shri Suresh Chand Sharma	Director	22	Yes	2	1	--
Shri Sachin Agarwal	Wholetime	22	Yes	--	--	1
Shri Onkar Sharma	Director	7	No	--	--	--

* Includes Audit and Shareholders/Investors Grievance & Remuneration Committee.

Details of Board Meetings held during the year 2003-2004 :

Date of Meeting	No. of Directors Present
22nd April 2003	6
6th May 2003	5
23rd May 2003	5
29th May 2003	6
30th June 2003	6
2nd July 2003	5
25th July 2003	5
31st July 2003	5
2nd August 2003	6
4th September 2003	5
29th September 2003	5
6th October 2003	5
29th October 2003	6
30th October 2003	5
5th November 2003	5
29th December 2003	5
29th January 2004	6
3rd February 2004	5
17th February 2004	5
28th February 2004	5
15th March 2004	5
30th March 2004	6

3. Audit Committee

The Audit Committee was constituted by the Board of Directors at its Meeting held on Sept. 3, 2001. The committee comprises of three Non Executive Independent Directors, who have adequate financial accounting knowledge & Company Secretary is the Secretary to the Committee. The Audit Committee met three times during the financial year 2003-2004 to review the accounting practice/standards followed by the Company; adequacy of internal control/audit system and functions; Unaudited Quarterly/Half yearly Financial Statements, recommendation of appointment of external auditor, compliance with legal and statutory requirements. The Chairman of the Committee is always present at AGM to solve shareholder queries. The Audit Committee whose terms of reference have been specified as per clause 49 of the Listing Agreement, consists of;

Name	Designation	Attendance
Shri Sanjay Agarwal, Chartered Accountant	Chairman, Non Executive	3
Shri Purushottam Agrawal, Chartered Accountant	Non Executive	3
Shri Suresh Chand Sharma, Advocate	Non Executive	3

4. Shareholders/Investors Grievance Committee

The Shareholders/Investors Grievance Committee was constituted by the Board of Directors at its Meeting held on Sept. 3, 2001, comprising of Shri Purushottam Agarwal as Chairman Non Executive Director, Shri Sunil Agarwal Executive Managing Director, Shri Sanjay Agarwal Non Executive Director, Shri Suresh Chand Sharma & Non Executive Director and further included Ms. Parul Shukla as Compliance Officer.

This committee looks into the redressal of Shareholders/Investors Grievances, if any, like Transfer/Transmission/Demat of Shares; Loss of Share Certificates; Non-receipt of Annual Report; Repayment of principal and/or interest on Fixed Deposits/Debentures etc. 25 meetings of the committee were held during the year. During the year, no complaints were received from the shareholders. The Company has no transfers pending at the close of the financial year.

5. Remuneration Committee

The Board of Directors of your Company by passing a resolution in their meeting held on 17th Feb., 2004 constituted the Remuneration Committee. The role of the Committee inter alia is to determine on behalf of the Board of Directors and on behalf of the shareholders, the Company's policy on specific remuneration packages for Executive Directors. During the financial year 2003-2004 meeting of the said Committee was held on 28th Feb., 2004. The composition and details of attendance during the year are given below:

Name of Chairman/Member	Designation	Meeting Held	Meeting attended
Shri Suresh Chand Sharma	Chairman	1	1
Shri Purushottam Agarwal	Member	1	1
Shri Sanjay Agarwal	Member	1	1

The appointment of the Executive Directors is in accordance with the terms and conditions specified in their contracts. The remuneration paid to the Executive Directors are as per the agreements entered into between them and the Company and are approved by the Company's Board of Directors.

Details of remuneration of the Executive Directors for the F.Y. ended 31.03.2004.

Name of Managing/Wholetime Director	Remuneration	House Rent Allowance
Mr. Sunil Agarwal, Managing Director	420000 + perquisites during the year	Rs. 210000/- during the year
Mr. Sachin Agarwal, Wholetime Director	420000 + perquisites during the year	Rs. 210000/- during the year

6. The brief particulars of retiring directors proposed for reappointment are as under :

Name of Directors	Designation	Details of Membership of Committees
Mr. Purushottam Agarwal	Director	Chairman of Shareholders/investors Grievance Committee and member of Audit & remuneration committee
Mr. Onkar Sharma	Director	

7. Disclosure

- (a) The Company has no materially significant related party transaction i.e. transactions of the Company of material nature with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflicts with the interests of the Company at large.
- (b) There were no instances of non-compliance by the Company or penalties imposed on the Company by the Stock Exchange(s) or SEBI or any statutory authority, on any matter related to Capital Markets, during the last three years.

8. Share Transfer System & Transfer Agent.

The Securities & Exchange Board of India has provided for the appointment of common agency for demat & physical share transfer work, with effect from 27.12.2002. The Company has handed over the share registry work in terms of physical as well electronic to Alankit Assignments Ltd., Registrar & Transfer Agent. The correspondence address of Alankit Assignments Ltd. is 205-208, Anarkali Market, Jhandewalan Extension, New Delhi.

9. Dematerialisation of Shares and Liquidity

Consequent upon the compulsory demat of the Equity Shares of the Company as notified by SEBI, the Company has already entered into agreements with both the Depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and equity shares are available in dematerialised form. As on 31/03/2004 there are 4100 equity share of the company been de materialised representing 0.13% percentage of the total paidup equity share capital

10. Credit Rating

With regard to credit rating for FD Programme it continued at MA- by ICRA Ltd., New Delhi. The credit rating is of investment grade.

11. Date, time and venue of 12th Annual General Meeting

Saturday, 10th July, 2004 at 11:00 a.m. at S-547, IInd Floor, Main Road, Shakarpur, Delhi-92

12. Book Closure Date

Wednesday, 7th July, 2004 to Saturday, 10th July 2004 (both days inclusive)

13. Dividend Payment Date

Not Applicable

14. Details of last three Annual General Meetings :

Meeting	Year	Venue of AGM	Date	Time
9th AGM	2000-2001	Block-54, Sanjay Place, Agra	30th June 2001	11:00 a.m.
10th AGM	2001-2002	Block-54, Sanjay Place, Agra	29th June 2002	11:00 a.m.
11th AGM	2002-2003	S-547, IInd Floor, Main Road, Shakarpur, Delhi-92	25th July 2003	11:00 a.m.

