

**14th Annual Report
2005-2006**



अर्थी: समाजिस्वा न्यासः

S. E. Investments Ltd.

- ★ Business Loans
- ★ Personal Loans
- ★ Auto Loans
- ★ Loan against property
- ★ Fixed Deposits
- ★ Wind Power
- ★ Lockers
- ★ Equipment Leasing

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CORPORATE INFORMATION

BOARD OF DIRECTORS

MR. PURUSHOTTAM AGRAWAL

CHAIRMAN

Mr. SUNIL AGARWAL

MANAGING DIRECTOR

Mr. SACHIN AGARWAL

WHOLETIME DIRECTOR

Mr. SANJAY AGARWAL

DIRECTOR

Mr. SURESH CHAND SHARMA

DIRECTOR

DR. SHYAM LAL GARG

DIRECTOR

COMPANY SECRETARY

Mr. SACHIN AGARWAL

AUDITORS

M/s R. LAL & COMPANY

CHARTERED ACCOUNTANTS

A-4, Indrapuri New Agra, Agra

BANKERS

ORIENTAL BANK OF COMMERCE

REGISTRAR & TRANSFER AGENTS

M/s Alankit Assignments Ltd.

Alankit House, 2E/21, Jhandewalan Extension.

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



NOTICE

Notice is hereby given that the 14th Annual General Meeting of the members of S. E. Investments Limited will be held on Tuesday the 27th Day of June 2006, at the Registered Office of the company at 11.00 A.M. at S-547, 11nd 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, 2006 and the Profit & Loss Account for the year ended on that date together with Reports of Directors and Auditors thereon.
2. To declare a dividend @10% to the Equity Shareholders of the company.
3. To appoint a Director in place of Mr. Purushottam Agrawal who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Dr. Shyam Lal Garg who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint the Auditors and to fix their remuneration. M/s. R. Lal & Company, Chartered Accountants, the retiring auditors of the company are eligible for reappointment.

SPECIAL BUSINESS

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

"RESOLVED THAT subject to the provisions of Section 198, 269, 309 read with Schedule XIII to the Companies Act, 1956 and subject to such approvals as may be required, sanction be and is hereby accorded to the payment of remuneration as set out herein to Mr. Sunil Agarwal, Managing Director with effect from 1st April 2006 as approved by the Board of Directors at its meeting held on 30th March 2006.

- (i) Salary Rs. 70000/- per month
- (ii) House Rent Allowance Rs. 35000/- per month

RESOLVED FURTHER THAT save and except the above variations, all other terms and conditions of appointment of Shri Sunil Agarwal, Managing Director as approved earlier by the members, shall remain unchanged."

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

"RESOLVED THAT subject to the provisions of section 198, 269, 309 read with Schedule XIII to the Companies Act, 1956 and subject to such approvals as may be required, sanction be and is hereby accorded to the payment of remuneration as set out herein to Mr. Sachin Agarwal, Wholetime Director with effect from 1st April 2006 as approved by the Board of Directors at its meeting held on 30th March 2006.

- (i) Salary Rs. 70000/- per month
- (ii) House Rent Allowance Rs. 35000/- per month

RESOLVED FURTHER THAT save and except the above variations, all other terms and conditions of appointment of Shri Sachin Agarwal, Wholetime Director as approved earlier by the members, shall remain unchanged.

Place : DELHI
Date : 29th May, 2006

By order of the Board of Directors

Sd/-
SACHIN AGARWAL
Company Secretary



NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE 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 COMMENCEMENT OF THE MEETING.
2. THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS OF THE COMPANY WILL REMAIN CLOSED FROM 23rd JUNE 2006 TO 27th JUNE 2006 (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 IMMEDIATELY.

Place : DELHI
Date : 29th May, 2006

By order of the Board of Directors

Sd/-
SACHIN AGARWAL
Company Secretary



The company has opened its new Branch Offices at Jaipur, Ahmedabad, Jodhpur and steps are being taken for making its presence in major cities of the country to reach to the customers in those areas.

DIVIDEND

Your directors have recommended a dividend at 10% (Rs. 1/- per share). The dividend together with tax on distributed profit will absorb a sum of Rs. 35.81 lacs and will be paid to those shareholders whose names stand registered in the books of the company as on the book closure date subject to your approval in the Annual General Meeting.

OPERATIONS

The operations of the company comprise of two divisions i.e., Finance and Non conventional Energy as follows:

- à **FINANCE DIVISION** The company started its business in the field of hire purchase and leasing initially. To cope with the changing scenario, the company is focusing on personal loans. The credit department of the company is equipped with the retired officers and executives from banks and public sector undertakings. During the year 2005-06, total disbursements stand at Rs. 3890 lacs as compared to Rs. 3679 lacs during the last year.
- à **NON CONVENTIONAL ENERGY DIVISION** Besides the existing Wind Energy Project of 2.4 MW in Chitradurga District Karnataka, the company has setup 0.80 MW Wind Energy Generator (WEG) in village Bhu/Kita, district Jaisalmer Rajasthan. Arrangements are being made for financial assistance from M/s Indian Renewable Energy Development Agency Ltd., New Delhi (IREDA) for the above Wind Energy Projects of the company. The company has also tied-up with the concerned State Electricity Boards for the sale of power generated through its WEG's. This will contribute to the power requirement of the country apart from being an environment friendly infrastructure project.

FIXED DEPOSITS

Your company is adhering to all the directions and guidelines of Reserve Bank of India for acceptance of deposits. The fixed deposits as on 31.03.2006 stood at Rs. 1157 lacs excluding interest accrued but not due as against last year's Rs. 1331 lacs. Number of fixed deposits having matured but remaining unclaimed as on 31.03.2006 is 24 amounting to Rs. 6.03 lacs out of which fourteen deposits for Rs. 2.40 lacs have been paid and ten deposits for Rs. 3.62 lacs remain unclaimed till the date of this report.

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 31.03.2006 is 39% (last year 32.97%) 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.

PROSPECTS

Though your company is facing stiff competition from banks/financial institutions yet the future prospects are bright. During the year under review, the bad debts to the tune of Rs. 46.69 lacs have been written-off as compared to Rs. 56.77 lacs in the last year. The legal efforts for realization of bad debts are continuing. The company has recovered Rs. 28.81 lacs out of the past bad debts.



COMPANY SECRETARY

Mr. Sachin Agarwal has been appointed as a full time Company Secretary of the company with effect from 10th January 2006. He is also acting as the Compliance Officer of the company.

RBI REGISTRATION

Your company is duly registered with the Reserve Bank of India (RBI) as loan company and deposit accepting company. The company is regularly complying with the regulations and guidelines as stipulated by RBI from time to time.

PERSONNEL

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

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

Even after being engaged in generation and sale of energy through its windmill machines installed in the States of Karnataka and Rajasthan, the main line of business continues to be finance thus the operations of your Company do not entail any energy consumption as it does not perform any activity related to conservation of energy or technical absorption. Further, the company does not have any foreign exchange earnings/outgoes during the year under review.

