



**36th Annual Report
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S E R INDUSTRIES LIMITED

BOARD OF DIRECTORS	<ol style="list-style-type: none">1. Sri Yashvir Goel2. Sri Narendra Goel3. Sri Sajjan Kumar Jhurjhunwala4. Sri Avadesh Mandelia5. Sri Pratap Singh Lodha6. Sri B.K. Dhanuka
COMPANY SECRETARY	Sri Surjya Narayan Mishra
REGISTERED OFFICE	"Foundation House", No.40, 2nd Main, C.K.C. Garden, Mission Road, BANGALORE - 560 027.
ADMINISTRATIVE OFFICE	# 107-108, Mittal Chambers, Nanman Point, MUMBAI - 400 021.
BANKERS	Canara Bank, Commercial Centre, Town Hall Branch, BANGALORE - 560 027.
	The Standard Chartered Bank, # 23-25, M.G. Road, MUMBAI - 400 001.
AUDITORS	M/s. G.V. Sunder and Company, Chartered Accountants, # 8/2, 2nd Floor, O.T.C. Road, BANGALORE - 560 002
SHARE TRANSFER AGENT	M/s. Raj Consultancy Services, # 43, Upstairs, III Cross, Link Road, Malleswaram, BANGALORE - 560 003 Phone : 3341765

NOTICE OF THE ANNUAL GENERAL MEETING

Registered Office: "Foundation House"

No.40, II Main, C.K.C. Garden, Mission Road, Bangalore-560 027, KARNATAKA.

NOTICE is hereby given that the **THIRTY SIXTH ANNUAL GENERAL MEETING** of the Members of the Company will be held at Hotel Ajantha, No. 22A, M.G. Road, Bangalore - 560 001, on **TUESDAY, 28th September 1999 at 11.45 a.m.** to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider, and to adopt the Audited Balance Sheet of the Company as at 31.03.1999, and the Profit and Loss Account for the Financial Year ended on that date and the Report of the Directors and Auditors.
2. To Appoint a Director in the Place of Sri. B. K. Dhanuka, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the Place of Sri Pratap Singh Lodha, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors in the place of retiring Auditors and to fix their remuneration.

By Order of the Board of Directors

SURJYA NARAYAN MISHRA

Company Secretary

Bangalore
29th May 1999.

NOTES :

1. IT IS NOTIFIED THAT THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS OF EQUITY SHARES OF THE COMPANY WILL REMAIN CLOSED FROM 21ST SEPT. 1999 TO 28TH SEPT.1999 (BOTH DAYS INCLUSIVE).
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED SIGNED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE

COMMENCEMENT OF THE MEETING.

3. Members/ Proxies should bring the attendance slip duly filled in for attending the meeting.
4. Members desiring any information with regard to Accounts are requested to write to the Company atleast 10 days before the date of the meeting, so as to enable the management to keep the information ready.
5. Pursuant to Section 205A of the Companies Act, 1956, all the unclaimed dividends upto the Financial year ended 31st March 1995, have been transferred to General Revenue Account of the Central Government. Shareholders who have not encashed the Dividend Warrants for the said period are requested to claim the amount by submitting an application in Form No. II to the Registrar of Companies, Kamataka, E-Wing, II Floor, Kendriya Sadan, Koramangala, Bangalore - 560 034. The unpaid Dividend Amount upto the Financial Year ending 31/3/1996, will remain in the same unpaid dividend Acct. No.13943, Canara Bank for another four years, as per the amended section 205A (5) of the companies Act.1956. Hence, Share holders, who have not received the Dividend are requested to write the Company.
6. Members are requested to immediately notify change in their address to the Company's Share Transfer Agents:

M/s. Raj Consultancy Services
43, III cross, Link Road
Mallechwaram
BANGALORE - 560 003.
7. MEMBERS ARE REQUESTED TO BRING THEIR COPIES OF THE ANNUAL REPORT ALONG WITH THEM TO THE GENERAL MEETING.

By Order of the Board of Directors

SURJYA NARAYAN MISHRA

Company Secretary

Bangalore
29th May 1999.

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DIRECTORS' REPORT FOR THE YEAR

- 1998-99

Dear Shareholders,

Your Directors have pleasure in presenting the Thirty Sixth Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 1999.

FINANCIAL HIGHLIGHTS :

The Financial Results for the year ended 31st March, 1999.

