



GROWTH WITH CONSCIENCE

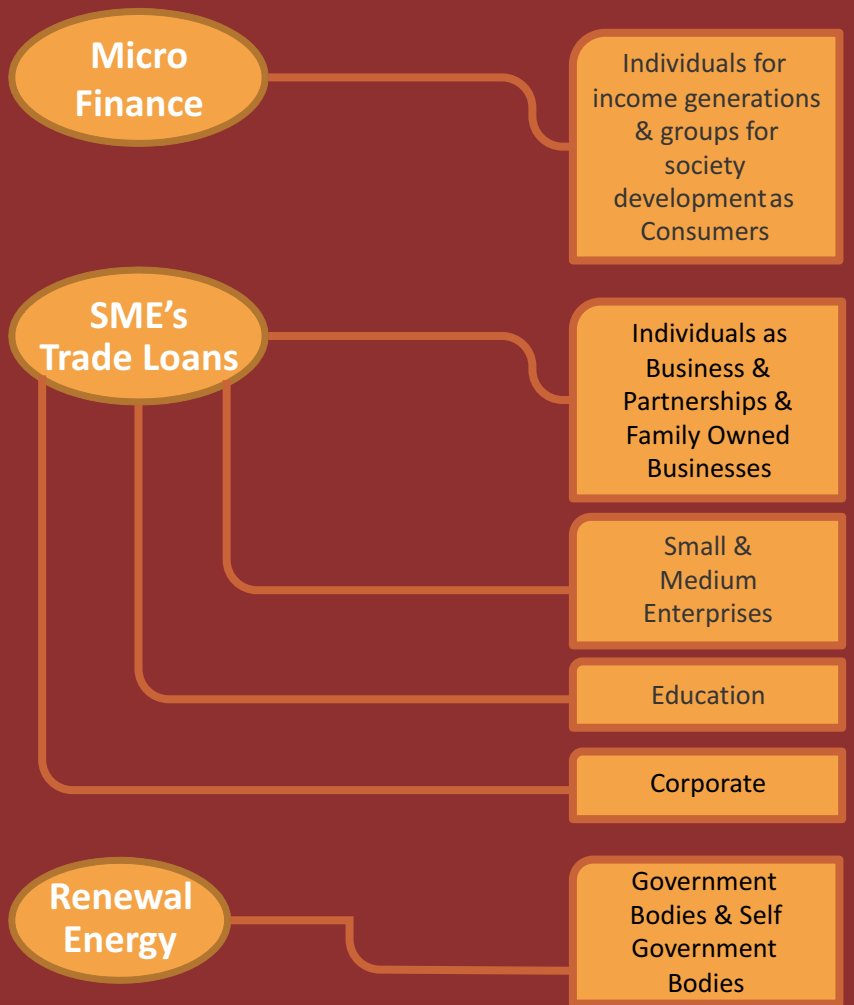


अर्थ: समाजस्य न्यासः

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

CONTENTS

CHAIRMAN'S ADDRESS	:	1
CORPORATE INFORMATION	:	3
NETWORK OF OFFICES	:	4
FORWARD LOOKING STATEMENTS	:	5
OUR MISSION	:	6
FINANCIAL HIGHLIGHTS	:	7
OPERATIONAL HIGHLIGHTS	:	8
NOTICE OF ANNUAL GENERAL MEETING	:	11
DIRECTORS' REPORT	:	21
MANAGEMENT DISCUSSION AND ANALYSIS	:	28
CORPORATE GOVERNANCE REPORT	:	32
DECLARATION OF THE CHAIRMAN AND MANAGING DIRECTOR	:	48
CERTIFICATE ON CORPORATE GOVERNANCE	:	49
MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATION	:	50
COMPLIANCE WITH CODE OF CONDUCT	:	50
AUDITORS REPORT & FINANCIAL STATEMENTS	:	51

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, IIInd 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, Ist Floor, Sanjay Place, Agra-282 002 (INDIA) Ph. +91 562 4028888 Fax. +91 562 4028822 E-mail: agra@seil.in

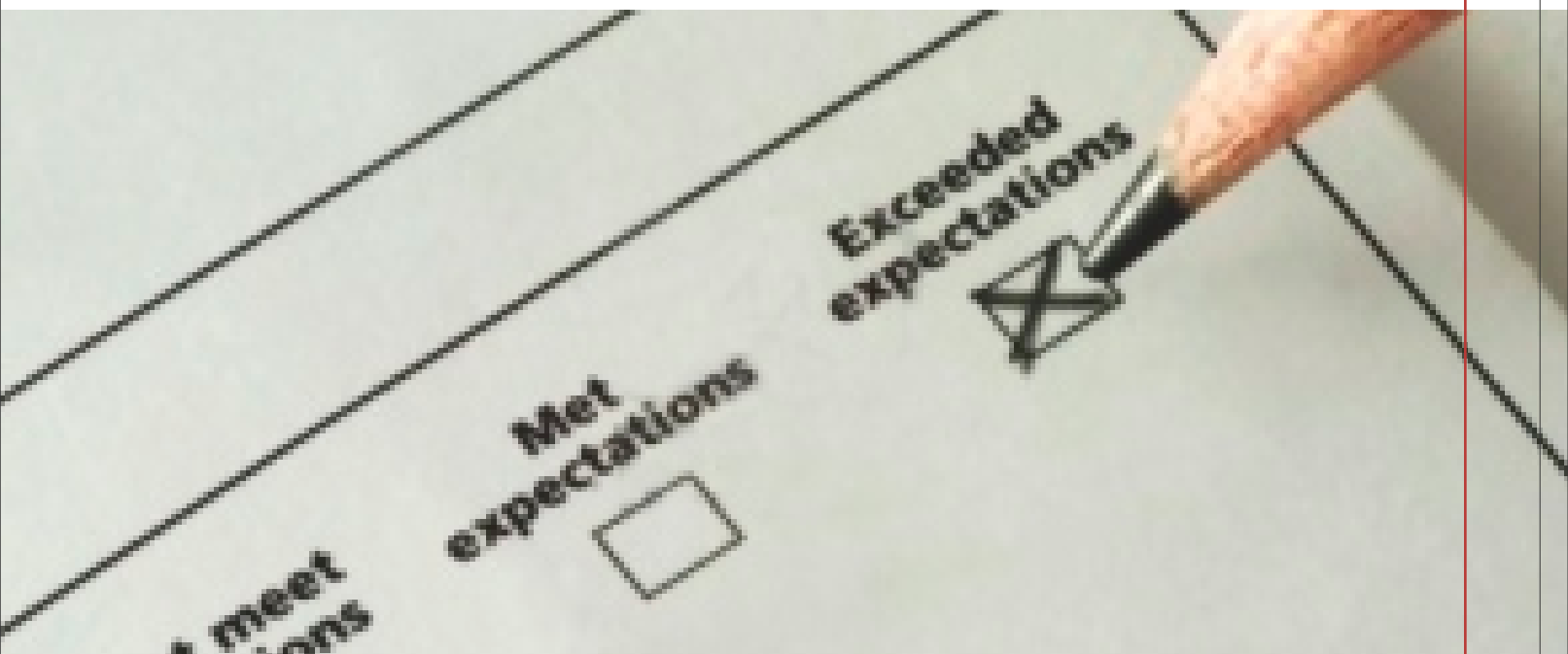
BRANCHES

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
JODHPUR	Gulab Singh Building, 11th Chopasni Road, Near Bombay Motor Circle, Opp. Arora Motors, Jodhpur (INDIA) Ph. +91 291 2638926 2638929 3255707 Fax. : + 91 291 2638927 E-mail: jodhpur@seil.in
MATHURA	369/2, Krishna Nagar, Goverdhan Road, Mathura (INDIA) Ph. +91 565 2423660 2424310 E-mail : mathura@seil.in
AHMEDABAD	203, IIInd 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, 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.

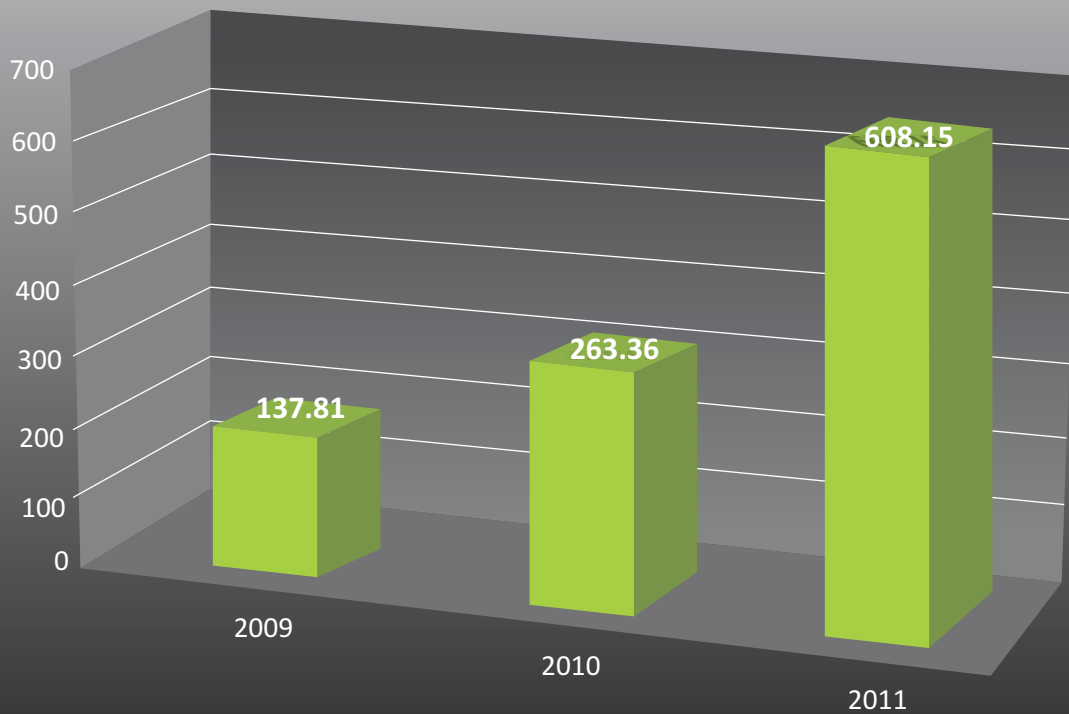
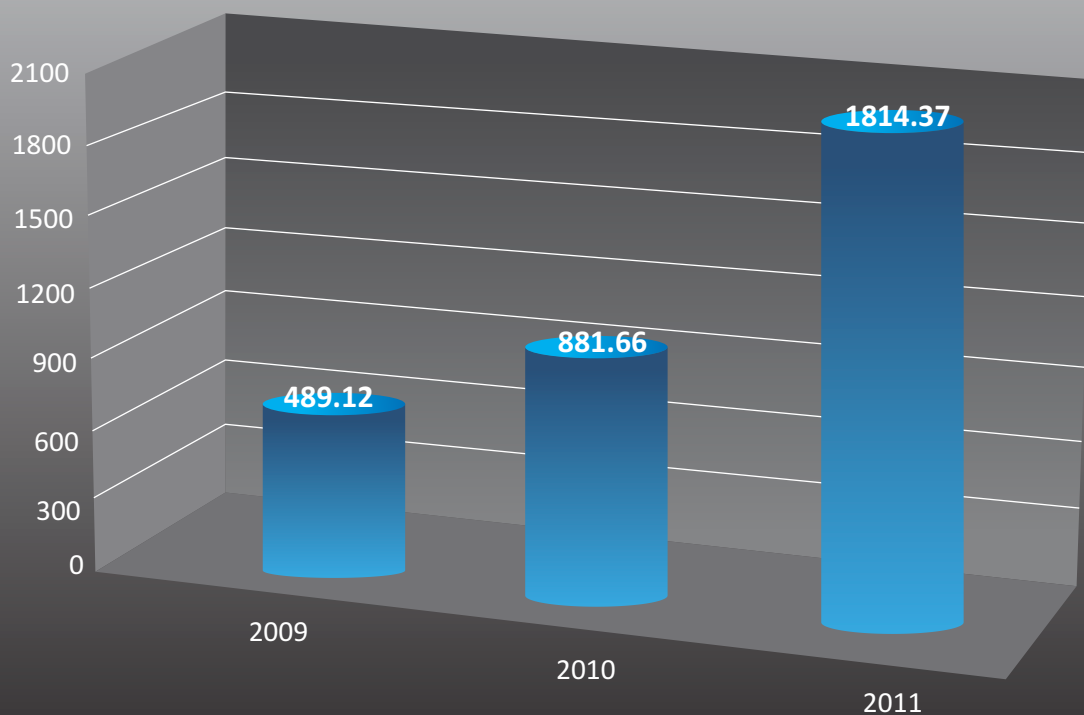
The following discussions on our financial conditions and result of operations should be read together with our Audited Financial Statements and the notes to these statements included in the Annual Report.



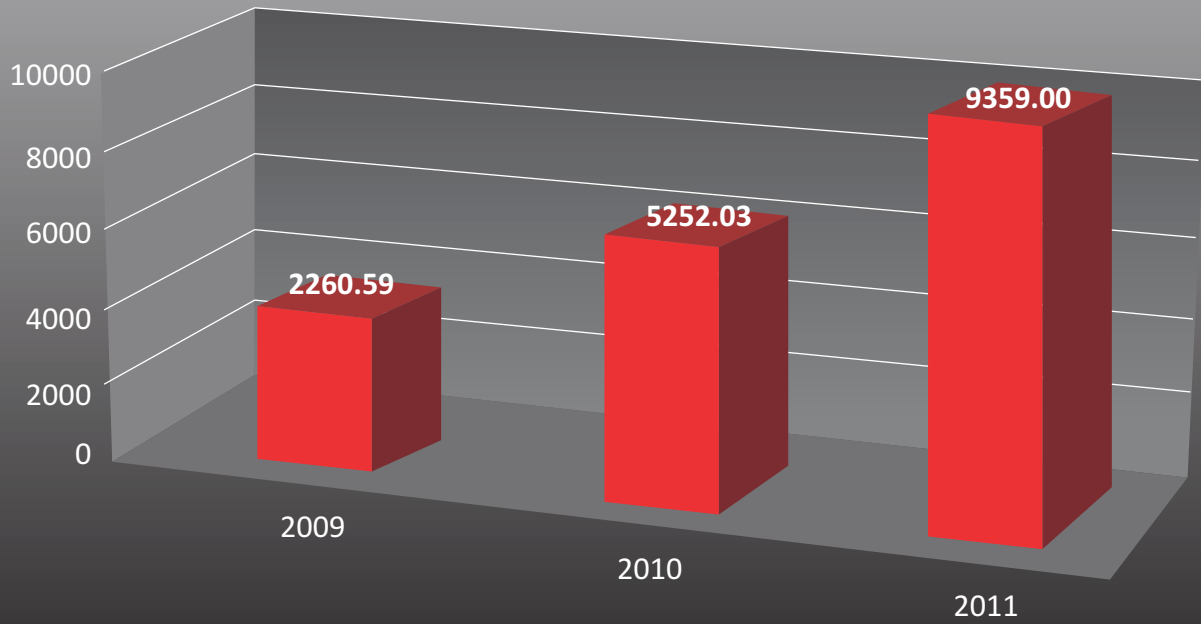


OUR MISSION

- 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.

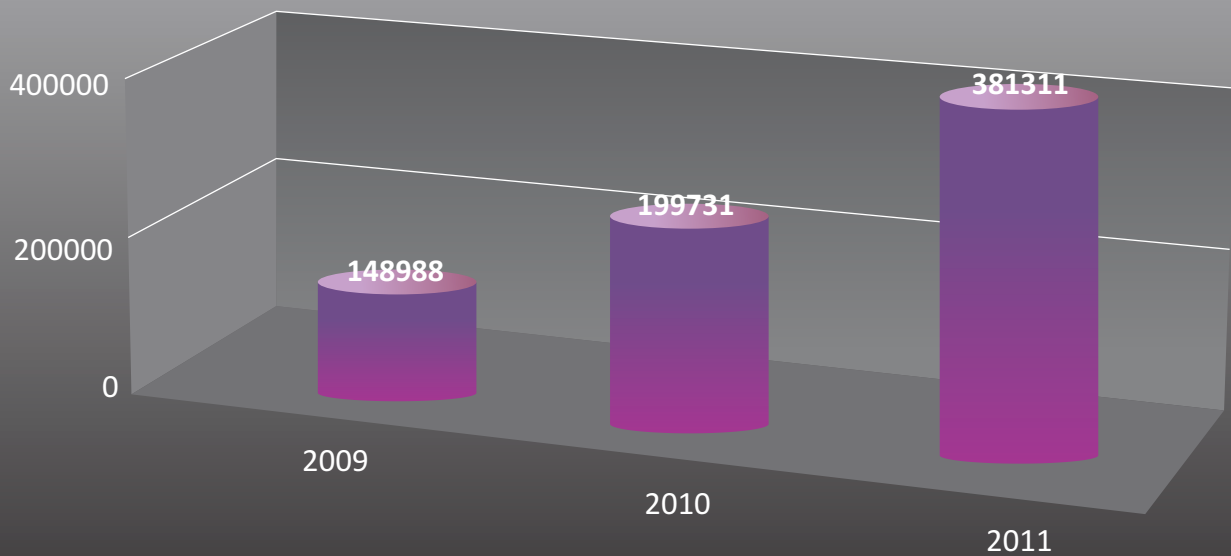
PAT (IN MILLIONS)**FINANCIAL HIGHLIGHTS****INCOME FROM OPERATIONS (IN MILLIONS)**

DISBURSEMENT (IN MILLIONS)

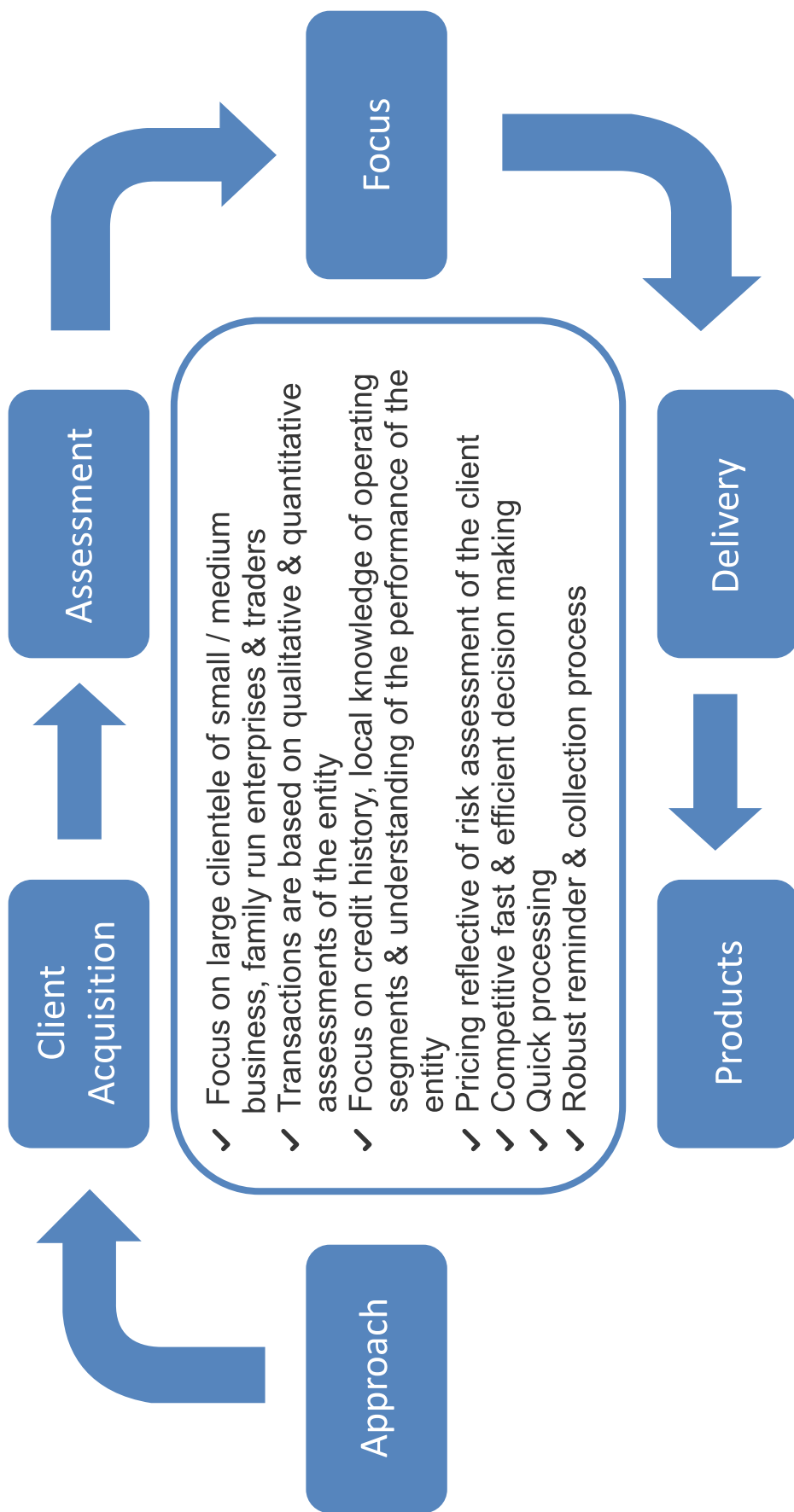


OPERATIONAL HIGHLIGHTS

NUMBER OF CUSTOMERS



SEIL METHODOLOGY AND PROCESS



Helping
Corporate Clients
climb the
Financial Ladder



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Nineteenth Annual General Meeting of the members of the Company will be held on Monday, 29th day of August, 2011 at 10.00 A.M. at Auditorium ISKCON Complex, Hare Krishna Hill, Sant Nagar, Main Road, East of Kailash, New Delhi-110065, to transact the following business(s):

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31st March 2011, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To confirm the interim dividend declared and paid by the Company in July, 2010 as the final dividend for the year ended 31st March, 2011.
3. To appoint a Director in place of Mr. Suresh Chand Sharma, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. Arun Gopal Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Statutory Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provision of Section 224 and other applicable provisions of the Companies Act, 1956, , if any, M/s R. Lal & Company, Chartered Accountants, Agra (Registration No. 000926C) the retiring auditor of the Company, being eligible for re-appointment, be and is hereby appointed as the Statutory Auditor of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such terms and conditions as may be fixed by the Board of Directors of the Company and on the recommendation of the Audit Committee.