In absence of necessary legislation, no special resolutions could be put through postal ballot till last year.

15. Means of Communication

Quarterly Results

Published in the Delhi Mid Day (English News Paper)

Shah Times & Dainik Taj Kesari (Hindi Newspaper)

16. Financial Calendar (Tentative)

Financial reporting for the quarter ending June 30, 2004

End of July, 2004

Financial reporting for the quarter/half year ending September 30, 2004

End of October, 2004

Financial reporting for the quarter ending December 31, 2004

End of January, 2005

Financial reporting for the year ending March 31, 2005

End of June, 2005

Annual General Meeting for the year ending March 31, 2005

July 2005

17. Distribution of Shareholding (as on March 31st 2004)

(a) On the basis of Shares held

No. of Equity Shares held (Range)	No. of share holders	Percentage to total share holders	No. of Shares held	Percentage to total shares held
up to 5000	300	83.57%	210900	6.69%
5001-10000	8	2.23%	64900	2.06%
10001-20000	16	4.46%	310700	9.85%
20001-30000	5	1.39%	127400	4.04%
30001-40000	4	1.11%	149800	4.75%
40001-50000	3	0.84%	142300	4.51%
50001-100000	18	5.01%	1147440	36.40%
Above 100000	5	1.39%	999060	31.70%
TOTAL	359	100%	3152500	100%

(b) On the basis of Category

Category	No. of Shares held	Percentage to total shares held
Promoter's holding	1075960	34.13%
Private Corporate Bodies	864540	27.42%
Indian Public	1212000	38.45%
Total	3152500	100%

18. High/Low of Market Price of the Company's Equity shares traded on the stock Exchanges during the financial year 2003-2004.

The shares of the company have not been traded on any of the stock exchanges, hence the data is not available.

19. Listing on Stock Exchanges at :

- a. The U.P. Stock Exchange Association Ltd.
Padam Tower, 14/113, Civil Lines,
Kanpur-208 001
- b. The Delhi Stock Exchange Association Ltd. (Regional Stock Exchange)
DSE House, 3/1, Asaf Ali Road,
New Delhi-110002
- c. The Stock Exchange Ahmedabad
Kamdhenu Complex,
Panjara Pole, Near Polytechnic
Ahmedabad-380815

Listing fees for the year 2004-2005 had been paid to all the above Stock Exchanges.

20. Stock Codes	The U. P. Stock Exchange	—	S00169
	Delhi Stock Exchange	—	8568
	Ahmedabad Stock Exchange	—	51236/S. E. Inv. Ltd.
	ISIN NO.-CDSL	—	INE420C01018
	NSDL	—	INE420C01018

21. Registered Office & Shareholders' Correspondence address

S-547, IInd Floor, Main Road, Shakarpur Delhi-92
Ph. (011) 22481340
Fax. : (011) 22481340
E-mail : seil@ndb.vsnl.net.in

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

The Board of Directors
S. E. Investments Ltd.
S-547, IInd Floor, Main Road,
Shakarpur,
DELHI-92

Re : Auditor's Certificate on Corporate Governance

As required by you, we have reviewed the Company's procedures for compliance with the provisions of clause 49 of the Listing Agreement of the Stock Exchanges.

On the basis of our review and according to the information and explanations given to us and the representations made to us by the Management, we state that to the best of our knowledge and belief, the Company has complied with the conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement of the Stock Exchanges.

For R. Lal & Company,
Chartered Accountants

Ram Lal Agarwal
Proprietor

Place : Agra Camp-Delhi

Date : 31st May 2004

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 2004 and also the Profit & Loss account of the company of the year ended on that date annexed here to and report that;

1. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of Section 227 (4-A) of the Companies Act 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph (1) above;
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of the books;
 - (c) the Balance Sheet and the Profit & Loss account dealt with by this report are in agreement with the books of accounts;
 - (d) in our opinion, the Balance Sheet & the Profit & Loss Account dealt with by this report are in compliance with the accounting standards referred to in section 211(3C) of the Companies Act 1956.
 - (e) According to the information and explanations given to us none of the directors are disqualified from being appointed as director u/s 274 (1)(g) of the Companies Act 1956.
 - (f) in our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - (i) In the case of the Balance Sheet of the state of affairs of the company as at 31st March 2004 and
 - (ii) In the case of Profit and Loss Account of the profit of the company for the year ended on that date.

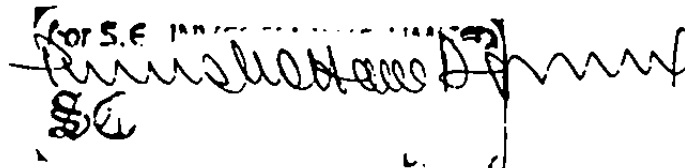
DATED : 31st Day of May 2004

PLACE : Agra Camp Delhi

For R.LAL & COMPANY
Chartered Accountants

sd-
(RAM LAL AGARWAL)
Proprietor

CERTIFIED TRUE COPY

For S.E. INVESTMENTS LTD.

SEI

ANNEXURE TO THE AUDITORS' REPORT IN THE CASE OF M/S S. E. INVESTMENTS LTD.
(Referred to in paragraph (1) of our Report of even date for F. Y. 2003-04)