Particulars	(Figures in Lakhs of Rupees)	
	Year ended 31.03.99	Year ended 31.03.98
Operating Profit	(07.94)	11.06
Other Income	05.69	10.44
Profit for the year before Depreciation and taxation	(02.25)	21.50
Less : Depreciaion for the year	02.63	02.17
Profit before Taxation	(04.88)	19.33
Add: Adjustments related to earlier year taxation	(0.16)	7.48
Less : Provision for taxation	—	7.60
Profit after Tax	(05.04)	19.21
ADD : Surplus brought forward from last year	67.06	59.73
Profit available for appropriation	62.02	78.94
APPROPRIATION :		
(a) Transfer to General Reserve	—	1.00
(b) Proposed Dividend	—	9.89
(c) Corporate Dividend Tax	—	0.99
(d) Surplus carried to Balance Sheet	62.02	67.06
	62.02	78.94

OPERATIONS :

The Year 1998-99 witnessed another significant economic slow-down, slowdown of the industrial/infrastructural development in the country, instability at the centre effected negatively to the performance of the company in comparison to the previous year. The working of the company also effected by the increase of diesel price, maintenance cost and competitive market. However the company has already initiated steps to improve operation of the company and hope to better results in the coming years.

DIVIDEND :

Considering the insufficiency of profit and need for working capital the Board of Directors decided not to declare dividend for this year.

In terms of Article 99 of the Article of Association Sri. B.K. Dhanuka & Sri. Pratap Singh Lodha, Directors of the company, retire by rotation and being eligible offers themselves for re-appointment.

AUDITORS :

M/s. G.V. Sunder & Co., Chartered Accountants, Bangalore, the Statutory Auditors of the Company retire at conclusion of the ensuing Annual General Meeting and are being eligible, offers themselves for re-appointment.

The Auditors of the Company have informed that their appointment if made would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956. The Directors recommend for their re-appointment.

The observation made in the Auditors' Report are self explanatory and therefore do not call for any further comments under Section 217 of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUT GO :

Particulars under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 on conservation of energy, technology or absorption are not applicable to your Company. The Company did not have any foreign exchange earnings or outgo.

EMPLOYEES :

None of the employees of the Company were in receipt of remuneration exceeding the limits prescribed under Section 217(2A) of the Companies Act, 1956.

DEPOSITS :

The Company has not accepted any public deposit during the year, 3 deposits amounting to Rs. 1,68,990/- have been matured but not claimed. The Company has written letters to these depositors for forwarding duly discharged receipts for repayment and/or renewal of the deposits.

LISTING :

The equity shares of the Company are listed with The Bangalore Stock Exchange Limited, The Stock Exchange, Mumbai and The Calcutta Stock Exchange Association limited.

APPRECIATION :

Your Directors wish to place on record their sincere appreciation of dedicated services rendered by the employees and assistance extended by the company's bankers, associates and clients. Your Directors also deeply acknowledge the continued trust reposed by the share holders.

Place : Bangalore
Date : 29th May 1999

On behalf of the board

YASHVIR GOEL
Chairman

AUDITORS' REPORT

TO THE MEMBERS,

We have audited the attached Balance Sheet of M/s. S E R INDUSTIRES LIMITED as at 31st March, 1999 and the Profit and Loss Account for the year ended on that date and report that :

1. We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit.
2. 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 such books.
3. The Balance Sheet and Profit and Loss Account dealt with in the report are in agreement with the books of account.
4. In our opinion and to the best of our information and according to the explanations given to us, the attached accounts read with the notes thereon and subject to Item No.6 of Accounting Policies under Schedule -S, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - a. In the case of Balance Sheet of the state of affairs of the company as at 31st March, 1999 and
 - b. In the case of Profit and Loss Account of the Loss of the Company for the year ended on that date.
5. As required by the manufacturing and other companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of section 227(4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate, we further state that :
 - i) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. These fixed assets have been physically verified by the management at reasonable intervals. On the basis of explanations given to us, no material discrepancies have been noticed on such verification.
 - ii) None of the fixed assets have been revalued during the year.
 - iii) The stock of stores, spare parts, tyres and tubes have been physically verified by the management at reasonable intervals.
 - iv) The procedures for physical verification of stores, spare parts, tyres and tubes followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - v) No material discrepancies have been noticed on physical verification of stores, spare parts, tyres and tubes.
 - vi) In our opinion, the valuation of stores, spare parts, tyres and tubes is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceeding year.
 - vii) The company has taken loan from companies listed in the register maintained under Section 301 of the Companies Act, 1956. However, the terms of such loans are not prima facie prejudicial to the interests of the Company. The Company has not taken loans from the companies under the same management as defined under Sub-section 1B of Section 370 of the Companies Act, 1956.
 - viii) The Company has granted loans secured or unsecured to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. However, in our opinion the terms and conditions of such loans are not prima facie prejudicial to the interest of the Company. During the year, no loans secured or unsecured have been granted to the companies under the same management as defined under Sub-section 1B of Section 370 of the Companies Act, 1956.