RESOLVED FURTHER THAT M/s P M S & Co., Chartered Accountants, Delhi (Registration No. 013398C), be and is hereby appointed as Joint Statutory Auditors of the Company along with the existing Statutory Auditor M/s R. Lal & Company, Chartered Accountants, Agra to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such terms and conditions as may be fixed by the Board of Directors of the Company and on the recommendation of the Audit Committee.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provision of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, as amended or restated (the "Companies Act"), the listing agreements with the stock exchanges where the company's equity shares are listed and the provisions of the Foreign Exchange Management Act, 1999, as amended or restated, the Foreign Exchange Management (Transfer or issue of Security by a Resident Outside India) Regulations, 2000, as amended or restated, the Foreign Exchange Management (Borrowing or Lending in Rupees) Regulations, 2000, as amended or restated, the issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended or restated, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended or restated (the "ICDR Regulations"), as applicable and such other statutes, notifications, circulars, rules and regulations as may be applicable and relevant, each as amended or restated and the Memorandum and Articles of Association of the Company, as amended and subject to such approvals, consents, permissions and sanctions, if any, of the Government of India, the Reserve Bank of India (the "RBI"), the Foreign Investment Promotions Board (the "FIPB"), the Securities and Exchange Board of India (the "SEBI"), the relevant Registrar of Companies, (the "ROC") the relevant stock exchanges and other regulatory authority as may be required under applicable laws or regulations and subject to such conditions as may be prescribed by any of them in granting such

approvals, consents, permissions and sanctions which may be agreed by the Board of directors of the Company (the "Board", which term shall be deemed to include any committee constituted or to be constituted by the Board, or any person (s) authorized by the Board or its committee for such purpose(s), consent of the Company be and is hereby accorded to the Board in its absolute discretion, to create, offer, issue and allot in the course of either one or more international offering(s), in one or more foreign markets and/or in the course of one or more domestic offering(s) in India, including by way of qualified institutional placement under the ICDR Regulations ("QIP"), such number of equity shares and/or any securities linked to, convertible into or exchangeable for equity shares including without limitation through Follow on Public Offer/ Preferential Issue/ Right Issue/ Private Placement/ Global Depository Receipts ("GDRs") and/or American Depository Receipts("ADRs"), and /or convertible preference shares and /or convertible debentures (compulsorily and /or optionally, fully and/or partly) and/or non-convertible debentures, (or other securities) with warrants and/or warrants with a right exercisable by the warrant holder to exchange or convert such warrants with equity shares of the Company at a later date simultaneously with the issue of non-convertible debentures and/or foreign Currency Convertible Bonds ("FCCBs") and/or Foreign Currency Exchangeable Bonds ("FCEBs") and/or any other permitted fully or partly paid Securities/instruments/warrants, convertible into or exchangeable for equity shares at the option of the Company and/or the holder(s) of the security(ies), and/or securities linked to equity shares, (hereinafter collectively referred to as the "securities"), in one or more tranches, whether rupee denominated or denominated in foreign currency, to General Public, Members, Employees, Non-Resident Indians, Foreign Institutional Investor(s) (FII's), Companies including Insurance Company whether General Insurance or Life Insurance, Mutual Funds, Banks, Financial Institutions, Stabilizing Agents (SA), other entity(ies) and/ or to the Company's Promoters, their Relatives, Friends and Associates including Body Corporates, whether in group or not, by way of Follow on Public Offer/ Preferential Issue/ Right Issue/ Private Placement/ Global Depository Receipts ("GDRs") and/or American Depository Receipts("ADRs"), and /or convertible preference shares and /or convertible debentures (compulsorily and /or optionally, fully and/or partly) and/or non-convertible debentures, (or other securities) with warrants and/or warrants whether or not such persons are existing shareholders of the Company or not and to such investors who are eligible to acquire such securities in accordance with all applicable laws, rules, regulations, guidelines and approvals, through public issue(s), right issue(s) preferential issue(s), private placement(s) or any combination thereof, through any prospectus, offer documents, offer letter, offer circulars, placement documents or otherwise, at such time or times and at such price or prices subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, at a discount or premium to market price or prices in such manner and on such terms and conditions including as regards security, rate of interest, etc., as may be deemed appropriate by the Board in its absolute discretion, subject to compliance with all applicable laws, rules, regulations and guidelines and approvals, for an aggregate amount, in one or more offering(s) and/or in one or more tranches, not exceeding USD 250 million, either by way of offer for sale or a sponsored issue of Securities (by one or more existing shareholders of the Company) or through a fresh issue of Securities or in any combination thereof, and the Board shall have the discretion to determine the categories of eligible investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of investors at the time of such offer, issue and allotment considering the prevailing market conditions and all other relevant factors and wherever necessary in consultation with advisor(s), and underwriter(s) appointed by the company.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the issue(s) of Securities may, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals have all or any terms or combination of terms, in accordance with domestic and/or international practice, including, but not limited to, conditions in relations to payment of interest, additional interest, premium on redemption, repayment and any other debt services payments whatsoever and all other such terms as are provided in offerings of such nature including terms for issue of additional equity shares or variation of the conversion prices of the securities during the duration of the securities.

RESOLVED FURTHER THAT the company and/or any agency or body authorized by the company may, subject to compliance with all applicable laws, rules, regulations, guidelines, and approvals, issue certificate and/or Depository receipt including global certificate representing the securities with such features and attributes as are prevalent in international and/or domestic capital markets for instruments of such nature and to provide for the tradability or transferability thereof as per the international and/or domestic practices and regulations and under the forms and practices prevalent in such international and/or domestic Capital markets.

RESOLVED FURTHER THAT the securities issued in foreign markets shall be deemed to have been made abroad and/ or at place of issue of the securities in international capital markets and shall be governed by the applicable domestic/foreign laws and regulations.

RESOLVED FURTHER THAT the company may enter into any agreements with any agency or body for the issue, upon conversion of the securities of equity shares of the company in registered or bearer form with such features and attributes

as are prevalent in international capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the international practices and regulations, and under the form and practices prevalent in international capital markets.

RESOLVED FURTHER THAT the securities may be redeemed and/or converted into and/or exchange for the equity shares of the Company, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, in a manner as may be provided in the terms of their issue.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of equity shares of the company as may be required to be issued and allotted upon conversion, exchange, redemption or cancellation of any of the securities as may be necessary in accordance with the terms of the offering and all such equity shares shall rank pari passu with the existing equity shares of the company in all respects, except such right as to dividend as may be provided under the terms of the issue and in the offer documents if any.

RESOLVED FURTHER THAT the relevant date for the purpose of Pricing of securities (i) by way of Follow on Public Offer/ Preferential Issue/ Right Issue/ Private Placement/ Global Depositary Receipts ("GDRs") and/or American Depositary Receipts ("ADRs"), and /or convertible preference shares and /or convertible debentures (compulsorily and /or optionally, fully and/or partly) and/or non-convertible debentures, (or other securities) with warrants and/or warrants, shall be the date as specified under the applicable law or regulation, or (ii) in the event of conversion or exchange of Securities Issued under QIP, shall be the date of the meeting in which the Board decides to open the issue.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions the Board be and is hereby authorized to do all such acts, deeds, matter and /or things including but not limited to finalization and approval of the preliminary as well as the final document(s) determining the form and manner of the issue including the class of investors to whom the securities are to be issued and allotted, the number of securities to be allotted, the issue price, the face value, the premium amount on the issue/conversion/exchange of the Securities, if any, the rate of interest, the execution of various transaction documents, creation of mortgage/charge in accordance with applicable provisions of the Companies Act, 1956, in respect of any securities, either pari passu basis or otherwise as it may in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in relation to the issue offer or allotment of securities including amending the terms of securities and subject to applicable law for the utilization of issue proceeds as it may in its absolute discretion fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto for all such acts, deeds, matters, and/or things, expressly by the concerned authority.

RESOLVED FURTHER THAT the Board be and is hereby authorized to appoint such Consultants, Lead Managers, Underwriters, Guarantor(s), Depositories, Custodian(s), Registrar(s), Agent(s), Authorised Representative, Trustee(s), Bank(s) Lawyer(s), Merchant Banker(s) and any other Advisor(s), Professional(s) and intermediaries as may be required to pay them such fees, commission and other expenses as it may deem fit and enter into or execute all such agreement(s)/ Arrangement(s)/ MOU(s)/ Placement agreement(s)/ deposit agreement(s)/Trust deeds/subscription agreement/payment and conversion agency agreement/ or any other agreement(s) or document(s) with any such agencies, listing of securities in domestic and/or international stock exchanges authorizing any Director(s) or any officer(s) of the company, severally to sign for and on behalf of the company offer document(s), agreement(s), applications, authority letter or any other related paper(s)/documents, give any undertaking(s), affidavit(s), certification(s), as he/she may in his/her absolute discretion deem fit including without limitation the authority to amend or modify such document(s).

RESOLVED FURTHER THAT the Board and other designated officers of the Company, be and are hereby severally authorized to make all filings including as regards the requisite listing application(s)/ prospectus(es)/ offer document(s)/ registration statement(s), or any amendments or supplements thereof, and of any other relevant documents with the stock exchanges (in India or abroad), the RBI, the FIPB, the RoC and such other authorities or institutions in India and/or abroad for this purpose and to do all such acts, deeds and things as may be necessary or incidental to give effect to the resolutions above and the Common Seal of the Company be affixed wherever necessary.

RESOLVED FURTHER THAT the Board be and is hereby authorized to severally delegate all or any of its powers conferred to any Committee of Directors or any Executive Director or Directors or any other Officer of the Company, in order to give effect to the above resolutions.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any or the foregoing resolutions are hereby approved, ratified and confirmed in all respects."

7. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
- “RESOLVED THAT consent of the Company be and is hereby granted in accordance with Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, and the Articles of Association of the Company, to the Board of Directors of the Company, to borrow any sum or sums of money (including non fund based facilities) from time to time at their discretion, for the purpose of the business of the Company, from any one or more Banks, Financial Institutions and other persons, firms, body corporates, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company, (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may, at any time, upto a sum of Rs. 3000 crore (Rupees Three Thousand Crores) over and above the aggregate of the paid up capital of the Company and its free reserves (that is to say, reserves, not set apart for any specific purpose) and that the Board of Directors be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may deem fit.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.”

8. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution with or without modification(s):
- "RESOLVED THAT pursuant to the provisions of Section 94 (1) (b) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to the approvals, consents, permissions and sanctions, if any, required from any concerned authorities and subject to such conditions as may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall also include any committee thereof), consent of the Members be and is hereby accorded for consolidation of equity shares from the face value of Re. 1/- (Rupee One) each into One Equity Share of Rs. 10 (Rupees Ten) each and consequently, the Authorized Share Capital of the Company of Rs. 125,00,00,000 (Rupees One Hundred and Twenty Five Crores Only) would comprise of 12,00,00,000 (Twelve Crores) Equity Shares of Rs. 10/- (Rupees Ten) each and 50,00,000 (Fifty Lacs) Preference Shares of Rs. 10/- (Rupees Ten) each with effect from the "Record Date" to be determined by the Board for this purpose.

RESOLVED FURTHER THAT pursuant to the consolidation of the Equity Shares of the Company, the paid up Equity Shares of the Company of the face value of Re. 1 (Rupee One) each, as existing on the Record Date shall stand consolidated into one Equity Share of the face value of Rs. 10 (Rupees Ten) each fully paid up, with effect from the Record Date to be fixed.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things and give such directions as may be necessary, in the best interest of the Company, for giving effect to the aforesaid resolution, including but not limited to signing and execution of necessary forms, papers, writings, agreements and documents including giving customary representations and warranties together with such indemnities as may be deemed necessary and expedient in its discretion.

RESOLVED FURTHER THAT one equity share of Rs. 10/- each on consolidation to be allotted in lieu of the existing one equity share of Re. 1/- each shall be subject to the terms and conditions contained in the Memorandum of Association and Articles of Association of the Company and shall rank pari passu in all respects with the existing fully paid equity shares of Re. 1/- each of the Company and shall be entitled to participate in full in any dividend(s) declared after the consolidation of shares.

RESOLVED FURTHER THAT the respective beneficiary accounts be credited with the consolidated new equity shares of Rs. 10/- each for such shareholders who hold the existing shares in dematerialized form and letter of consolidation shall be delivered to the shareholders who hold the existing shares in physical form after calling for surrender of the old share certificates held by them and new share certificates in respect of consolidation of new equity shares of Rs. 10/- each will be issued subsequently.

RESOLVED FURTHER THAT in the event of consolidation of equity shares which would result in fractional entitlements, the Board of Directors of the Company shall consolidate all such fractional entitlements and thereupon issue and allot the equity shares in lieu thereof to separate trustees nominated respectively by the Company in that behalf, who shall hold such equity shares, in trust on behalf of the shareholders entitled to fractional entitlements, with the express understanding that such separate trustees shall sell the same at such time, at such price or the prices and to such person or persons as he may deem fit and the net sale proceeds thereof (i.e. after deduction therefrom of expenses incurred in connection with the sale) shall be

paid to the Company whereupon the Company shall distribute such net sale proceeds to the shareholders in proportion to their respective fractional entitlements. The Board of Directors of the Company, if deems necessary, in the interests of allottees, approve such other method in this regard as it may, in its absolute discretion, deem fit.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolutions, the Board / Committee of the Board be and is hereby authorised to do all such acts, deeds, matters and things whatsoever including settling any question, doubts or difficulties that may arise with regard to or in relation to the issue of new equity shares of Rs. 10/- each on consolidation and to accept on behalf of the Company, any conditions, modifications, alterations, changes, variations in this regard as prescribed by the statutory authority(ies) and which the Board / Committee of the Board in its discretion thinks fit and proper.”

RESOLVED FURTHER THAT existing Clause V of the Memorandum of Association of the Company be and is hereby substituted by the following:-

- V. The Authorised Share Capital of the Company is Rs. 125,00,00,000/- (Rupees One Hundred and Twenty Five Crores Only) divided into 12,00,00,000 (Twelve Crores) Equity Shares of Rs. 10/- (Rupees Ten) each and 50,00,000 (Fifty Lacs) Preference Shares of Rs. 10/- (Rupees Ten) each. The Company is authorised to vary, increase or reduce the share capital and attach such privileges and rights to the shares as it may be authorised to do in accordance with the provisions of Companies Act, 1956.”
9. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution with or without modification(s): Your Board of Directors proposes for modification in the Scheme of Arrangement and recommends the following resolution to be passed :

“RESOLVED THAT

1. Consolidation of Equity Shares of M/s S. E. Investments Ltd. (Transferor Company): Change in the face value of Equity Shares of M/s S. E. Investments Ltd. (Transferor Company) from Re. 1/- (Rupee One) each into One Equity Share of Rs. 10 (Rupees Ten) each with effect from the "Record Date" to be determined by the Board for this purpose.
2. Consideration of Increase in Authorised Share Capital of M/s S. E. Power Ltd. (Transferee Company): The Authorised Share Capital of M/s S. E. Power Ltd. (Transferee Company) was Increase from Rs. 500,000/- divided into 500,000 Equity Shares of Re. 1/- each to Rs. 406,100,000/- (Rupees Forty Crores Sixty-One Lacs Only) divided into 406,100,000 (Forty Crores Sixty One Lacs) Equity Shares of Re. 1/- (Rupee One) each vide shareholders approval in an Extraordinary General Meeting held on 21.05.2011.
3. Consolidation of Equity Shares of M/s S. E. Power Ltd. (Transferee Company): Change in the face value of Equity Shares of M/s S. E. Power Ltd. (Transferee Company) from Re. 1/- (Rupee One) each into One Equity Share of Rs. 10 (Rupees Ten) each with effect from the date as may be approved by the Board of Directors and its shareholders.
4. Fractional Entitlements- In the event of allotment of equity shares which would result in fractional entitlements, the Board of Directors of the Transferee Company shall consolidate all such fractional entitlements and thereupon issue and allot whole equity shares in lieu thereof to separate trustees nominated respectively by the Transferor Company and the Transferee Company in that behalf, who shall hold such equity shares, in trust on behalf of the shareholders entitled to fractional entitlements, with the express understanding that such separate trustees shall sell the same at such time, at such price or the prices and to such person or persons as he may deem fit and the net sale proceeds thereof (i.e. after deduction therefrom of expenses incurred in connection with the sale) shall be paid to the Transferee Company, whereupon the Transferee Company shall distribute such net sale proceeds to the shareholders in proportion to their respective fractional entitlements. The Board of Directors of the Transferee Company, if deems necessary, in the interests of allottees, approve such other method in this regard as it may, in its absolute discretion, deem fit.

RESOLVED FURTHER THAT Mr. Sunil Agarwal, Managing Director, Mr. Harish Singh, Executive Director & Mr. Vishal Sharma, Company Secretary of the Company be and are hereby severally authorized to take such steps and do all acts, deeds, matters and things as may be necessary, desirable or proper to effectively implement the said Scheme of Arrangement and to do and accept such modification(s) and/ or conditions, if any, which may be required and/ or imposed by the Hon'ble High Court of Delhi at New Delhi and/ or by any other authority while sanctioning the said Scheme of Arrangement or which may otherwise be considered necessary or desirable for implementing and/ or carrying out the Scheme of Arrangement.”

Place : New Delhi
Date : 25th July, 2011

By Order of the Board of Directors
For **S. E. Investments Limited**
sd/-
(Vishal Sharma)
Company Secretary

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting (“the meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself/ herself and the proxy need not be a member of the Company. The instrument appointing proxy in order to be effective should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than forty-eight hours before commencement of the Meeting.
2. Corporate Members intending to send their authorized representative to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. In terms of Article 115 of the Articles of Association of the Company, Shri Suresh Chand Sharma, Director and Dr. Arun Gopal Agarwal, Director, liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. A brief resume of Shri Suresh Chand Sharma and Dr. Arun Gopal Agarwal, nature of their expertise in specific functional areas, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is provided in the Report on Corporate Governance forming part of the Annual Report. The Board of Directors of the Company recommend their re-appointment.
4. Members attending the meeting are requested to bring with them the Attendance Slip attached to the Annual Report duly filled in and signed and handover the same at the entrance of place of the meeting. Proxy/Representative of a member should mark on the Attendance Slip as “Proxy” or “Representative” as the case may be. Members holding shares in electronic form and desirous of attending the meeting are required to bring alongwith them Client ID and DP ID Numbers for easy identification.
5. In case of Joint holders attending the meeting, only such joint holder whose name appears first in the order of names will be entitled to vote.
6. Members who hold shares in dematerialized mode are requested to intimate any changes pertaining with their bank account details, ECS mandates, nominations, power of attorney, change of address/name etc. to their Depository Participant only and not to the Company's Registrar & Share Transfer Agent. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its Registrar & Share Transfer Agent to provide efficient and better service to the members.
7. Members holding shares in physical form are requested to intimate all changes pertaining to their bank details, ECS mandates, nominations, power of attorney, change of address/name etc. to the Company's Registrar & Share Transfer Agent quoting their registered folio number.
8. Members are advised to avail nomination facility as per the amended provisions of the Companies Act, 1956, for which nomination forms are available with the Registrar.
9. Consequent upon amendment of Section 205A of the Companies Act, 1956 and introduction of Section 205C, by the Companies (Amendment) Act, 1999, the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund.
10. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Sunday between 11.00 a.m. to 1.00 p.m. upto the date of the Annual General Meeting.
11. Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, August 24, 2011 to Monday, August 29, 2011 (both days inclusive).
12. Members desirous of having any information regarding accounts are requested to address their queries to the Company Secretary at the Head Office of the Company at least seven days before the date of the meeting, so that the requisite information is made available at the meeting.
13. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.
14. The Securities and Exchange Board of India (SEBI) has notified that the shareholders/ transferee of shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their PAN card to the company / RTA for transactions in the securities market including transfer, transmission or any other corporate action.
Accordingly, all the shareholders / transferee(s) of shares (including joint holders) are requested to furnish a certified copy of their PAN card to the company/ RTA while transaction in the securities market including transfer, transmission or any other corporate action.
15. All communication relating to shares are to be addressed to the Company's Transfer Agents, M/s Alankit Assignments Limited, ALANKIT HOUSE, 2E/21, Jhandewalan Extension, New Delhi-110055.
16. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 setting out all material facts relating to the special business is annexed hereto.

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956

Item No. 5

The operations of the Company have been steadily growing over the past. This has resulted in substantial increase in the accounting and financial transactions. In response to this increased volume and to ensure all compliances, it is proposed, by the Board, to appoint M/s P M S & Co., Chartered Accountants, Delhi (Registration No. 013398C), as Joint Statutory Auditors along with the existing Statutory Auditor M/s R. Lal & Company, Chartered Accountants, Agra to conduct the Statutory Audit of the Accounts of the Company for the Financial Year 2011-2012. The scope of work and responsibility of each of the auditors will be decided by the Board on the recommendation of the Audit Committee and in consultation with the auditors.

Under the circumstances, the Board of Directors of the Company recommends the ordinary resolution for appointment of M/s P M S & Co., Chartered Accountants, Delhi, as joint statutory auditors of the Company. They will hold office till the conclusion of the next Annual General Meeting. The Company has received a consent letter from M/s P M S & Co., Chartered Accountants, Delhi to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not otherwise disqualified for such appointment.