REPORT ON CORPORATE GOVERNANCE

Your company has been practicing the principles of good corporate governance over the years. The Board of Directors supports the broad principles of corporate governance. In addition to the basic governance issues, the board lays strong emphasis on transparency, accountability and integrity.

Certificate of Auditors of the company regarding compliance of the conditions of corporate governance as stipulated in clause 49 of the Listing Agreements with Stock Exchanges is annexed herewith along with Management Discussion and Analysis Report.

DIRECTORS RESPONSIBILITY STATEMENT:

Your directors, based on the representations received from the operational management, confirm in pursuance of section 217(2AA) of the Companies Act, 1956 :—

- (i) that your company has in the preparation of the annual accounts, for the year ended 31st March 2006, followed the applicable accounting standards and that there are no material departures therefrom;
- (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 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 the 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 company has effectively followed and complied with all the provisions of Accounting Standard-17 issued by the Institute of Chartered Accountants of India for reporting on the basis of each segment in which the company is engaged.



DIRECTORS

The Board of the company is duly constituted. Mr. Purushottam Agrawal and Dr. Shyam Lal Garg, the 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 further clarifications.

AUDITORS

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

ACKNOWLEDGMENT

Your Directors are grateful for the support and cooperation extended by Government of India, Reserve Bank of India, Bankers, Financial Institutions and Customers. Your Directors also like to place on record their sincere appreciation for the contribution made by the employees in the progress of the company.

Date : 29th May 2006

Place : Delhi

For and on behalf of the Board

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



MANAGEMENT DISCUSSION & ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT

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

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

OPPORTUNITIES

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

In addition, the services sector, which is growing at rapid pace and contributes substantially to GDP, will provide many new opportunities for the financial services industry in India.

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

CHALLENGES

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

The company's strong financial position, reflected by its low debt equity ratio, and adoption of prudent business strategies have enabled it to consistently post satisfactory performance despite these difficult conditions.

PERFORMANCE

S. E. Investments Ltd.'s gross income for the financial year ended March 31, 2006 increased to Rs. 1650.45 lacs from Rs. 1117.78 lacs in the previous year registering a growth of over 47%. The Operating Profit (PBDIT) of the company increased 44.66% to Rs. 1143.61 lacs during the year up from Rs. 790.55 lacs in the previous year. Interest Expenses for the year was Rs. 354.30 lacs as against Rs. 142.77 lacs during the previous year.

Depreciation was at 164.74 lacs as compared to 98.16 lacs in the previous year. Provisions for Taxation for the year was Rs. 53.61 lacs and provision for fringe benefit tax had been made for Rs. 4.80 lacs. Net Profit for the year was Rs. 398.32 lacs as against last year's Rs. 411.54 lacs. The decrease in the Net Profit by 3.2% is due to higher amount of interest and depreciation charged during the year. An amount of Rs. 80 lacs was transferred to Statutory Reserve Fund pursuant to Section 45IC of the Reserve Bank of India Act, 1934, and an amount of Rs. 280 lacs was transferred to General Reserve during the year under review. The company's Net Worth as on 31st March 2006 stood at 1569.70 lacs as against Rs. 1207.20 lacs last year.

OUTLOOK

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



The company intends to actively pursue growth opportunities in the fast growing financial services sector in the country, to become a full service financial services company with activities encompassing, inter alia, private equity and proprietary investments, and other financial services.

RISKS AND CONCERNS

The company is exposed to specific risks that are particular to its businesses and the environment within which it operates, including interest rate volatility, economic cycle, market risk, and credit risk. The company manages these risks by maintaining a conservative financial profile and by following prudent business and risk management practices.

ADEQUACY OF INTERNAL CONTROL

An extensive system of internal controls is practiced by the company to ensure that all its assets are safeguarded and protected against loss from unauthorized use or disposition and that all transactions are authorised, recorded and reported correctly.

The company ensures adherence to all internal control policies and procedures as well as compliance with all regulatory guidelines.

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

HUMAN RESOURCE DEVELOPMENT

The company has a team of able and experienced professionals. Employee relations remained cordial during the year under review. The company has instituted a scalable recruitment and human resources management process, which ensures cordial relation with its employees.

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 operations such as Government Policies local, political and economic scenario of the country and area of operations.

Date : 29th May 2006

Place : Delhi

For and on behalf of the Board

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

REPORT ON CORPORATE GOVERNANCE

The company pursuant to Clause 49 of the Listing Agreements with Stock Exchanges furnishes its report on the code on Corporate Governance.

COMPANY'S PHILOSOPHY ON CODE ON CORPORATE GOVERNANCE

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

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

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

BOARD OF DIRECTORS

I. Compositions and Category

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

II. Attendance of each Director at the Board meetings, last Annual General Meeting and Number of other Directorship and Chairmanship/Membership of Committee of each Director in various companies

Directors	Board Meetings held	Board Meetings attended	Last AGM	Committee Membership	Committee Chairmanship	No. of Directorship in Board of other Pvt./Public Companies
Shri Purushottam Agrawal	24	24	Yes	2	1	1
Shri Sunil Agarwal	24	24	Yes	1	—	3
Shri Sanjay Agarwal	24	23	Yes	2	1	—
Shri Suresh Chand Sharma	24	23	Yes	2	1	—
Shri Sachin Agarwal	24	24	Yes	—	—	2
Dr. Shyam Lal Garg	24	21	Yes	1	—	—

III. Number of Board Meetings held

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



During the year ended 31st March 2006, twenty four meetings of Board of Directors were held as against the minimum requirement of four meetings. The dates and attendance are as follows:

Date of Meeting	No. of Directors Present	Date of Meeting	No. of Directors Present
30th April 2005	6	7th December 2005	5
10th May 2005	6	19th December 2005	5
18th May 2005	6	9th January 2006	6
16th June 2005	6	16th January 2006	6
9th July 2005	6	31st January 2006	6
29th July 2005	6	15th February 2006	6
4th August 2005	6	28th February 2006	6
29th August 2005	6	10th March 2006	6
6th October 2005	6	20th March 2006	6
31st October 2005	6	24th March 2006	6
7th November 2005	5	25th March 2006	6
10th November 2005	6	30th March 2006	6

IV. Information on Directors Appointment/Re-Appointment

Brief resume of directors being re-appointed at the ensuing Annual General Meeting, nature of their expertise in specific functional areas is furnished hereunder:

- A. Mr. Purushottam Agrawal aged 63 years is a Chartered Accountant in practice since the last 39 years. He is engaged in the fields of Auditing, Corporate Counselling, Income-Tax practice, Project Financing etc. He had been a member of Direct Taxes Advisory Committee set-up by the Central Board of Direct Taxes. He is not a director in any other public limited company.
- B. Dr. Shyam Lal Garg:, aged 64 years is a retired Dy. Chief Controller of Explosives, Government of India. Retired in the year 2001 and having served in major cities like Chennai, Mumbai, Kolkata, Nagpur, he is still contributing to the society as social worker in Agra. He is not a director in any other public limited company.

