

GROWTH WITH CONSCIENCE

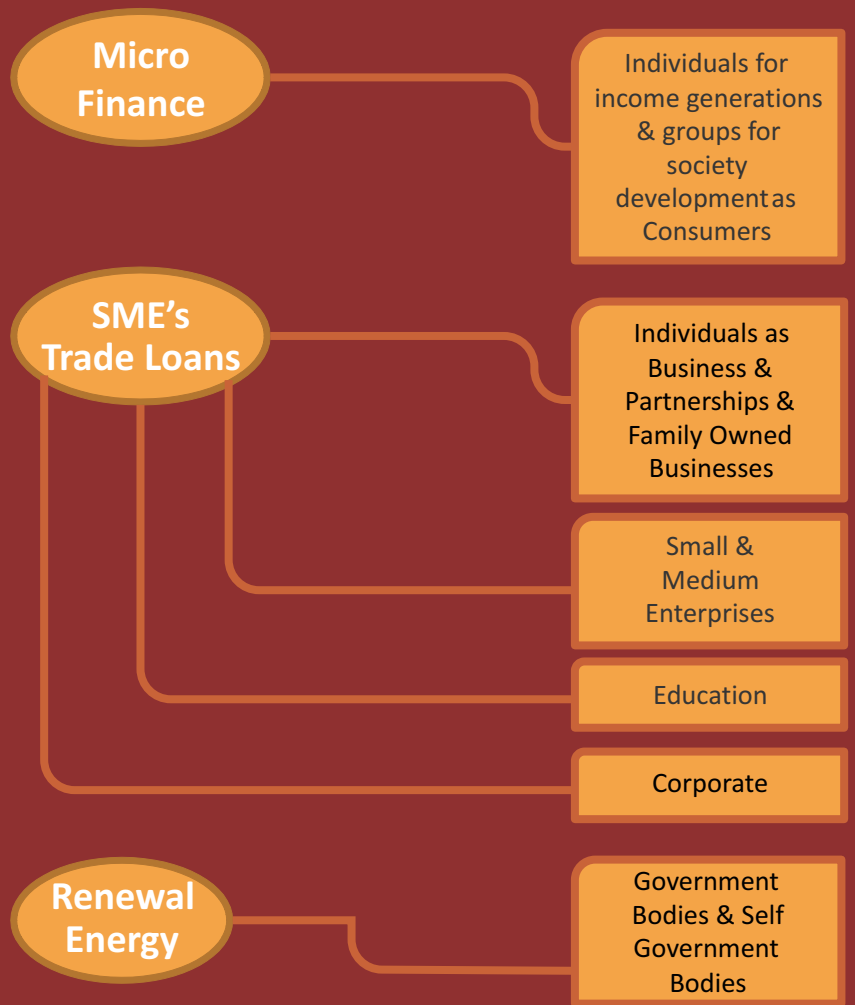


अर्थ: समाजस्य न्यासः

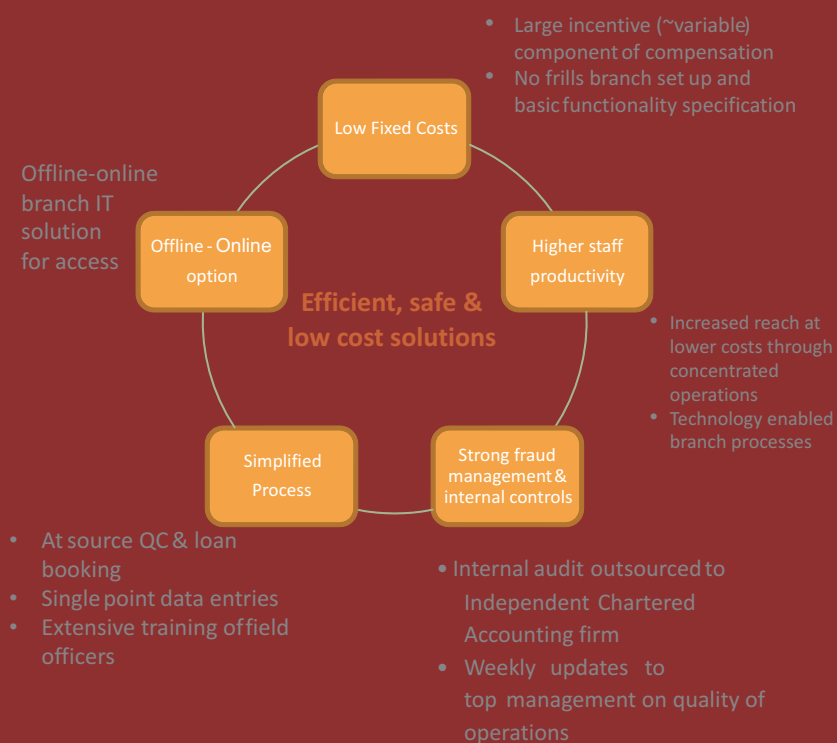
SEIL

S. E. Investments Limited

19TH ANNUAL REPORT
2010-11



SEIL has well defined process for large retail outreach





अर्थ: समाजस्य न्यासः

S. E. Investments Limited

XIX

Annual Report
for the Year Ended
31st March, 2011

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From the Desk of Chairman

Dear Shareholders,

It is my pleasure to report the annual results for 2010-11. Your Company has performed exceptionally in terms of growth and profitability by capturing opportunities and executing on the ground. SEIL has shown great adaptability and has posted growth even in the face of stiff competition and stringent regulatory changes that have happened over past few years. We rely on our proven strategic principles, adhered to our fundamentals and successfully steered through the year. With the phenomenal growth recorded by microfinance in recent years—62% per annum in terms of the number of unique clients and 88% per annum in terms of portfolio over the past five years—and around 27 million borrower accounts, India now has the largest microfinance industry in the world. The Indian Economy has been experiencing strong growth, with the Central Economic Advisory (CEA) expecting up to 9% GDP growth for 2011-2012.

Business demand rose steadily through the year and the gross income for the financial year grew registering a growth of over 106% to Rs. 18143.66 Lacs from Rs. 8816.56 Lacs in the last year. Our ability to increase profitability in the face of strong operational headwinds was also significant. Our net profits grew by 131% to Rs. 6081.59 Lacs from Rs. 2633.55 Lacs in the last year as we deliver sustained value to our customers. The Board has recommended interim dividend @ 10% (Re. 0.20/- per share) on the equity share capital of the Company in the month of July, 2010. The Board of Directors of the Company has also announced a sub-division of equity shares in the ratio 1:2 with the approval of shareholders in the Annual General Meeting held on 13.09.2010 and subsequently fixed the record date as 01.11.2010.

