

Report Junction.com

**14th Annual Report  
2005-2006**



**S. E. Investments Ltd.**

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

## Contents

|   | Page Nos. |
|---|-----------|
| Corporate Information                     | 1         |
| Network of Offices                        | 2         |
| Our Mission                               | 3         |
| Notice of AGM                             | 4         |
| Directors Report                          | 7         |
| Management Discussion and Analysis Report | 11        |
| Report on Corporate Governance            | 13        |
| Auditor's Report                          | 20        |
| Balance Sheet                             | 23        |
| Profit & Loss Account                     | 24        |
| Schedules                                 | 25        |
| Notes Accounts                            | 29        |
| Cash Flow                                 | 37        |
| Nomination form                           | 40        |



## 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](mailto:rta@alankit.com)



S. E. Investments Limited

## NETWORK OF OFFICES

### CORPORATE OFFICE

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

### REGISTERED OFFICE

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

### HEAD OFFICE

Block 54, Ist Floor, Sanjay Place, Agra-282 002  
Ph. +91 562 2851788 2853092 Fax. +91 562 2855388 E-mail : [agra@seil.in](mailto:agra@seil.in)

### BRANCHES

#### MATHURA

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

#### ALIGARH

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

#### JAIPUR

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

#### AHMEDABAD

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

#### JODHPUR

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

### LISTING OF EQUITY SHARES

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

## OUR MISSION

- To uphold the motto 'Artha Samajasya Nyasah' that is 'Wealth is the Trust Property of the Society'
- To achieve excellence in service, quality, reliability, safety and customer care.
- To earn the trust and confidence of all customers and stakeholders, exceeding their expectations and make the Company a respected household name.
- To work with vigour, dedication and innovation, with total customer satisfaction as the ultimate goal.
- To be a technology driven, efficient and financially sound organisation.
- To be a responsible corporate citizen nurturing human values and concern for society, the environment and above all, people.
- To contribute towards community development and nation building.
- To promote a work culture that fosters individual growth, team spirit and creativity to overcome challenges and attain goals.
- To encourage ideas, talent and value systems.
- To uphold the guiding principles of trust, integrity and transparency in all aspects of interactions and dealings.



## 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, 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, 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 1<sup>st</sup> April 2006 as approved by the Board of Directors at its meeting held on 30<sup>th</sup> 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 1<sup>st</sup> April 2006 as approved by the Board of Directors at its meeting held on 30<sup>th</sup> 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

S. E. Investments Limited



## 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 23<sup>rd</sup> JUNE 2006 TO 27<sup>th</sup> 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



S. E. Investments Limited

## EXPLANATORY STATEMENT

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 business mentioned under item no. 6 & 7 of the accompanying notice dt. 29th May 2006.

### Item No. 6

The remuneration committee of the Board of Directors of the company appraised the remuneration paid to the Managing Director of the company in its meeting held on 27th March 2006. There was no increase in the remuneration paid to the Managing Director since March 30, 2004. Considering the increased turnover and higher profitability of the company, it was proposed to reward the Managing Director by increasing his remuneration. The remuneration of Managing Director was appraised to Rs. 105000/- per month including house rent allowance of Rs. 35000/- per month. The Board of Directors of the company approved the remuneration payable to the Managing Director in its meeting held on 30th March 2006.

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

The Board seeks your approval for passing of the said resolution.

### Item No. 7

The remuneration committee of the Board of Directors of the company appraised the remuneration paid to the Wholetime Director of the company in its meeting held on 27th March 2006. The remuneration of wholetime Director was fixed at Rs. 52000/- p.m. including the house rent allowance of Rs. 17500/- in his agreement with the company dated 30th March 2006. Considering the increased turnover and higher profitability of the company, it was proposed to reward the Wholetime Director by increasing his remuneration. The members of the remuneration committee were of the view that the remuneration of the Wholetime Director should be increased to Rs. 105000/- per month including house rent allowance of Rs. 35000/- per month. The Board of Directors of the company approved the remuneration payable to the Wholetime Director in its meeting held on 30th March 2006.

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

The Board seeks your approval for passing of the resolution contained in item no. 7 of notice.

Place : DELHI

Date : 29th May, 2006

By order of the Board of Directors

Sd/-

SACHIN AGARWAL

Company Secretary



**S. E. Investments Limited**



## DIRECTORS' REPORT

### TO THE MEMBERS

Your Directors feel pleasure in presenting the 14th Annual Report on the business and operations of the company together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2006.

### FINANCIAL RESULTS

The highlights of consolidated financial results of your company for the year ended 31.03.2006 are:

|  | (Rs. In lacs)            |                          |
|--|--------------------------|--------------------------|
|  | Year Ended<br>31.03.2006 | Year Ended<br>31.03.2005 |
| <b>TOTAL INCOME</b>                              | 1650.45                  | 1117.78                  |
| Less : Expenditure                               | 506.84                   | 327.23                   |
| Profit before depreciation, interest and tax     | 1143.61                  | 790.55                   |
| Less : Interest                                  | 354.30                   | 142.77                   |
| Less : Depreciation                              | 164.74                   | 98.16                    |
| Profit before Tax                                | 624.57                   | 549.62                   |
| Less : Provision for tax                         | 53.61                    | 25.02                    |
| Less : Provision for FBT                         | 4.80                     | —                        |
| Profit after tax (before deferred tax)           | 566.16                   | 524.60                   |
| Less : Deferred Tax current year                 | 167.84                   | 113.06                   |
| Profit After Tax                                 | 398.32                   | 411.54                   |
| Add : Balance brought forward from previous year | 6.54                     | 8.00                     |
| Amount available for appropriation               | <u>404.86</u>            | <u>419.54</u>            |
| <b>APPROPRIATIONS</b>                            |                          |                          |
| Transfer to General Reserve                      | 280.00                   | 330.00                   |
| Proposed Dividend & Tax                          | 35.81                    | —                        |
| Transfer to Reserve Fund (As per RBI Act)        | 80.00                    | 83.00                    |
| Balance Carried to balance sheet                 | 9.05                     | 6.54                     |
|  | <u>404.86</u>            | <u>419.54</u>            |

### PERFORMANCE

Total income during the year under consideration is Rs. 1650.45 lacs as against last year's Rs. 1117.78 lacs, registering an increase of 47.65% over the last year. 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. As per Accounting Standard 22 issued by the Institute of Chartered Accountants of India, provision for deferred tax for Rs. 167.84 lacs has been made as against last year's Rs. 113.06 lacs. Additionally provision for Fringe Benefit Tax (FBT) amounting to Rs. 4.80 lacs has been made during the year.

Your company has forayed into new vistas and has entered in extending personal loans and advances to individuals belonging to weaker sections which is well received by the public and is proving fruitful. Your company is now extending personal loans and term loans with an emphasis to create more business.



**S. E. Investments Limited**

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.