1. The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management at reasonable interval. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
According to information and explanations given to us, the company has not made any substantial disposal of fixed assets during the year.
2. In our opinion, the procedures of physical verification followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
In our opinion and according to information and explanation given to us, the company has maintained proper records of its inventories and no material discrepancies were noticed on verification.
3. Company has taken loans from companies, firm & other parties or companies listed in the register maintained under section 301 of the Companies Act 1956 amounting to Rs. 10029007/-
The rate of interest and other terms and conditions of such loan are in our opinion, prima facie not prejudicial to the interest of the company
The Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases.
5. In our opinion and according to the information and explanation given to us, the transaction that need to be entered in the register in pursuance of section 301 of the Act have been entered and the transaction have been made at price which are reasonable with regard to the prevailing market price at the relevant time.
6. Directives issued by R. B. I. and provisions of section 58A & 58AA of the Companies Act and the rules framed there under have been complied with.
7. *In our opinion, the company has an adequate internal audit system commensurate with size and nature of its business.*
8. Maintenance of cost records not applicable.
9. *According to the information and explanation given to us, the company has been regular in depositing with appropriate authorities undisputed statutory dues and there are no undisputed amounts of Income Tax, 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.*
Disputed dues in respect of interest tax matters in appeal at Rs. 41,91,490/-
10. The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the financial year immediately proceeding such 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 provision 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 explanation given to us, proper records have been maintained in respect of dealing & trading of shares, debentures, securities & other investments. The investments are held in company name.
15. According to information and explanations given to us the company has not given any guarantee for loans taken by other from banks/financial institutions. Accordingly clause 4(xv) of the order is not applicable.
16. In our opinion and according to information and explanation given to us, the company had applied the term loan for the purpose for which the loan were obtained.
17. According to the cash flow statement and the information and explanations given to us, on an overall basis, funds raised on short term basis prima facie, not been used during the year for long term investment (fixed assets) and vice versa.
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 Company Act.
19. The company has not issued any debentures. Accordingly clause 4(xix) of the order in not applicable.
20. The company has not raised any funds by public issues during the year.
21. According to information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

DATED : 31st Day of May 2004

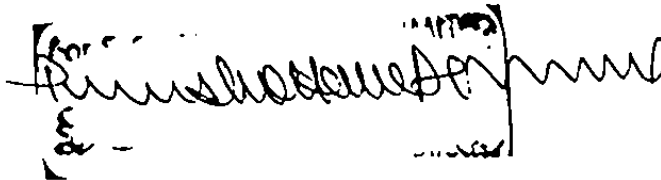
PLACE : Agra Camp Delhi

For R.LAL & COMPANY

Chartered Accountants

Sd
(RAM LAL AGARWAL)
Proprietor

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PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING ON 31.3.2004

PARTICULARS	SCHEDULE	AMOUNT 31.3.2004	AMOUNT 31.3.2003
I. INCOME			
1. Income from Operations	13	55879762.39	48880070.67
		<u>55879762.39</u>	<u>48880070.67</u>
II. EXPENDITURE			
2. Expenses	14	30297218.06	25793442.65
3. Depreciation		9421903.98	9339319.22
4. Preliminary Exp. Written off		106307.00	106308.00
		<u>39825429.04</u>	<u>35239069.87</u>
III. PROFIT BEFORE TAX -II		16054333.35	13641000.80
5. Provision for Income Tax		1347053.00	427201.00
Deferred Tax Upto Reserve		3865698.00	8216177.65
IV. PROFIT AFTER TAX		10841582.35	4997622.15
6. Balance as per last year account		158481.61	160859.46
V. SURPLUS AVAILABLE FOR APPROPRIATION		<u>11000063.96</u>	<u>5158481.61</u>
7. APPROPRIATIONS			
Transfer to General Reserve		8000000.00	4000000.00
Reserve Fund (As per RBI Act)		2200000.00	1000000.00
Balance Carried to Balance Sheet		800063.96	158481.61
		<u>11000063.96</u>	<u>5158481.61</u>

NOTES ON ACCOUNTS

15

Signed in terms of our report of even date

For and on behalf of the Board

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

Dated : 31st May 2004

Place : Agra-Camp Delhi

Sd-	Sunil Agarwal	—	Mg. Director
Sd-	Purushottam Agrawal	—	Director
Sd-	Sanjay Agarwal	—	Director
Sd-	S. C. Sharma	—	Director
Sd-	Sachin Agarwal	—	Director
Sd-	Parul Shukla	—	Company Secretary

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BALANCE SHEET AS AT 31.3.2004

PARTICULARS	REC. NO.	SCHEDULE	AMOUNT 31.3.2004	AMOUNT 31.3.2003
I. SOURCES OF FUNDS				
1. SHARE HOLDERS FUND				
Share Capital	270570	1	31440000.00	31186000.00
Reserves & Surplus	REG NO. 03-120903	2	71499036.61	56791756.28
	075 (5n-0)		102939036.61	87977756.28
2. LOAN FUNDS				
Secured Loans	5170372004	3	7176117.74	2594355.37
Unsecured Loans	N 500	4	127430800.37	119600138.30
	H 0		134606918.11	122194493.67
	T***+500		237545954.72	210172249.93
	DRHFI	Total		
II. APPLICATION OF FUNDS				
1. FIXED ASSETS:				
Gross Block	57027	5	100019225.13	97908045.13
Less: Depreciation	0370672004		29918042.77	20549734.79
NET BLOCK	CG. NO- 12		70101182.36	77358310.34
	RAJPHL			
2. INVESTMENTS				
		6	8699626.52	7212400.00
			8699626.52	7212400.00
3. CURRENT ASSETS, LOANS & ADVANCES				
Inventories including Book Debts		7	196548035.32	177170569.27
Stock of Shares & Debentures		8	705194.86	1527513.00
Cash & Bank Balances		9	2281174.55	4060627.99
Loans & Advances		10	13239532.44	11346350.88
			212773937.17	194105060.92
4. Less: CURRENT LIABILITIES & PROVISIONS				
Liabilities		11	50323971.83	66252081.83
Provisions		12	3851566.00	2504513.00
			54175537.83	68756574.83
Net Current Assets			158598399.54	125348486.29
5. Misc. Expenditure (to the extent not written off or adjusted)				
Preliminary Expenses			148746.30	253053.30
			148746.30	253053.30
		Total	237545954.72	210172249.93
NOTES ON ACCOUNTS				
		15		

Signed in terms of our report of even date

For and on behalf of the Board

for R. Lal & Company
Chartered Accountants(Ram Lal Agarwal)
ProprietorDated : 31st May 2004
Place : Agra-Camp Delhi

Sd-
Suniti Agarwal: — Mg. Director

Sd-
Pushottam Agrawal — Director

Sd-
Sanjay Agarwal — Director

Sd-
S C Sharma — Director

Sd-
Sachin Agarwal — Director

Sd-
Parvinder Shukla — Company Secretary

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FOR S. E. INVESTMENTS LIMITED