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- ix) In respect of loans or advances in the nature of loans, given by the company, the parties are repaying the interest and principal amount as stipulated.
- x) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures with the size of the Company and the nature of its business for the purchases of stores including components, equipment and other assets.
- xi) The Company has not purchased / sold goods and materials aggregating to Rs.50,000/- or more in value from/to any of the parties listed in the register maintained under Section 301 of the Companies Act, 1956. However, the company has rendered, during the year, service exceeding the value of Rs.50,000/- to a company in which the Directors are interested. The price paid for such services is reasonable having regard to the prevailing market prices for such services.
- xii) As explained to us, on physical verification of stores, spare parts, tyres and tubes, the company is not having unserviceable or damaged goods.
- xiii) The Company has not accepted any deposits as explained under Section 58 A of the Companies Act, 1956.
- xiv) The company does not have any by-products and scrap except used tyres and tubes, in respect of which the company has reasonable records for sale and disposal.
- xv) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- xvi) The Central Government has not prescribed maintenance of cost records under section 209 (1)(d) of the Companies Act, 1956.
- xvii) The company is regular in depositing the Provident Fund and Employee's State Insurance dues with the appropriate authorities.
- xviii) No undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty were outstanding as at 31st March, 1999.
- xix) No personal expenses of the employees or directors have been charged to Revenue Account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
- xx) The Company is not a sick industrial company within the meaning of Clause (O) of Sub-Section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
- xxi) The company has a reasonable system of recording receipts, issues and consumption of materials and stores commensurate with the size and nature of its business and has a system which provides for a reasonable allocation of materials consumed.
- xxii) The company has a reasonable system of recording man-hours utilised.
- xxiii) The company has a reasonable system of authorisation at proper levels and an adequate system of internal control commensurate with the size of the company and the nature of its business, on issue of stores and allocation of stores and labour to jobs.

For and on behalf of
G.V. SUNDER & CO.
Chartered Accountants

G.V. SUNDER
Partner

Bangalore
29th May, 1999

BALANCE SHEET AS ON 31ST MARCH, 1999

	Sch.	31.03.1999		31.03.1998	
		Rs.	Rs.	Rs.	Rs.
A. SOURCES OF FUNDS					
Shareholders Funds					
a. Capital	A	99.46		99.46	
b. Reserves and Surplus	B	87.58	187.04	92.62	192.08
Loan Funds					
a. Secured Loans	C	1.91		3.74	
b. Unsecured Loans	D	23.37	25.28	15.53	19.27
TOTAL			212.32		211.35
B. APPLICATION OF FUNDS					
Fixed Assets					
a. Gross Block	E	127.35		126.30	
b. Less : Depreciation		81.55		79.31	
c. Net Block			45.80		46.99
Investments	F		58.80		58.82
Current Assets, Loans and Advances					
a. Inventories	G	2.11		2.11	
b. Sundry Debtors	H	70.74		94.39	
c. Cash and Bank Balances	I	12.35		30.02	
d. Loans and Advances	J	98.74		92.44	
			183.94		218.96
Less : Current Liabilities and Provisions					
a. Current Liabilities	K	27.62		52.32	
b. Provisions	L	48.60		61.10	
			76.22		113.42
Net Current Assets			107.72		105.54
TOTAL			212.32		211.35

Notes on Accounts
Vide our report of even date

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For G V SUNDER AND COMPANY
Chartered Accountants