M/s P M S & Co. and M/s R. Lal & Company, Chartered Accountants have expressed their willingness to act as Joint Statutory Auditors of the Company and have further confirmed that the said appointment, if made, would be in conformity with the provisions of Section 224 (1B) of the Act.

The members' approval is being sought for the appointment of M/s P M S & Co. and M/s R. Lal & Company, Chartered Accountants as the Joint Statutory Auditors and to authorize the Board of Directors to determine the remuneration payable to them on recommendation of the Audit Committee.

The Board of Directors of the Company is of the view that appointment of Joint Auditors will be in the interest of the Company and recommends the resolution for your approval.

None of the Directors of the Company is in any way, concerned or interested in the resolution under Sr. No. 5.

Item No. 6

In view of the proposed diversification plans, your company may have to go in for augmentation of the equity capital base either by making Right offer or Public offer or issue of ADR or GDR or Issue of Debenture whether convertible or non convertible both, to partly finance the proposed projects. In order to go in for any such issue, the Authorised Capital of the Company should be adequately increased to accommodate the proposed augmentation of the capital base. The above change proposed will necessitate amendment to the Capital Clause of the Memorandum of Association and Articles of Association of the Company.

The consent of the shareholders is being sought by the Special Resolution for approving an enabling authority in favour of the Board of Directors (the "Board") to issue securities under QIP category to the Qualified Institutional Buyers (QIBs) in accordance with the ICDR regulations and to any other international or domestic Investor outside or inside India, through Follow on Public Offer/ Preferential Issue/ Right Issue/ Private Placement/ Global Depository Receipts ("GDRs") and/or American Depository Receipts("ADRs"), and /or convertible preference shares and /or convertible debentures (compulsorily and /or optionally, fully and/or partly) and/or non-convertible debentures, (or other securities) with warrants and/or warrants or any combination thereof.

Pursuant to the above, the Board may, in one or more tranches, issue or allot equity share/ Foreign Currency Convertible Bonds, fully convertible debentures/ partly convertible debentures/ non-convertible debentures with warrant/ any other securities, which are convertible into or exchangeable with equity shares on such date as may be determined by the Board but not later than such time period as permitted under applicable law.

The QIP as proposed shall be subject to the provision of the ICDR Regulations including the pricing, as set out in the resolution. Accordingly, an enabling resolution is proposed to be passed to give adequate flexibility and discretion to the Board to finalize the term of the issue. The securities issued pursuant to the offering may be listed on the Stock exchanges inside and outside India to the extent permissible by the law.

The securities issued under QIP or under any domestic or international offering pursuant to an offer may, if necessary, be secured by way of mortgage/hypothecation on the Company's assets as may be finalized by the Board in consultation with

securities holders/trustees for the holders of the securities and enabling approval is also sought under the applicable provisions of the Companies Act 1956.

The approval of the shareholder is also sought by the special resolution for enabling authority(ies) to the Board to create/offer/issue and allot in the course of either one or more international offering(s) in one or more foreign markets and/or in the course of one or more domestic offering(s) including by way of QIP under ICDR Regulations such number of equity shares and/or any securities linked to, convertible or exchangeable for equity shares, including without limitation through FPO/ GDRs/ ADRs/ FCCBs/ fully convertible debentures/partly convertible debenture / non-convertible debenture with warrant/any other securities, which are convertible into or exchangeable with equity shares at the option of the Company and/or holder(s) of the security(ies) as the Board may decide, at such time and at such price as the Board may in consultation with lead managers, advisors and other intermediaries deem fit.

Section 81(1A) of the Companies Act, 1956 and the relevant clause of the listing agreement with the Stock Exchanges provides, inter alia that when it is proposed to increase the issued capital of a company by allotment of further Equity shares, such further Equity Shares shall be offered to the existing Equity Shareholders of such company in the manner laid down in the Section 81 unless the shareholders in the general meeting decide otherwise. As the aforesaid resolution provide for or may result into issue of Equity Shares to persons other than the existing shareholders of the Company, consent of the shareholders is being sought, pursuant to Section 81(1A) and all applicable provisions, if any of the Companies Act, 1956 and the SEBI Guidelines.

The Board believes that such issue is in the interest of the Company and therefore recommends passing of the Special resolution contained in the notice.

The Board of Directors accordingly recommend the resolution set out as in Item No. 6 of the accompanying notice for approval of the members. Your approval is sought by show up hands in the ensuing Annual General Meeting of the Company.

None of the Directors of the Company, in any way, are concerned or interested in the said resolution.

Item No. 7

Pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of the Company can't, except with the permission of the shareholders in general meeting, borrow monies in excess of the aggregate of the paid up capital of the Company and its free reserves.

The increasing business operations and future growth plans of the Company would necessitate restructuring of the borrowing limits by authorizing the Board of Directors to borrow monies which may exceed at any time the aggregate of the paid up capital of the Company and its free reserves but not exceeding Rs. 3000 Crore (Rupees Three Thousand Crore).

The Board of Directors accordingly recommend the resolution set out at Item No. 7 of the accompanying notice for approval of the members. Your approval is sought by show of hand in the ensuing Annual General Meeting of the Company.

None of the Directors of the Company, in any way, are concerned or interested in the said resolution.

Item No. 8

The purpose of this resolution is to enable the Company to consolidate its Shares into a smaller number.

Section 94 (1) (b) of the Companies Act, 1956 and Article of Association of the Company allows to consolidate all or any of its shares into a smaller number by way of resolution of the members.

The Board believes that in addition to making the Company more attractive to potential investors, the consolidation may also have future potential cost saving benefits in terms of administrative costs.

With respect to fractional entitlements, where a Shareholding is not a multiple of 10, which would result in a fraction of a Share following the proposed share consolidation, it is proposed that the Board of Directors of the Company shall consolidate all such fractional entitlements and thereupon issue and allot the equity shares in lieu thereof to separate trustees nominated respectively by the Company in that behalf, who shall hold such equity shares, in trust on behalf of the shareholders entitled to fractional entitlements, with the express understanding that such separate trustees shall sell the same at such time, at such price or the prices and to such person or persons as he may deem fit and the net sale proceeds thereof (i.e. after deduction therefrom of expenses incurred in connection with the sale) shall be paid to the Company whereupon the Company shall distribute such net sale proceeds to the shareholders in proportion to their respective fractional entitlements. The Board of Directors of the Company, if deems necessary, in the interests of allottees, approve such other method in this regard as it may, in

its absolute discretion, deem fit.

The consolidation will only have an effect on the number of Shares held by Shareholders. Shareholders proportionate interest in the Company's share capital will remain unchanged by the consolidation.

The Board of Directors accordingly recommend the resolution set out at Item No. 8 of the accompanying notice for approval of the members. Your approval is sought by show of hand in the ensuing Annual General Meeting of the Company.

None of the Directors of the Company, in any way, are concerned or interested in the said resolution.

Item No. 9

The Board places the proposal for modification in the Scheme of Arrangement and for the same approval of shareholders is required subject to approval from the appropriate authorities.

The Board of Directors accordingly recommend the resolution set out at Item No. 9 of the accompanying notice for approval of the members. Your approval is sought by show of hand in the ensuing Annual General Meeting of the Company.

None of the Directors of the Company, in any way, are concerned or interested in the said resolution.

Place : New Delhi
Date : 25th July, 2011

By Order of the Board of Directors
For **S. E. Investments Limited**
sd/-
(Vishal Sharma)
Company Secretary



Harnessing
nature's wealth
for our
investors



DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors have pleasure in presenting the Nineteenth Annual Report of your Company with the Audited Statement of Accounts for the year ended March 31, 2011.

FINANCIAL HIGHLIGHTS

Your Company's financial performance for the year under review has been encouraging and is summarized below:

Particulars	(Rs. In Lacs)	
	2010-11	2009-10
Total Income	18143.66	8816.56
Less: Expenditure	2905.59	1469.68
Profit before Depreciation, Interest & Tax (PBDIT)	15238.07	7346.88
Less: Interest	6201.76	3704.02
Profit before Depreciation & Tax (PBDT)	9036.31	3642.86
Less: Depreciation	427.68	408.89
Profit Before Tax (PBT)	8608.63	3233.97
Less: Provision for Tax	2527.04	600.42
Profit After Tax (PAT)	6081.59	2633.55
Add: Profit b/f from the previous year	1780.18	63.90
Profit Available for Appropriation	7861.77	2697.45
Dividend Including Tax	501.92	90.56
Provision for Standard Assets	206.77	—
Transfer to General Reserve	5000.00	300.00
Transfer to Reserve Fund (RBI Act)	1216.32	526.71
Balance Carried to Balance Sheet	936.76	1780.18

REVIEW OF OPERATIONS

The Company's gross income for the financial year ended March 31, 2011 increased to Rs. 18143.66 Lacs from Rs. 8816.56 Lacs in the last year registering a growth of over 106 Percent.

The operating profit (PBDIT) of the Company increased by 107 percent to Rs. 15238.07 Lacs during the year, up from Rs. 7346.88 Lacs in the last year.

Interest expenses for the year increased by 67 percent to Rs. 6201.76 Lacs from Rs. 3704.02 Lacs in the last year. Depreciation was at Rs. 427.68 Lacs as against Rs. 408.89 Lacs in the last year. Net Profit for the year increased by 131 percent to Rs. 6081.59 Lacs from Rs. 2633.55 Lacs in the last year.

An amount of Rs. 1216.32 Lacs was transferred to Statutory Reserve Fund pursuant to Section 45-IC of the Reserve Bank of India Act, 1934, and an amount of Rs. 5000 Lacs was transferred to the General Reserve during the year under review. The Company's Net Worth as on March 31, 2011, stood at Rs. 34984.14 Lacs, as against Rs. 30076.40 Lacs in the last year.

DIVIDEND

The Board of Directors had declared Interim dividend @ 10% (Re. 0.20/- per share) on the equity share capital of the Company in the month of July, 2010. The said dividend also has been paid to the shareholders.

Your Directors recommend that the aforesaid interim dividend of Re. 0.20/- per share be declared as final dividend for the year ended 31st March, 2011.

OPERATIONS

The Year 2010-11 was a year of significant growth and the same is detailed below:

Disbursements

The financial year 2010-11 was very significant for the Company in creating a strong platform for sustained growth. TOTAL DISBURSEMENTS reached Rs. 9359 millions during financial year 2010-11, recording 78.20 % growth over Rs. 5252 millions achieved during financial year 2009-2010. SEIL was successful in augmenting its portfolio without increasing the risk profile, mainly on account of increase in micro finance loans and business loans. The emphasis on micro finance disbursements for agriculture and other activities continued in the year under review.

Number of Customers

Total Customer Outreach has increased by 38.92% to 381311 as compared to previous year.

Net Worth and Capital to Risk Adjusted Assets Ratio

The Net Worth of the Company improved to Rs. 34984.14 Lacs as on 31st March, 2011 from Rs. 30076.40 Lacs as on 31st March 2010. The Capital to Risk Adjusted Assets Ratio (CRAR) stood at 35.87% as on 31st March, 2011 as against 67.24% as on 31st March 2010, which is much above the requirement as stipulated by Reserve Bank of India and is one of the best in the industry.

FIXED DEPOSITS

The fixed deposits of the Company as on 31st March 2011 stood at Rs. 1884.43 Lacs excluding accrued interest thereon against last year's Rs. 1305.17 Lacs. There are eight unclaimed matured deposits lying with the company amounting to Rs. 2.97 Lacs as on 31st March 2011.

CREDIT RATING

The Borrowing and fixed deposit programme of the Company assigned a rating of "CARE A-" & "CARE A" by CARE Limited respectively which denotes "ADEQUATE SAFETY".

TIMELY REPAYMENT OF LOAN LIABILITIES

The Company has not defaulted in payment of interest and/or repayment of loans to any of the financial institutions and /or banks during the year under review.

DIRECTORS

In terms of Article 115 of the Articles of Association, Shri Suresh Chand Sharma and Dr. Arun Gopal Agarwal, Directors, retire by rotation and being eligible, offer themselves for reappointment at the ensuing Annual General Meeting.

SUB DIVISION OF EQUITY SHARES

The equity shares of the company were subdivided from One Equity Share of the face value of Rs. 2/- each to Two Equity Shares of the face value of Re. 1/ each in the meeting of the Board of Directors of the company held on 5th July, 2010, pursuant to the Special Resolution passed by the shareholders of the Company on 13th September, 2010. Record Date for subdivision was 1st November, 2010 as decided in the meeting of Board of Directors of the Company on 18th October 2010.

SCHEME OF ARRANGEMENT AMONGST S. E. INVESTMENTS LIMITED, S. E. POWER LIMITED AND THEIR RESPECTIVE SHAREHOLDERS

During the year under reporting, the Board of Directors of your Company has approved the Scheme of Arrangement amongst M/s S. E. Investments Ltd. (Transferor Company), M/s S. E. Power Ltd. (Transferee Company) and their Respective Shareholders in its meeting held on 19th November, 2010. The Appointed Date for the said Scheme has been fixed as 30.09.2010. Pursuant to the said Scheme, Transferee Company shall issue and allot 405,600,000 Equity Share of Re. 1 each as fully paid up to the shareholders of Transferor Company in proportion of the shares held by them in the Transferor Company. The following are some of the benefits, which would arise upon the Scheme coming into effect:

- (a) Each of the above businesses will offer great potential for growth;
- (b) The Financial Service business and Micro Credit business, being separately identifiable businesses, requires focus and dedicated management with special skills and strategic alliances in order to be run efficiently and successfully to achieve desired growth.
The demerger of the Non-Conventional Energy Division from Transferor Company would enable Transferor 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.
- (c) Nature of risks, competition involved and commercial requirements of all the three businesses of Transferor Company are entirely distinct from each other.
- (d) The demerger of the Non-Conventional Energy Division would enable distinct focus of shareholders. Thus, 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 would also provide scope for independent collaboration and expansion in each of the businesses without committing the other business and will create enhanced value for shareholders and allow a focused strategy in operation.
- (e) The demerger of Non-Conventional Energy Division of Transferor Company is in overall interest of shareholders and is in no way prejudicial to the interest of creditors.

The Company has obtained the approval for the said Scheme of Arrangement from all the Stock Exchanges, where the shares of the Company are listed, under clause 24 (f) of the Listing Agreement. The requisite majority of the Equity Shareholders, the Secured Creditors and the Unsecured Creditors of the Company in their respective meetings convened on 9th April, 2011 by order of Hon'ble High Court of Delhi dated 23rd February 2011 have approved the said Scheme of Arrangement. Now the matter is pending before Hon'ble Delhi High Court to sanction the said Scheme of Arrangement.

A DECISION OF HON'BLE DELHI HIGH COURT IN FAVOUR OF THE COMPANY IN THE MATTER OF STAMP DUTY ON INCREASED AUTHORISED SHARE CAPITAL

The Company has increased its Authorized Share Capital as approved by you in the Extra-Ordinary General Meeting held on 15.01.2010 and subsequently filed e-form 5 with the Registrar of Companies (ROC), NCT of Delhi & Haryana. As there is no provision in the Indian Stamp (Delhi Amendment) Act, 2007 to pay the stamp duty on the increase in the authorized share capital, the Company did not paid the stamp duty on the same and requested the ROC Office to give effect to the increase in share capital of the Company. The Company further pointed out to ROC officials that stamp duty on increased authorized share capital 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. It is not only contrary to the law but also misleads the general

public having access of information on the official web-site of the Ministry of Corporate Affairs which forces them to pay a duty which is not payable and thus the software of Ministry of Corporate Affairs requires amendment and modification.

However, the Registrar of Companies directed our Company to pay stamp duty on increased authorized share capital thereby prompting our Company to move to the Hon'ble Delhi High Court at New Delhi.

In this regard the Company filed a writ petition no. (C) 2393/2010 against Union of India & Others before the Hon'ble High Court of Delhi at New Delhi on dated 08.04.2010.

Further the Hon'ble High Court of Delhi at New Delhi disposed off the same in favour of our Company on 21.04.2011 and 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 and also directed that the Respondent (Registrar of Companies, NCT of Delhi & Haryana) to accept the Petitioner's (M/s S. E. Investments Ltd.) E-Form 5 and record the increased authorized share capital without insisting on the Petitioner paying stamp duty thereon".

RBI GUIDELINES

The Company continues to comply with all the requirements prescribed by the Reserve Bank of India as applicable to it.

ACQUISITION OF RBI REGISTERED NBFC COMPANY AS WHOLLY OWNED SUBSIDIARY

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 relating to 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.

SUBSIDIARY

We have only one subsidiary - M/s Nupur Finvest Private Limited (NBFC).

As per Section 212 of the Companies Act, 1956, we are required to attach the Directors' Report, Balance Sheet and Profit and Loss account of our subsidiary. The Ministry of Corporate Affairs, Government of India vide its circular no. 2/2011 dated February 8, 2011 has provided exemption to companies from complying with Section 212, provided such companies publish the audited consolidated financial statements in the Annual Report. Accordingly, the Annual Report 2010-11 does not contain the financial statements of our subsidiary but discloses the consolidated financial statement giving information of its subsidiary. The audited annual accounts and related information of our subsidiary, where applicable, will be made available upon request. These documents will also be available for inspection during business hours at our registered office in Delhi

OPENING OF NEW BRANCH OFFICE AT BAREILLY, UTTAR PRADESH

To expand its Micro Finance business, the company has opened a new Branch Office at Bareilly, Uttar Pradesh which has become fully operational during the fourth quarter.

FUTURE PROSPECTS

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 undertakes funding initiatives, mitigating interest risk to a large extent.

- SEIL plans to achieve new horizons in the Business loans including small and medium enterprises (SME)/ Priority sector Lending to Corporates, Individuals, partnership firms and others and visualize a size of Rs. 1000 Crores disbursement portfolio by the next year.
- SEIL proposes to open new branches at Bangalore, Pune, Indore etc.
- By the acquisition of 100% subsidiary, we as a group plan to access 500000 customers by the next 1 year through various Micro finance schemes.
- The Company is also looking to venture into other activities similar in nature being housing loans for LIG (Low Income Group), Gold finance which is highly secured in nature.

The Company and its subsidiary aims at leveraging the opportunities provided by a growing economy and continues to see healthy growth in its lending activities.

Our Company is continuously improving its performance and looking for new areas for broader development in finance sector. Through a variety of innovative ideas & initiatives we are looking at enhancing the finance facilities for weaker and poor section of the society.

SEIL sees growth opportunities in each of its existing business area and will also be expending the focus of activities to new areas, arising from the strong growth momentum in the economy.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

Management Discussion and Analysis of financial conditions and results of operations of the Company for the year under review, as required under Clause 49 of the listing agreement with the Stock Exchanges, is given as a separate statement forming part of the Annual Report.

GOVERNANCE

Your Company is committed to adhere to the best practice of governance. It is always ensured, that the practices being followed by the Company are in alignment with its philosophy towards Corporate Governance. Your Company believes that the Corporate Governance is all about effective management of relationship among constituents of the system and always works towards strengthening this relationship through corporate fairness, transparency and accountability. In your Company, prime importance is given to reliable financial information, integrity, transparency, fairness, empowerment and compliance with law in letter and spirit.

Your Company proactively follows Government principles and practices as to meet the business and regulatory needs, which has enabled it to emerge as one of the best corporate governed companies of India.

Detailed compliances with the provisions of Clause 49 of the Listing Agreement for the year ended 2010-11 has been given in Corporate Governance Report, which is attached and forms part of this report.

Certificate from the Statutory Auditor of the Company, M/s R. Lal & Company, Chartered Accountants, confirming compliance with conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is annexed to this Report.

AUDITORS & AUDITORS' REPORT

M/s R. Lal & Company, Chartered Accountants, Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment. The Company has received a certificate from the auditors to the effect that their re-appointment if made, would be in accordance with the provisions of section 224(1B) of the Companies Act, 1956. The Directors recommend the re-appointment of M/s R. Lal & Company, Chartered Accountants, as Auditors of the Company.

The observations of Auditors in their report read with notes to the accounts are self explanatory and do not call for any further explanation.

HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATION

Your company strives to provide the best work environment with ample opportunities to grow and explore. The human resources development function of the Company is guided by a strong set of values and policies. The details of initiatives taken by the Company for development of human resources are given in Management Discussion and Analysis Report

The Company maintained healthy, cordial and harmonious industrial relations at all levels.

PARTICULARS OF EMPLOYEES

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, regarding employees is given in Annexure "A" to the Directors' Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) In the preparation of the accounts for the financial year ended March 31, 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at March 31, 2011 and of the profit of the Company for the year under review;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars required to be furnished under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are as under:

- With regard to the Non-Conventional Energy Generation Projects of the Company, the required measures are taken from time to time for conservation of energy and technology absorption.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Earnings	:	NIL
Outgo	:	6.13 Lacs

ACKNOWLEDGMENTS:

The Board of Directors wishes to place on record its appreciation for the commitment, dedication and hard work done by the employees of the Company and the cooperation extended by Banks, Government Authorities, Customers, Shareholders and Employees of the Company and looks forward to a continued mutual support and co-operation.

