

# Growth *for* Life



**20th Annual Report  
2011-12**

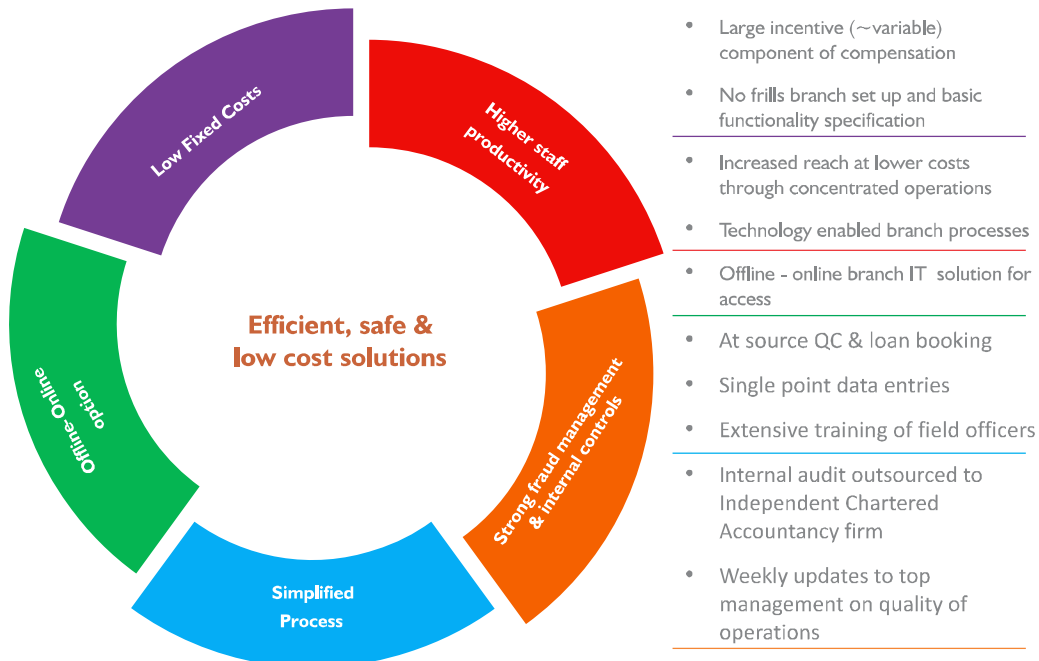


अर्थ: समाजस्य न्यासः

**S. E. INVESTMENTS LIMITED**



SEIL has well defined process for large retail outreach





अर्थ: समाजस्य न्यासः

**S. E. Investments Limited**

**XX**

Annual Report  
for the Year Ended  
31st March, 2012

## CONTENTS

CHAIRMAN'S SPEECH	: 1
CORPORATE INFORMATION	: 3
NETWORK OF OFFICES	: 4
FORWARD LOOKING STATEMENTS	: 5
OUR MISSION	: 6
FINANCIAL HIGHLIGHTS	: 7
OPERATIONAL HIGHLIGHTS	: 7
NOTICE OF ANNUAL GENERAL MEETING	: 9
DIRECTORS' REPORT	: 19
MANAGEMENT DISCUSSION AND ANALYSIS	: 25
CORPORATE GOVERNANCE REPORT	: 30
DECLARATION OF THE CHAIRMAN AND MANAGING DIRECTOR	: 46
CERTIFICATE ON CORPORATE GOVERNANCE	: 47
MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATION	: 48
COMPLIANCE WITH CODE OF CONDUCT	: 48
AUDITORS' REPORT & FINANCIAL STATEMENTS	: 49

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



**Purushottam Agrawal**  
Chairman

## FROM THE DESK OF CHAIRMAN

***Dear Shareholders,***

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

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

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

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



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

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

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

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

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

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

*Warm Regards,*  
**Purushottam Agrawal**  
(Chairman)

21st August, 2012

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Mr. Purushottam Agrawal  
Chairman

Mr. Sachin Agarwal  
Whole Time Director

Dr. Arun Gopal Agarwal  
Independent Director

Mr. Suresh Chand Sharma  
Independent Director

Mr. Sunil Agarwal  
Managing Director

Mr. Harish Singh  
Executive Director

Mr. Brij Lal Goel  
Independent Director

Mr. Dharam Vir Gupta  
Independent Director

## COMPANY SECRETARY CUM COMPLIANCE OFFICER

Mr. Vishal Sharma

## STATUTORY AUDITORS

**P M S & CO.**  
Chartered Accountants

**R. LAL & COMPANY**  
Chartered Accountants

## BANKERS AND FINANCIAL INSTITUTIONS

PUNJAB NATIONAL BANK  
CENTRAL BANK OF INDIA  
SYNDICATE BANK  
HDFC BANK LIMITED  
ICICI BANK LIMITED  
AXIS BANK LIMITED  
BANK OF INDIA  
UNITED BANK OF INDIA

ORIENTAL BANK OF COMMERCE  
UCO BANK  
CORPORATION BANK  
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA  
DEVELOPMENT CREDIT BANK LIMITED  
INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED  
RELIANCE CAPITAL LIMITED  
FULLERTON INDIA CREDIT COMPANY LIMITED

## REGISTRAR AND SHARE TRANSFER AGENTS

**M/s Alankit Assignments Ltd.**  
ALANKIT HOUSE, 2E/21,  
Jhandewalan Extension  
New Delhi—110 055  
E-mail: ramap@alankit.com

## LISTING OF EQUITY SHARES

**National Stock Exchange of India Limited**  
Exchange Plaza, Bandra Kurla Complex  
Bandra (East), Mumbai -400 051

**Bombay Stock Exchange Limited**  
25, P. J. Towers, Dalal Street  
Mumbai -400 001

## LISTING OF GLOBAL DEPOSITARY RECEIPTS

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

## LATEST CREDIT RATING

**CARE A (F D Rating)**  
**CARE A- (BASIL Rating)**

## NETWORK OF OFFICES

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

### BRANCHES

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





## FORWARD LOOKING STATEMENTS

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

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



# inspire

## OUR MISSION

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