YASHVIR GOEL
Director

B. K. DHANUKA
Director

G. V. SUNDER
Partner

Bangalore
29th May, 1999

S.N. MISHRA
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1999

	Sch.	31.03.1999 Rs.	31.03.1998 Rs.
INCOME			
Freight Income	M	469.91	592.52
Other Income	N	5.69	10.44
Total Income		475.60	602.96
EXPENDITURE			
Operational Expenses	O	429.67	532.35
Personnel Expenses	P	12.36	10.90
Administrative Expenses	Q	33.95	34.85
Financial Expenses	R	1.87	3.35
Depreciation	E	2.63	2.17
Total Expenditure		480.48	583.62
PROFIT BEFORE TAX		(4.88)	19.34
Add : Adjustments related to earlier year - Taxation		(0.16)	7.47
Less : Provision for Taxation		—	7.60
PROFIT AFTER TAX		(5.04)	19.21
Profit After Tax		(5.04)	19.21
Surplus brought forward from previous year		67.06	59.73
Profit available for appropriation		62.02	78.94
APPROPRIATION			
a. General Reserve		—	1.00
b. Proposed dividend		—	9.89
c. Corporate Dividend Tax		—	0.99
d. Surplus carried to Balance Sheet		62.02	67.06
TOTAL		62.02	78.94

NOTES AND ADDITIONAL INFORMATIONS

Vide our report of even date
For **G V SUNDER AND COMPANY**
Chartered Accountants

YASHVIR GOEL
Director

B. K. DHANUKA
Director

G. V. SUNDER
Partner

Bangalore
29th May, 1999

S.N. MISHRA
Company Secretary

SCHEDULES FORMING PART OF ACCOUNTS

	As on 31.03.1999 Rs.	As on 31.03.1998 Rs.
SCHEDULE - A : SHARE CAPITAL		
<u>AUTHORISED:</u>		
60,00,000 Equity Shares of Rs. 10/- each	600.00	600.00
<u>ISSUED AND SUBSCRIBED:</u>		
9,99,490 Equity Shares of Rs.10/- each	99.95	99.95
<u>PAID UP:</u>		
9,89,590 Equity Shares of Rs.10/- each fully paid	98.96	98.96
Add : Amount Paid - up on 9,900 shares forfeited	0.50	0.50
TOTAL	99.46	99.46
SCHEDULE - B : RESERVES AND SURPLUS		
<u>RESERVES AND SURPLUS:</u>		
<u>GENERAL RESERVE:</u>		
As per last Balance Sheet	25.56	24.56
Add: Transfer from Profit & Loss Account	—	1.00
	25.56	25.56
PROFIT AND LOSS ACCOUNT	62.02	67.06
TOTAL	87.58	92.62
SCHEDULE - C : SECURED LOANS		
<u>TERM LOANS:</u>		
From Countrywide Finance for the purpose of purchase of Car against security of th same	1.91	3.74
TOTAL	1.91	3.74
SCHEDULE - D : UNSECURED LOANS		
Inter Corporate Loans	14.43	3.96
From Others	8.94	11.57
TOTAL	23.37	15.53

SCHEDULE - E: FIXED ASSETS

Sl. No.	PARTICULARS	Rate of Dep. %	GROSS BLOCK			DEPRECIATION				NET BLOCK		
			Original Cost on 01.04.98	Additions	Adj. for Sale/Dis.	TOTAL as on 31/03/99	Upto 31/03/98	For the Year	Adj. for Sale/Disposal	TOTAL	As on 31/03/99	As on 31/03/98
1.	Land	—	9,13,808	—	—	9,13,808	—	—	—	—	9,13,808	9,13,808
2.	Buildings	3.34	27,36,500	—	—	27,36,500	1,02,810	91,399.10	—	1,94,209.10	25,42,290.90	26,33,690
3.	Furniture & Fittings	6.33	3,30,783	—	6,250	3,24,533	2,71,929	9,065.32	800	2,80,194.32	44,338.68	58,854
4.	Motor Cycles	9.50	1,18,011	67,077	37,984	1,47,104	80,309	10,274.80	37,980	52,603.80	94,500.20	37,702
5.	Computers	16.21	1,46,738	82,440	—	2,29,178	1,15,650	34,453.24	—	1,50,103.24	79,074.76	31,088
6.	Cars	9.50	12,37,871	—	—	12,37,871	6,17,132	1,00,011.75	—	7,17,143.75	5,20,727.26	6,20,739
7.	Office Equipments	4.75	3,06,336	1,150	—	3,07,486	1,57,744	13,931.99	—	1,71,675.99	1,35,810.01	1,48,592
8.	Air Conditioners	4.75	90,905	—	—	90,905	90,902	—	—	90,902	3.00	3.00
9.	Work Shop Equipments	4.75	1,48,860	—	—	1,48,860	1,32,413	4,166.94	—	1,36,579.94	12,280.06	16,447
10.	Bycycle	9.5	3,224	—	1,774	1,450	574	68.88	534	108.88	1,341.13	2,650
11.	Light Goods Vehicle	16.21	2,39,023	—	—	2,39,023	2,39,022	—	—	2,39,022	1.00	1.00
12.	Trucks	16.21	61,22,791	—	—	61,22,791	61,22,775	—	—	61,22,775	16.00	16.00
13.	Plant & Machinery	4.75	2,35,199	—	—	2,35,199	—	—	—	—	2,35,199	2,35,199
TOTAL			1,26,30,049	1,50,667	46,008	1,27,34,708	79,31,260	2,63,372	39,314	81,55,318	45,79,390	46,98,789