Place : New Delhi
Date : 25th July, 2011

sd/-
(Purushottam Agrawal)
Chairman

sd/-
(Sunil Agarwal)
Managing Director

Annexure "A" to the Directors' Report
Statement pursuant to Section 217(2A) of the Companies Act, 1956 and
the Companies (Particulars of Employees) Rules, 1975

Sr. No.	Name	Age (Years)	Designation	Gross Remuneration	Qualification	Total Experience (Years)	Date of Commencement of Employment	Last Employment
1.	Mr. Sunil Agarwal	40	Managing Director	34,80,000/-	Graduate	22	05/03/1992	—
2	Mr. Sachin Agarwal	36	Whole Time Director	34,80,000/-	Graduate MBA	17	29/03/2000	—
3	Mr. Harish Singh	44	Executive Director	73,41,590/-	Post Graduate FCA, MBA	19	25/08/1997	—

MANAGEMENT DISCUSSION AND ANALYSIS

MACRO-ECONOMIC ENVIRONMENT

India's population is more than 1000 millions, and it is the second largest in term of population after China. India's GDP ranks among the top 15 economies of the world. The Gross Domestic Product (GDP) in India expanded 7.8 percent in the first quarter of 2011 over the same quarter in previous year. From 2004 until 2010, India's average quarterly GDP Growth was 8.40 percent reaching an historical high of 10.10 percent in September 2006 and a record low of 5.50 percent in December 2004. India's diverse economy encompasses traditional village farming, modern agriculture, handicrafts, a wide range of modern industries, and a multitude of services. Services are the major source of economic growth, accounting for more than half of India's output with less than one third of its labour force. The economy has posted an average growth rate of more than 7% in the decade since 1997, reducing poverty by about 10 percentage points.

Currently, around 300 million people or about 80 million households are living below the poverty line. i.e. less than \$2 per day according to the World Bank and the poorest are which earns \$1 per day. It is further estimated that of these households, only about 20% have access to credit from the informal sources i.e. local Zamindars, Chit Funds etc. With about 80 million households below poverty line and 80% out of this have access from the informal sector, so it's obvious to solve this problem and this gave birth to Micro Finance Institutions (MFIs).

More microfinance institutions (MFIs) should be encouraged to enter the microfinance sector to reach out to the vast populace of unbanked mass in the country, according to the Associated Chambers of Commerce and Industry of India. New MFIs should be encouraged to enter into unbanked areas of the country as it will help in achieving financial inclusion, according to President of Assocham. The emergence of the microfinance industry is often explained as an answer to an unmet demand. The World Bank estimates that there are now 7000 microfinance institutions, serving some 16 million poor people in developing countries.

Micro Finance Institutions (MFIs) could play a significant role in facilitating inclusion, as they are uniquely positioned in reaching out to the rural poor. In the past few years, saving-led microfinance has gained recognition as an effective way to bring very poor families low-cost financial services. Microfinance expansion over the next decade can be expected to be an extension of what has been achieved so far.

In the Monetary Policy Statement for the year 2011-12, the Reserve Bank of India has communicated its acceptance of "the broad framework of regulations recommended by the Malegam Committee". In view of the uncertainty prevailing since 14 October 2010 in the microfinance sub-sector of the financial system, SEIL welcomes this acceptance. It will help to provide a framework of operations for the microfinance sector and a basis for the MFIs' relationship with microfinance clients, state governments, commercial/ development banks, rating agencies, capacity building/training organisations and other stakeholders.

FINANCIAL REVIEW

SEIL delivered superior financial performance during the year with improvement across all major parameters. Total

Income achieved for the year ended 31st March 2011 was Rs. 18143.66 Lacs reflecting a growth of 106% over the Total Income of last year. Interest costs were Rs. 6201.76 Lacs as against Rs. 3704.02 Lacs in the last year. Operating Profit (PBDIT) increased by 107% from Rs. 7346.88 Lacs in the last year to Rs. 15238.07 Lacs this year. Depreciation was marginally higher at Rs. 427.68 Lacs against Rs. 408.89 Lacs in the last year.

Profit after tax was Rs. 6081.59 Lacs as against Rs. 2633.55 Lacs for the last year, an increase of an amount of Rs. 3448.04 Lacs. An amount of Rs. 1216.32 Lacs was transferred to Statutory Reserve Fund pursuant to Section 45-IC of the Reserve Bank of India Act, 1934, and an amount of Rs. 5000 Lacs was transferred to the General Reserve during the year under review.

The Company's Net worth as on March 31, 2011 stood at Rs. 34984.14 Lacs as against Rs. 30076.40 Lacs last year. Basic and Diluted Earning Per Share (EPS) was Rs. 1.49 as against Rs. 1.18 in the last year.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

As Microfinance institutions (MFIs) grow and operate as regulated financial intermediaries, internal control becomes essential to long-term institutional viability. The number and types of stakeholders concerned with the MFI's financial well-being increases: donors desire to support sustainable microfinance projects; board members want to protect their reputations and fulfil their obligations; investors are interested in preserving capital; borrowers are concerned with continuous access to loans; depositors want to ensure the safety of their savings; and regulators want to protect the financial environment and depositor's interests. To remain competitive, MFIs are undertaking product and geographical expansion, which introduce new risks and challenge imposed by rapid growth. An effective system of internal control allows the MFI's to assume additional risks in a calculated manner while minimizing financial surprises and protecting itself from significant financial loss. Thus, internal control is an integral component of risk management.

The Internal control checks and internal audit programmes adopted by our Company plays an important role in the risk management feedback loop, in which the information generated in the internal control process is reported back to the Board and Management.

Your Company believes in formulating adequate and effective internal control systems to verify the efficiency and effectiveness of the operations and implementing the same strictly to ensure that assets and interest of the Company are safeguarded and to assure the reliability and completeness of financial and management information. The internal control systems are modified continuously to meet the dynamic changes in the business condition and to comply with applicable laws, regulations, statutory and accounting requirements.

The Company has engaged a competent firm of Chartered Accountants to conduct internal audit, examine and evaluate the adequacy and effectiveness of the Internal Control System. The internal audit ensures that the systems designed and implemented, provides adequate internal control commensurate with the size and operations of the Company.

The Audit Committee of the Board of Director, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and the corrective actions taken.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal controls systems and suggests improvements for strengthening them. The Company has a strong Management Information System which is an integral part of the control mechanism. Internal control mechanisms work to improve decision making by ensuring that the information is accurate, complete and timely so that the board and management can respond to control issues promptly as they arise.

RISK MANAGEMENT

Risk management is a dynamic process, in which the MFI regularly evaluates the effectiveness of its policies and procedures in controlling risks and makes adjustments as necessary. Even if an evaluation finds that the MFI is adequately controlling its risks, the risk management process does not end; it continues with regular, ongoing evaluations. Each successive evaluation not only tests the effectiveness of new controls but also includes a review of previously tested controls. Because MFI operate in ever-changing risk environments, the risk management process is never ending. Creating an infrastructure and system to incorporate risk management into the MFI's culture ensures that all staff focus on identifying and anticipating potential risks. The process incorporates a continual feedback loop from and back to the Board and senior management to ensure they receive the information they need, that the information is accurate and that it is consistent with the risk parameters set by the

MFI.

Some of the key risks faced by the Company includes:

- Credit risk
- Liquidity risk
- Interest rates risk
- Rising inflation
- Competition from local and multinational players
- Frequent changes in the regulatory framework
- Transaction risk
- Non recovery of funds from its customers.
- Fraud risk
- Loss of critical documents

INFORMATION TECHNOLOGY

Leveraging Information Technology tools to improve overall productivity and efficiency of the organization has been a key focus area for the Company. Thus, SEIL maintains an unwavering focus on leveraging IT to function seamlessly across tasks, departments and geographies. As the Company's business grows in scale and scope, constant upgrading of the IT backbone - in terms of infrastructure, application and compliance - remains a key priority. The Company's IT initiatives are aimed at enhancing service levels, increasing customer convenience and improving loan administration & recovery, while minimizing costs at the same time.

STRENGTHS

- The Company focuses on semi-urban and rural areas, reaching across remote locations, where no other financier is available, thus carving a niche for itself.
- The Company aims at targeting the common man, who is unable to get credit from banks and who is saved from the clutches of the local moneylenders with the help of SEIL. It offers attractively packaged, quick credit against a wide variety of products that touch an individual's life.
- The Company has a longstanding presence spanning over two decades of financing, resulting in deep understanding of the market that it operates in.
- The Company's biggest strength is its trained manpower. This enables smooth conduct of operation.
- Over the years, the Company has established a name for itself in the retail debt market, which gives it access to an uninterrupted resources base.
- SEIL has a de-risked business portfolio. The Company's presence in various retail finance segments provides it an effective hedge against recession in any category.

OPPORTUNITIES AND CHALLENGES

The present global economic scenario put up opportunities for fundamentally strong companies such as your Company. The inherent strengths, in the form of strong domain expertise, powerful brand positioning, strength and resilience of the brands, fully integrated state of the art production facilities, cutting-edge technology and unparalleled product innovation capabilities provide a highly potent platform to seize the opportunities that are bound to arise during cyclical downturns in the form of newer markets, new segments of customers, new channels of distribution, etc.

Over the past decade awareness and employment programs by both the government as well as social sector has seen formation of thousands of SHGs and other Micro Enterprises in rural & urban rural areas. This awareness has lead to exponential growth for Micro Finance in Rural India. The potential for urban micro finance is equally huge. The nature of urban micro finance demand

ranges from loans for financing small business and bridge loans to cover family needs such as festivals, marriages, illness & education expenses. SEIL is continuously focusing on tapping the potential in this area.

HUMAN RESOURCE DEVELOPMENT

One of the “Key” reasons for the exponential growth of S. E. Investments Limited is undoubtedly its “People”. Given the right environment and nurturing that is provided, time and time again seemingly Ordinary people surprise the company as deliver extraordinary results. The Company has always provided an open and challenging work environment wherein the staff members get an opportunity to rapidly gain and assimilate knowledge. Creativity and dedication of all the employees represent the most precious assets of the Company. For the growth of the organization, the human resources function has an important role to play not only in identifying and recruiting suitable individuals but also in developing and rewarding its employees. As such, we have remained focused on strengthening human capital through continuous training and development and by upgrading skills of employees to meet the Company's objectives. The Company has a union free environment and the industrial relations scenario continued to be stable during the year.

APPRECIATION

Your directors express their warm appreciation to all the employees for their diligence and contribution. Your Directors also wish to record their appreciation for the support and co-operation received from the joint venture partners, dealers, agents, suppliers bankers and all other stakeholders.

Date : 25th July, 2011
Place : New Delhi

sd/-
(Purushottam Agrawal)
Chairman

sd/-
(Sunil Agarwal)
Managing Director



CORPORATE GOVERNANCE REPORT

Corporate Governance is the set of policies, processes and practices governing the affairs of a company in pursuit of its business goals. Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good governance practices stem from the culture and mindset of the organization. As stakeholders across the globe evince keen interest in the practices and performance of companies, Corporate Governance has emerged on the centre stage.

Over the years, governance processes and systems have been strengthened and institutionalized at S E Investments Limited. Effective implementation of these policies underpins the commitment of the Company to uphold highest principles of Corporate Governance consistent with the Company's goal to enhance shareholders' value.

Keeping in view the Company's size, complexity, global operations and corporate traditions, the Company's Governance framework is based on the following main principles:

- Constitution of a Board of Directors of appropriate composition, size, varied expertise and commitment to discharge their responsibilities and duties.
- Ensuring timely flow of information to the Board and its Committees to enable them discharge their functions effectively.
- A sound system of risk management and internal control.
- Independent verification and safeguarding integrity of the Company's financial reporting.
- Timely and balanced disclosure of all material information concerning the Company to all stakeholders.
- Transparency and accountability.
- Fair and equitable treatment of all stakeholders including employees, customers, shareholders and investors.
- Compliance with all the rules and regulations.

The Company recognizes that good Corporate Governance is a continuing exercise and is committed to follow the best practices in the overall interest of the stakeholders.

In accordance with clause 49 of the Listing Agreement with the Stock Exchange in India and the best practices followed internationally on corporate governance, the details of governance systems and processes are as under:

Company's philosophy on Code of Governance

Corporate Governance at S E Investments Limited cares for the overall well-being and welfare of all the constituents of the system and takes into account the stakeholders' interest at every business decision.

The Company is committed to pursue growth by adhering to the highest National and International standards of Corporate

Governance. The Company's philosophy on corporate Governance is based on following principles.

- Lay solid foundation for management
- Structure the Board to add value
- Promote ethical and responsible decision-making
- Safeguard integrity in financial reporting
- Make timely and balanced disclosures
- Recognize and manage business risks
- Respect the rights of the shareholders
- Encourage enhanced performance
- Remunerate fairly and responsibly
- Recognize the legitimate interest of the stakeholders
- Legal and Statutory compliances in its true spirit.

The Board of company has adopted 'Code of Conduct for prohibition of Insider Trading' based on the principles of good corporate governance and best management practices being followed globally besides complying with the needs of the law of land.

Corporate Governance philosophy is put into process in SEIL, through the following three layers namely:



FIRST LAYER: GOVERNANCE BY SHAREHOLDERS

Annual General Meeting

Annual General Meeting for the year 2010-11 is scheduled on Monday, 29th August, 2011, 10.00 A.M. The meeting will be conducted at Auditorium ISKCON Complex, Hare Krishna Hill, Sant Nagar, Main Road, East of Kailash, New Delhi-110065.

For those of you, who cannot make it to the meeting, please remember that you can appoint a proxy to represent you in a meeting. For this you need to fill in a proxy form enclosed with the notice for the meeting and send it to us. The last date for receipt of proxy forms by us is August 27, 2011 before 10.00 A.M.

Annual General Meetings of last three years:

<i>Year</i>	<i>AGM</i>	<i>Date</i>	<i>Time</i>	<i>Venue</i>	<i>Special Resolution passed</i>
2007-08	16th AGM	June 3, 2008	10.00 a.m.	Conference Hall No. 1 India International Center 40, Max Mueller Marg, New Delhi-110003	Three
2008-09	17th AGM	July 4, 2009	10.00 a.m.	Conference Hall No. 2 IIInd Floor, YWCA of Delhi Near Gurudwara Bangla Sahib Ashoka Road, New Delhi-110001	Three

<i>Year</i>	<i>AGM</i>	<i>Date</i>	<i>Time</i>	<i>Venue</i>	<i>Special Resolution passed</i>
2009-10	18th AGM	Sept. 13, 2010	10.30 a.m.	Auditorium ISKCON Complex Hare Krishna Hill, Sant Nagar Main Road, East of Kailash New Delhi-110065	Four

Postal Ballot

No Postal Ballot was conducted during the year 2010-11.

Extraordinary General Meeting

No Extra-Ordinary General meeting was conducted during the year 2010-11.

Financial Calendar for the year 2011-12

- Financial reporting for the quarter ending June 30, 2011 : By Mid Aug., 2011
- Financial reporting for the half year ending September 30, 2011 : By Mid Nov. , 2011
- Financial reporting for the quarter ending December 31, 2011 : By Mid Feb. , 2012
- Financial reporting for the year ending March 31, 2012 : By End May, 2012

Book Closure Period

August 24th, 2011 to August 29th, 2011 (Both days inclusive)

Dividend

<i>Dividend Type</i>	<i>Declared at Board Meeting dated</i>	<i>Dividend rate per share</i>	<i>Record date</i>
Final Dividend for 2010-11	12.07.2010	0.20	24.07.2010

Stock Exchanges where Equity shares of the Company are listed

National Stock Exchange of India Limited, (NSE)
Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai-400051

Bombay Stock Exchange Limited, (BSE),
P. J. Towers 25th Floor, Dalal Street, Mumbai-400001

Stock Exchanges where Global Depository Receipts (GDR's) of Company are listed

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

Listing fees

Annual Listing fee for the year 2011-12 has been paid to the Stock Exchanges where the equity shares of the Company are listed in the month of April, 2011 i.e. within the stipulated time.

Stock Code

Scrip Symbol – Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. – 'SEINVEST'

Scrip Code – Bombay Stock Exchange Ltd. – '532900'

ISIN for Equity Shares – INE 420C01034

ISIN for Preference Shares – INE420C04012

GDRs Listed on Luxembourg Stock Exchange

ISIN code - US78413C1009

Scrip Symbol (Bloomberg) - SEIN:IN

Stock Market Data

Monthly high and low prices of equity shares of S. E. Investments Limited at the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) during the year under review in comparison to BSE (Sensex) and NSE (Nifty) are given hereunder:

MONTH	Price in BSE		Price in NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2010 *	794.15	116.05	793.00	116.15
May, 2010 **	204.00	48.25	204.15	47.75
June, 2010	55.95	47.10	55.90	46.10
July, 2010	62.70	46.95	62.90	45.50
August, 2010	69.35	46.55	70.35	46.30
September, 2010	59.40	47.65	59.00	47.00
October, 2010	57.10	23.20	57.05	23.20
November, 2010 ***	26.50	18.05	26.50	17.70
December, 2010	37.30	22.00	38.00	21.00
January, 2011	41.25	17.05	41.50	16.50
February, 2011	20.25	14.75	20.15	14.75
March, 2011	22.80	15.00	22.50	14.50

Source: websites of the respective stock exchanges

Note: High and low are in rupees per traded share.

* April, 2010 – Sub division of Face Value of equity share from Rs. 10 to Rs. 2 each on 06/04/2010.

** May, 2010 - Bonus issued in the ratio 3:1 on 20/05/2010.

*** November, 2010 - Sub division of Face Value of equity share from Rs. 2 to Re. 1 each on 01/11/2010.

Registrar & Share Transfer Agent

M/s Alankit Assignments Limited, New Delhi has been appointed as the Registrar and Share Transfer Agent of the Company for handling the share transfer work both in physical and electronic form. All correspondence relating to share transfer, transmission, dematerialization, rematerialisation etc. can be made at the following address:

ALANKIT ASSIGNMENTS LIMITED
 Alankit House, 2E/21,
 Jhandewalan Extension
 New Delhi-110055. Tel.: 011 42541955
 Contact Person – Mr. Ram Avtar Pandey
 Email: ramap@alankit.com

Time: 10.00 a.m. to 1.00 p.m. and 2.00 p.m. to 4.00 p.m. (Monday to Friday)

Share Transfer System

Shares sent for transfer in physical form are processed and completed by our Registrar and Share Transfer Agents within a period of 15 days from the date of receipt provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. Shares under objection are returned within two weeks.

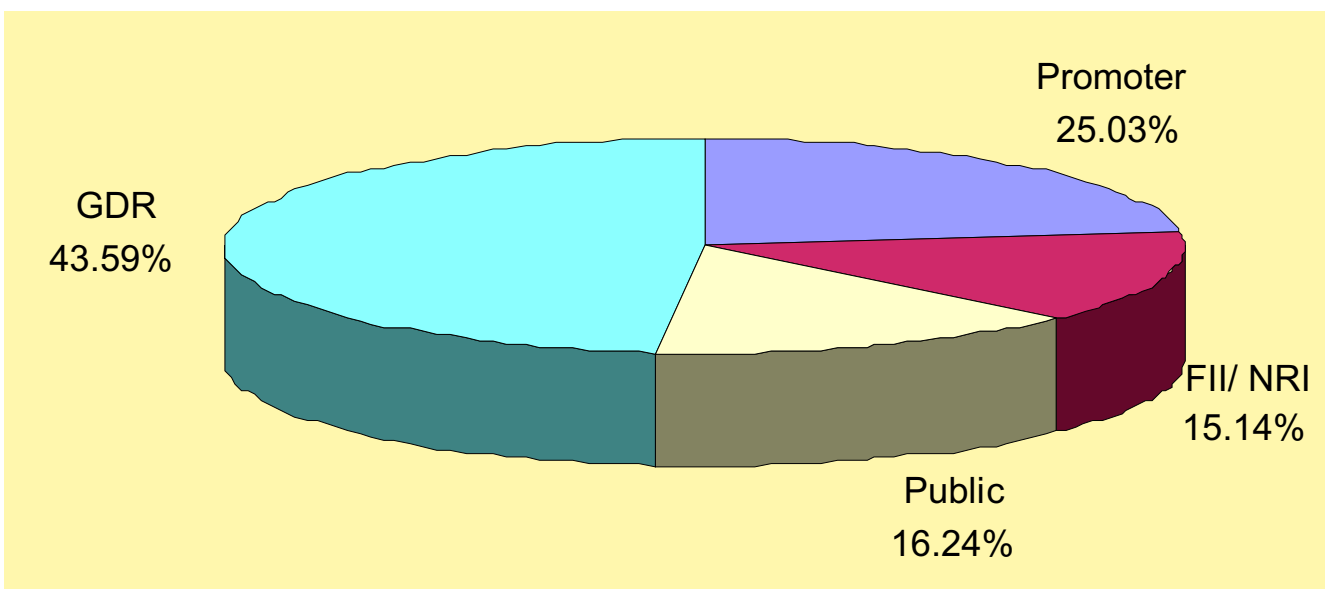
Shareholders can trade in the Company's share only in electronic form. The process for getting the shares dematerialised is as follows:

- Shareholder submits the shares certificate along with Dematerialisation request Form (DRF) to Depository Participant (DP).
- DP processes the DRF and generates a unique Dematerialisation Request Number.
- DP forwards DRF and share certificates to Registrar and Share Transfer Agents (RTA).
- RTA after processing the DRF confirms or rejects the request to Depositories.
- If confirmed by the RTA, depositories give credit to shareholder in his account maintained with DP.

This process takes approximately 10-15 days from the date of receipt of DRF.

As trading in shares of the Company can be done only in electronic form, it is advisable that the shareholders who have shares in physical form get their shares dematerialised.