Anand Kataria

Parvinder Shukla

Anand Kataria

SCHEDULES FORMING PART OF BALANCE SHEET

PARTICULARS	AMOUNT 31.3.2004	AMOUNT 31.3.2003
<u>SCHEDULE 1- SHARE CAPITAL</u>		
AUTHORISED CAPITAL:		
35,00,000 Equity Shares of Rs. 10 each	<u>35000000.00</u>	<u>35000000.00</u>
	<u>35000000.00</u>	<u>35000000.00</u>
ISSUED SUBSCRIBED & PAID UP CAPITAL		
3152500 Equity shares of Rs. 10/-each fully paid up	31525000.00	31525000.00
Less : Calls Unpaid	<u>85000.00</u>	<u>339000.00</u>
	<u>31440000.00</u>	<u>31186000.00</u>
<u>SCHEDULE 2 - RESERVE & SURPLUS</u>		
General Reserve	35993372.00	27993372.00
Reserve Fund (As per RBI Act)	11309000.00	9109000.00
Deferred Tax Reserve	23396600.65	19530902.65
Profit & Loss Account	<u>800063.96</u>	<u>158481.61</u>
	<u>71499036.61</u>	<u>56791756.26</u>
<u>SCHEDULE 3 - SECURED LOANS :</u>		
Loan from Central Bank of India		
Over draft A/C (Secured against hypothecation of stocks on Hire & relative Book debts and personal guarantee by Mg. Director, a Director & his wife & collateral security of a shop belonging to a director & his wife, office premises of the company)	5578652.76	2594355.37
Vehicle Loan (Secured against hypothecation of vehicle)	<u>1597464.98</u>	<u>---</u>
	<u>7176117.74</u>	<u>2594355.37</u>
<u>SCHEDULE 4 - UNSECURED LOANS :</u>		
Fixed Deposits	63914740.04	47918410.04
Interest Accrued on FD	3685262.33	4114310.26
Loan from suppliers - Central Electronics Ltd.	59005810.00	66660533.00
Interest Accrued on Above	<u>824988.00</u>	<u>906885.00</u>
	<u>127430800.37</u>	<u>119600138.30</u>

SCHEDULE - 5 FIXED ASSETS AS ON 31.03.2004

PARTICULARS	ORIGINAL COST 1.4.2003	ADDITIONS	SOLD DISPOSED	TOTAL	RATE OF DEP.	DEP. UPTO 31.3.2003	DEP. ON ASSETS/ SOLD DISPOSED	DEP FOR 1.4.2003 TO 31.3.2004	TOTAL DEP	WDV AS ON 31.3.2004	WDV AS ON 31.3.2003
1. LEASED ASSETS :											
-SOLAR DEVICES	87944200.00	0.00	0.00	87944200.00	10.00%	17925980.42	0.00	8794419.96	26720400.38	61223799.62	70018219.58
- MOULDING BOXES	479566.55	0.00	0.00	479566.55	11.31%	437917.92	0.00	41648.63	479566.55	0.00	41648.63
2. FURNITURE	904357.29	4000.00	0.00	908357.29	8.23%	312477.24	0.00	56381.73	368858.97	539498.32	591880.05
3. BOOKS	5539.00	0.00	0.00	5539.00	4.75%	919.72	0.00	263.16	1182.88	4356.12	4619.28
4. FANS	9665.00	0.00	0.00	9665.00	6.23%	3920.32	0.00	602.16	4522.48	5142.52	5744.68
5. SCHOOL LAND & BUILDING	1590620.00	0.00	0.00	1590620.00		0.00	0.00	0.00	0.00	1590620.00	1590620.00
6. FAX MACHINE	104240.00	16500.00	0.00	120740.00	4.75%	24930.05	0.00	5632.08	30562.13	90177.87	79309.95
7. COMPUTER	1224764.00	40000.00	0.00	1264764.00	16.21%	705920.65	0.00	188623.06	904543.71	360220.29	518843.35
8. PBX & TELEPHONE	440230.00	72270.00	0.00	512500.00	4.75%	72358.26	0.00	23338.16	95696.42	416803.58	367871.74
9. AIR CONDITIONER	150700.00	16200.00	0.00	166900.00	4.75%	43647.32	0.00	7158.25	50805.57	116094.43	107052.68
10. CYCLE	1055.00	0.00	0.00	1055.00	7.07%	585.96	0.00	74.64	660.60	394.40	469.04
11. GENERATOR	236661.00	0.00	0.00	236661.00	4.75%	54665.89	0.00	11241.36	65907.25	170753.75	181995.11
12. WATER FILTER	113640.00	0.00	0.00	113640.00	4.75%	18474.83	0.00	5397.96	23872.79	89767.21	95165.17
13. OFFICE PREMISES	2088421.00	0.00	0.00	2088421.00	1.63%	262744.60	0.00	34041.24	296785.84	1791635.16	1825676.40
14. MOTOR CYCLE & SCOOTER	169815.00	0.00	0.00	169815.00	9.5%	65096.79	0.00	16132.44	81229.23	88585.77	104718.21
15. MARUTI OMINI & CAR	483443.00	2110000.00	160000.00	2443443.00	9.5%	190532.21	53596.00	125989.56	262925.77	2180517.23	302910.79
16. COMPUTER SOFTWARE	230886.00	0.00	0.00	230886.00	16.21%	131434.57	0.00	37426.68	168861.25	62024.75	99451.43
17. AUDIO VISUAL EQUIPMENTS	19901.00	0.00	0.00	19901.00	4.75%	6053.63	0.00	945.24	6998.87	12902.13	13847.37
18. U.P.S.	105314.40	6010.00	0.00	111324.40	4.75%	17294.53	0.00	5219.20	22513.73	88810.67	88019.87
19. ELECTRICAL EQUIPMENTS	45950.00	3200.00	0.00	49150.00	4.75%	9771.01	0.00	2182.63	11953.64	37196.36	36178.99
20. ARMS	21000.00	0.00	0.00	21000.00	4.75%	5696.27	0.00	997.56	6693.83	14306.18	15303.74
21. KITCHEN MACHINE	7500.00	0.00	0.00	7500.00	4.75%	1802.28	0.00	356.28	2158.54	5341.46	5697.74
22. SAFE DEPOSIT VAULT (LOCKERS)	755607.89	0.00	0.00	755607.89	4.75%	179208.92	0.00	35891.40	215100.32	540507.57	576398.97
23. PLANT & MACHINERY	74093.00	3000.00	0.00	77093.00	4.75%	13895.69	0.00	3578.76	17474.45	59618.55	60197.31
24. PHOTO COPIER	75378.00	0.00	0.00	75378.00	4.75%	16996.17	0.00	3580.44	20576.61	54801.39	58381.83
25. FLAT	591498.00	0.00	0.00	591498.00	1.63%	42508.55	0.00	9641.40	52149.95	539348.05	548989.45
26. FIRE FIGHTING EQUIPMENTS	24000.00	0.00	0.00	24000.00	4.75%	4901.00	0.00	1140.00	6041.00	17959.00	19099.00
TOTAL	97640085.13	277960.00	10000.00	97908045.13		11210415.57	0.00	9339319.22	20549734.79	77358310.34	86429669.56
LAST YEAR	97640085.13	277960.00	10000.00	97908045.13		11210415.57	0.00	9339319.22	20549734.79	77358310.34	86429669.56