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SCHEDULE - F : INVESTMENT IN SHARES AND DEBENTURES

	31.03.1999 Rs.	31.03.1998 Rs.
(a) Fully paid-up 2,000 Equity Shares of Rs.10/- each in Apollo Tyres Limited, Face value of Rs.20,000/- Market Value Rs.1,68,000/- (Mumbai Stock Exchange)	47,500	47,500
(b) Fully Paid-up 1,20,000 Equity Shares of Rs 10/- each (including Right Offer 80,000) in Haryana Steel & Alloys Limited Face value Rs.12,00,000/- Market Value Rs.8,40,000/- (Mumbai Stock Exchange)	28,00,000	28,00,000
(c) Fully Paid-up 500 Equity Shares of Rs 10/- each in Indo-Gulf Fertilisers & Chemicals Corporation Limited Market value Rs.4,200/- (Mumbai Stock Exchange)	5,000	5,000
(d) Fully Paid-up 10 Equity Shares of Rs 10/- each in Jai Corp Ltd. (Issued for 100 Equity shares of Rs.10/- each held in Cement Steels Ltd.) Face Value Rs.100/- Market Value Rs.2,700/- (Mumbai Stock Exchange)	1,000	1,000
(e) Fully Paid-up 72 Equity Shares of Rs 10/- each (Including 36 Equity Share received as bonus shares) in Reliance Industries Limited, Face Value Rs 360/- Market Value Rs.9,144/- (Mumbai Stock Exchange)	2,390	2,390
(f) Fully Paid-up 241 Equity Shares of Rs 10/- each in Essar Shipping Limited, (Including 50 Equity Shares received on conversion of Debentures and 91 Equity Shares received on right offer) Face Value of Rs 2,410/- Market Value of Rs.1,699/- (Mumbai Stock Exchange)	6,025	6,025
(g) Fully Paid-up 100 Equity Shares of Rs 10/- each in Applied Electronics Limited Face Value of Rs.1,000/- Market Value Rs.910/- (Mumbai Stock Exchange)	1,600	1,600
(h) Fully Paid-up 2 Equity Share of Rs 10/- (including 1 No. Right offer) in Zuari Industries Limited, Face Value Rs.20/- Market Value of Rs.68/- (Mumbai Stock Exchange)	90	90
(i) Fully Paid up 100 equity shares of Rs 10/- each (including 80 shares received by conversion of Debentures) in Essar Steel Limited, Face Value of Rs.1,000/- Market Value of Rs.900/- (Mumbai Stock Exchange)	5,500	5,500
(j) Fully Paid-up 3,00,000 Equity Shares of Rs 10/- each in Chambal Fertilizers & Chemicals Limited, Face Value of Rs.30,00,000/- Market Value of Rs.60,30,000/- (Mumbai Stock Exchange)	30,00,000	30,00,000
(k) Fully paid-up 90 Equity shares of Rs.10/- each in Andhra Pradesh Heavy Machinery & Engineering Limited (Unquoted)	900	900
(l) Fully Paid-Up 100 Equity Shares of Rs.10/- each in Indrocks International Limited (Unquoted)	—	1,000
(m) Fully paid-up 500, 12.5% Non-Convertible Debentures of Rs.15/- each in Apollo Tyres Limited (Mumbai Stock Exchange)	7,500	12,500
(n) Fully paid up 6 Nos. 12.5 % Secured Non-Convertible Debentures of Rs 95/- each in Reliance Industries Limited (Series H) (Quoted). Market Value Rs.70/- (Mumbai Stock Exchange)	570	570
(o) Fully paid up 50 Nos 16 % Non-Convertible Debentures Part-B of Rs.50/- each in Essar Shipping Limited (Quoted) Market Value of Rs.43/- (Bangalore Stock Exchange)	2,500	2,500
TOTAL	58,80,575	58,81,575

(Aggregate Market Value of Investments in quoted shares Rs.70,75,621/- (Previous year Rs 76,15,557/-)