Distribution of Shareholding as on March 31, 2011



Shareholding Pattern as on March 31, 2011

CATEGORY	NUMBER OF SHARES HELD	PERCENTAGE OF SHAREHOLDING
(A) Shareholding of Promoter and Promoter Group		
1. Indian		
(a) Individuals/ Hindu Undivided Family	73,286,400	18.07
(b) Bodies Corporate	28,216,360	6.96
Sub Total(A)(1)	101,502,760	25.03
2. Foreign		
Sub Total(A)(2)	—	—
Total Shareholding of Promoter and Promoter Group		
(A)= (A)(1)+(A)(2)	101,502,760	25.03
(B) Public shareholding		
1 Institutions		
(a) Foreign Institutional Investors	56,178,800	13.85
(b) Insurance Companies	2,000,000	0.49
Any Others (Specify)		
(c) Foreign Institutional Investors - DR	5,041,408	1.24
Sub-Total (B)(1)	63,220,208	15.58
2. Non-institutions		
(a) Body Corporates	49,922,145	12.31
(b) Individuals		
I. Individual shareholders holding nominal share capital up to Rs 1 lakh	5,787,548	1.43
II. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	4,265,162	1.05
(c) Any Other		
I. Non-Resident Individuals/Foreign Individuals	192,966	0.05
ii. Clearing Members	3,909,211	0.96
Sub-Total (B)(2)	64,077,032	15.80
Total Public Shareholding (B)= (B)(1)+(B)(2)	127,297,240	31.38
TOTAL (A)+(B)	228,800,000	56.41
(C) Shares held by Custodians and against which Depository Receipts have been issued	176,800,000	43.59
GRAND TOTAL (A)+(B)+(C)	405,600,000	100.00

Shareholding Pattern by Size

The distribution of shareholding as on 31st March, 2011 is given below:

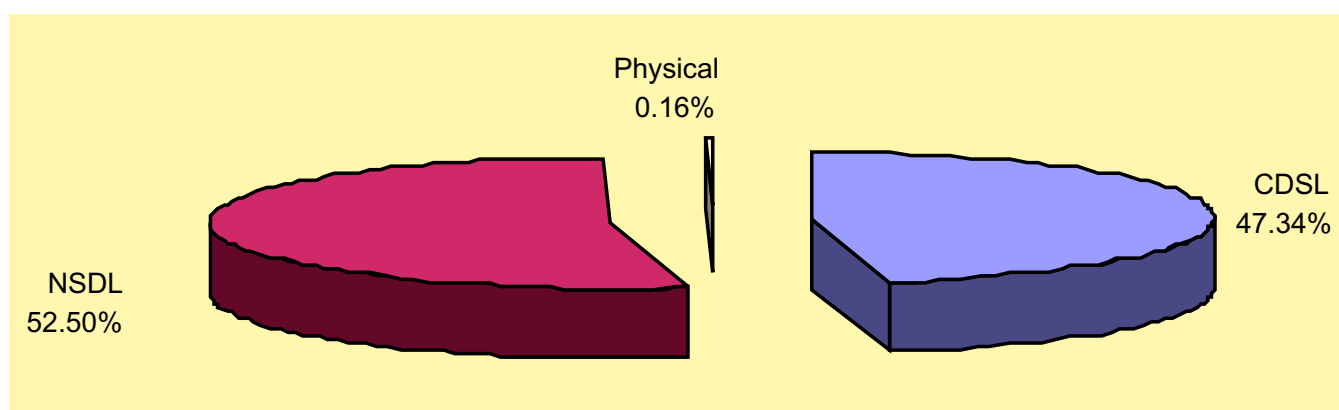
Shares holding of nominal value of		Share holders		Amount	
Rs.	Rs.	Number	% of total	(In Rs.)	% to total
1	--	1698	29.716	96372	0.024
101	--	2073	36.279	606158	0.149
501	--	769	13.458	640699	0.158
1001	--	794	13.896	1888589	0.466
5,001	--	140	2.450	1043811	0.257
10,001	--	75	1.313	1093815	0.270
20,001	--	23	0.403	630389	0.155
30,001	--	22	0.385	832401	0.205
40,001	--	7	0.123	322632	0.080
50,001	--	31	0.543	2130493	0.525
100,001	--	24	0.420	6768817	1.669
5,00,001 & Above		58	1.015	389545824	96.042
** TOTAL **		5714	100.00	405600000	100.00

Details of shareholders having more than 1 % holding as on March 31, 2011

Name of shareholder	No. of shares held	% of shareholding
Elara India Opportunities Fund Limited	22,027,040	5.43
Emerging India Focus Funds	16,611,818	4.10
Kuvera Capital Partners Llp A/C Kuvera Fund Limited	16,297,600	4.02
Krishna Human Resource Management Pvt Ltd	13,860,000	3.42
Radha Chemicals Pvt Ltd	6,400,000	1.58
Sparrow India Diversified Opportunities Fund	5,041,408	1.24
Gaupal Products Pvt Ltd	4,600,000	1.13

Dematerialization of Shares

The equity shares of the Company can be held and traded in Electronic Form. As on March 31, 2011, 99.84 % of the total equity shares have been dematerialized.

**Outstanding GDRs/ Warrants and convertible bonds**

Outstanding numbers of 88400000 Global Depositary Receipts (the "GDRs") representing 176800000 Equity Shares (43.59%) of the total paid-up share capital as on 31.03.2011. Since the underlying equity shares represented by GDRs have been allotted in full, the outstanding have no impact on the equity of the Company. Since after the allotment of GDRs the Company has done three corporate action viz. split up of one equity share of Rs. 10 each into five equity shares of Rs. 2/- each, bonus issue and split up of one equity share of Rs. 2 each into two equity shares of Re. 1 each, hence the underlying shares have changed accordingly.

Nomination

Shareholders holding shares in physical form and desirous of making nomination in respect of their shareholding in the Company are requested to submit their request to Company in Form 2B.

Address for Correspondence

(a) Investor Correspondence: For any query relating to the shares of the Company.

For Shares held in Physical Form:

ALANKIT ASSIGNMENTS LIMITED

Alankit House, 2E/21, Jhandewalan Extension

New Delhi-110055. Tel.: 011 42541955

Contact Person – Mr. Ram Avtar Pandey

Email: ramap@alankit.com

Time: 10.00 a.m. to 1.00 p.m. and 2.00 p.m. to 4.00 p.m. (Monday to Friday)

For Shares held in Demat Form:

To the Investors' Depository participant(s) and / or Alankit Assignments Limited at the above address

- (b) For grievance redressal and any query on Annual Report
 Secretarial Department
 S. E. Investments Limited
 S-547, IIInd Floor, Main Road,
 Shakarpur, Delhi-110092
 Phone No. 91 011 43518888
 Fax No. 91 011 43518816
 e-mail ID: cs@seil.in
 Website: www.seil.in

Means of Communication

- The Board of Directors of the Company approves and takes on record the quarterly, half yearly and yearly financial results as per the performa prescribed by Clause 41 of the Listing Agreement.
- The approved financial results are forthwith sent to the listed Stock Exchanges and are published in the leading National English Newspapers namely 'The Statesman', 'Economic Times'. In addition, the same are published in Local language Newspaper namely 'Rashtriya Sahara' (Haryana), with in forty-eight hours of approval thereof. The same are not sent to the shareholders separately.
- The Company's financial results and official news releases are displayed on the Company's website www.seil.in.
- No formal presentations were made to the institutional investors and analyst during the year under review.
- Management Discussion and Analysis forms part of the Annual Report, which is posted to the shareholders of the Company.

SECOND LAYER: GOVERNANCE BY BOARD OF DIRECTORS**Composition and category**

The Board of Directors of the Company ("the Board") consists of 8 Directors, out of which more than 50% are Non-executive directors. The Chairman is Non-Executive and the number of Independent Directors i.e. those who have no business relationship with the Company is 50%. The Independent Directors on the Board are experienced, competent and highly reputed persons from their respective fields. None of directors on the Board is member of more than five Board level Committees.

Board's definition of independent director

Independent director shall mean Non-executive director of the Company who:

- a) apart from receiving director's remuneration, does not have any material pecuniary relationships or transactions with the Company, its promoters, its senior management or its holding Company, its subsidiaries and associated companies.
- b) is not related to Promoters, Chairman, Managing director, Whole time director, Secretary, CEO or CFO and of any person in the management at one level below the board.
- c) has not been an executive of the company in the immediately preceding three financial years.
- d) is not a partner or any executive of the statutory audit firm or the internal audit firm that is associated with the Company, and has not been a partner or an executive of such firm for the last three year. This will also apply to legal firm(s) and consulting firm(s) that have a material association with the entity.
- e) is not a supplier, service provider or customer of the Company. This should include lessor-lessee type relationships also; and
- f) is not a substantial shareholder of the Company, i.e. owning two percent or more of the block of voting shares.
- g) is not less than 21 years of age.

The Board of the Company has also decided that materiality of relationship with directors shall be ascertained on the following basis:

- The concept of materiality is relevant from the recipient's point of view and as well as from that of Company.
- Based on the above test of independence, Mr. Suresh Chand Sharma, Dr. Shyam Lal Garg, Dr. Arun Gopal Agarwal and Mr. Yashwant Rao Deshmukh are categorized as Independent directors.

Other details relating to the Board as on 31.03.2011 are as follows:

Name	Designation	Category	Shareholding in Company (No. of Shares)	No. of directorships held in all public companies#	No. of Board Committees memberships held in all public companies@	No. of Board Committees Chairmanships held in all public companies@
Mr. Purushottam Agrawal	Chairman	Non-Executive Non-Independent	2,690,000	2	1	NIL
Mr. Sunil Agarwal	Managing Director	Executive Non-Independent	12,000,000	3	2	1
Mr. Sachin Agarwal	Whole Time Director	Executive Non-Independent	10,672,400	2	1	NIL
Mr. Harish Singh	Executive Director	Executive Non-Independent	NIL	NIL	NIL	NIL
Mr. Suresh Chand Sharma	Director	Non- Executive Independent	4,40,000	1	3	2
Dr. Shyam Lal Garg	Director	Non- Executive Independent	NIL	NIL	NIL	NIL
Dr. Arun Gopal Agarwal	Director	Non- Executive Independent	NIL	1	1	1
Mr. Yashwant Rao Deshmukh	Director	Non- Executive Independent	NIL	NIL	NIL	NIL

excluding S. E. Investments Limited and excluding alternate directorship, Directorships in private and foreign companies and Companies under section 25 of the Companies Act, 1956

@ Board Committee for this purpose includes Audit Committee, Remuneration Committee, Shareholders/Investors' Grievance Committee and IPO Committee.

None of the Directors on the Board is a member of more than ten Committees and Chairman of more than five Committees across all companies in which they are Directors.

Directors' Profile

Brief resume of all the Directors and nature of their expertise in specific functional areas as provided below :

Sh. Purushottam Agrawal (DIN 00007483)

Mr. Purushottam Agrawal, aged 67 years, a post graduate in commerce and law graduate is a Chartered Accountant holding fellow membership of the Institute of chartered Accountants of India. He has more than four decades of experience in corporate advisory, income tax practice, project consultancy and related areas. He has been a member of the Regional Direct Taxes Advisory Committee set up the Central Board of Direct Taxes.

Sh. Sunil Agarwal (DIN 00006991)

Mr. Sunil Agarwal, aged 40 years, is the Managing Director of the Company. He is bachelor of commerce from St. John's College Agra. He is responsible for the business and brand building of the Company. He has been Pro-Vice Chairman of Delhi Public School, Agra and Raj Nagar, Ghaziabad promoted by the reputed Delhi Public School Society of Delhi.

Sh. Sachin Agarwal (DIN 00007047)

Mr. Sachin Agarwal, aged 36 years, holds a graduate degree in commerce with honours. He looks after the retail operations of

the Company, His key responsibilities include providing leadership in establishing, planning, priority setting and communicating strategic direction of initiatives and brand development with customer base for annual and on going business plan.

Sh. Suresh Chand Sharma (DIN 01688986)

Mr. Suresh Chand Sharma, aged 50 years, is a post graduate in commerce and bachelor of law graduate. He has been practicing as tax advocate and has more than two decades of experience in taxation.

Sh. Shyam Lal Garg (DIN 01891890)

Dr. Shyam Lal Garg, aged 67 years, is post graduate in science and holds a doctorate degree in philosophy. He is a retired Deputy Chief Controller of Explosives, Government of India. He has rich experience in the fields of Banking and Finance.

Sh. Arun Gopal Agarwal (DIN 00374421)

Dr. Arun Gopal Agarwal, aged 65 years, holds a doctorate degree in commerce. He is a Company Secretary holding fellow membership of the Institute of Company Secretaries of India and a Cost Accountant holding fellow membership of the Institute of Cost Accountant of India. He is an independent accounting consultant based at New Delhi and specializes in commercial arbitrations, management accounting, financial management including budgetary controls, cost accounting and internal audit. He is also a fellow member of the Management Association and Arbitration Council of India.

Sh. Harish Singh (DIN 00039501)

Mr. Harish Singh, aged 44 years, an MBA in marketing and post graduate in commerce, is a Chartered Accountant holding fellow membership of the Institute of Chartered Accountants of India. He has been in practice with about two decades of post qualification experience. He has developed an expertise in the field of Audit, Taxation and Corporate Advisory Services.

Sh. Yashwant Rao Deshmukh (DIN 02846402)

Mr. Yashwant Rao Deshmukh, aged 39 years, is a seasoned communications entrepreneur and over the last two decades has become a celebrated figure in the South Asian media and communication industry. As founder-owner of YRD Media, Yashwant Rao Deshmukh has always placed special emphasis on impeccable research, design and production and delivered innovative and original news analysis across the spectrum, spanning 15 Union Budgets, over 100 Union & Assembly Elections and a plethora of international socio-political and economic events across 30 nations all over the world.

BOARD PROCEDURE

The Board meets at least once in a quarter to review the quarterly performance and the financial results. The Board Meetings are generally scheduled in advance and the notice of each Board Meeting is given in writing to each Director. All the items on the agenda are accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial/business plans, financial results, detailed presentations are made.

The information as specified in Annexure (I) (A) to the Clause 49 of the Listing Agreement is regularly made available to the Board.

To enable the Board to discharge its responsibilities effectively, the members of the Board are briefed of every Board Meeting., on the overall performance of the Company, with presentations by Business Heads. Senior management is invited to attend the Board Meeting so as to provide additional inputs to the items being discussed by the Board.

The Board's role, functions, responsibility and accountability are clearly defined. In addition to matters statutory requiring Board's approval, all major decisions involving policy formulation, strategy and business plans, annual operating and capital expenditure budgets, new investment, details of joint ventures, sale of business unit/division, compliance with statutory/regulatory requirements, major accounting provisions and write-offs are considered by the Board.

Attendance of each director at the meetings of the Company

During the year ended March 31st, 2011, 28 (Twenty Eight) Board Meetings were held on :

26.04.2010, 27.04.2010, 08.05.2010, 20.05.2010, 24.05.2010, 09.06.2010, 11.06.2010, 28.06.2010, 05.07.2010, 12.07.2010,

02.08.2010, 13.08.2010, 27.08.2010, 13.09.2010, 22.09.2010, 25.09.2010, 16.10.2010, 18.10.2010, 28.10.2010, 19.11.2010, 11.12.2010, 21.12.2010, 30.12.2010, 04.01.2011, 07.02.2011, 25.02.2011, 17.03.2011, 23.03.2011.

The last Annual General Meeting of the Company was held on 13th September 2010. The detail of attendance of each director of the Company in Board and Committee meetings held during the financial year 2010-11 is given below:

Name of the Director	Attendance of meetings during 2010-11		
	Board Meeting held during the year	Meeting attended	Last AGM
Mr. Purushottam Agrawal	28	28	No
Mr. Sunil Agarwal	28	28	Yes
Mr. Sachin Agarwal	28	28	Yes
Mr. Harish Singh	28	28	Yes
Mr. Suresh Chand Sharma	28	28	Yes
Dr. Shyam Lal Garg	28	13	No
Dr. Arun Gopal Agarwal	28	28	Yes
Mr. Yashwant Rao Deshmukh ¹	28	7	Yes
Mr. Sanjay Agarwal ²	28	6	No

¹ Shri Yashwant Rao Deshmukh was appointed on July 12, 2010

² Shri Sanjay Agarwal has resigned on July 12, 2010

Agenda and Minutes

All the departments in the Company communicate to the Company Secretary well in advance with regard to matters requiring approval of the Board/Committees of the Board to enable him to include the same in the agenda for the Board/Committee meeting(s). Agenda papers are generally circulated to the Board members well in advance before the meeting of the Board.

The Company Secretary while preparing the agenda and minutes of the Board/Committee meeting is required to ensure adherence to the applicable provisions of the law including the Companies Act, 1956. The applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) are also being complied by the Company. The draft minutes of the proceeding of each meeting duly initialled by the Chairman of the meeting are circulated to the members for their comments and thereafter, confirmed by the Board/Committee in its next meeting. The Board also takes note of the minutes of the Committee meetings duly approved by their respective Chairman.

All material information is incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meeting. The information regularly supplied to the Board inter-alia includes the following:

- Annual operating plans and budgets and any updates thereon.
- Capital budgets and updates, if any.
- Quarterly results for the Company and its operating divisions or business segments.
- Minutes of meetings of Audit Committee and other committees of the Board.
- Legal compliance report and certificates.
- Information on recruitment, resignation and remuneration of senior officers.
- Show cause, demand, prosecution notices and penalty notices issued against the Company having material impact.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems, if any.
- Any material default in financial obligations to and by the Company, or substantial non-recoveries against sale, if any.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed structures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implication on the Company, if any.
- Details of any joint venture or collaboration agreement, if any.

- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property, if any.
- Significant labour problems and their proposed solutions. Any significant development in Human resources/Industrial Relations front like signing of wage agreement, implementation of voluntary Retirement Scheme etc, if any.
- Sale of material, nature of investment, subsidiaries, assets, which is not in normal course of business, if any.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as delay in share transfer, etc.

Compliance Certificate by the Statutory Auditor

The Statutory Auditor have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange and the same is annexed to the Directors' Report and Management Discussion and Analysis.

The Certificate from the Statutory Auditor will be sent to the Listed Stock Exchange alongwith the Annual Report of the Company.

Reconciliation of Share Capital Audit

As stipulated by SEBI, a qualified Practicing Company Secretary carries out the Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried every quarter and the report thereon is submitted to the Stock Exchanges. The audit confirms that the total Listed and Paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

Observance of the Secretarial Standards issued by the Institute of Company Secretaries of India

The Institute of Company Secretaries of India (ICSI) has issued Secretarial Standards on important aspects like Board Meetings, General meetings, Maintenance of Registers and Records, Minutes of meetings and transmission of Shares, etc. though these standards are recommendatory in nature, the company adheres to the standards voluntarily.

Management Discussion & Analysis Report

A detailed review of the progress and the future outlook of the Company and its business, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is presented in a separate section forming part of the Annual Report.

Compliance Officer

Mr. Vishal Sharma, Company Secretary is the Compliance Officer for complying with the requirements of the Listing Agreement with the Stock Exchanges and requirements of SEBI (Prohibition of Insider Trading) Regulation, 1992.

Corporate Governance Manual

The Board of Directors of the Company approved and adopted a comprehensive Corporate Governance Manual setting out the procedures for effective functioning of the Board and its Committees. It also incorporates the Code of Business Conduct and Ethics for Directors and Senior Management, Code of Ethics for Employees and Policy on Prohibition of Insider Trading. These policies are regularly monitored and reviewed.

Legal Compliance Reporting

As required under Clause 49 of the Listing agreement, the Board periodically reviews compliances of various laws applicable to the Company.

Disclosure

- There are no materially significant related party transactions made by the Company with its Promoters, Directors or management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large. The transactions with related parties as per requirements of Accounting Standard (AS-18) – 'Related Party Disclosures' are disclosed in Note No. 9 of Schedule 14 of the Accounts in the Annual Report.
- In the preparation of the financial statements, the Company has followed the Accounting Standards referred in Section 211(3) (c) of the Companies Act, 1956. The significant accounting policies which are consistently applied are set out in Annexure to Notes to the Accounts.
- Business risk evaluation and management is an ongoing process within the Company. During the year under review, a detailed exercise on 'Risk Assessment and Management' was carried out covering the entire gamut of business operation and the Board was informed of the same.
- The Company has complied with all requirements of the Listing Agreements entered into with the Stock Exchanges as well as the regulations and guidelines of SEBI. Consequently, there were no instructions or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital market since the Company is listed.
- Adoption of non-mandatory requirements of Clause 49 of the Listing Agreement is being reviewed by the Board from time to time.

Corporate ethics

As a reasonable corporate citizen, the Company consciously follows corporate ethics in both business and corporate interactions. The Company has framed various codes and policies, which act as guiding principles for carrying business in ethical way. Some of our policies are:

- Code of conduct for prevention of Insider Trading;
- Fair Practice Code;
- Whistle Blower Policy

Compliance status with mandatory and non-mandatory requirements of clause 49 of listing agreement

Mandatory requirements

The Company has complied with all the mandatory requirements of clause 49 of Listing Agreements entered into with Stock Exchange.

Non-mandatory requirements

Compliance status with non-mandatory requirements is given below:

- a) Chairman of the Company is entitled to seek any advice and consultancy in relation to the performance of his duties and is also entitled to claim reimbursement of the expenses incurred in this regard and other office facilities.
- b) The Company has constituted a Remuneration Committee. Relevant details of the Remuneration Committee are provided in separate section in this report.
- c) Presently, Quarterly/half yearly financial performance is not being sent to each household to shareholders.
- d) The Company believes and maintains its Accounts in transparent manner and aims at receiving unqualified report from the Auditors on the financial statement of the Company.
- e) As regards training of Board members, the Directors on the Board are experienced professionals having wide range of expertise in diverse fields. They keep themselves abreast with the latest developments in the field of Management, Technology and Business Environment through various symposiums, seminars, etc.
- f) The Company has adopted "Whistle Blower Policy". No personnel have been denied access to the Audit Committee.

Whistle Blower Policy

We have established a mechanism for employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of our code of conduct or ethics policy. It has provides for adequate safeguards against victimization of employees who avail of the mechanism, and also allows direct access to the Chairperson of the Audit Committee in exceptional cases. We further affirm that no employee has been denied access to the Audit Committee.

