



38th Annual Report
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**S E R
INDUSTRIES
LIMITED**

BOARD OF DIRECTORS

**Sri Narendra Goel
Smt. Savita Goel
Sri G. P. Goyal
Sri V. G. Rangnekar
Sri Jayant Mitra**

REGISTERED OFFICE

**S E R Industries Ltd.,
C/o. S.E.R. Compound, Rupen Agrahara
Hosur Road, Madiwala, Bangalore - 560 068.
Ph. : 5735856**

CORPORATE OFFICE

**# 107-108, Mittal Chambers,
Nariman Point,
MUMBAI - 400 021.
Ph. : 2813137, 28131138 Fax : 2860392
e-mail : ser@vsnl.com**

BANKERS

**Bank of Maharashtra,
Nariman Point Branch,
Mumbai - 400021.**

AUDITORS

**M/s. G. V. Sunder and Company
Chartered Accountants,
3/5, IV Floor, Tower Block, Unity Bldg.,
Mission Road, Bangalore - 560 002.
Ph. : 2275160**

SHARES DEPARTMENT

**S E R Industries Limited
C/o. S.E.R. Compound, Rupen Agrahara
Hosur Road, Madiwala, Bangalore - 560 068.
Ph. : 5735856**

NOTICE

Notice is here by given that the **Thirty Eighth Annual General Meeting** of the Members of the Company will be held on Tuesday the 17th July, 2001 at 11.30 a.m. at the Registered office of the Company at SER Compound, Rupen Agrahara, 8th Mile Stone, Hosur Road, Madiwala, Bangalore 560 068, to transact the following business.

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2001 and Profit and Loss Account for the financial year end as on that date and the report of the Directors and Auditors.
2. To appoint a Director in Place of Mr. G. P. Goyal who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in Place of Mrs. Savita Goel who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors and to fix their remuneration.
5. "To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution."

"RESOLVED THAT the consent of the Company be and is hereby given to change the Registered office of the Company from SER Compound, Rupen Agrahara, 8th Mile Stone, Hosur Road, Madiwala, Bangalore 560 068 to SER Industries Limited, Chikkakuntanahalli Village, Bidadi Hobli, Ramnagara Taluk, Bangalore 562 109, Karnataka (Ph : 72-82231) effective from 17th July, 2001.

RESOLVED FURTHER that change in the place of the Registered Office be made in the name plates or board affixed at the Registered office as also in the letter heads, official publications, documents etc., pursuant to the provisions contained in Section 147 of the Companies Act, 1956".

By Order of the Board

PLACE : BANGALORE

DATED : 25.05.2001

(NARENDRA GOEL)
CHAIRMAN

Notes :

1. It is notified that the Register of Members and Share Transfer Books of Equity Shares of the Company will remain closed from 06.07.2001 to 17.07.2001 (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 and 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. Members are requested to bring their copies of Annual Report along with them to the General Meeting.

By order of the Board

(NARENDRA GOEL)
CHAIRMAN

38TH ANNUAL REPORT 2000-01
DIRECTORS' REPORT FOR THE YEAR 2001-01

Dear Shareholders,

Your Directors have pleasure in presenting the Thirty Eighth Annual Report of your Company together with the Audited Accounts for the year ended 31st March 2001.

FINANCIAL HIGHLIGHTS :

The Financial Results for the year ended 31st March 2001.

	(Figures in Lakhs of Rupees)	
	Year ended 31.03.2001	Year ended 31.03.2000
Operating Profit	(01.60)	(06.80)
Other Income	5.35	18.66
Profit for the year before Depreciation and Taxation	3.74	11.86
Less : Depreciation for the Year	2.93	2.21
Profit before Taxation	0.81	9.65
Add : Adjustments related to earlier year taxation	0.08	-
Less : Provision for taxation	0.07	1.12
Profit after Tax	0.82	8.53
Add : Surplus brought forward from Last year	70.55	62.02
Profit available for appropriation	71.37	70.55
APPROPRIATION :		
a) Transfer to general reserve	-	-
b) Proposed Dividend	-	-
c) Corporate Dividend Tax	-	-
d) Surplus carried to Balance Sheet	71.37	70.55
	71.37	70.55

OPERATIONS :

The year 2000-2001 witnessed another significant economic slowdown, slowdown of the industrial/infrastructural development in the Country, which affected negatively the performance of the Company. The working of the Company was also affected by the increased maintenance costs and competitive market. However the Company has already initiated steps to improve operations of the Company and hopes to achieve 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.