	31.03.1999 Rs.	31.03.1998 Rs.
SCHEDULE - G : INVENTORIES		
a. Stores, Spares, Tyres and Tubes (At Cost, valued & certified by Management)	2.11	2.11
TOTAL	2.11	2.11
SCHEDULE - H : SUNDRY DEBTORS		
a. Outstanding for more than six months	9.53	2.06
b. Other Debts	61.21	92.33
TOTAL	70.74	94.39
SCHEDULE - I : CASH AND BANK BALANCE		
a. Cash on Hand	0.53	13.32
b. With Scheduled Bank :		
Current Account	7.38	13.99
Dividend Accounts	2.03	1.73
Term Deposit	0.41	0.98
c. Funds in Transit	2.00	—
TOTAL	12.35	30.02
SCHEDULE - J : LOANS AND ADVANCES		
(Advances Receivable in cash or in kind or for value to be received - unsecured and considered good)		
Advances for purchases & other advances	10.82	41.74
Advance Income Tax	18.87	12.10
Deposits	6.02	3.26
Staff and Driving Contractor Advances	1.42	0.45
Other Loans	61.58	34.84
Interest accrued but not due	0.03	0.05
TOTAL	98.74	92.44
SCHEDULE - K : CURRENT LIABILITIES		
a. Sundry Creditors for Purchases	0.55	0.17
b. Others	7.16	5.30
c. Outstanding Liabilities	17.75	41.93
d. Share Application Money Refundable	0.13	0.13
e. Unclaimed Dividend on shares	2.03	1.73
f. Allahabad Bank Book Overdraft	—	3.06
TOTAL	27.62	52.32
SCHEDULE - L : PROVISIONS		
a. Income Tax	48.60	50.21
b. Proposed Dividend	—	9.90
c. Corporate Dividend Tax	—	0.99
TOTAL	48.60	61.10
SCHEDULE - M : INCOME		
a. Freight Income	417.81	556.55
b. Freight from Co.'s Trucks	5.65	3.11
c. Freight from Co.'s Container Trucks	37.35	32.86
d. Service Charges on ZIL bagging work	9.07	—
e. Vehicle Hire Charges	0.03	—
TOTAL	469.91	592.52

SCHEDULE - N : OTHER INCOME

	31.03.1999 Rs.	31.03.1996 Rs.
a. Miscellaneous Receipts	1.41	4.68
b. Dividend from shares	3.93	5.62
c. Interest income	0.08	0.14
d. Profit on sale of Fixed Assets	0.27	—
TOTAL	5.69	10.44

SCHEDULE - O : OPERATIONAL EXPENSES

a. Diesel and Lubricants	12.44	10.42
b. Freight Charges	361.67	486.84
c. Insurance	0.49	0.20
d. Miscellaneous Operational Expenses	22.16	18.28
e. Rates and Taxes	2.30	2.26
f. Repairs and Maintenance	3.09	1.29
g. Trip Charges	8.67	11.43
h. Tyres, Tubes & Flaps	11.02	1.63
i. ZIL Bagging Expenses	7.83	—
TOTAL	429.67	532.35

SCHEDULE - P : PERSONNEL EXPENSES

a. Salary & Allowances	9.83	8.64
b. Bonus	0.68	0.56
c. Staff Welfare	0.94	1.09
d. Provident Fund	0.61	0.45
e. Employees State Insurance	0.30	0.16
TOTAL	12.36	10.90

SCHEDULE - Q : ADMINISTRATIVE EXPENSES

a. Rent	8.32	6.06
b. Water & Electricity	1.77	1.51
c. Insurance on cars & Two Wheelers	0.19	0.21
d. Postage & Telegram	0.80	0.87
e. Printing & Stationery	1.44	1.34
f. Telephone & Telex	5.09	4.82
g. Books & Periodicals	0.20	0.10
h. Directors' Sitting Fee	0.06	0.05
i. Professional & Legal Charges	0.07	0.19
j. Auditors' Remuneration		
i. Audit fees	0.13	0.13
ii. Tax Audit fees	0.03	0.03
k. AGM Expenses	0.13	0.13
l. General Expenses	5.19	3.75
m. Listing & Filing Fees	0.32	0.38
n. Repairs & Maintenance Others	3.34	1.33
o. Cars & Two Wheelers Maintenance	2.01	2.58
p. Travelling & Conveyance	4.19	4.09
q. Press, Notices & Advertisement Expenses	0.67	0.65
r. Loss on Sale of Fixed Assets	—	4.70
s. Establishment Charges	—	1.93
TOTAL	33.95	34.85

SCHEDULE - R : FINANCIAL EXPENSES

a. Bank Interest on Loans		0.79
b. Bank Charges	1.44	0.81
c. Interest on Deposits		0.53
d. Service Charges on Cars & LCVs	0.43	1.22
TOTAL	1.87	3.35

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SCHEDULE - S:

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 1999.