THIRD LAYER: GOVERNANCE BY COMMITTEES OF BOARD OF DIRECTORS

Our Board has constituted committees to focus on specific areas and make informed decisions within the authority delegated to each of the Committees. Each Committee of Board of Directors is guided by its Charter, which defines its scope, powers and composition of the Committee. All decisions and recommendations of the Committee are placed before the Board either for information or approval.

We have four (4) Committees of Board as on March 31, 2011.

1. Audit Committee
2. Remuneration Committee
3. Shareholders'/Investor Grievance Committee
4. Asset Liability Committee (ALCO)

1. Audit Committee

The primary responsibilities inter alia include:

- i. Oversight of the Company's financial reporting process
- ii. Auditing and accounting matters, including recommending the appointment of our independent auditors to the shareholders.
- iii. Compliance with legal and statutory requirements.
- iv. Integrity of Company's financial statements, discussing with the independent auditors the scope of the annual audits, and fees to be paid to the independent auditors.
- v. Performance of Company's Internal Audit function, Independent Auditors and accounting practices.
- vi. Review of related party transactions, functioning of Whistle Blower Mechanism
- vii. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- vi. Carrying out such other function as may be specifically referred to the Committee by the Board of Directors and / or other Committee(s) of Directors of the company.

The Audit Committee met 4 times during the year ended under consideration 08.05.2010, 12.07.2010, 18.10.2010, 02.02.2011. The constitution of Audit Committee and attendance of each member is as given below:

Name of Member	Designation	Category	No. of Meeting attended
Sh. Suresh Chand Sharma	Chairman	Non Executive Director	4
Sh. Purushottam Agrawal	Member	Non Executive Director	4
Sh Sanjay Agarwal ¹	Member	Non-Executive Director	2
Sh. Arun Gopal Agarwal ²	Member	Non-Executive Director	2

1. Shri Sanjay Agarwal has resigned on July 12, 2010

2. Shri Arun Gopal Agarwal has joined the Committee as on July 12, 2010

The Company Secretary act as Secretary to the Committee.

Shri Suresh Chand Sharma and Sh. Arun Gopal Agarwal who acts as members of the Audit Committee Meetings were present at the Eighteenth Annual General Meeting of the Company held on September 13, 2010 to answer the shareholders' queries.

2. Remuneration Committee

Terms of Reference

- Reviewing the overall compensation policy, service agreements and other employment conditions of Managing / Whole-time Director(s).

- Reviewing the performance of the Managing / Whole-time Director and recommending to the Board, the quantum of annual increments and annual commission.

Composition

The Remuneration Committee met four times during the year on 05.05.2010, 27.08.2010, 15.12.2010, 11.03.2011 during the year. The constitution of the Committee and attendance of each member is as given below:

Name of Member	Designation	Category	No. of Meeting attended
Mr. Suresh Chand Sharma	Chairman	Non Executive Director	4
Mr. Purushottam Agrawal	Member	Non Executive Director	4
Mr. Shyam Lal Garg	Member	Non Executive Director	4

The Company Secretary acts as secretary to the Committee.

The function of the Remuneration Committee includes recommendation of appointment and remuneration of Managerial Personnel to the Board.

Remuneration Policy

Payment of remuneration to the Managing Director/Whole-time Director(s) is governed by resolution passed by the Board of Directors and shareholders of the Company, which covers the terms of such appointment and remuneration, read with the service rules of the company. Payment of remuneration to Managing Director and Whole-time Director(s) is governed by the respective agreements executed between them and the Company. Remuneration paid to Managing Director and Whole-time Director(s) is recommended by the Remuneration Committee, approved by the Board and is within the limits set by the shareholders at the General Meetings.

The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent.

There are no separate provisions for payment of sitting fees under the resolutions governing the appointment of Chairman and Managing Director and Whole-time Director(s).

3. Shareholders'/ Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee, inter alia, oversees and reviews all matters connected with the investor services in connection with applications received and shares allotted in the Initial Public Offer, status of refund account, conversion of partly paid shares into fully paid shares, rematerialization and dematerialization of shares and transfer of shares of the Company. The Committee oversees performance of the Registrar and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services. The Board has delegated the power of approving transfer of securities to the officers of the Company.

Five Committees meetings were held during the year on 08.05.2010, 10.07.2010, 16.10.2010, 06.01.2011, 05.03.2011. The constitution of the Committee and attendance of each member is as given below:

Name of Member	Designation	Category	No. of Meeting attended
Mr. Purushottam Agrawal	Chairman	Non Executive Director	5
Mr. Suresh Chand Sharma	Member	Non Executive Director	5
Mr. Sunil Agarwal	Member	Executive Director	5
Mr. Yashwant Rao Deshmukh ¹	Member	Non Executive Director	3
Mr. Sanjay Agarwal ²	Member	Non Executive Director	2

¹Shri Yashwant Rao Deshmukh has joined the Committee as on July 12, 2010.

²Shri Sanjay Agarwal has resigned on July 12, 2010.

Complaints from Investors

No. of complaints pending at the beginning of the year	:	Nil
No. of complaints received by correspondence during the year ended 31.03.2011	:	07
No. of complaints received for Refund / Instrument correction during the year	:	Nil
No. of complaints received from B.S.E during the year	:	Nil
No. of complaints received from SEBI during the year	:	Nil
No. of complaints resolved / replied during the year	:	07
*No. of Investors complaints pending at the ending of the year 31.03.2011	:	Nil

We confirm that No complaints remained unattended / pending for more than 30 days.

*There were no share transfers pending for registration for more than 15 days as on the said date.

4. Asset Liability Committee (ALCO)

The Asset Liability Committee functions with the following objectives:

To perform the role of Risk Management in pursuance of the Risk Management guidelines issued periodically by RBI and the Board.

To monitor the business of the Company periodically and also to suggest ways and means to improve the working and profitability of the Company from time to time.

Five Committee meetings were held during the year on 07.05.2010, 11.07.2010, 23.09.2010, 28.10.2010, 15.03.2011. The constitution of the Committee and attendance of each member is as given below:

Name of Member	Designation	No. of meetings attended
Sh. Harish Singh	Chairman	5
Sh. Sunil Agarwal	Member	5
Sh. K. S. Seth	Member	5
Mrs. Madhu Jethani ¹	Member	3

¹Mrs Madhu Jethani has resigned on October 28, 2010.

DECLARATION OF THE CHAIRMAN AND MANAGING DIRECTOR

We, Purushottam Agrawal, Chairman and Sunil Agarwal, Managing Director of S. E. Investments Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed the balance sheet and profit and loss account and all its schedules and notes to accounts, as well as the cash flow statements and the directors' report;
2. Based on our knowledge and information, these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
3. Based on our knowledge and information, these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
4. To the best of our knowledge and belief, no transactions were entered into by the company during the year which is fraudulent, illegal or violative of the company's code of conduct;
5. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. Further we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to be taken to rectify these deficiencies;
6. We have indicated to the Company's Auditors and the Audit committee significant changes in internal control over financial reporting during the year and significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.

Place : New Delhi
Date : 25th July, 2011

sd/-
Purushottam Agrawal
Chairman

sd/-
Sunil Agarwal
Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Shareholders of S. E. Investments Limited,

We have examined the compliance of conditions of Corporate Governance by S. E. Investments Limited for the year ended March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance. 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 the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned clause of Listing Agreement.

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

Place : New Delhi
Date : 25th July, 2011

For R. Lal & Company
Chartered Accountants
sd/-
Ram Lal Agrawal
(Proprietor)
(Membership No. 017583)

MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATION

We have reviewed the financial statements and cash flow statement for the year 2010-11 and to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
2. These statements present a true & fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
3. There are to the best of our knowledge and belief, no transactions entered into by the Company during the year, which is fraudulent, illegal or in violation to the Company's Code of Conduct.
4. We accept the responsibility to establishing and maintaining Internal Controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal control, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies;
5. We further certify that :
 - a) There have been no significant changes in internal control during the year,
 - b) There have been no significant changes in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - c) There have been no instances of significant fraud of which we have become aware, involving management or any employee having a significant role in the Company's internal control system.

COMPLIANCE WITH CODE OF CONDUCT

The company has adopted "Code of Conduct for Directors and Senior Management personnel"

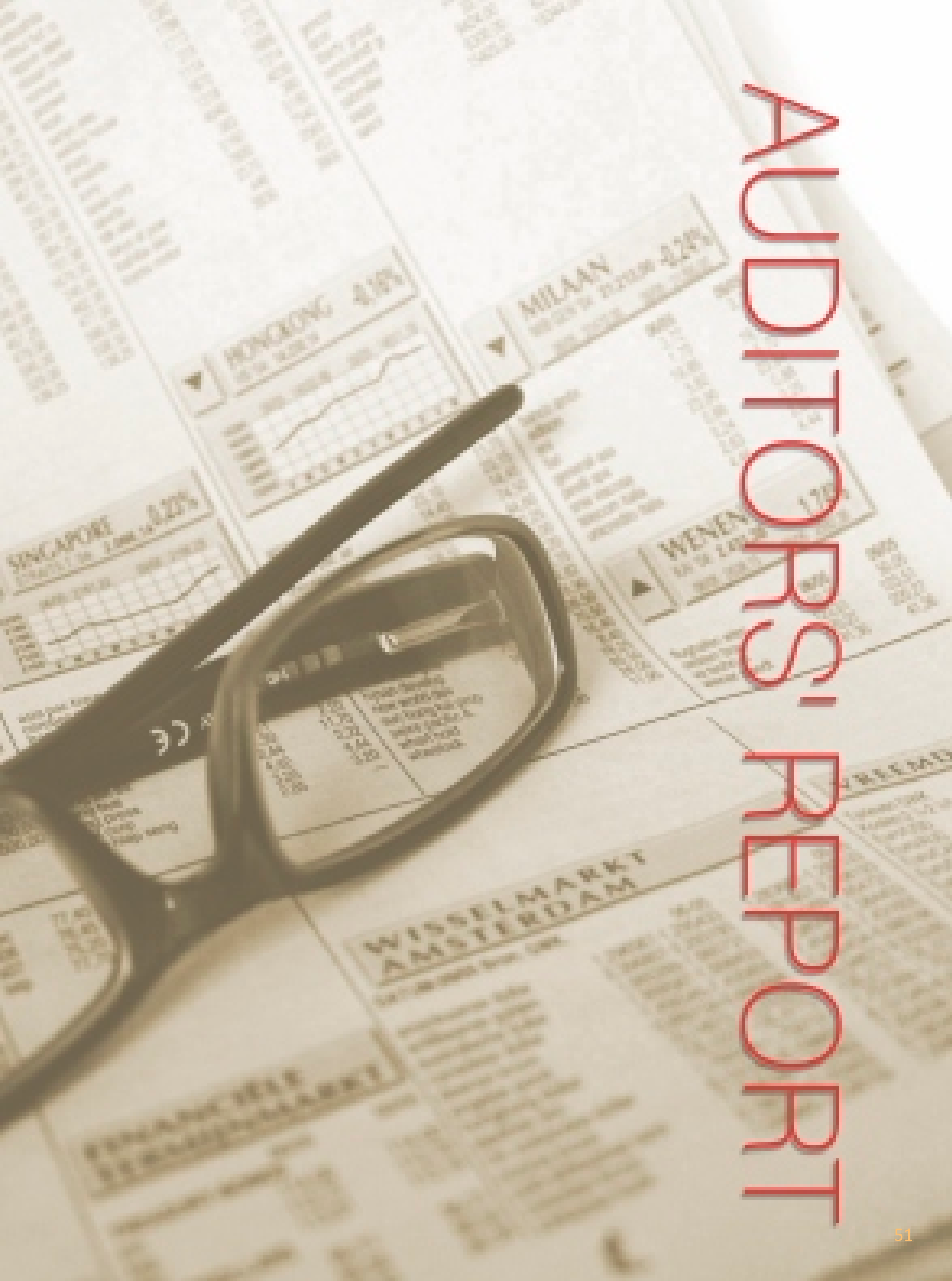
In accordance with Clause 49(1)(D) of the Listing Agreement, we hereby certify that all the Directors and Senior Management personnel of the Company have affirmed with the Code of Conduct applicable to all the Directors and Senior Management, for the year ended March 31, 2011.

Place : New Delhi
Date : 25th July, 2011

sd/-
Sunil Agarwal
Managing Director

sd/-
Harish Singh
Executive Director

AUDITORS' REPORT



AUDITORS' 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, 2011, 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 the audit to obtain reasonable assurance about whether the financial 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.

As required by the Companies (Auditors' Report) Order, 2003 and the Companies (Auditors' Report) (Amendment) Order, 2004, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraph-4 of the said order.

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 2011 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, 2011;
 - 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.

Date : 16th May 2011
Place : Delhi

For **R. Lal & Company**
Chartered Accountants
Firm Reg. No. 000926C
sd/-
(Ram Lal Agrawal)
M.No 17583

ANNEXURE TO AUDITORS' REPORT OF M/S S. E. INVESTMENTS LTD.

(Referred to in paragraph (3) of our Report of even date for F. Y. 2010-11)

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 of inventory 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 explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
3. Company has taken loans from companies, firms & other parties or companies listed in the register maintained under Section 301 of the Companies Act 1956.
The rate of interest and other terms and conditions are not prejudicial to the interest of the Company.
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.
There being no such loans, the questions regarding the rate of interest and other terms and conditions 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 of inventory and fixed assets, sale of goods and services. During the course of our Audit, we have not observed any continuing failure to correct major weakness in internal control system.
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 Companies 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 Reserve Bank of India and provisions of Section 58A & 58AA or any other relevant provision of the Companies Act, 1956 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 under clause (d) of sub-section (1) of section 209 of the Companies Act are not applicable.
9. According to the information and explanations 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.
10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the year and during the immediately preceding 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 provisions of any special statute applicable to chit fund, nidhi or mutual benefit society are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, proper records have been maintained in respect of dealing & trading of shares, debentures, securities and any other investments and timely entries have been made therein. All 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 Loans for the purpose for which the loans 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, have not been used during the year for long term investment.
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 Companies Act, 1956.
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 issue during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

Date : 16th May 2011

Place : Delhi

For **R. Lal & Company**

Chartered Accountants

Firm Reg. No. 000926C

sd/-

(Ram Lal Agrawal)

Proprietor

M.No 17583

S. E. INVESTMENTS LIMITED**Balance Sheet as on 31st March 2011**

PARTICULARS	SCHEDULE	AMOUNT 31.3.2011	AMOUNT 31.3.2010
I. SOURCES OF FUNDS			
1. SHARE HOLDERS FUNDS			
(a) Share Capital	1	430,662,500	126,462,500
(b) Reserves & Surplus	2	3,114,266,317	2,881,177,072
		<u>3,544,928,817</u>	<u>3,007,639,572</u>
2. LOAN FUNDS			
(a) Secured Loans	3	4,293,600,420	3,621,763,824
(b) Unsecured Loans	4	1,829,920,625	969,126,956
		<u>6,123,521,045</u>	<u>4,590,890,780</u>
3. Deferred Tax Reserve	2A	5,869,620	24,553,801
	TOTAL	<u>9,674,319,482</u>	<u>7,623,084,153</u>
II. APPLICATION OF FUNDS			
1. FIXED ASSETS			
(a) Gross Block	5	709,532,935	707,121,565
(b) Less: Depreciation		<u>206,704,304</u>	<u>163,936,208</u>
(c) NET BLOCK		<u>502,828,631</u>	<u>543,185,357</u>
2. INVESTMENTS	6	1,220,321,754	548,430,583
		<u>1,220,321,754</u>	<u>548,430,583</u>
3. CURRENT ASSETS, LOANS & ADVANCES			
(a) Inventories including Book Debts	7	8,270,965,081	5,237,830,033
(b) Cash & Bank Balances	8	647,859,368	1,731,395,551
(c) Loans & Advances	9	444,062,090	171,280,116
		<u>9,362,886,539</u>	<u>7,140,505,700</u>
4. Less : CURRENT LIABILITIES & PROVISIONS			
(a) Liabilities	10	1,096,787,870	513,465,058
(b) Provisions	11	361,444,162	102,787,029
		<u>1,458,232,032</u>	<u>616,252,087</u>
III. Net Current Assets		<u>7,904,654,507</u>	<u>6,524,253,613</u>
5. Misc. Expenditure (to the extent not written off or adjusted)			
(a) Preliminary Expenses		46,136,590	6,710,600
(b) Amalgamation Expenses		378,000	504,000
		<u>46,514,590</u>	<u>7,214,600</u>
	TOTAL	<u>9,674,319,482</u>	<u>7,623,084,153</u>
Accounting Policies and Notes on Accounts	14		

Schedules referred to above form, an integral part of the Balance sheet

Signed in terms of our Report of even date

For **R. Lal & Company**

Chartered Accountants

Firm Reg. No. 000926C

sd/-

(Ram Lal Agrawal)

Proprietor

M. No. 17583

Date : 16th May 2011

Place : Delhi

For and on behalf of the Board

sd/-

Sunil Agarwal

Managing Director

sd/-

Harish Singh

Executive Director

sd/-

Sachin Agarwal

Wholetime Director

sd/-

Purushottam Agrawal

Director

sd/-

Vishal Sharma

Company Secretary

S. E. INVESTMENTS LIMITED

Profit & Loss Account for the year ended 31st March 2011

PARTICULARS	SCHEDULE	AMOUNT 31.3.2011	AMOUNT 31.3.2010
I. INCOME			
1. Income from Operations	12	1,814,365,926	881,656,052
		<u>1,814,365,926</u>	<u>881,656,052</u>
II. EXPENDITURE			
2. Expenses	13	898,607,891	515,528,533
3. Depreciation		42,768,096	40,889,057
4. Amortisation of Expenses		12,126,997	1,841,600
		<u>953,502,984</u>	<u>558,259,190</u>
III. PROFIT BEFORE TAX I-II			
5. Provision for Income Tax		271,369,732	61,117,108
6. Previous years Income Tax		18,319	103,401
7. Provision for Deferred Tax		<u>(18,684,182)</u>	<u>(1,178,814)</u>
IV. PROFIT AFTER TAX			
8. Balance as per last year account		608,159,073	263,355,167
		<u>178,018,308</u>	<u>6,389,587</u>
		<u>786,177,381</u>	<u>269,744,754</u>
V. SURPLUS AVAILABLE FOR APPROPRIATION			
9. APPROPRIATIONS			
Transfer to General Reserve		500,000,000	30,000,000
Provision on Standard Assets		20,677,413	0
Proposed Dividend on Preference Shares & Tax thereon		2,905,563	2,924,875
Interim Dividend & Tax thereon Paid		47,286,852	6,130,538
Reserve Fund (As per RBI Act)		121,631,814	52,671,033
Balance Carried to Balance Sheet		<u>93,675,739</u>	<u>178,018,308</u>
		<u>786,177,381</u>	<u>269,744,754</u>
10. Earning Per Share (Refer Note No 7 & 15)			
Basic and Diluted		1.49	1.18
Equity share of Re 1/- Each			
11. Accounting Policies and Notes on Accounts 14			
Schedules referred to above form, an integral part of the Balance Sheet			

Signed in terms of our Report of even date

For and on behalf of the Board

For **R. Lal & Company**
Chartered Accountants
Firm Reg. No. 000926C
sd/-
(Ram Lal Agrawal)
Proprietor
M. No. 17583

Date : 16th May 2011
Place : Delhi

sd/-
Sunil Agarwal Managing Director
sd/-
Harish Singh Executive Director
sd/-
Sachin Agarwal Wholetime Director
sd/-
Purushottam Agrawal Director
sd/-
Vishal Sharma Company Secretary

Cash Flow Statement

A. CASH FLOW FROM OPERATING ACTIVITIES:	31.03.2011		31.03.2010	
Net Profit before tax and Extraordinary Items and Interest	1,750,976,295		755,019,332	
Adjustment For :				
1. Depreciation	42,768,096		40,889,057	
2. Misc. Expenditure Written off	12,126,997	54,895,093	1,841,600	42,730,657
Operating Profit before working Capital Charges	1,805,871,388		797,749,989	
Adjustment For :				
Trade & Other Receivable	-272,781,975		-67,997,517	
Inventories	-3,033,135,048		-1,862,638,183	
Trade Payable	583,322,812		353,946,276	
Misc Expenses	-51,426,987		-2,774,021,198	
Cash generated from operations	-968,149,810		-787,995,635	
1. Interest Paid	-618,743,621		-370,401,961	
2. Direct taxes paid	-271,388,051		-890,131,672	
Cash flow before extra ordinary items	-1,858,281,482		-61,220,509	
Income tax provision of previous year adjusted	-33,370,699		-431,622,470	
Net cash flow from operating activities	-1,891,652,181		-1,219,618,105	
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of fixed assets	-2,411,370		-145,485,645	
Sale of fixed assets	—		—	
Purchase of Investments	-671,891,171		-302,304,648	
Net cash used in investing activities	-674,302,541		-447,790,293	
Total	-2,565,954,722		-1,695,499,673	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of share capital	—		1,784,991,229	
Net effect on reserves due to Amalgamation	—		270,134,755	
Dividend Paid	-50,211,727		-10,549,423	
Proceeds from Long Term borrowings	671,836,597		634,154,489	
Proceeds from Short term borrowings	860,793,669		534,766,852	
Net cash used in financing activities	1,482,418,539		3,213,497,902	
Net increase in cash & cash equivalents	-1,083,536,183		1,517,998,229	
Opening cash and cash equivalents	1,731,395,551		213,397,322	
Closing cash & cash equivalents	647,859,368		1,731,395,551	

Signed in terms of our Report of even date

For and on behalf of the Board

For **R. Lal & Company**

Chartered Accountants

Firm Reg. No. 000926C

sd/-

(Ram Lal Agrawal)