The year 2010-11 has been a milestone year for the Company. While on one hand, Company successfully scaled its operations through improved reach and streamlined business to an ever growing consumer base, on the other hand, it undertook funding initiatives, mitigating interest risk to a large extent. Your Company is regularly reviewing its business portfolio so as to ensure focus on businesses, which are scalable and enjoy inherent competitive advantage. Micro-Finance is a powerful instrument which initiates a cyclical process of growth and development. The Company's objective in the past few years have been to reach those who need us the most i.e. financing low income, self-employed individuals and self help groups, that are too small to be able to borrow from conventional sources of finance. Increased access signifies over-coming isolation of rural women in terms of their access to financial services and denial of credit due to absence of collateral.

Micro-Finance is emerging as a powerful instrument for poverty alleviation in the new economy. Looking ahead, we expect innovations to cope with the new regulations and restore the MFIs' mission focus. For the sake and benefit of Micro Finance borrowers and for proper monitoring and regulation of micro finance business, RBI constituted a committee 'Malegam Committee' which submitted its recommendations on 19th Jan. 2011 and accepted the implementation of the same in the month of May, 2011. However Your Company is already operating within the limits, except the condition of 90% assets of Micro Finance to qualify as NBFC-MFI. The strategic move to acquire the Nupur Finvest Pvt. Ltd. as wholly owned subsidiary of the Company is the answer to the likely change in the regulations.

Also Your Company in the benefit of society at large took a strategic step by pointing out to ROC (Registrar of



Purushottam Agrawal
Chairman

Companies, NCT Delhi & Haryana) officials that stamp duty on increased authorized share capital in the NCT of Delhi is outside their jurisdiction and charging the same is illegal, and also the provision for this effect on the web-site of the Ministry of Corporate Affairs being illegal cannot call for illegal levy. In this regard the Company filed a writ petition against Union of India & Others and the Hon'ble High Court of Delhi at New Delhi vide its judgment informed that "in the absence of an express provision in the Act permitting levy of stamp duty on the increase in authorised share capital, it is not possible to legally sustain impudent demand".