SCHEDULES FORMING PART OF BALANCE SHEET

PARTICULARS	AMOUNT 31.3.2004	AMOUNT 31.3.2003
SCHEDULE - 6 INVESTMENTS		
IN GOVERNMENT SECURITIES & GOVT. GUARANTEED BONDS		
In Bank FDR's - Face Value	7448356.52	4973148.00
Interest accrued but not due on above	400000.00	300000.00
	<u>851270.00</u>	<u>1939252.00</u>
	<u>8699626.52</u>	<u>7212400.00</u>
SCHEDULE 7 - INVENTORIES		
A. Hire Purchase Stock of Motor Vehicles and Plant & Machinery etc. covered under Hire Purchase Agreement excluding unexpired Hire Charges etc. including overdue instalments at Book value considered good (As certified by the Mg. Director)		
	19639250.70	34557161.87
B. Book Debts ie. Advances made against agreements secured by property and/or personal guarantees excluding unexpired finance charges etc including overdue instalments at book value considered good. (As certified by the Mg. Director)		
	135191103.64	78747965.17
C. Book Debts ie. Advances made against agreements secured by vehicles excluding unexpired finance charges etc including overdue instalments at book value considered good. (As certified by the Mg. Director)		
	<u>41717680.98</u>	<u>63865442.23</u>
	<u>198548035.32</u>	<u>177170569.27</u>
SCHEDULE 8 - STOCK OF SHARES & DEBENTURES		
(Refer note no. 12 of Schedule 15)		
SHARES - QUOTED : Fully paid up	705194.86	1527513.00
(Aggregate market value of quoted shares & debentures is Rs.755743.80 as on 31.3.2004 last year Rs. 2401759 as on 31.03.2003)		
	<u>705194.86</u>	<u>1527513.00</u>
SCHEDULE 9 - CASH & BANK BALANCES:		
Cash in Hand	1932268.97	3603298.41
Current A/C with Scheduled Banks (Subject to Reconciliation)	<u>348905.58</u>	<u>457329.58</u>
	<u>2281174.55</u>	<u>4060627.99</u>
SCHEDULE 10 - LOANS & ADVANCES		
ADVANCES RECOVERABLE IN CASH OR IN KIND OF FOR VALUE TO BE RECEIVED CONSIDERED GOOD:		
Prepaid Expenses	63129.00	18248.00
Income Tax & TDS paid	5065036.00	3390940.00
Loans against Deposits	25000.00	0.00
Other Advances	<u>8086367.44</u>	<u>7937162.66</u>
	<u>13239532.44</u>	<u>11346350.66</u>
Over Six Months Old	9778493.39	4418010.89
Others	<u>3461039.05</u>	<u>6928339.77</u>
	<u>13239532.44</u>	<u>11346350.66</u>

SCHEDULES FORMING PART OF BALANCE SHEET

PARTICULARS	AMOUNT 31.3.2004	AMOUNT 31.3.2003
SCHEDULE - 11 CURRENT LIABILITIES		
Sundry Creditors	96082.00	96446.00
Other Liabilities	<u>50227889.63</u>	<u>66155615.63</u>
	<u>50323971.63</u>	<u>66252061.63</u>
SCHEDULE 12 - PROVISIONS		
Provision for taxation	<u>3851566.00</u>	<u>2504513.00</u>
	<u>3851566.00</u>	<u>2504513.00</u>
SCHEDULE 13 - INCOME FROM OPERATIONS		
Income from Hire Charges	8591240.35	13407280.84
Income from Lease Rent	4640174.40	4640174.40
Profit on Shares & investments	94355.11	19044.30
Income from Investments	862261.00	928785.00
Dividend income (Gross)	61150.00	62656.90
Interest on Vehicle Loans	13292269.94	12630489.30
Interest on Other Loans	24552079.07	15353678.47
Other income from operations	2588414.00	835089.00
Locker Rent	31412.00	41056.00
Rent Received	16500.00	19800.00
Bad Debts Recovered	<u>1149906.52</u>	<u>942016.46</u>
	<u>55879762.39</u>	<u>48880070.67</u>
SCHEDULE - 14 EXPENSES		
Printing & Stationery	1627061.20	1230524.90
Auditors Remuneration	6960.00	6000.00
Salary & Establishment	2161034.00	1387941.50
Office and General Expenses	997609.50	1166727.00
Interest discounting & Bank Charges	9563394.78	9754604.24
Legal expenses	500198.70	629819.00
Rent	264825.00	242100.00
Mg. Director's & Director Remuneration	1260000.00	408000.00
Advertisement & Business Promotion Expenses	2587801.00	3274879.00
Travelling Expenses	721465.00	451823.30
Postage & Telephone Expenses	549635.86	558962.66
Rebates & Remission, Bad debts & brokerage	6544453.07	3337274.46
Recovery Expenses	838872.16	722894.72
Car & Scooter Expenses	1412304.87	1650564.19
Repairs & Maintenance	733194.12	471903.68
Insurance	100320.00	77365.00
Electricity & Water Expenses	227550.00	203360.00
Rates & Taxes	36997.00	47916.00
Loss on Sale of Assets	-8596.00	0.00
Security Expenses	<u>172137.80</u>	<u>170783.00</u>
	<u>30297218.06</u>	<u>25793442.65</u>