Proprietor

M. No. 17583

Date : 16th May 2011

Place : Delhi

sd/-

Sunil Agarwal

Managing Director

sd/-

Harish Singh

Executive Director

sd/-

Sachin Agarwal

Wholetime Director

sd/-

Purushottam Agrawal

Director

sd/-

Vishal Sharma

Company Secretary

AUDITOR'S REPORT

We have verified the attached Cash Flow Statement of S. E. Investments Limited, derived from audited financial statements and the books and records maintained by the company for the year ended 31 st March 2011 and 31 st March 2010 and found the same in agreement therewith

For **R. Lal & Company**

Chartered Accountants

Firm Reg. No. 000926C

sd/-

(Ram Lal Agrawal)

Proprietor

M. No. 17583

Dated : 16th May 2011

Place : Delhi

Schedules Forming part of Balance Sheet

PARTICULARS	AMOUNT 31.3.2011	AMOUNT 31.3.2010
SCHEDULE 1- SHARE CAPITAL		
AUTHORISED CAPITAL:(Refer Note No 15)		
1,200,000,000 Equity Shares (Last Year 120,000,000) of Re 1/- per share (Last year Rs 10/-)	1,200,000,000	1,200,000,000
5,000,000 Preference Shares of Rs. 10 each	50,000,000	50,000,000
	<u>1,250,000,000</u>	<u>1,250,000,000</u>
ISSUED SUBSCRIBED CAPITAL		
405,600,000 Equity Shares (Last Year 10,140,000) of Re 1/-(Last Year Rs 10/-) per share fully paid up	405,600,000	101,400,000
12,500 Equity Shares of Rs 10 Each	125,000	125,000
2,500,000 Preference Shares of Rs. 10 each	25,000,000	25,000,000
	<u>430,725,000</u>	<u>126,525,000</u>
PAID UP CAPITAL		
405,600,000 Equity Shares (Last Year 10,140,000) of Re 1/-(Last Year Rs 10/-) per share fully paid up	405,600,000	101,400,000
Add : Share Forfeited A/c (Amt originally Paid-up on 12,500 Equity Shares of Rs. 10/- each)	62,500	62,500
2,500,000 10% Redeemable Preference shares of Rs 10/- each fully paid up	25,000,000	25,000,000
	<u>430,662,500</u>	<u>126,462,500</u>
SCHEDULE 2 - RESERVES & SURPLUS		
General Reserve	576,366,388	380,566,388
Reserve Fund (As per RBI Act)	262,711,847	141,080,033
Capital Reserve	241,521,114	241,521,114
Security Premium	1,939,991,229	1,939,991,229
Profit & Loss Account	93,675,739	178,018,308
	<u>3,114,266,317</u>	<u>2,881,177,072</u>
SCHEDULE 2A - DEFERRED TAX RESERVE		
Deferred Tax Reserve	5,869,620	24,553,801
	<u>5,869,620</u>	<u>24,553,801</u>
SCHEDULE 3 - SECURED LOANS :		
Working Capital Borrowings		
Cash credit/Overdraft Facilities From Bank (Refer Note No 11)		
- Punjab National Bank	398,051,902	160,015,486
- Bank of India	198,746,622	-
-AXIS Bank Ltd.	-	8,689,299
Term Loan Borrowings (Refer Note No 12)		
-Indian Renewable Energy Development Agency Ltd	51,052,000	61,236,000
-Small Industries Development Bank of India	24,400,000	58,000,000

PARTICULARS	AMOUNT 31.3.2011	AMOUNT 31.3.2010
-HDFC Bank Ltd.	25,000,003	91,666,669
-HSBC Bank Ltd.	-	33,333,331
-Reliance Capital Ltd.	402,139,552	-
- Punjab National Bank	176,218,000	326,582,000
-Axis Bank Ltd.	55,555,535	138,888,875
-Central Bank of India	530,729,616	713,333,333
-Syndicate Bank	187,581,603	-
-United Bank of India	428,600,000	-
-Janmangal Finance Pvt Ltd.	-	106,400,000
- ICICI Bank Ltd.	39,999,995	187,857,140
-Assignments (Refer Note No 13)		
-HDFC Bank Ltd.	353,028,000	214,341,147
- ICICI Bank Ltd.	104,155,704	206,955,200
- Punjab National Bank	672,480,286	542,280,949
-Reliance Capital Ltd.	65,979,057	226,858,804
- Development Credit Bank Ltd.	94,803,315	169,968,679
-Nupur Finvest Pvt Ltd.	293,119,534	-
- Fullerton India Credit Company Ltd.	191,959,696	375,356,912
	<u>4,293,600,420</u>	<u>3,621,763,824</u>
SCHEDULE 4 - UNSECURED LOANS :		
Fixed Deposits	188,442,970	130,516,778
Interest Accrued on Fixed Deposits	16,371,093	9,306,319
Inter Corporate Deposits and Interest Accrued thereon	1,615,403,703	814,774,427
Loan from suppliers - Central Electronics Ltd.	9,702,859	14,529,432
	<u>1,829,920,625</u>	<u>969,126,956</u>

SCHEDULE 5

Fixed Assets as on 31st March 2011

(Amount in Rs.)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Balances as on 1/4/2010	Additions	Deductions	Gross Block as on 31/3/2011	Balance as on 1/4/2010	For the year	Deduction	Total Depreciation as on 31/3/2011	Balance as on 31/3/2011	Balance as on 31/3/2010
LEASED ASSETS										
SOLAR DEVICES	90,694,680	—	—	90,694,680	80,250,974	9,007,376	—	89,258,350	1,436,330	10,443,706
LAND & BUILDING										
LAND & BUILDING	1,590,620	—	—	1,590,620	—	—	—	—	1,590,620	1,590,620
BUILDING	6,937,695	—	—	6,937,695	1,012,108	133,041	—	1,145,149	5,792,546	5,925,587
ENERGY PLANT & MACHINERY	555,757,974	—	—	555,757,974	58,221,035	26,809,355	—	85,030,390	470,727,584	497,536,939
FURNITURE & FITTINGS	7,070,212	765,788	—	7,836,000	2,293,490	450,617	—	2,744,107	5,091,893	4,776,722
COMPUTER PERIPHERAL & SOFTWARE	33,637,199	902,469	—	34,539,668	17,273,368	5,517,450	—	22,790,818	11,748,850	16,363,831
VEHICLES	6,166,213	—	—	6,166,213	3,295,835	585,579	—	3,881,414	2,284,799	2,870,378
EQUIPMENTS, PLANT & MACHINERY	5,266,972	743,113	—	6,010,085	1,589,398	264,678	—	1,854,076	4,156,009	3,677,574
TOTAL	707,121,565	2,411,370	—	709,532,935	163,936,208	42,768,096	—	206,704,304	502,828,631	543,185,357
LAST YEAR	600,119,338	107,002,227	—	707,121,565	123,047,151	40,889,057	—	163,936,208	543,185,357	477,072,186

Schedules Forming part of Balance Sheet

PARTICULARS	AMOUNT	
	31.3.2011	31.3.2010
SCHEDULE - 6 INVESTMENTS		
Government Guaranteed Bonds	19,267,691	12,318,386
Investment in unquoted shares of Group Company (Net)	239,030,800	41,030,800
Investment in Subsidiary Company	422,391,000	-
Investment in Assetz Infrahomes LLP	2,500,000	-
Bank FDRs - Face Value (Refer Note no 21)	501,734,802	351,667,015
FDR's with NBFC - Face Value (Refer Note No 22)	13,667,585	30,898,409
Interest accrued but not due	21,729,876	12,515,973
Short Term UTI Mutual Fund	-	100,000,000
	<u>1,220,321,754</u>	<u>548,430,583</u>
SCHEDULE 7 - INVENTORIES		
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 Management)	8,270,965,081	5,237,830,033
	<u>8,270,965,081</u>	<u>5,237,830,033</u>
SCHEDULE 8 - CASH & BANK BALANCES:		
Cash in Hand	54,912,097	40,422,744
Bank Account -GDR Proceeds	-	1,347,219,980
Current A/C with Scheduled Banks (Subject to Reconciliations)	592,947,271	343,752,827
	<u>647,859,368</u>	<u>1,731,395,551</u>
SCHEDULE 9 - LOANS & ADVANCES		
Advances Recoverable In Cash or in Kind or for value to be Received Considered Good :		
Prepaid Expenses	149,605	163,994
Loan Against Deposits	699,748	45,025
Income Tax & TDS paid	300,237,490	100,192,865
Other Advances	142,975,247	70,878,232
	<u>444,062,090</u>	<u>171,280,116</u>
Over Six Months Old	323,957,098	51,175,123
Others	120,104,992	120,104,993
	<u>444,062,090</u>	<u>171,280,116</u>

Schedules Forming part of Balance Sheet

<i>PARTICULARS</i>	<i>AMOUNT</i> 31.3.2011	<i>AMOUNT</i> 31.3.2010
SCHEDULE - 10 CURRENT LIABILITIES		
Other Liabilities	1,096,787,870	513,465,058
	<u>1,096,787,870</u>	<u>513,465,058</u>
SCHEDULE 11 - PROVISIONS		
Provision for FBT	869,105	869,105
Provision for Proposed Dividend on Preference Shares and Tax there on	2,905,563	2,924,875
Provision for Taxation	336,992,081	98,993,049
Provision on Standard Assets	20,677,413	
	<u>361,444,162</u>	<u>102,787,029</u>
SCHEDULE 12 - INCOME FROM OPERATIONS		
Income from Hire Charges	-1,727	4,347
Income from Lease Rent	3,191,220	4,792,078
Income on Government Guaranteed Bonds	1,311,785	1,031,280
Dividend Income (Gross)	432,815	0
Interest on Loans	1,721,887,761	799,911,626
Income from Energy Division	87,544,072	75,916,721
	<u>1,814,365,926</u>	<u>881,656,052</u>
SCHEDULE - 13 EXPENSES		
Printing & Stationery	11,377,919	5,797,039
Auditors Fee	100,000	100,000
Salary & Establishment	31,455,645	17,926,644
Office and General Expenses	21,359,607	12,779,536
Interest Charges Energy Division	6,600,488	6,085,032
Interest discounting & Bank Charges	613,575,149	364,316,929
Legal Expenses & Professional Fees	11,960,707	5,415,868
Rent	5,837,130	4,390,060
Mg. Director's & Director Remuneration	12,681,590	8,753,552
Mg. Director's & Director House Rent Allowance	1,620,000	1,620,000
Advertisement and Business Promotion Expenses	76,613,260	41,938,032
Travelling Expenses	13,547,138	4,405,063
Postage and Telephone Expenses	5,361,583	4,068,046
Bad Debts Written Off	53,842,587	18,555,078
Rebate , Remission & Brokerage	2,575,899	3,667,990
Recovery Expenses	10,869,037	6,942,368
Car & Scooter Expenses	10,782,445	4,874,375
Repairs & Maintenance	6,164,883	1,882,139
Insurance Expenses	398,297	415,513
Electricity & Water Expenses	1,695,262	1,342,961
Rates & Taxes	122,940	110,037
Security Expenses	66,325	142,271
	<u>898,607,891</u>	<u>515,528,533</u>

SCHEDULE 14: ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

ACCOUNTING POLICIES

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention method, in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956, as adopted consistently by the Company. The Company has followed Mercantile System of Accounting and the accounts have been made consistently on accrual basis as a going concern.

B. STOCK IN TRADE/ASSETS HELD FOR SALE

Inventories being hire purchase stocks are valued at book value net of Hire Charges/Finance Charges including overdue installments. Book debts and stock of shares and debentures are valued at cost or market value whichever is less.

C. CASH FLOW STATEMENT

As required by Accounting Standard-3 “Cash Flow Statement” issued by “The Institute of Chartered Accountants of India” the Cash Flow for the period is reported using indirect method. The Cash and Cash Equivalent of the Company comprises of Cash in hand and Current account with Scheduled Banks.

D. DEPRECIATION

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 pro rata basis.

E. REVENUE RECOGNITION

Income from Hire charges and lease rentals and interest on loans and advances cases are recognized as revenue as per the terms of the agreements entered into with Hirers/Lessees/Borrowers. Hire charges/finance charges are accounted for on accrual basis on outstanding balances in accordance with the due dates of installments of hire money/loan money and hire charges/finance charges. However interest income on loans and advances under daily collection scheme are recognized as revenue on receipt basis. Overdue charges of installments from Hirers/Lessees/Borrowers and allowance of rebate for good and timely payment are accounted for as and when received or allowed because these charges and rebates are contingent.

Initial lumpsum future interest & Processing charges in respect of the hire purchase cases/loans and advances cases which carry hire/finance charges in addition to the same has been apportioned on the basis of period of contracts on accrual basis and in hire purchase cases/loan and advances cases where hire/finance charges are inherent in initial lumpsum interest the same also has been apportioned on the basis of period of contracts on accrual basis.

F. FIXED ASSETS

All assets held with the intention of being used for the purpose of producing or providing goods or services and is not held for sale in the normal course of business are accounted as Fixed Assets and are stated at cost less accumulated depreciation after considering lease adjustment account. All costs including finance cost attributable to fixed assets till assets are ready for intended use are capitalized.

G. INVESTMENTS

Investments in shares are valued at cost less advance money received under specific contracts against such investments.

H. EMPLOYEE RETIREMENT BENEFITS

Company's contribution to Provident Fund and Superannuation Fund are charged to profit and loss account. Gratuity benefits are charged to profit and loss account on the basis of actuarial valuation as contribution to Life Insurance Corporation of India Policy premium.

I. BORROWING COSTS

Borrowing costs which are directly attributable to the acquisition/construction of fixed assets, till the time such assets are ready for intended use, are capitalized as part of the cost of the assets. Other borrowing costs are recognized as an expense in the year in which they are incurred.

J. RELATED PARTIES

Parties are considered to be related if at any time during the reporting period one party has the ability to control the other party or exercise significant influence over the other party in making financial and/or operating decisions.

As required by AS-18 "Related Party Disclosure" only following related party relationships are covered:—

- (a) Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise (this includes holding Companies, subsidiaries and fellow subsidiaries);
- (b) Associates and joint ventures of the reporting enterprise and the investing party or venture in respect of which the reporting enterprise is an associate or a joint venture;
- (c) Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual;
- (d) Key management personnel (KMP) and relatives of such personnel; and
- (e) Enterprises over which any person described in (c) or (d) is able to exercise significant influence.

K. LEASE ASSETS

Assets taken on lease are accounted for in accordance with AS-19 "Leases" issued by "The Institute of Chartered Accountants of India".

L. EARNING PER SHARE

The Earning per Share (Basic as well as Diluted) is calculated based on the net profit or loss for the period attributable to equity shareholders i.e. the net profit or loss for the period after deducting Proposed Preference Dividend and any attributable tax thereto.

For the purpose of calculating (Basic and Diluted EPS), the number of equity shares taken are the weighted average number of equity shares outstanding during the period.

M. PROVISION FOR CURRENT TAX AND DEFERRED TAX

Income tax expenses comprise current tax (i.e. amount of tax for the period determined in accordance with the Income tax law) and deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxations laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets, deferred tax assets/liabilities are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized/incurred. Provisions of AS-22 "Accounting for Taxes on Income" issued by "The Institute of Chartered Accountants of India" have been complied with to all possible extent.

N. INTERIM FINANCIAL REPORT

Interim Financial Reports are prepared in accordance with AS-25 "Interim Financial Reporting" issued by "The Institute of Chartered Accountants of India."

O. INTANGIBLE ASSETS

Intangible assets are recognized only when four of below mentioned criteria are fulfilled:—

- a) Asset is identifiable.
- b) Control of the enterprise over that asset.
- c) It is probable that future economic benefits attributable to the asset will flow to the enterprise.
- d) Cost of the asset can be measured reliably.

If any of the above four criteria is not fulfilled the expenditure incurred to acquire the asset is recognized as an expense, in the year in which it is incurred.

Intangible assets are initially measured at cost, after initial recognition the intangible asset is carried at its carrying value i.e. cost less any accumulated amortization and accumulated impairment losses.

P. IMPAIRMENT OF ASSETS

An asset is treated as impaired, when carrying cost of asset exceeds its recoverable amount.

At each Balance Sheet Date, it is seen that whether there is any indication that an asset may be impaired, if any such indication exist, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss; if any. Such impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired.

When an impairment loss is subsequently reversed, the carrying amount of the asset is increased to its revised estimate of its recoverable amount. However this increased amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for that asset in prior period. A reversal of an impairment loss is recognized as income immediately in the Profit & Loss Account.

Q. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes on accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

R. PROVISIONING FOR SUBSTANDARD/DOUBTFUL/LOSS ASSETS

Provisioning for Substandard Assets/Doubtful Assets/Loss 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 where hire installments are overdue for more than 12 months and loan installments are overdue for more than 6 months the company first treats these overdue and future installments as bad debts and after this treatment the provisioning for non performing assets is made in compliance with Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions 2007, as applicable to the company. As per the RBI circular dated 17th January 2011 Company has made general provision of 0.25% of Standard assets. Other directives of Reserve Bank of India have been duly complied with.

S. CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Financial Statement have been prepared in accordance with Accounting Standard 21 (AS 21) – 'Consolidated Financial Statement'.

NOTES ON ACCOUNTS

1. No remuneration has been paid to directors except remuneration to Managing Director, Whole time Director and Executive Director. The remuneration paid to Managing Director, Whole time Director and Executive Director during the F.Y. 2010-2011 is Rs. 14,301,590/- (last year 10,373,552/-) which is less than that permitted under Section 309 read with Schedule XIII of the Companies Act, 1956.

2. Remuneration to Auditors :

	Current Year 31/03/2011	Previous Year 31/03/2010
For Statutory Audit	Rs. 80,000	Rs. 80,000
Tax Audit	Rs. 10,000	Rs. 10,000
For Certification work/other services	Rs. 10,000	Rs. 10,000
Total	Rs. 100,000	Rs.100,000

3. Contingent Liabilities:

Interest Tax matters In appeal	Rs. 4,923,788	Rs.4,923,788
Stamp Duty on increased Authorized Share Capital (Writ petition and Pending application have been disposed off in our favour)	NIL	Rs.1,747,500

In the above stamp duty matter, for which the Company has filed writ petition against the Union of India & Ors, Hon'ble Delhi High Court has directed that in absence of any specific provision for charging the stamp duty on increase of authorized share capital of a Company, it would not be open to the Registrar of Companies or any other concerned authority to insist upon payment of stamp duty on such increase of authorized share capital.

4. There are eight unclaimed matured deposits lying with the Company amounting to Rs. 297,196 as on 31st March 2011.
5. Information pursuant to the provisions of Paragraph 3 and 4D of part II & IV of Schedule VI to the Companies Act, 1956, is given in Schedule 15 & 16 respectively.
6. No amount is payable to Small Scale Industrial Undertakings. The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Act, 2006 and hence disclosures, if any relating to amounts unpaid as at the year end together with interest paid/payable as required under the Act can not be furnished.
7. Earning per Share

	2010-11	2009-10
Net profit for the year (After Tax)	608,159,073	263,355,167
Proposed Preference shares dividend and tax thereon	2,905,563	2,924,875
No. of Equity Shares (Weighted)*	405,600,000	221,413,699
Basic and diluted earning per share Rs.	1.49	1.18

* The effect of "Share Split" and "Bonus share" has been taken while calculating the EPS and correspondingly the EPS of last year has been re-arranged while taking into the effect of "Bonus Share" and "Share Split".

8. During the year the Company has sold by way of assignment 62014 cases of loan contract to the Scheduled Banks and Non Banking Financial Companies amounting to Rs. 12,213 Lacs.
9. Figures for the previous year have been regrouped/rearranged/reclassified wherever considered necessary.
10. Disclosure of related party transactions
- A. Wholly owned Subsidiary: — Nupur Finvest Pvt. Ltd
- B. List of related parties and relationship:

RELATED PARTY	RELATION
Key Managerial Personnel	
Mr. Sunil Agarwal	Managing Director
Mr. Harish Singh	Executive Director
Mr. Sachin Agarwal	Whole time Director
Mr. Purushottam Agrawal, Mrs. Raj Agarwal, Mrs. Neetu Agarwal, Mrs. Shikha Agarwal, Mrs. Preeti Chauhan and Mrs. Sushila Devi Chauhan	Relatives of key managerial personnel
C. Enterprises over which significant influence exercised by Key Managerial Personnel/Directors/Relatives of Key Managerial Personnel	
1 Siyaram Motors Pvt. Ltd.	2 Spring Infradev Ltd.
3 Siyaram Infrastructure Pvt. Ltd.	4 Helios Aviation Pvt. Ltd.
5 Spring Education Venture Pvt. Ltd.	6 S. E. Micro Housing Finance Ltd.
7 Spring Resorts Pvt. Ltd.	8 C Voter Broad Cast Pvt. Ltd.
9 UNI Television Pvt. Ltd.	10 Spring Communication Pvt. Ltd.
11 Natansh Finlease Pvt. Ltd.	12 Ujala Securities Pvt. Ltd.
13 Deepesh Consultancy Pvt. Ltd.	14 Stellar Constellation Projects Pvt. Ltd.
15 Blessing Builders Pvt. Ltd.	16 Eastern Star Infradev Pvt. Ltd.
17 Assetz Infrahomes LLP	18 Athens Computer Technologies Pvt. Ltd.
19 S. E. Homefin Pvt. Ltd.	20 S. E. Power Ltd.
21 Stellar Spring Projects Pvt. Ltd.	22 Baba Herbals Pvt. Ltd.
23 Aradhna Infradev Pvt. Ltd.	24 Balram Retails Pvt. Ltd.
25 Agrim Marketing Pvt. Ltd.	26 Gajodhari Chemicals Pvt. Ltd.
27 Bhavya Electronics and Networks Pvt. Ltd.	28 Diamond Infradev Pvt. Ltd.
29 Shri Radhey Govind Infradev Pvt. Ltd.	30 Sarin & Sarin Investments Pvt. Ltd.
31 Mor Mukut Infradev Pvt. Ltd.	32 Aerotech Aviation India Pvt. Ltd.