BOARD COMMITTEES

I. AUDIT COMMITTEE

The Audit Committee constituted as on 3rd September, 2001 meets periodically to review reports of Statutory/Internal Auditors and discusses their findings and suggestions. The committee comprises of three Non Executive Directors, who have adequate financial and accounting knowledge. The Audit Committee met four times on 16th May 2005; 27th July 2005; 6th October 2005 and 28th January 2006 during the financial year 2005-06. Shri Harish Singh, Group Controller Accounts and Finance of the company is also co-ordinating in the functions of Audit Committee. The terms of reference of the Audit Committee, as contained under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, are as follows :

- Oversight of the Company's financial reporting process and the disclosure of its financial information.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit functions.
- Discussion with external auditors before the audit commences nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- Reviewing the company's financial and risk management policies.



The composition and details of attendance during the year are given below:

Name	Designation	Attendance
Shri Sanjay Agarwal, Chartered Accountant	Chairman, Non Executive Independent	4
Shri Purushottam Agrawal, Chartered Accountant	Non Executive	4
Shri Suresh Chand Sharma, Advocate	Non Executive Independent	4

II. 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 Agrawal as Chairman Non Executive Director, Shri Sunil Agarwal Executive Managing Director, Shri Sanjay Agarwal Non Executive Director, Shri Suresh Chand Sharma Non Executive Director as members of the committee.

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 etc. During the year under review 11 meetings of the committee were held. The Company has no complaints/transfers pending at the close of the financial year.

III. 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. One meeting was held during the financial year 2005-06. The composition and details of attendance during the year are given below:

Name of Chairman/Member	Designation	Attendance
Shri Suresh Chand Sharma	Chairman	1
Shri Purushottam Agrawal	Member	1
Shri Sanjay Agarwal	Member	1
Dr. Shyam Lal Garg	Member	1

The terms of appointment and remuneration of the executive directors are in accordance with the terms and conditions specified in the agreements entered into by the company with them. The increase in the remuneration of Managing Director and Wholetime Director is subject to the approval of members in the ensuing Annual General Meeting.

Details of remuneration of the Executive Directors for the f.y. ended 31.03.2006.

Name of Managing/Wholetime Director	Remuneration	House Rent Allowance
Shri Sunil Agarwal, Managing Director	Rs. 35000 p.m. + perquisites during the year	Rs. 17500/- p.m.
Shri Sachin Agarwal, Wholetime Director	Rs. 35000 p.m. + perquisites during the year	Rs. 17500/- p.m.



DISCLOSURE

- (a) The Company has no materially significant related party transactions i.e. transactions of the Company of material nature with its promoters, the directors or the management, their subsidiaries or 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.
- (c) The company has regularly followed the Accounting Standard as prescribed by ICAI during the whole financial period.
- (d) No money has been raised by the company through public issue, rights issue, preferential issue etc. during the financial year 2005-06.

SHARE TRANSFER SYSTEM & TRANSFER AGENT

The Securities & Exchange Board of India has provided for the appointment of a common agency for demat & physical share transfer work, with effect from 27.12.2002. The Company has handed over the share registry work in physical as well electronic forms to M/s Alankit Assignments Ltd., Registrar & Transfer Agent. Shareholders/Investors are requested to forward share transfer documents, dematerialisation request and other related correspondence directly to M/s Alankit Assignments Limited at their address at Alankit House, 2E/21, Jhandewalan Extension, New Delhi.

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 de-materialised form. As on 31/03/2006 there are 24,44,760 Equity Share of the company which have been de-materialised representing 77.86% of the total paid-up Equity Share Capital of the company.

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.

INVESTOR INFORMATION

Date, time and venue of 14th Annual General Meeting	Tuesday, 27th June, 2006 at 11:00 a.m. at S-547, IInd Floor, Main Road, Shakarpur, Delhi-92
Book Closure Date	Friday, 23rd June, 2006 to Tuesday, 27th June 2006 (both days inclusive)
Dividend Payment Date	Dividend warrants for dividend, if declared at the AGM will be mailed on or after Wednesday 28th June 2006.



Details of last three Annual General Meetings :

Meeting	Year	Venue of AGM	Date	Time
11th AGM	2002-03	S-547, IIInd Floor, Main Road, Shakarpur, Delhi-92	25th July 2003	11:00 a.m.
12th AGM	2003-04	S-547, IIInd Floor, Main Road, Shakarpur, Delhi-92	10th July 2004	11:00 a.m.
13th AGM	2004-05	S-547, IIInd Floor, Main Road, Shakarpur, Delhi-92	16th June 2005	11:00 a.m.

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

Means of Communication

- Quarterly/Half yearly Results: In compliance of the provision of clause 41 of the listing agreement, the unaudited quarterly/half yearly financial result, as approved by the Board were duly published within the stipulated time in "Delhi Mid Day" (English) and "Shah Times" (Vernacular).
- Management Discussion and Analysis forms part of the Directors' Report which is posted to the shareholders of the company.

Financial Calendar (Tentative)

Financial reporting for the quarter ending June 30, 2006	End of July, 2006
Financial reporting for the quarter/half year ending September 30, 2006	End of October, 2006
Financial reporting for the quarter ending December 31, 2006	End of January, 2007
Financial reporting for the year ending March 31, 2007	End of June, 2007
Annual General Meeting for the year ending March 31, 2007	June, 2007

Distribution of Shareholding (as on March 31st 2006)

(a) On the basis of Shares held

No. of Equity Shares held (Range)	No. of shareholders	Percentage to total share holders	No. of Shares held	Percentage to total shares held
up to 5000	107	69.03%	127800	4.07%
5001-10000	14	9.03%	116040	3.70%
10001-20000	3	1.94%	46900	1.49%
20001-30000	4	2.58%	93200	2.97%
30001-40000	3	1.93%	102000	3.25%
40001-50000	1	0.65%	50000	1.59%
50001-100000	14	9.03%	1002900	31.94%
Above 100000	9	5.81%	1601160	50.99%
TOTAL	155	100%	3140000	100%



(b) On the basis of Category

Category	No. of Shares held	Percentage to total shares held
Promoter holding	1075460	34.25%
Private Corporate Bodies	1469440	46.80%
Indian Public	595100	18.95%
TOTAL	3140000	100%

High/Low of Market Price of the Company's Equity shares traded on the stock Exchanges during the financial year 2004-2005.

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

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.
DSE House, 3/1, Asaf Ali Road,
New Delhi-110002
- c. Ahmedabad Stock Exchange Ltd.
Kamdhenu Complex,
Panjara Pole, Near Polytechnic
Ahmedabad-380815

Listing fees for the year 2006-2007 has been paid to all the above Stock Exchanges.