SCHEDULES FORMING PART OF BALANCE SHEET

PARTICULARS	AMOUNT 31.3.2004
<u>LIST OF OTHER LIABILITIES AS ON 31/03/2004</u>	
Advance Mgt. Fee	32565.00
Advance Insurance	24669.00
Advances from HP Customers	11866029.00
Expenses Payable	344721.00
Aryaman Financial Bill A/c	25000.00
Nayantara Bansal	150000.00
Nitesh Bansal	150000.00
Employees contribution	3221.00
TDS Payable	555324.63
Advance Intt. A/c	3735622.00
Locker Security	679978.00
Advance Locker Rent Received	84.00
Service Tax Payable	2437.00
Security Deposit from Lease Customers	32555180.00
Insurance Claim	31748.00
Sundry Creditors Mathura	71311.00
	50227889.63

LIST OF SUNDRY CREDITORS AS ON 31/03/2004

Khandelwal Automotives	14922.00
Brijbirhweel	81160.00
	96082.00

LIST OF OTHER LOANS & ADVANCES AS ON 31/03/2004

Deposit under OYT	2140.00
Salary Advance Account	71785.00
Telephone-Security	89060.00
Shilpak Shakari Avash Samiti Ltd.	110.00
Repossessed Vehicle A/c	1819144.24
Repossessed Assets	3453245.63
Security Deposit	1120.00
Customer Dastl	152615.85
Accrued locker rent	138.00
Advance for Expenses	17250.75
Mohan Avtar Seth	40000.00
C. S. Rathore	200000.00
Assets under insurance claim	1096171.97
Interest Tax Advance	1143586.00
	8086367.44

Schedule to the Balance Sheet of a Non-Banking Financial Company
(As required in terms of Paragraph 9BB of Non-Banking
Financial Companies Prudential Norms
(Reserve Bank) Directions, 1998

(Rs. in lakhs)

Particulars			
Liabilities Side :			
(1)	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid :	Amount outstanding	Amount overdue
(a)	Debtures : Secured	—	—
	: Unsecured	—	—
	(other than falling within the meaning of public deposits)		
(b)	Deferred Credits	598.31	—
(c)	Term Loans	15.97	—
(d)	Inter-corporate loans and borrowing	—	—
(e)	Commercial Paper	—	—
(f)	Public Deposits	591.83	3.82
(g)	Other Loans (specify nature)	—	—
	Central Bank of India (Overdraft A/c)	55.79	—
	Please see Note 1 below		
(2)	Break-up of (1) (f) above (Outstanding public deposits inclusive interest accrued thereon but not paid):		
(a)	In the form of Unsecured debtures	—	—
(b)	In the form of partly secured debtures i.e. debtures where there is a shortfall in the value of security	—	—
(c)	Other public deposits	591.83	3.82
Assets Side :		Amount outstanding	
(3)	Break-up of Loans and Advances including bills receivables (other than those included in (4) below 1 :		
(a)	Secured	1351.91	
(b)	Unsecured	NIL	
(4)	Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities	NIL	
(i)	Lease assets including lease rentals under sundry debtors :		
(a)	Financial lease	—	
(b)	Operating lease	612.24*	
(ii)	Stock on hire including hire charges under sundry debtors :		
(a)	Assets on hire	196.39	
(b)	Repossessed Assets	24.76	
(iii)	(a) Loans where assets have been repossessed	NIL	
	(b) Loans other than (a) above	417.18	

* Appearing as fixed assets in Balance sheet

(5) Break-up of Investments :				
Current Investments :				
1	Quoted :			
	(i) Shares : (a) Equity (b) Preference			
	(ii) Debentures and Bonds			
	(iii) Units of mutual funds			
	(iii) Units of mutual funds			
	(iv) government Securities			
	(v) Others (please specify)			
2.	Unquoted :			
	(i) Shares : (a) Equity (b) Preference			
	(ii) Debentures and Bonds			
	(iii) Units of mutual funds			
	(iv) government Securities	74.48		
	(v) Others (Please specify) fixed deposit	4.00		
	(vi) Interest accrued	8.51		
Long Term Investments :				
1.	Quoted :			
	(i) Share : (a) Equity (b) Preference	7.05		
	(ii) Debentures and Bonds			
	(iii) Units of mutual funds			
	(iv) Government Securities			
	(v) Others (Please specify)			
2.	Unquoted :			
	(i) Share : (a) Equity (b) Preference			
	(ii) Debentures and Bonds			
	(iii) Units of mutual funds			
	(iv) Government Securities			
	(v) Others (Please specify)			
(6) Borrower group-wise classification of all leased assets, stock-on hire and loans and advances : Please see Note 2 below :				
Category		Amount net of provisions		
		Secured	Unsecured	Total
1.	Related parties **	—	—	—
	(a) Subsidiaries	—	—	—
	(b) Companies in the same group			
	(c) Other than related parties			
2.-	Other than related parties	2602.48	—	2602.48
	Total	2602.48	—	2602.48

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	—	—
	(b) Companies in the same group	—	—
	(c) other related parties	—	—
2.	Other than related parties	94.27	94.05
	Total	94.27	94.05
** As per Accounting Standard of ICAI (Please see Note 3)			
8. Other Information			
	Particulars	Amount	
(i)	Gross Non-performing Assets	NIL	
	(a) Related parties	—	
	(b) Other than related parties	—	
(ii)	Net non-Performing Assets	NIL	
	(a) Related parties	—	
	(b) Other than related parties	—	
(iii)	Assets acquired in satisfaction of debt	—	

Notes :

- As defined in Paragraph 2(1) (xii) of the Non-Banking financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column(5) above