Also, the demerger of Non-Conventional Energy Division of the Company is in overall interest of shareholders and is in no way prejudicial to the interest of creditors. The demerger would enable Non-Conventional Energy Division to attract different sets of investors, strategic partners, lenders and other stake holders who would provide further funding and bring relevant experience for high growth of the businesses. The demerger of the Non-Conventional Energy Division from the Company into M/s S. E. Power Ltd. would also enable your Company to focus on the Financial Service Business and Micro Credit Business so that it could be run more efficiently and successfully to achieve desired growth.

SEIL has retained the innate humaneness insofar interaction with its customers is concerned. This ethos has percolated right from the top and has been the hallmark of the Company. SEIL has reposed tremendous faith in technology and this can be seen in each facet of the Company's operations. Extensive computerization, networking and internet and internet based communication system keeps Key Personnel informed of the latest data and very effective MIS to control branches. Going forward in 2011, we will continue to focus on our key business principles which are Profitable Market Share, Earning, Customer Satisfaction and Employee Engagement. Our endeavor has always been to protect our stakeholders' interest as a prime driver of business.

I would like to thank our customers and shareholders for reposing their confidence in the Company. I wish to express our sincere thanks to the Reserve Bank of India for their guidance and understanding at all times. Bankers and Business Associates have been partners in our growth and I wish to thank them for their continuous support and co-operation. I am also grateful to my colleagues on the Board for their valuable support and guidance

Last but not the least, I thank all our employees who have stood by the Company always and I am confident that they will continue to do so in future.

*Warm Regards,
Purushottam Agrawal
(Chairman)*

25th July, 2011

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Purushottam Agrawal

Chairman

Mr. Sachin Agarwal

Whole Time Director

Dr. Arun Gopal Agarwal

Director

Mr. Suresh Chand Sharma

Director

Mr. Sunil Agarwal

Managing Director

Mr. Harish Singh

Executive Director

Dr. Shyam Lal Garg

Director

Mr. Yashwant Rao Deshmukh

Director

COMPANY SECRETARY CUM COMPLIANCE OFFICER

Mr. Vishal Sharma, ACS

BANKERS AND FINANCIAL INSTITUTIONS

PUNJAB NATIONAL BANK

CENTRAL BANK OF INDIA

SYNDICATE BANK

HDFC BANK LIMITED

ICICI BANK LIMITED

AXIS BANK LIMITED

BANK OF INDIA

UNITED BANK OF INDIA

SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA

DEVELOPMENT CREDIT BANK LIMITED

INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED

RELIANCE CAPITAL LIMITED

FULLERTON INDIA CREDIT COMPANY LIMITED

REGISTRAR AND SHARE TRANSFER AGENTS

M/s Alankit Assignments Ltd.

ALANKIT HOUSE, 2E/21, Jhandewalan Extension

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

LISTING OF EQUITY SHARES

National Stock Exchange of India Limited

Exchange Plaza, Bandra Kurla Complex

Bandra (East), Mumbai -400 051

Bombay Stock Exchange Limited

25 P. J. Towers, Dalal Street

Mumbai -400 001

LISTING OF GLOBAL DEPOSITARY RECEIPTS

SOCIETE DE LA BOURSE DE LUXEMBOURG

11, av de la Porte-Neuve

L-2227, Luxembourg

LATEST CREDIT RATING

CARE A (F D Rating)

CARE A- (BASIL Rating)