Stock Codes	The U. P. Stock Exchange	— 500169
	Delhi Stock Exchange	— 8568
	Ahmedabad Stock Exchange	— 51236/S. E. Inv. Ltd.
	ISIN NO.-CDSL	— INE420C01018
	NSDL	— INE420C01018

Address for Correspondence

- | | | |
|--|---|--|
| <p>i. For transfer/dematerialisation of Shares, payment of dividend, on Shares and any other query relating to the Shares of the Company</p> | <p>For Shares held in Physical form
Alankit Assignments Ltd.
Alankit House, 2E/21,
Jhandewalan Extension,
New Delhi-110055
email: rta@alankit.com</p> | <p>For Shares held in demat form
to the Depository Participant</p> |
| <p>ii. Any query on Annual Report</p> | <p>S.E. Investments Ltd.
S-547, IInd Floor,
Main Road, Shakarpur,
Delhi-110092
email: delhi@seil.in</p> | |



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

We have examined the compliance of conditions of Corporate Governance by S.E. Investments Ltd., for the year ended on 31st March, 2006 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

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

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

Place : Agra Camp-Delhi
Date : 29th May, 2006

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



AUDITERS' REPORT

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

We have audited the attached balance sheet of S. E. Investments Ltd. as at 31st March, 2006, 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 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.

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 2006 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, 2006;
 - 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.

DATED : 29th May, 2006
PLACE : Agra Camp Delhi

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



ANNEXURE TO THE AUDITORS' REPORT

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. 2005-06)

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 not taken loans from companies, firm & other parties or companies listed in the register maintained under section 301 of the Companies Act 1956.
These being no such loans the questions of the rate of interest and other terms and conditions prima facie not prejudicial to the interest of the company are not applicable.
The Company has not granted loans, secured or unsecured to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act.
These being no such loans the questions of the rate of interest and other terms and conditions prima facie not prejudicial to the interest of the company are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases.
5. In our opinion and according to the information and explanations given to us, the transactions that need to be entered in the register in pursuance of section 301 of the Act have been entered and the transactions have been made at price which are reasonable with regard to the prevailing market price at the relevant time.
6. Directives issued by R. B. I. and provisions of section 58A & 58AA or any other relevant provision of the Companies Act and the rules framed there under have been complied with.
7. In our opinion, the company has an adequate internal audit system commensurate with size and nature of its business.
8. Maintenance of cost records not applicable.
9. According to the information and explanation given to us, the company has been regular in depositing with appropriate authorities undisputed statutory dues and there are no undisputed amounts of Income Tax, Service Tax, Cess, Investor Education and Protection Fund, Employees State Insurance, Wealth Tax, Sales Tax, Customs Duty, Excise Duty, Provident Fund etc. outstanding as at the last day of financial year concerned for a period of more than six months from the date they became payable.
Disputed dues in respect of Interest Tax which have not been deposited on account of dispute amount to Rs. 792620 first appeal pending before commissioner of Income Tax (Appeal) Delhi.
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 preceding 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.



S. E. Investments Limited

14. In our opinion and according to the information and explanations given to us, proper records have been maintained in respect of dealing & trading of shares, debentures, securities. The investments are held in company's name.
15. According to information and explanations given to us the company has not given any guarantee for loans taken by others from banks/financial institutions. Accordingly clause 4(xv) of the order is not applicable.
16. In our opinion and according to information and explanations given to us, the company had applied the term loan for the purpose for which the loan were obtained.
17. According to the cash flow statement and the information and explanations given to us, on an overall basis, funds raised on short term basis prima facie, not been used during the year for long term investment (fixed assets).
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 is 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 : 29th May, 2006
PLACE : Agra Camp Delhi

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

Balance Sheet as on 31st March 2006

PARTICULARS	SCHEDULE	AMOUNT 31.3.2006	AMOUNT 31.3.2005
I. SOURCES OF FUNDS			
1. SHARE HOLDERS FUNDS			
Share Capital	1	31462500.00	31462500.00
Reserves & Surplus	2	125507569.71	89256398.92
		<u>156970069.71</u>	<u>120718898.92</u>
2. LOAN FUNDS			
Secured Loans	3	186553300.20	110895267.24
Unsecured Loans	4	197785778.25	211447797.09
		<u>384339078.45</u>	<u>322343064.33</u>
3 Deferred Tax Reserve	2A	51486526.71	34702840.71
		<u>592795674.87</u>	<u>477764803.96</u>
II. APPLICATION OF FUNDS			
1. FIXED ASSETS:			
Gross Block	5	278379734.72	230377838.57
Less: Depreciation		55538145.42	39178983.72
NET BLOCK		<u>222841589.30</u>	<u>191198854.85</u>
2. INVESTMENTS			
	6	53214182.38	19885259.52
		<u>53214182.38</u>	<u>19885259.52</u>
3. CURRENT ASSETS, LOANS & ADVANCES			
Inventories including Book Debts	7	297803660.62	267854558.38
Stock of Shares & Debentures	8	747157.33	826860.56
Cash & Bank Balances	9	59383721.86	27438480.08
Loans & Advances	10	16793214.13	15297952.99
		<u>374727753.94</u>	<u>311417852.01</u>
4. Less: CURRENT LIABILITIES & PROVISIONS			
Liabilities	11	49081731.75	40148353.72
Provisions	12	8906119.00	4629247.00
		<u>57987850.75</u>	<u>44777600.72</u>
Net Current Assets		<u>316739903.19</u>	<u>266640251.29</u>
5. Misc. Expenditure (to the extent not written off or adjusted)			
Preliminary Expenses		0.00	40438.30
		<u>592795674.87</u>	<u>477764803.96</u>
Notes on Accounts	15		
		<u>592795674.87</u>	<u>477764803.96</u>

Signed in terms of our report of even date

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

Date : 29th May 2006
Place : Agra Camp Delhi

For and on behalf of the Board

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



Profit & Loss Account as on 31st March 2006

PARTICULARS	SCHEDULE	AMOUNT 31.3.2006	AMOUNT 31.3.2005
I. INCOME			
1. Income from Operations	13	165044706.54	111777953.20
		<u>165044706.54</u>	<u>111777953.20</u>
II. EXPENDITURE			
2. Expenses	14	86073456.60	46893641.67
3. Depreciation		16473686.85	9816295.51
4. Preliminary Exp. Written off		40438.30	106308.00
		<u>102587581.75</u>	<u>56816245.18</u>
III. PROFIT BEFORE TAX I-II		62457124.79	54961708.02
5. Provision for Income Tax		5305315.00	4629247.00
Provision for FBT		480166.00	0.00
Provision for Income Tax of previous years		56402.00	-2127742.00
Deferred Tax Reserve		<u>16783686.00</u>	<u>11306240.06</u>
IV. PROFIT AFTER TAX		39831555.79	41153962.96
6. Balance as per last year account		654026.92	800063.96
V. SURPLUS AVAILABLE FOR APPROPRIATION		<u>40485582.71</u>	<u>41954026.92</u>
7. APPROPRIATIONS			
Transfer to General Reserve		28000000.00	33000000.00
Proposed Dividend & Tax		3580385.00	0.00
Reserve Fund (As per RBI Act)		8000000.00	8300000.00
Balance Carried to Balance Sheet		905197.71	654026.92
		<u>40485582.71</u>	<u>41954026.92</u>
Notes on Accounts	15		