D. Disclosures required for related party transactions.

(Rupees in lacs)

	KMP & Relative	Enterprise over which significant influence exercised by KMP/Directors	Subsidiary	Total
Transactions during the year				
Rendering of Services (Rent/hire charges)	12	-		12
Remuneration	143	-	-	143
Loan received	76	-	-	76
Sale of Goods (Assignment of Book Debts)	-		3,054	3,054
Interest paid	23	33		56
Amount outstanding at Balance Sheet date				
—Amount Payable	227	-	2,931	3,158

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 nor paid any consideration for furnishing such guarantees.

11. Working Capital Borrowings

- A. **Punjab National Bank:** The facility from Punjab National Bank are secured by hypothecation of book debts pertaining to advances. The credit facilities are secured by equitable mortgage of two office premises and a flat belonging to the Company and equitable mortgage of one house and one shop belonging to a Director and his wife, and three commercial buildings and land and two flats in the name of the guarantors and personal guarantee of directors and corporate guarantee of the companies who have stood as guarantor.
- B. **Bank of India:** The facilities from Bank of India, is secured by hypothecation of book debts pertaining to Microfinance business. The credit facilities are secured by equitable mortgage of office premises in the name of the guarantor, personal guarantee of directors and corporate guarantee of the company who have stood as guarantor.
- C. **AXIS Bank Ltd.:** The facilities from AXIS Bank are secured by hypothecation of book debts pertaining to Micro Finance business and personal guarantee of directors.

12. Term Loans

- A. **Indian Renewal Energy Development Agency Ltd.:** Term loan assistance for 'Wind Energy Generation Machines (wind mills) being secured by first charge mortgage on the projects, projects receivables through "Trust and Retention A/C" and personal guarantee of the directors and bank guarantee.
- B. **Small Industries Development Bank of India:** Term loan assistance secured by hypothecation of book debts, term deposits and equitable mortgage of immovable property of a director and personal guarantee of the directors.
- C. **HDFC Bank Ltd.:** Term Loan assistance secured by hypothecation of books debts, term deposits and personal guarantee of the Directors.
- D. **Reliance Capital Limited:-** Term loan assistance is secured by hypothecation of book debts, personal guarantee of two directors and cash collateral given by the Company.
- E. **Punjab National Bank:** Term loan assistance for on lending to micro finance clients is secured by hypothecation of book debts arising out of the Bank assistance and personal guarantee of the directors.
- F. **AXIS Bank Ltd.:** Term loan assistance for on lending to micro finance clients is secured by hypothecation of book debts (receivables) funded out of Bank assistance and collateral securities of term deposit receipts.
- G. **Central Bank of India:** The term loan facility from the Bank is secured by exclusive charge on receivables of SME's, Micro Finance and Priority Sector financed by the Company and is secured by lien on deposit, Equitable Mortgage of land belonging to the guarantor, personal guarantee of directors of the Company and Corporate guarantee of the company who has stood as guarantor.
- H. **Syndicate Bank:-** Term loan assistance is secured by hypothecation of book debts pertaining to micro finance and business loans and personal guarantee of the directors.
- I. **United Bank of India:** The term loan facility from the Bank is secured by exclusive charge on book debts and is secured by cash collateral given by Company in the form of FDR, Equitable Mortgage of land belonging to the guarantor, personal guarantee of directors of the Company and Corporate guarantee of the company who has stood as guarantor.
- J. **ICICI Bank Ltd.:** Term loan assistance for on lending to micro finance clients is secured by hypothecation of book debts and personal guarantee of the directors.

13. Assignment details

- A. **HDFC Bank:-** Assignment transactions are secured by hypothecation of book debts, Cash collateral given by Company in the form of FDR and personal Guarantee given by the directors of the Company.
- B. **ICICI Bank:-** Assignment transactions are secured by hypothecation of book debts pertaining to micro finance, Cash collateral given by Company in the form of FDR and Personal Guarantee given by the directors of Company.
- C. **Punjab National Bank:-** Assignment transactions are secured by hypothecation of book debts pertaining to micro finance, cash collateral given by Company in the form of FDR and personal guarantee given by the Directors of the Company.

- D. **Reliance Capital Limited**:- Assignment transactions are secured by hypothecation of book debts, personal guarantee of directors and cash collateral given by the Company.
- E. **Development Credit Bank** :- Assignment transactions are secured by hypothecation of book debts pertaining to micro finance ,Cash collateral given by Company in the form of FDR and Personal Guarantee given by the director of the Company.
- F. **Nupur Finvest Pvt. Ltd.**:- Assignment transactions are secured by hypothecation of book debts pertaining to micro finance and personal guarantee given by the Directors of the Company.
- G. **Fullertone India Credit Company Ltd.**:- Assignment transactions are secured by hypothecation of book debts pertaining to micro finance, cash collateral given by Company in the form of FDR and Personal Guarantee given by the Directors of the Company.
14. Effective from 20th May 2010 the Company has issued 152,100,000 Bonus shares amounting to Rs. 304,200,000 out of General Reserve of the Company after obtaining the Board approval in the meeting held on 8th May 2010 in the ratio of 3 fully paid up equity shares of Rs. 2 each for every 1 Equity Share of Rs. 2 each.
15. Effective from 1st November 2010 the Company has subdivided its Equity share of the face value of Rs. 2 each in to 2 equity shares of Re. 1 each (share split), after, obtaining shareholders approval vide special resolution in their meeting held on 13th September 2010 accordingly, the figures for number of equity shares and price of shares disclosed elsewhere in the financial statements have been adjusted for the impact of share split. Further, the basic and diluted earnings per share disclosed have been computed for the current year and recomputed for the previous year based on the revised face value of Re. 1 each.
16. The Company has filed a petition for demerger of its Non-Conventional Energy division and transfer and vest them into S. E. Power Ltd. before the Hon'ble Delhi High Court. As directed by the Hon'ble Delhi High Court the meeting of the share holders, secured creditors and unsecured creditors including fixed deposit holders were convened for approving the scheme and they have approved the scheme of Demerger at their respective meetings. The Petition is still pending before Hon'ble Delhi High Court for disposal, hence no effect of the demerger is required to be incorporated in the annual accounts for F. Y. 2010-11.
17. During the year, an amount of Rs. 613,053/- has been incurred on foreign traveling expenses of the Director of the Company.
18. 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 or substantively enacted as on the balance sheet date. Deferred tax assets/liabilities arising from temporary timing difference are recognized to the extent there is reasonable certainty that the assets can be realized in future or liabilities are to be provided for in the future. According to the provisions of AS-22 and Tax shield available u/s 80IA/80JJA of Income Tax Act, 1961, in the opinion of the management and expert opinion obtained, no provision of deferred tax is required to be created with respect to BIO GAS PLANT and WINDMILL.
19. In order for proper monitoring and regulation of micro financing business, the Company has acquired 100% equity shares of M/S Nupur Finvest Private Limited, a RBI registered NBFC, by purchasing equity shares from existing shareholders and further allotment of shares of M/S Nupur Finvest Private Limited to carry on micro finance business according to modified guidelines. After this acquisition M/S Nupur Finvest Private Limited has become the wholly owned Subsidiary of the Company.
20. As the Equity Shares of the subsidiary Company Nupur Finvest Pvt. Ltd. has been acquired on the 23rd March, 2011 and during accounting year 2010-11 these were held only for 8 days. Since it is a 100% subsidiary, the bifurcation of item of Income and Expenses for the purpose of Consolidated financial statement is neither material nor significant. Hence the same has been ignored and Consolidated financial statement has been prepared in respect of Balance Sheet only. However according to average method i.e. dividing the whole year of 365 days into period of holding of 8 days the Net Profit comes to Rs. 1.29 Lacs only.

21. Details of Bank's FDRs Held as on 31.03.2011

Held as Cash Collateral for Assignment/Term Transaction

S.no	Name of the Bank	Purpose	Principal Amount
1	Development Credit Bank of India	Assignment of Book Debts	7,500,000
2	HDFC Bank Ltd.	Assignment of Book Debts	68,451,757
3	ICICI Bank Ltd.	Assignment of Book Debts	36,198,608
4	Punjab National Bank	Assignment of Book Debts	210,064,142
5	Central Bank of India	Assignment of Book Debts	5,000,000
	SUBTOTAL		327,214,507

Held to avail bank guarantee to IREDA for Wind Energy Generation Machines Term Loans

1	HDFC Bank Ltd.	IREDA BANK Guarantee	10,870,526
2	Punjab National Bank	IREDA BANK Guarantee	27,000
	SUBTOTAL		10,897,526

Held as Cash Collateral for Term Loan

1	Axis Bank Ltd.	Term Loan	13,232,000
2	Central Bank of India	Term Loan	52,514,558
3	HDFC Bank Ltd.	Term Loan	28,043,292
4	Small Industries Development Bank of India	Term Loan	10,000,000
5	United Bank of India	Term Loan	500,000
6	Syndicate Bank of India	Term Loan	20,000,000
	SUBTOTAL		124,289,850

Held to avail overdraft facility against FDRs

1	Axis Bank Ltd.	Over Draft	1,500,000
2	Punjab National bank	Over Draft	26,850,919
3	State Bank of India	Over Draft	1,100,000
	SUBTOTAL		29,450,919

Held as SLR "Statutory Liquidity Ratio" against Public Deposit

1	Central Bank of India	Statutory Liquidity Ratio	262,000
2	Bank of India	Statutory Liquidity Ratio	2,000,000
3	Punjab National Bank	Statutory Liquidity Ratio	4,600,000
	SUBTOTAL		6,862,000

Unencumbered FDR

1	Central Bank of India		20,000
2	Bank of India		3,000,000
	SUBTOTAL		3,020,000
	TOTAL		501,734,802

22. Details of FDR's with NBFC held as on 31.03.2011 as Cash Collateral

S.no	Name of the NBFC	Purpose	Principal Amount
1	Fullertone India Credit Company Ltd.	Assignment of Book Debts	13,667,585
	TOTAL		13,667,585

23. The Company owns Wind Mills (Wind Energy Generation Machines) at Vani Vilas Sagar, District Chitradurga (Karnataka) and in District Jaisalmer (Rajasthan) and has setup bio-waste including Gobar energy plants for bio-gas generation alongwith generation of power, the results of which are merged in the accounts. Stand alone results of Energy Division are as under : —

**NON-CONVENTIONAL ENERGY DIVISION
PROFIT & LOSS ACCOUNT**

	Year ended 31.03.2011	Year ended 31.03.2010		Year ended 31.03.2011	Year ended 31.03.2010
EXPENDITURE			INCOME		
Interest	5,168,472	8,073,416	Sales of Energy etc.	87,544,072	75,916,721
Expenses	18,176	821,957			
Depreciation	26,809,355	24,765,746			
Surplus	55,548,069	42,255,602			
	87,544,072	75,916,721		87,544,072	75,916,721

BALANCE SHEET

	As on 31.03.2011	As on 31.03.2010		As on 31.03.2011	As on 31.03.2010
Head Office Contribution (Share in Wind Energy Division)	432,081,092	341,559,565	Fixed Assets		
			Non Conventional Energy Plants (at cost)	555,757,974	555,757,974
Secured Loans			Less: Depreciation	85,030,391	58,221,035
Term Loan	51,052,000	61,236,000	W.D.V.	470,727,583	497,536,939
from IREDA			Investments Bank FDR's	10,870,526	10,390,964
Unsecured Loan		106,400,000	Other Loans & Advances		
			Banglore Electric Supply Co. Ltd.	1,142,829	739,786
			Jodhpur Vidhut Vitran Nigam Ltd.	325,278	456,984
			Unexpired Insurance	66,876	70,892
	483,133,092	509,195,565		483,133,092	509,195,565

24. Segment Reporting

(Amount In lacs)

Particulars	Segment reporting finance division		Non conventional energy division		Consolidated	
	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11
Segment Revenue	8,058	17,269	759	875	8,817	18,144
Segment Result PBT	2,811	8,054	423	555	3,234	8,609
Total Carrying amount of segment assets	77,301	106,495	5,092	4,831	82,393	111,326
Total amount of segment liabilities	50,395	75,307	1,676	511	52,071	75,818
Cost incurred to acquire segment assets useable for more than one period	13	24	1,057	-	1,070	24
Depreciation	161	160	248	268	409	428

25. Preliminary expenses and amalgamation expenses are written off over a period of 5 Years.

SCHEDULE 15

Pursuant to provisions of paragraph 3 and 4D of part II of schedule VI to the Companies Act, 1956.

(A) Particulars with regard to generation of Wind Energy

	No. of units generated and sold 31.03.2011	31.03.2010
Wind Mills at Vani Vilas Sagar District Chitradurga (Karnataka)	4,459,809	5,364,722
Wind Mills in Distt. Jaisalmer (Rajasthan)	986,208	1,087,414
Total	5,446,017	6,452,136

(B) Particulars with regard to Bio Gas Generation along with generation of power for the same are uncertain and beyond measurement hence quantities could not be given.

SCHEDULE 16

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

I. Registration Details					
Registration No.		120483			
State code :		55			
Balance Sheet Date :		31.03.2011			
II. Capital raised during the year (Amount in Thousand)					
Public Issue	Rs.	NIL	Right Issue	Rs.	NIL
Bonus Issue Figure	Rs.	304,200	Private Placement	Rs.	NIL
III. Position of Mobilization and Deployment of funds (Amount in Thousand)					
Total Liabilities	Rs.	11,132,552	Total Assets	Rs.	11,132,552
Source of Funds					
Paid up Capital	Rs.	430,663	Reserves & Surplus	Rs.	3,114,266
Secured Loans	Rs.	4,293,600	Unsecured Loans	Rs.	1,829,921
Deferred Tax	Rs.	5,870			
Application of Funds					
Net Fixed Assets	Rs.	502,829	Investments	Rs.	1,220,322
Net Current Assets	Rs.	7,904,655	Miscellaneous		
Accumulated Losses	Rs.	—	Expenditure	Rs.	46,515
IV. Performance of Company (Amount in Thousand)					
Turnover (Gross Income)	Rs.	1,814,366	Total Expenditure	Rs.	953,503
Profit before Tax	Rs.	860,863	Profit after tax	Rs.	608,159
Earning per share	Rs.	1.49	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.

Schedule to the Balance Sheet of a Non-Banking Financial Company (As required in terms of Paragraph 13 of Non-Banking Financial Companies prudential Norms (Reserve Bank) Directions, 2007).

Particulars	(Rs. in lacs)	
LIABILITIES SIDE		
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid	Amount Outstanding	Overdue
(a) Debentures		
Secured	—	—
Unsecured (other than falling within the meaning of public deposits*)	—	—
(b) Deferred Credits	97	—
(c) Term Loans	19,213	—
(d) Inter-corporate loans and borrowing	16,154	—
(e) Commercial Paper	—	—
(f) Public Deposits*	1,788	3
(g) Other Loans (specify nature)		
Punjab National Bank (Cash Credit a/c)	3,981	—
AXIS Bank Ltd. (Overdraft a/c)	—	—
Bank of India	1,987	
Assignment of Book Debts	17,755	
*Please see Note 1 below		
(2) Break-up of (1) (f) above (Outstanding public deposits inclusive of 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		3
ASSETS SIDE :		
(3) Break-up of Loans and Advances including bills receivables (other than those included in (4) below)		
(a) Secured		82,710
(b) Unsecured		—
(4) Break -up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities		
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial lease	—	—
(b) Operating lease		14
(ii) Stock on hire including hire charges under sundry debtors :		
(a) Assets on hire	—	—
(b) Repossessed Assets	—	—
(iii) Other loans counting towards AFC activities		
(a) Loans where assets been repossessed	—	—
(b) Loans other than (a) above	—	—
(5) Break-up of Investments		
1. Current Investments		
Quoted :		—
(i) Shares : (a) Equity		
(b) Preference		
(ii) Debentures and Bond		
(iii) Units of mutual funds		
(iv) Government Securities		
(v) Others (please specify)		

Unquoted :

(i) Shares : (a) Equity (Group Companies) (Net)	2,390
(B) Preference	—
(ii) Debentures and Bonds	—
(iii) Units of mutual funds	
(iv) Government Securities	193
(v) Others (please specify)	
Fixed Deposit with NBFC	137
Fixed deposit with Bank's	5,017
Interest accrued	217
Assetz Infrahomes LLP	25

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)

2. Unquoted :

(i) Share : (a) Equity- Subsidiary Company	4,224
(b) Preference	
(ii) Debentures and Bonds	
(iii) Units of mutual funds	
(iv) Government Securities	
(v) Others (please specify)	

(6) Borrower group-wise classification of assets financed as in (3) and (4) above :

Please see Note 2

Category

	Amount net of provisions		Total
	Secured	Unsecured	
1 Related parties**	—	—	—
(a) Subsidiaries	—	—	—
(b) Companies in the same group	—	—	—
(c) Other related parties	—	—	—
2 Other than related parties	82,710	—	82,710
Total	82,710	—	82,710

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

1. Related parties**	Market Category	Book Value / Value
	(Net of Provisions)	Break up or Fair Value or NAV
(a) Subsidiaries	4,224	4,224
(b) Companies in the same group	2,390	2,390
(c) Other related parties	25	25
2. Other than related parties	5,564	5,564
Total	12,203	12,203

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

(8) Other Information :

Particulars	Amount
(I) Gross Non-performing Assets	
(a) Related Parties	—
(b) Other than related parties	—
(ii) Net Non-Performing Assets	
(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 (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank of India) Directions, 2007.
- 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

Firm Reg. No. 000926C

sd/-

(Ram Lal Agrawal)

Proprietor

M. No. 17583

Date : 16th May 2011

Place : Delhi

For and on behalf of the Board

sd/-

Sunil Agarwal

Managing Director

sd/-

Harish Singh

Executive Director

sd/-

Sachin Agarwal

Wholetime Director

sd/-

Purushottam Agrawal

Director

sd/-

Vishal Sharma

Company Secretary

AUDITORS' REPORT

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

We have audited the attached Consolidated Balance Sheet of S. E. Investments Ltd. (the Company) and its subsidiary Nupur Finvest Pvt. Ltd. as at 31st March, 2011. These financial statements are the responsibility of the Company's management and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. 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 the audit to obtain reasonable assurance about whether the financial 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.

- (1) We report that the consolidated financial statements have been prepared by the company's management in accordance with the requirements of Accounting Standard 21 issued by ICAI, "Consolidated Financial Statements".
- (2) 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 Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2011.
 - b) However as the Nupur Finvest Pvt. Ltd. has become Wholly Owned Subsidiary on 23rd March, 2011, the bifurcation of items of Income and Expenditure for the purpose of Consolidated Financial Statement is neither material nor significant. Therefore, Consolidated Profit and Loss account and Cash Flow Statement are not prepared looking to the materiality concept.

Date : 16th May 2011
Place : Delhi

For **R. Lal & Company**
Chartered Accountants
Firm Reg. No. 000926C
sd/-
(Ram Lal Agrawal)
M.No 17583

S. E. INVESTMENTS LIMITED**Consolidated Financial Statement as on 31st March 2011**

PARTICULARS	AMOUNT
	31.03.2011
I. SOURCES OF FUNDS	
1. SHARE HOLDERS FUNDS	
(a) Share Capital	430,662,500
(b) Reserves & Surplus	3,202,216,148
	<u>3,632,878,648</u>
2. LOAN FUNDS	
(a) Secured Loans	4,038,418,023
(b) Unsecured Loans	1,829,920,625
	<u>5,868,338,648</u>
3. Deferred Tax Reserve	5,853,840
	<u>9,507,071,136</u>
	TOTAL
II. APPLICATION OF FUNDS	
1. FIXED ASSETS:	
(a) Gross Block	722,138,623
(b) Less: Depreciation	210,212,322
(c) NET BLOCK	<u>511,926,301</u>
2. INVESTMENTS	800,430,754
	<u>800,430,754</u>
3. CURRENT ASSETS, LOANS & ADVANCES	
(a) Inventories including Book Debts	8,301,244,977
(b) Cash & Bank Balances	836,168,507
(c) Loans & Advances	473,656,192
	<u>9,611,069,677</u>
4. Less: CURRENT LIABILITIES & PROVISIONS	
(a) Liabilities	1,096,822,870
(b) Provisions	366,195,012
	<u>1,463,017,882</u>
Net Current Assets	<u>8,148,051,795</u>
5. Misc.Expenditure (to the extent not written off or adjusted)	
(a) Preliminary Expenses	46,284,286
(b) Amalgamation Expenses	378,000
	<u>46,662,286</u>
	<u>9,507,071,136</u>
	TOTAL

Signed in terms of our Report of even date

For **R. Lal & Company**

Chartered Accountants

Firm Reg. No. 000926C

sd/-

(Ram Lal Agrawal)

Proprietor

M. No. 17583

Date : 16th May 2011

Place : Delhi

For and on behalf of the Board

sd/-

Sunil Agarwal

Managing Director

sd/-

Harish Singh

Executive Director

sd/-

Sachin Agarwal

Wholetime Director

sd/-

Purushottam Agrawal

Director

sd/-

Vishal Sharma

Company Secretary



*Creating
wealth for
those who
matter*

**FINANCING
AT
SELL
GAP**

GROWTH WITH CONSCIENCE



अर्थ: समाजस्य न्यासः

S E INVESTMENTS LIMITED

REGISTERED OFFICE-547, IIInd Floor, Main Road, Shakarpur, Delhi-110092 (INDIA)
Ph. +91 11 43018888 Fax. +91 11 43018802 E-mail: delhi@seil.in