A. ACCOUNTING POLICIES:

1. Financial statements have been prepared under historical cost and on accrual basis of accounting.
2. Fixed assets have been capitalised at its acquisition cost and other cost attributable to bring the assets to its working condition for intended use.
3. (a) Depreciation on fixed assets is provided on straight line method in accordance with the rates specified in the Schedule XIV to the Companies Act, 1956.
(b) Depreciation on assets acquired during the year has been provided on a pro-rata basis.
(c) Depreciation is not charged on the assets which are not put to actual use.
4. Stock of stores and spares have been valued at lower, cost or market value.
5. Investments are stated at cost.
6. Gratuity payable in respect to the employees are accounted on cash basis. Hence, no provision has been made for present liability in respect of future payment of gratuity. The gratuity liability as on 31st March, 1999 is estimated on arithmetical basis is Rs. 1,31,696/- (Previous year Rs. 1,24,050/-).

B. NOTES ON ACCOUNTS :

1. The Company is contingently liable in respect of Bank guarantee issued to the extent of Rs. 3,00,000 (Previous year Rs. 5,00,000).
2. Claims against the Company not acknowledged as debt is Rs. Nil (Previous year Rs. Nil).
3. Estimated amount of contracts remaining to be executed on Capital Accounts not provide for is Rs. Nil (Previous year Rs. Nil).
4. Figures of the previous year have been regrouped or rearranged wherever necessary.
5. Expenditure in Foreign Currency : NIL
6. Additional information required : Paragraph 3, 4C & 4D of part II of the Schedule-VI to the Companies Act, 1956, is applicable only to the extent that the Gross Income is derived from the Services rendered. This information has been appropriately given in the Profit and Loss Account. Other requirements of these paragraphs are not applicable as the Company is rendering services and is not engaged in manufacturing or trading of any kind.

Vide our report of eventdate
For G. V. SUNDER & CO.,
Chartered Accountants

YASHVIR GOEL
Director

B. K. DHANUKA
Director

G. V. SUNDER
Partner

Bangalore
29th May, 1999.

S. N. MISHRA
Company Secretary

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 1999

A. CASH FLOW FROM OPERATING ACTIVITIES	Year ended 31.03.1999 (Rs. in lacs)	Year ended 31.03.1998 (Rs. in lacs)
Net Profit(Loss) Before Tax	(4.88)	19.34
<i>Adjustment for:</i>		
Depreciation	2.63	2.17
Interest and Dividend Income	(4.01)	(5.76)
Interest Expenditure	1.87	3.35
Profit on Sale of Assets	(0.27)	—
Loss on Sale of Assets	—	4.70
Amortisation of Miscellaneous Expenses	—	—
Operating Profit before Working Capital Changes	(4.66)	23.80
<i>Adjustment for:</i>		
Decrease in Sundry Debtors	23.54	—
Increase in Loans and Advances	(0.49)	—
Decrease in Loans and Advances	—	55.22
Decrease in Current Liabilities	(25.00)	—
Decrease in Inventories	—	—
Increase in Sundry Debtors	—	(22.94)
Increase in Current Liabilities	—	15.46
Cash Generation from Operations	(6.51)	71.54
Interest Received	0.08	0.14
Interest paid	(1.87)	(2.82)
Direct Tax paid (Net of refund and adjustment)	(8.55)	(25.55)
NET CASH FROM OPERATING ACTIVITIES (A)	(16.85)	43.31
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Dividend Received	3.93	5.61
Sale of Fixed Assets	0.32	3.76
Additions to Fixed Assets	(1.51)	(24.68)
Sale / Purchase of Investments	0.01	0.05
NET CASH FROM INVESTING ACTIVITIES (B)	2.75	(15.26)
C. CASH FLOW FROM FINANCIAL ACTIVITIES:		
Repayment of Term Loan	6.02	(11.57)
Dividend Paid	(9.89)	—
Interest Paid	—	(0.53)
NET CASH FLOW FROM FINANCIAL ACTIVITIES (C)	(3.87)	(21.99)
Net Increase / (Decrease) in cash and cash equivalents (A + B + C)	(17.97)	6.07
CASH AND CASH EQUIVALENTS (OPENING)		
Cash and Bank Balance	28.29	22.22
CASH AND CASH EQUIVALENTS (CLOSING)		
Cash and Bank Balance	10.32	28.29

NOTES TO CASH FLOW STATEMENTS

- Figures in brackets indicate cash outflow and without brackets indicate cash inflow.
- Direct taxes paid is treated as arising from Operating Activities and is not bifurcated between Investing and Financing Activities.