Signed in terms of our report of even date

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

Date : 29th May 2006
Place : Agra Camp Delhi

For and on behalf of the Board

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



Schedules Forming part of Balance Sheet

PARTICULARS	AMOUNT	AMOUNT
	31.3.2006	31.3.2005
SCHEDULE 1- SHARE CAPITAL		
AUTHORISED CAPITAL:		
35,00,000 Equity Shares of Rs. 10 each	35000000.00	35000000.00
	<u>35000000.00</u>	<u>35000000.00</u>
ISSUED SUBSCRIBED CAPITAL		
3152500 Equity shares of Rs. 10/-each fully paid up	31525000.00	31525000.00
PAID UP CAPITAL		
3140000 Equity shares of Rs. 10/-each fully paid up	31400000.00	31400000.00
Add : Share Forfeited A/c	62500.00	62500.00
	<u>31462500.00</u>	<u>31462500.00</u>
SCHEDULE 2 - RESERVES & SURPLUS		
General Reserve	96993372.00	68993372.00
Reserve Fund (As per RBI Act)	27609000.00	19609000.00
Profit & Loss Account	905197.71	654026.92
	<u>125507569.71</u>	<u>89256398.92</u>
SCHEDULE 2A - DEFERRED TAX RESERVE		
Deferred Tax Reserve	51486526.71	34702840.71
	<u>51486526.71</u>	<u>34702840.71</u>
SCHEDULE 3 - SECURED LOANS :		
Loan from Oriental Bank of Commerce		
Over draft A/C (Secured against hypothecation of stocks on Hire & relative Book debts and personal guarantee by Mg. Director, two Directors & collateral security of two houses belonging to directors, flat of the company and some other properties belonging to the guarantors.	84944789.17	20110972.84
Hire Seller SREIL WEG	68605422.00	86991333.00
Term Loan from SIDBI Secured by Term Deposit and equitable mortgage of immovable property of a guarantor company and personal guarantee of two directors	30000000.00	0.00
Vehicle Loans	3003089.03	3792961.40
	<u>186553300.20</u>	<u>110895267.24</u>
SCHEDULE 4 - UNSECURED LOANS :		
Fixed Deposits	115689262.04	133067047.04
Interest Accrued on FD	7499752.21	6899329.05
Inter Corporate Deposits	27838000.00	19320000.00
Interest Accrued on ICD	2439557.00	243856.00
Loan from suppliers - Central Electronics Ltd.	43752778.00	51410665.00
Interest Accrued on Above	566429.00	506900.00
	<u>197785778.25</u>	<u>211447797.09</u>



SCHEDULE 5
Fixed Assets As On 31st March 2006

S. E. Investments Limited

Description	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	Balances as on 1/4/2005	Additions	Deductions	Gross Block as on 31/3/2006	Balance as on 1/4/2005	For the year Rs.	Deduction	Total Depreciation as on 31/3/2006	Balance as on 31/3/2006	Balance as on 31/3/2005		
LEASED ASSETS												
Solar Devices	87944200.00	0.00	0.00	87944200.00	35514820.36	8794420.00	0.00	44309240.36	43634959.66	52429379.64		
LAND & BUILDING												
Land & Building	1590620.00	0.00	0.00	1590620.00	0.00	0.00	0.00	0.00	1590620.00	1590620.00		
Building	2679919.00	4201612.00	0.00	6881531.00	392618.43	87983.62	0.00	480602.05	6400928.95	2287300.57		
Plant & Machinery	1276440.29	314271.00	0.00	1590711.29	382220.12	68675.88	0.00	450896.00	1139815.29	894220.17		
Wind Energy Machine	126266392.00	38074229.15	0.00	164340621.15	155670.89	6313319.60	0.00	6468990.49	157871630.66	126110721.11		
Furniture & Fittings	1966815.28	3731362.00	0.00	5698177.28	511324.65	241220.97	0.00	752545.62	4945631.66	1455490.63		
Office Equipments	1272938.00	492010.00	0.00	1764948.00	258200.33	73684.82	0.00	331885.15	1433062.85	1014737.67		
Computer Peripheral &												
Software	2029984.00	1044830.00	0.00	3074814.00	1347632.56	400275.07	0.00	1747907.63	1326906.37	682351.44		
Vehicles	5350530.00	1216796.00	1073214.00	5494112.00	616496.38	494106.89	114525.15	996078.12	4498033.88	4734033.62		
Total	230377838.57	49075110.15	1073214.00	278379734.72	39178983.72	16473686.85	114525.15	55538145.42	222841589.30	191198854.85		
Last year	99539658.57	131022123.00	183943.00	230377838.57	29438476.21	9816295.51	75788.00	39178983.72	191198854.85	70101182.37		

No depreciation has been charged on addition of Wind Energy Machine. Moulding Boxes has been sold for Rs. 798190 during the P.Y.,. The book value of which was Rs. NIL



Schedules Forming part of Balance Sheet

PARTICULARS	AMOUNT	AMOUNT
	31.3.2006	31.3.2005
SCHEDULE - 6 INVESTMENTS		
Government Guaranteed Bonds & Govt. Securities	12428885.52	11007031.52
Quoted Shares Of TCS Ltd (144 Nos.)	127856.00	
Bank FDR's - Face Value	39720036.00	8172849.00
Interest accrued but not due on above	937404.86	705379.00
	<u>53214182.38</u>	<u>19885259.52</u>
SCHEDULE 7 - INVENTORIES		
A. Hire Purchase Stock of Motor Vehicles and & Other Assets etc. covered under Hire Purchase Agreement excluding unexpired Hire Charges etc. including overdue instalments at Book value considered good. (As certified by the Mg. Director)	4207944.93	5681818.65
B. Book Debts ie. Advances made against agreements secured by property/vehicles and/or other assets and/or personal guarantees excluding unexpired finance charges etc including overdue installments at book value considered good. (As certified by the Mg. Director)	293595715.69	262172739.73
	<u>297803660.62</u>	<u>267854558.38</u>
SCHEDULE 8 - STOCK OF SHARES & DEBENTURES (Refer note no. 12 of Schedule 15)		
SHARES - QUOTED : Fully paid up (Aggregate market value of quoted shares & debentures is Rs.816034.30 as on 31.3.2006 last year Rs. 951218.20 as on 31.03.2005)	747157.33	826860.56
	<u>747157.33</u>	<u>826860.56</u>
SCHEDULE 9 - CASH & BANK BALANCES:		
Cash in Hand	4124724.69	4032992.83
Current A/C with Scheduled Banks (Subject to Reconciliation)	55258997.17	23405487.25
	<u>59383721.86</u>	<u>27438480.08</u>
SCHEDULE 10 - LOANS & ADVANCES		
ADVANCES RECOVERABLE IN CASH OR IN KIND OF FOR VALUE TO BE RECEIVED CONSIDERED GOOD :		
Prepaid Expenses	378535.00	119449.00
Income Tax & TDS paid	5863873.41	4982385.54
Loans against Deposits	177415.00	847646.00
Other Advances	10373390.72	9348472.45
	<u>16793214.13</u>	<u>15297952.99</u>
Over Six Months Old	10433220.84	3826209.97
Others	6359993.29	11471743.02
	<u>16793214.13</u>	<u>15297952.99</u>