NETWORK OF OFFICES

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

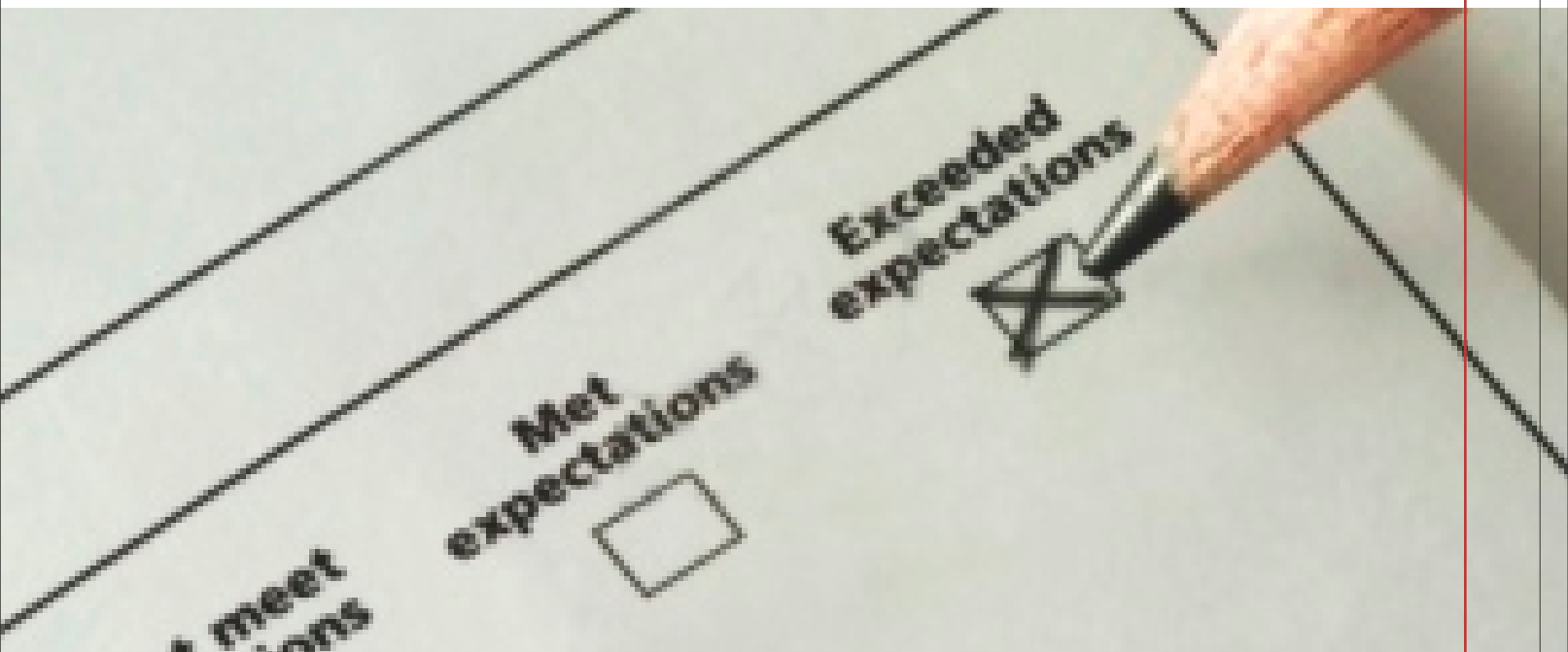
BRANCHES

JAIPUR	H. No. 622, Bordi Ka Rasta, Marva House, First Floor, Shop No. 203-204, Kishanpole Bazar, Jaipur (INDIA) Ph. +91 141 4068888 3242243 Fax. : +91 141 4068810 E-mail: jaipur@seil.in
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MATHURA	369/2, Krishna Nagar, Goverdhan Road, Mathura (INDIA) Ph. +91 565 2423660 2424310 E-mail : mathura@seil.in
AHMEDABAD	203, IInd Floor, Jitendra Chambers, Near Reserve Bank of India, PF Office, Income Tax Ashram Road, Ahmedabad (INDIA) Ph. +91 79 27540060 32955646 Fax. : +91 79 27544830 E-mail: ahmedabad@seil.in
MUMBAI	Building No. 2, 6th Floor, 261, Solitair Corporate Park Andheri Kurla Road,, Chakla, Andheri (East), Mumbai (INDIA) Ph. +91 22 4228888, Email: mumbai@seil.in
ALIGARH	76, Malviya Pustakalaya Market, G. T. Road, Aligarh (INDIA) Ph. : +91 571 2421866
THIRUVANANTHPURAM	Kovilazhikam, TC 7/1816, Kochullor, Thiruvananthapuram-695 001 (Kerala) (INDIA) Ph. +91 471 3258014
BAREILLY	16-17/211, Nariman Colony, Junction Road, Civil Lines, Bareilly-243001 (INDIA) Ph. +91 581 2510755

FORWARD LOOKING STATEMENTS

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

The following discussions on our financial conditions and result of operations should be read together with our Audited Financial Statements and the notes to these statements included in the Annual Report.





OUR MISSION

- To uphold the motto 'Arthah Samajasya Nyasah' that is 'Wealth is the Trust Property of the Society'
- The Philosophy of the Company is deeply rooted in the Indian Tradition of "Business with a social conscience".
- The Company operates with utmost transparency and efficiency thereby ensuring maximum returns to share holders with minimum risk.
- To achieve excellence in service, quality, reliability, safety and customer care.
- The three words of ancient Sanskrit phrase 'reproduces the motto' and philosophy behind the Group's ideology.
- To earn the trust and confidence of all customers and stakeholders, exceeding their expectations and make the Company a respectful household name.
- We aspire to provide financial and non financial products to the working poor, to nurture their dreams and to enable them to contribute in the country's financial system.
- To create a value and make a difference, to be a brand.