For and on behalf of the Board

B.K. DHANUKA

Director

We have examined the above Cash Flow Statement of M/s. SER Industries Limited for the year ended 31st March, 1999 and verified that it has been derived from the audited accounts (and the under-lying records of the company reported on by us as per our report date.

For: G.V. SUNDER AND COMPANY
Chartered Accountants

G.V. SUNDER
Partner

Bangalore
29th May, 1999

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BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT 1956.

I. REGISTRATION DETAILS

Registration No. : 4604 State code : 080
 Balance Sheet date : 31.03.99

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RUPEES THOUSANDS)

Public Issue NIL	Right Issue NIL
Bonus Issue NIL	Private placement NIL

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RUPEES THOUSANDS)

Total Liabilities 21232	Total Assets 21232
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SOURCES OF FUNDS

Paid-up Capital 9946	Advance against Equity NIL
Reserves & Surplus 8758	Secured Loans 191
Unsecured Loans 2337	

APPLICATION OF FUNDS

Net Fixed Assets 4579	Capital Work-in-Progress NIL
Investments 5881	Net Current Assets 10772
Misc. Expenditure NIL	Accumulated Losses NIL

IV. PERFORMANCE OF COMPANY (AMOUNT IN RUPEES THOUSANDS)

Turnover 47561	Total Expenditure 48049
Profit before tax (488)	Profit After Tax (488)
Earning per Share in Nil	Dividend Nil

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS OF COMPANY (AS PER MONETARY TERMS)

Item Code No. (ITC Code)	N.A.	Item Code No.(ITC Code)	N.A.
Product Description	Transportation	Product Description	N.A.
Item Code No.(ITC Code)	N.A.		
Product Description	N.A.		

Vide our report of even date
FOR G.V. SUNDER & COMPANY
 Chartered Accountants

For and on behalf of
SER INDUSTRIES LIMITED

Bangalore
 29.05.1999

G.V. SUNDER
 PARTNER

B.K. DHANUKA
 DIRECTOR

**FORM 2B
NOMINATION FORM**

(See Rules 4CCC and 5D)

(To be filled in by individual applying singly or jointly, if jointly, only upto two persons)

I/WE _____ and _____ the holders of Share/ Debentures/ Deposit Receipt bearing numbers(s) furnished below /as per annexure of M/S. S.E.R. Industries Limited, Mission Road, Bangalore-560 027, wish to make a nomination and do hereby nominate the following person in whom all rights of transfer and / or amount payable in respect of shares/ debentures/ deposits shall vest in the event of my/ our death.

Particulars of Shares/ Debentures/ Deposit Receipts

Cert./ Rt. No.	LF/ A/c. No.	Distinctive Nos.		Face Value (Rs.)
		From	To	

Name and address of Nominee:

Name:

Address:

Date of Birth*

(to be furnished in case the nominee is a minor)

* * The Nominee is a minor whose guardian is:

Name and Address:

(* * to be deleted if not applicable)

	Sole/ First holder	Joint holder
Signature		
Name		
Address		
Date		

Signature of two witnessess	Witness 1	Witness 2
Name and Address		
Signature with date		

Instructions:

- The Nomination can be made by individuals only applying/ holding shares/ debentures on their own behalf singly or jointly upto two persons. Non-individuals including society, trust, body corporate, partnership firm, karta of Hindu Undivided Family, holder of power of attorney cannot nominate. If the shares are held jointly all joint holders will sign the nomination form.
- A minor can be nominated by a holder of shares/ debentures/ deposits and in that event the name and address of the Guardian shall be given by the holder.
- The nominee shall not be a trust, society, body corporate, partnership firm, karta of Hindu Undivided Family, or a power of attorney holder. A non-resident Indian can be a nominee on re-partriable basis.
- Nomination stand rescinded upon transfer of share/ debenture or repayment/ renewal of deposits made.
- Transfer of share/ debenture in favour of a nominee and repayment of amount of deposit to nominee shall be valid discharge by the Company against the legal heir.