Schedules Forming part of Balance Sheet

PARTICULARS	AMOUNT 31.3.2006	AMOUNT 31.3.2005
SCHEDULE - 11 CURRENT LIABILITIES		
Other Liabilities	49081731.75	40148353.72
	<u>49081731.75</u>	<u>40148353.72</u>
SCHEDULE 12 - PROVISIONS		
Provision for FBT	20419.00	0.00
Provision for Proposed Dividend & Tax thereon	3580385.00	0.00
Provision for Taxation	5305315.00	4629247.00
	<u>8906119.00</u>	<u>4629247.00</u>
SCHEDULE 13 - INCOME FROM OPERATIONS		
Income from Hire Charges	4003529.67	4784409.52
Income from Lease Rent	4640174.40	4640174.40
Profit on Shares & investments	48152.77	22603.77
Profit on Sale of Assets	723501.15	0.00
Income from Investments	1512745.00	1308747.50
Dividend income (Gross)	0.00	1542.25
Interest on Other Loans	121844392.67	75721433.94
Other income from operations	12168759.00	6322215.00
Profit On Securitisation	0.00	17106470.30
Sale Of Energy	17187166.60	14283.40
Locker Rent	35574.00	32510.00
Bad Debts Recovered	2880711.28	1823563.12
	<u>165044706.54</u>	<u>111777953.20</u>
SCHEDULE - 14 EXPENSES		
Printing & Stationery	1630472.50	2664661.30
Auditors Fee	6000.00	6000.00
Salary & Establishment	3056866.90	2775293.82
Office and General Expenses	2930913.95	1910707.85
WEG Hire Charges	8014089.00	191333.00
Interest discounting & Bank Charges	27415598.82	14086454.21
Legal Expenses	3562809.32	1133484.00
Rent	4675431.00	1651473.00
Mg. Director's & Director Remuneration	840000.00	840000.00
Mg. Director's & Director H.R.A	420000.00	420000.00
Advertisement and Business Promotion Expenses	10392727.00	6469249.50
Travelling Expenses	2041523.70	1758129.61
Postage and Telephone Expenses	1997651.67	786500.97
Rebate & Remission, Bad Debts & Brokerage	7112025.65	6574712.30
Recovery Expenses	7488636.00	2142177.90
Car & Scooter Expenses	2689973.15	2215617.56
Repairs & Maintenance	565156.76	671130.65
Insurance	293229.00	157976.00
Electricity & Water Expenses	875261.18	348924.00
Rates & Taxes	44724.00	41226.00
Security Expenses	20367.00	48590.00
	<u>86073456.60</u>	<u>46893641.67</u>



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/borrowers. Hire charges/finance charges are accounted for on the basis of accrual on outstanding balances in accordance with the due dates of instalments of hire money/loan money and hire charges/finance charges. Overdue charges of instalments from hirers/lessees/borrowers and allowance of rebate for good & timely payment are accounted for as and when received or allowed because these charges and rebates are contingent.
Management fee/lumpsum future interest in respect of the hire purchase cases/loan and advances cases which carry hire/finance charges in addition to management fee has been treated as income in the year of receipt but in those hire purchase cases/loan and advances cases where hire/finance charges are inherent in management fee the same has been apportioned on the basis of period of contracts on accrual basis.
3. Inventories being hire purchase stocks are valued at book value net of Hire Charges including overdue instalments. Book debts and stocks of shares and debentures are valued at cost or market value which ever is less. Investments are valued at cost.
4. Provisioning for substandard assets/Loss assets/doubtful assets has been made in compliance with the directions of Reserve Bank of India. As per decision of the Board of Directors in the cases overdue hire instalments for more than 12 months and overdue loan instalments for more than 6 months the company first treats these overdues and future instalments as bad debts and after this treatment the provisioning for non performing assets is made in compliance to Non Banking financial Companies Prudential Norms (Reserve Bank) Directions 1998, as applicable to the company. 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 F.Y. 2005-2006 is Rs. 12,60,000/- (last year 12,60,000/-) which is less than that permitted under Schedule XIII of the Companies Act, 1956. Computation of net profit in accordance with section 349 of the Companies Act, 1956, has not been given as commission by way of percentage of profits is not payable for the year to any of the directors of the Company.
9. Remuneration of Auditors :-

	Current Year 31.03.2006	Previous Year 31.03.2005
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	Rs. 6000.00	6000.00



S. E. Investments Limited

10.	Contingent Liabilities Interest Tax matters In appeal	Rs.4923788	3769079
11.	Statement showing details of investments	Rs.	Rs.
	Indra Vikas Patras	0.00	337120.00
	Govt. Guaranteed Bonds & shares	13067590.00	11232745.00
	quoted shares (144 shares of TCS Ltd.)	127856.00	—
	Bank FDR's & Interest accrued thereon	Rs. 40018736.38	8315394.52
		53214182.38	19885259.52

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 the company	Qty.	Cost	Market Value	Cost/Market Value whichever is less
1	Reliance Industries Limited	1	148.73	796.25	148.73
2	Elegant Floriculture Limited	2500	57500.00	4925.00	4925.00
3	Phoenix International Limited	1000	223612.00	6500.00	6500.00
4	Cubical Finance Limited	1000	8500.00	1900.00	1900.00
5	Unicorp Limited	200	7200.00	1600.00	1600.00
6	Surlux Health Centres Limited	20000	38760.00	38760.00	38760.00
7	Surlux Mediequip Limited	2000	4600.00	4200.00	4200.00
8	Tata Steels Limited	84	12600.00	45045.60	12600.00
9	MCS Limited	1600	303240.00	53200.00	53200.00
10	Gujrat Lease Financing Ltd.	50	90.00	357.00	90.00
11	Kotak Mahendra Bank Ltd.	30	2085.60	8340.00	2085.60
12	G.K. Consultants Limited	5000	621148.00	650000.00	621148.00
13	Reliance Capital Ventures Ltd.	1	0.00	24.85	0.00
14	Reliance Communication Ventures Ltd.	1	0.00	308.90	0.00
15	Reliance Energy Ventures Limited	1	0.00	43.35	0.00
16	Reliance Natural Resources Limited	1	0	33.35	0.00
	TOTAL	33469	1279484.33	816034.30	747157.33

13. Unclaimed matured deposit lying with the company amount to Rs. 6.03 lacs number of deposits 24
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.