Signed in terms of our report of even date

for R. Lal & Company
Chartered Accountants

(Ram Lal Agarwal)
Proprietor

Dated : 31st May 2004

Place : Agra-Camp Delhi

For and on behalf of the Board

Sd
Sunil Agarwal — Mg. Director

Sd
Purushottam Agrawal — Director

Sd
Sanjay Agarwal — Director

Sd
S C Sharma — Director

Sd
Sachin Agarwal — Director

Sd
Parul Shukla — Company Secretary

NOTES ON ACCOUNTS

Schedule 15: NOTES ON ACCOUNTS

1. The Company has followed Mercantile System of Accounting. The accounts have been made consistently on Accrual Basis as a going concern.
2. Income from Hire charges and lease rentals & on loans and advances cases are recognised as revenue as per the terms of the agreements entered into with Hirers/Lessees. Hire charges are accounted for on the basis of accrual on outstanding balances in accordance with the due dates of instalments of hire money and hire charges. Overdue charges of instalments from hirers/lessees and allowance of rebate for good & timely payment are accounted for as and when received or allowed because these charges and rebates are contingent.
Management fee in respect of the hire purchase cases/loan and advances cases which carry hire/finance charges in addition to management fee has been treated as income in the year of receipt but in those hire purchase cases/loan and advances cases where hire/finance charges are inherent in management fee the same has been apportioned on the basis of period of contracts on accrual basis.
3. Inventories being hire purchase stocks are valued at book value net of Hire Charges including overdue instalments. Book debts and stocks of shares and debentures are valued at cost or market value which ever is less. Investments are valued at cost.
4. Provisioning for substandard assets/Loss assets/doubtful assets has been made in compliance with the directions of Reserve Bank of India. Other directives of Reserve Bank of India have been complied with.
5. Preliminary Expenses are amortized in equal instalments over a period of 10 years.
6. Depreciation has been provided on straight line method in the manner and at the rates specified in schedule XIV to the Companies Act, 1956 and on the prorata basis. Fixed assets are stated at cost less depreciation.
7. In accordance with Accounting Standard 22-Accounting for Taxes on Income, issued by the Institute of Chartered Accountants of India, the deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets arising from temporary timing difference are recognised to the extent there is reasonable certainty that the assets can be realised in future.
8. No remuneration has been paid to directors excepting remuneration to whole time directors including Managing Director. The remuneration paid to whole time directors including Managing Director during the FY 2003-2004 is Rs. 12,60,000/- (last year 408000/-) which is less than that permitted under Schedule XIII of the Companies Act, 1956. Computation of net profit in accordance with section 349 of the Companies Act, 1956, has not been given as commission by way of percentage of profits is not payable for the year to any of the directors of the Company.
9. Remuneration of Auditors :-

	<u>Current Year</u>	<u>Previous Year</u>
For Statutory Audit	Rs. 4000.00	4000.00
Tax Audit	Rs. 1000.00	1000.00
For Certification work/other services	Rs. 1000.00	1000.00
Total	<u>Rs. 6000.00</u>	<u>6000.00</u>

10. Contingent Liabilities Interest Tax matters in appeal Rs.4191490

11. Statement showing details of investments :	31.03.2004	31.03.2003
Indra Vikas Patras	1362571	3912400
Govt. Guaranteed Bonds	6937055	3000000
	<u>8299626</u>	<u>6912400</u>

* Excluding Rs. 960 towards service tax.

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

S. No.	Name of Body	Quantity	Cost	Market Value as on 31.3.2004	Cost or Market Value which ever is less
1	Reliance Industries Ltd.	1 00	148.76	572 20	148.76
2	Elegant Floriculture Ltd	2500 00	57500.00	4475 00	4475.00
3	Phoenix International Ltd.	1000 00	223612 00	5950 00	5950 00
4	Cubical Finance Ltd	1000 00	8500 00	1750 00	1750 00
5	Unicorp Ltd.	200 00	7200 00	1500 00	1500.00
6	Surlux Health Centre	20000 00	38760 00	30000 00	30000.00
7	Surlux Mediequip Ltd.	2000.00	4600 00	4000 00	4000 00
8	Tata Iron Steel Co. Ltd	81 00	12600.00	32096 10	12600 00
9	Computech Int. Ltd. (MCS Ltd)	1600 00	303240 00	8976 00	8976 00
10	Indo Count Ind.	30 00	186 00	147.00	147 00
11	Stone India	300 00	885 00	762 00	762 00
12	Tourism Finance Corp. of Ind	100 00	915 00	975 00	915 00
13	Gujrat Lease Financing	50 00	90 00	122.50	90 00
14	BPL Engineering	100 00	365 00	415.00	365 00
15	Indo Amines	300 00	1200 00	900 00	900 00
16	Balmer Lawrie Van	100 00	1600 00	1385 00	1385.00
17	ASIL Ind. Ltd.	100 00	370 00	382 00	370 00
18	Lloyd Elec. & Engg	100 00	390 00	521 00	390 00
19	IFGL Refractories	350 00	1817 50	5215 00	1817 50
20	Nahar International	100 00	460 00	907.00	460 00
21	Kotak Mahindra Bank	6 00	2085 60	2354 70	2085 60
22	Morgan Stanley Mutual Fund	100 00	1840 00	2248 00	1840 00
23	G. K. Consultants Ltd	5000 00	621148 00	650000.00	621148 00
	Total	35121.00	1292632.86	755743.80	705194.86

13. Unclaimed matured deposit lying with the company amount to Rs. 3.82 lacs number of deposits 9.
14. Information pursuant to the provisions of Paragraphs 3 and 4D of part II & IV of Schedule VI to the Companies Act, 1956, is given in Schedule 16 & 17 respectively.
15. No amount is payable to Small Scale Industrial Undertakings.
16. Figures for the previous year have been regrouped/rearranged wherever found necessary.

SCHEDULE 16

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

Particulars	As on 31.03.2004		As on 31.03.2003	
	No. of Shares	Amount	No. of Shares	Amount
Opening Stock	38999	1527513.00	68564	1508586
Add : Purchase/Conversion of debentures into shares	27261	3215301.60	1090	19044.30
Add : Increase in value at lower of cost/market value	—	87305.11	—	—
	66260	4830119.71	69654	1527630.30
Less: Sale / Redemption of Debentures	31139	4124924.85	30655	117.30
Closing Stock	35121	705194.86	38999	1527513.00

SCHEDULE FORMING PART OF BALANCE SHEET

SCHEDULE - 17

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

I. Registration Details

Registration No. 120483 State Code : 55
 Balance Sheet Date : 31.03.2004

II Capital raised during the year (Amount in Thousand)

Public Issue (Allotment Money received)	Rs. 254	Right Issue	Rs. NIL
Bonus Issue	Rs. NIL	Private Placement	Rs. NIL

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

Total Liabilities	Rs. 237546	Total Assets	Rs. 237546
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Source of Funds

Paid up Capital	Rs. 31440	Reserve & Surplus	Rs. 71499
Secured Loans	Rs. 7176	Unsecured Loans	Rs. 127431

Application of Funds

Net Fixed Assets	Rs. 70101	Investments	Rs. 8700
Net Current Assets	Rs. 158598	Miscellaneous	
Accumulated Losses	Rs. NIL	Expenditure	Rs. 147

IV. Performance of Company (Amount in Thousand)

Turnover (Gross Income)	Rs. 55880	Total Expenditure	Rs. 39826
Profit before Tax	Rs. 16054	Profit after tax	Rs. 10842
Earning per share	Rs. 3.46	Dividend Rate	NIL

V. Generic name of three Principal Products/Services of Company (as per monetary terms)

Item code no. NIL

Product Description : Hire Purchase/Leasing/Finance etc.