	2005-06	2004-05
16. Earning per Share		
Net profit for the year	39831556	41153963
No of Equity Shares	3140000	3140000
Basic and diluted earning per share	12.69	13.09

17. During the year the company has sold by way of assignment 3892 cases of loan contracts to a scheduled bank amounting to Rs. 1200 lacs of loan principal value the net income of future instalments will be accounted on accrual basis. Also During the year the company has sold by way of assignment 781 numbers of loan contracts to an assignee company amounting to Rs. 397.84 lacs for a consideration of Rs. 355.12 lacs & thereby netting a loss of Rs. 42.72 lacs on the sale transactions of these assets.
18. During the year M/s SIDBI has granted sum of Rs. 5 lacs for Capacity building and assets created for the same in the shape of computers etc has been reduced from fixed assets and debited to "SIDBI Capital Building A/c" Since the grant is specific for capital expenditures.
19. On 27th March 2006 new Wind Mills of 0.80 MW has been installed at Jaisalmer site in the state of Rajasthan and No depreciation on the same is being charged.
20. The Board of Directors of the company has decided to hold the shares of M/s TCS Ltd. as long term Investments hence same has been included in investments to exclusion of stock of shares and debenture.
21. Figures for the previous year have been regrouped/rearranged/reclassified wherever considered necessary.
22. Instalments

A. List of related parties and relationship

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

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

C. Disclosures required for related party transaction

(Rs. in Lacs)

	KMP & Relative	Enterprise over which significant influence exercised by KMP/Directors	Total
Transactions during the year			
Rendering of Services (Rent hire charges)	31.62	9.18	40.80
Remuneration	12.60	-	12.60
Interest paid on deposit a/cs	10.99	2.21	13.20

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.



23. Segment Reporting

Particulars	Segment reporting as on 31.03.2006				(Amount in lacs)	
	Finance Division		Non conventional energy division		Consolidated	
	2005-06	2004-05	2005-06	2004-05	2005-06	2004-05
1. Segment Revenue	1478.58	1117.64	171.87	0.14	1650.45	1117.78
2. Segment Result	596.01	552.95	28.56	(3.33)	624.57	549.62
3. Total carrying amount of segment assets	4827.73	3961.26	1680.11	1263.76	6507.84	5225.02
4. Total amount of segment liabilities	3711.39	2798.40	711.88	872.81	4423.27	3671.21
5. Cost incurred to acquire segment assets useable for more than one period	649.70	650.88	1578.72	1261.10	2228.42	1911.98
6. Depreciation	101.60	96.61	63.13	1.56	164.73	98.17

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 31.03.2006		As on 31.03.2005	
	No. of Shares	Amount	No. of Shares	Amount
Opening Stock	33591	826860.56	35121	705194.86
Add : Purchase/Conversion of debentures into shares	22	-	150	127840.00
Add : Increase in value at lower of cost/market value	-	48152.77	-	6662.20
	33613	875013.33	35271	839697.06
Less : Transfer to Investments	144	127856		
Less: Sale / Redemption of Debentures			1680	12836.50
Closing Stock	33469	747157.33	33591	826860.56



SCHEDULE 17

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

1. Registration Details					
Registration No. 120483 State code : 55					
Balance Sheet Date : 31.03.2006					
II. Capital raised during the year					
(Amount in Thousand)					
Public Issue					
(Allotment Money received)					
	Rs.	NIL	Right Issue	Rs.	NIL
Bonus Issue	Rs.	NIL	Private Placement	Rs.	NIL
II. Position of Mobilisation and Deployment of funds					
(Amount in Thousand)					
Total Liabilities	Rs.	592796	Total Assets	Rs.	592796
Source of Funds:					
Paid up Capital	Rs.	31463	Reserves & Surplus	Rs.	125508
Secured Loans	Rs.	186553	Unsecured Loans	Rs.	197786
			Deferred Tax	Rs.	51486
Application of Funds:					
Net Fixed Assets	Rs.	222842	Investments	Rs.	53214
Net Current Assets	Rs.	316740	Miscellaneous		
Accumulated Losses	Rs.	NIL	Expenditure	Rs.	NIL
IV. Performance of Company					
(Amount in Thousand)					
Turnover (Gross Income)	Rs.	165045	Total Expenditure	Rs.	102588
Profit before Tax	Rs.	62457	Profit after tax	Rs.	39832
Earning per share	Rs.	12.69	Dividend Rate		10%
V. Generic name of three Principal Products/Services					
of Company					
(as per monetary terms) Item code no. NIL					
Product Description : Hire Purchase/Leasing/Finance/Energy Production etc.					

Signed in terms of our report of even date

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

Date : 29th May 2006
Place : Agra Camp Delhi

For and on behalf of the Board

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



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

Particulars	(Rs. in lakhs)	
LIABILITIES SIDE		
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid	Amount outstanding	Amount overdue
(a) Debentures :		
- Secured	—	—
- Unsecured	—	—
- (other than falling within the meaning of public deposits)		
(b) Deferred Credits	443.19	—
(c) Term Loans	330.03	—
(d) Inter-corporate loans and borrowing	302.78	—
(e) Commercial Paper	—	
(f) Public Deposits	1164.73	6.03
(g) Other Loans (specify nature)	—	—
Oriental Bank of Commerce (Overdraft A/c)	849.45	
Hire Vendor WEG	686.05	
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 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	1164.73	6.03
ASSETS SIDE :		
(3) Break-up of Loans and Advances including bills receivables (other than those included in (4) below)	Amount outstanding	
(a) Secured		2935.96
(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		436.35*
(ii) Stock on hire including hire charges under sundry debtors :		
(a) Assets on hire		42.08
(b) Repossessed Assets		0.00
(iii) (a) Loans where assets have been repossessed		NIL
(b) Loans other than (a) above		NIL
(5) Break-up of Investments		
Current Investments :		
1. Quoted :		
(i) Shares : (a) Equity		
(b) Preference		

*appearing as fixed assets in Balance Sheet



- (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
- (v) Others (Please specify) fixed deposit
- (vi) Interest accrued

124.29
397.20
9.37

Long Term Investments :

1. Quoted:

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

8.75
—

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		Total
	Secured	Unsecured	
1. Related parties **	—	—	—
(a) Subsidiaries	—	—	—
(b) Companies in the same group	—	—	—
(c) Other than related parties	—	—	—
2. Other than related parties	3414.39	—	3414.39
Total	3414.39	—	3414.39

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

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



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	539.61	539.61
Total	539.61	539.61
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)
Partner

Date : 29th May 2006
Place : Agra Camp Delhi

For and on behalf of the Board

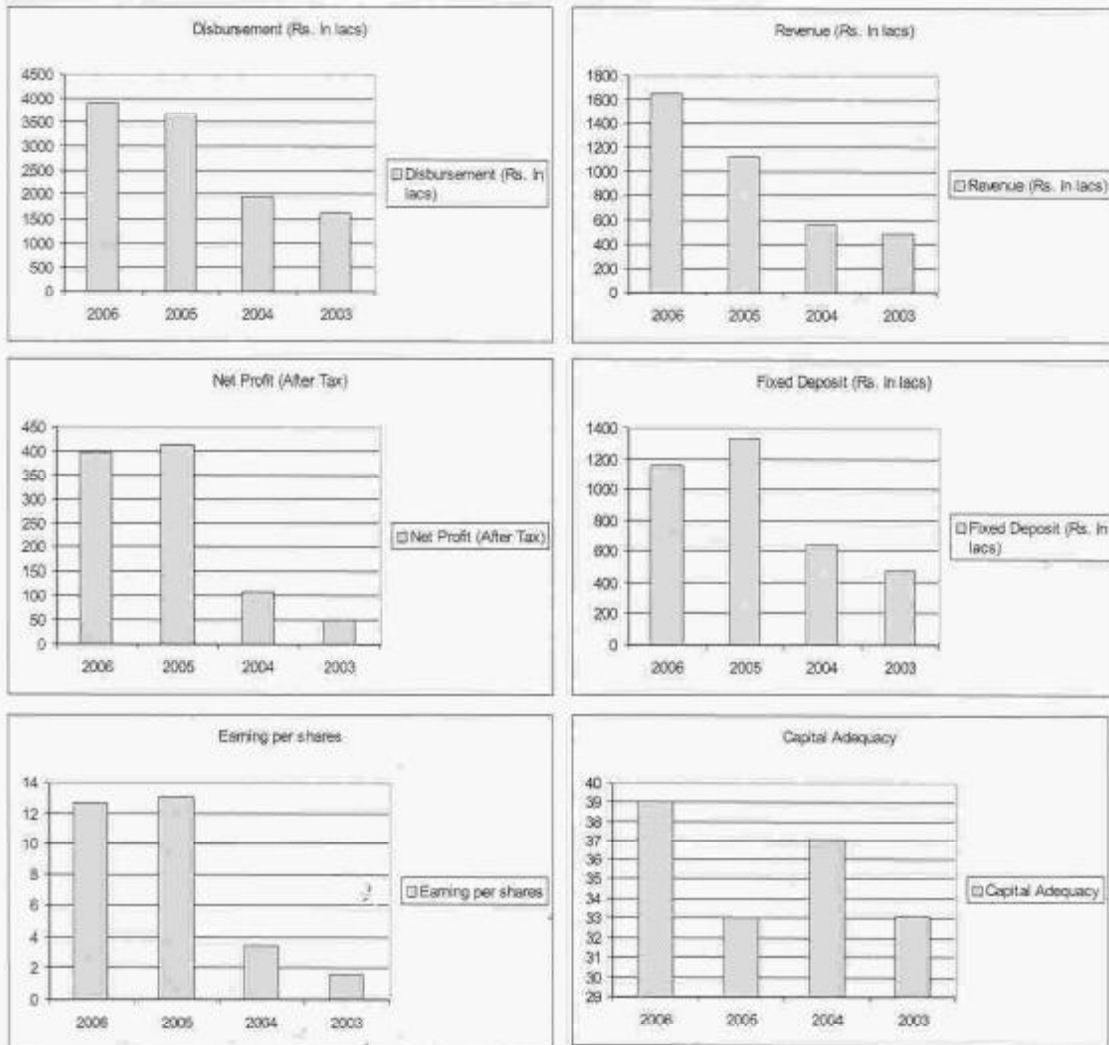
Sunil Agarwal	Managing Director
Sachin Agarwal	Wholetime Director
Purushottam Agrawal	Director
Sanjay Agarwal	Director
S. C. Sharma	Director
Sachin Agarwal	Company Secretary

Cash Flow Statement

A. CASH FLOW FROM OPERATING ACTIVITIES:	31.03.2006	31.03.2005
Net Profit before tax and Extraordinary Items and Interest	103192128	73868742
Adjustment For :		
1. Depreciation	16473686	9816295
2. Misc. Expenditure Written off	40438	16514124
Operating Profit before working Capital Charges	119706252	106306
Adjustment For :		9922603
Trade & Other Receivable	-1495261	-2058421
Inventories	-29949102	-71306523
Trade Payable	8933378	-10175618
Inventories - Shares	79703	-22431282
Cash generated from operations	97274970	-121666
1. Interest Paid	-35429687	-83662228
2. Direct taxes paid	-5305315	-14277787
Cash flow before extra ordinary items	56539968	-4629247
Income tax provision of last year adjusted	-4685649	-18907034
Excess income tax paid	-4685649	0
Net cash flow from operating activities	51854319	-1723824
B. CASH FLOW FROM INVESTING ACTIVITIES :		-20501741
Purchase of fixed assets	-49075110	-131022123
Sale of fixed assets	958689	108155
Sale of Investments	-33328923	-11185633
Net cash used in investing activities	-81445344	-142099601
Total	-29591025	-162601342
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	0	22500
Proceeds from Long Term borrowing	75658033	103719150
Proceeds from Short term borrowing	-13662019	84016996
Net cash used in financing activities	61996014	187758646
Net increase in cash & cash equivalents	31945242	25157306
Opening cash and cash equivalents	2281175	2281175
Closing cash & cash equivalents	59383722	27438480
Signed in terms of our report of even date	For and on behalf of the Board	
For R. Lal & Company	Sunil Agarwal	Managing Director
Chartered Accountants	Sachin Agarwal	Wholetime Director
(Ram Lal Agarwal)	Purushottam Agrawal	Director
Partner	Sanjay Agarwal	Director
Date : 29th May 2006	S. C. Sharma	Director
Place : Agra Camp Delhi	Sachin Agarwal	Company Secretary



Financial Performance





Nomination Form

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

To,
S. E. Investments Ltd.
S-547, 11nd Floor, Main Road,
Shakarpur,
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 (3)

Service Business Student Household

Professional Farmer Others

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,

	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)

	Name and Address	Signature
1.		
2.		

S. E. Investments Limited

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

PROXY FORM

S.E. No. (S).....

I/We.....of.....being a member/members of S. E.

Investments Limited hereby appoint.....of.....or failing him.....

of.....as my/our proxy to attend and vote for me / us on my / our behalf at the 14th Annual

General Meeting of the Company to be held on Tuesday 27th June, 2006 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.....2006

Signed by said.....

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

S. E. Investments Limited

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

ATTENDANCE SLIP

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

DP ID NO.....

Name & Address of the Shareholder.....

No. of shares held.....

I hereby record my presence at the 14th Annual General Meeting of the Company being held on Tuesday 27th June, 2006 at 11.00 A.M. at S-547, IInd floor, Main Road, Shakarpur, Delhi-92

SIGNATURE OF THE SHAREHOLDER OR PROXY.....

BOOK-POST
(Printed Matter)

If undelivered please return to
S. E. Investments Limited
S-547, IInd Floor, Main Road, Shakarpur, Delhi-92