Signed in terms of our report of even date

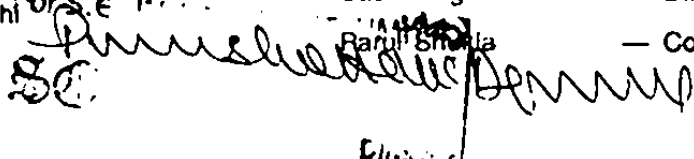
For R. Lal & Company
 Chartered Accountants

(Ram Lal Agarwal)
 Proprietor

Dated : 31st May 2004
 Place : Agra-Camp Delhi

For and on behalf of the Board

Sd/- Sunil Agarwal — Mg. Director
 Sd/- Purushottam Agrawal — Director
 Sd/- Sanjay Agarwal — Director
 Sd/- S. C. Sharma — Director
 Sd/- Sachin Agarwal — Director
 Sd/- Ravi Sharma — Company Secretary

CERTIFIED TRUE COPY FOR S.E.


CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2004

A. CASH FLOW FROM OPERATING ACTIVITIES:	31.03.2004	31.03.2003
Net Profit before tax and Extraordinary Items and Interest	26964781	23822805
Adjustment For :		
1. Depreciation	9421904	9339319
2. Misc. Expenditure Written off	106307	106308
Operating Profit before working Capital Charges	36492992	33268432
Adjustment For :		
Trade & Other Receivable	-1893182	-6158330
Inventories	-19377466	-20393348
Trade Payable	-15928090	-11044187
Inventories - Shares	822318	-18927
Cash generated from operations	116572	-4346360
1. Interest Paid	-9563395	-9754604
2. Direct taxes paid	-1347053	-427201
Cash flow before extra ordinary items	-10793875	-14528165
Incometax provision of last year adjusted	0	0
Excess incometax paid	-	0
Net cash flow from operating activities	-10793875	-14528165
3. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	-2271180	-277960
Sale of fixed assets	106404	10000
Sale of Investments	-1487227	610762
Net cash used in investing activities	-3652003	342802
Total	-14445878	-14185363
2. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	254000	20000
Proceeds from Long Term borrowings	4581762	-5797850
Proceeds from Short term borrowings	7830662	-727069
Net cash used in financing activities	12666424	-6504919
Net increase in cash & cash equivalents	-1779453	-20690282
Opening cash and cash equivalents	4060628	24750909
Closing cash & cash equivalents	2281175	4060627

Signed in terms of our report of even date

for R. Lal & Company
Chartered Accountants

(Ram Lal Agarwal)
Proprietor

Dated : 31st May 2004
Place : Agra-Camp Delhi

For and on behalf of the Board

Sunil Agarwal	—	Mg. Director
Purushottam Agrawal	—	Director
Sanjay Agarwal	—	Director
S. C. Sharma	—	Director
Sachin Agarwal	—	Director
Parul Shukla	—	Company Secretary

CERTIFIED TRUE COPY
S. E. INVESTMENTS LIMITED
Purushottam Agrawal

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, 2004 and 31st March, 2003 and found the same in agreement therewith.

for R. Lal & Company
Chartered Accountants

Date : 31st May 2004
Place : Agra-Camp Delhi

Ram Lal Agarwal
Proprietor

Nomination Form

(To be filled in by individual(s) applying singly or jointly)

To,
S. E. Investments Ltd.
S-547, IInd Floor, Main Road,
Shnkarpur,
Delhi-92.

From
Folio No.
No. of Shares

I am/we are holder(s) of Shares/of the Company as mentioned above. I/We nominate the following persons(s) in whom all rights of transfer and/or amount payable in respect of Shares/shall vest in the event of my/our death.

Nominee's Name.....		Age.....	
To be furnished in case the nominee is a minor : Date of Birth.....			
Guardian's Name.....			
Occupation of Nominee Tick (✓)			
Service	<input type="checkbox"/>	Business	<input type="checkbox"/>
		Student	<input type="checkbox"/>
		Household	<input type="checkbox"/>
Professional	<input type="checkbox"/>	Farmer	<input type="checkbox"/>
		Others	<input type="checkbox"/>
Nominee's Address.....			
		Pin Code.....	
Telephone No.		Fax No.....	
E-mail Address.....		STD Code.....	
Specimen Signature of Nominee/Guardian (in case nominee is minor)			

* To be filled in case nominee is a minor.

Kindly take the aforesaid details on record.

Thanking you,

Yours faithfully,

Date.....

	Name and address of share holder (as appearing on the Certificate(s))	Signature (as per specimen with company)
Sole/1st holder (address)		
2nd holder		
3rd holder		
4th holder		

Witness (two)

Date.....

	Name and Address	Signature
1.		
2.		

191 S. E. Investments Limited

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

PROXY FORM

S.E.No.(S)

I/We..... of being a member/Members of S. E. Investments

Limited hereby appoint Of Or failing him As my/our proxy

to attend and vote for me / us on my / our behalf at the 12th Annual General Meeting of the Company to be held on Saturday

10th July, 2004 at 11.00 A.M. at S-547, IInd Floor, Main Road, Shakarpur, Delhi-92 or at any adjournment there of.

Signed this Day of 2004

Signed by said

Affix a Re. 1

Revenue

Stamp

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

S. E. Investments Limited

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

ATTENDANCE SLIP

REGD: FOLIO NO./CLIENT ID :

DP ID NO. :

Name & Address of the share holder

No. of shares held

I hereby record my presence at the 12th Annual General Meeting of the Company being held on Saturday the 10th July 2004 at 11.00 A.M. at S-547, IInd floor, Main Road, Shakarpur, Delhi-92

SIGNATURE OF THE SHARE HOLDER OR PROXY