DIRECTORS' RESPONSIBILITY STATEMENT

- Following is the Directors' Responsibility statement as required under Section 217 (2AA) of the Companies Act, 1956, in respect of the financial statements :
- That in the preparations of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates

that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period;

- That 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;
- That the Directors have prepared the annual accounts on a going concern basis.

DIRECTORS

Sri G. P. Goyal and Smt Savita Goel, Directors retire at the forthcoming Annual General Meeting and being eligible they offer themselves for re-appointment.

SHIFTING OF REGISTERED OFFICE

Your Board of Directors have proposed for shifting the place of Registered Office to a new premises at SER Industries Limited, Chikkakuntanahalli Village, Bidadi Hobli, Ramangara Taluk, Bangalore - 562 109.

REGISTRAR & TRANSFER AGENTS

The Company has terminated the services of M/s Raj Consultancy services, the Registrar and Transfer Agents of the Company with effect from 22.03.2001 and as such all the Shareholders of the Company are requested to correspond directly with the Company at the proposed new registered office address of the Company.

AUDITORS

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

CONVERSION 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 conversion of energy, technology or absorption are not applicable to our 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. Deposits amounting to Rs. 1,68,990/- have been matured but not claimed.

The Company has written letters to these depositors for forwarding duly discharge receipts for repayment and/or no renewal of the deposit.

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 dedication service 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 Shareholders.

By order of the Board

**(NARENDRA GOEL)
CHAIRMAN**

Place : BANGALORE
Date : 25-05-2001

AUDITORS REPORT

TO THE MEMBERS,

We have audited the attached Balance Sheet of 'SER INDUSTRIES LIMITED' SER Compound, Rupen Agrahara, 8th Mile Stone, Hosur Road, Madiwala, Bangalore - 560 068, as at 31st March 2001 and the Profit and Loss Account for the year ended on that date and report that.

1. We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of such books.
3. The Balance Sheet and Profit and Loss account dealt with in this report are in agreement with the books of accounts.
4. In our opinion the Profit and Loss Account and Balance Sheet comply with the Accounting Standards referred to in subsection 3 (c) of Section 211 of the Companies Act 1956.
5. On the basis of the written representations received from the Directors, we report that none of the Directors are disqualified from being appointed as a Director in terms of Clause(g) of sub section 274 of the Companies Act. 1956.
6. In our opinion and to the best of our information and according to the explanation given to us, the said accounts read together with notes thereon and **subject to item No.6 of Accounting Policies under Schedule S**, give the information required by Companies Act, 1956 in the manner so required and gives a true and fair view.
 - a. In the case of Balance Sheet of the state of affairs of the Company as at 31st March 2001.
 - b. In the case of Profit and Loss Account of the Company, the profit for the period ended on that date.
7. As required by the Manufacturing And Other Companies (Auditors Report) Order 1988, issued by the Companies Law Board in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks, as we consider appropriate, we further state that :
 - i) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets. The management at reasonable intervals has physically verified these fixed assets. On the basis of explanations given to us, no material discrepancies were 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 the reasonable intervals.
 - iv) The procedure for physical verification of stores, spare parts, tyres and tubes followed by 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 and in accordance with normally accepted accounting principles and is on the same basis as in the preceding year.
- vii) Pursuant to amendments made in the Companies Act, 1999, no comments are made on Clause vii and Clause viii.
- viii) In respect of loans or advances in the nature of loans, given by the company, the parties are repaying the interest, wherever applicable, and principal amount as stipulated.
- ix) 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 purchase of stores, including components, equipments and other assets.
- x) The Company has not purchased/sold goods/rendered services to any of the parties listed in the register maintained under section 301 of the the Companies Act, 1956 exceeding Rs. 50,000/- (Rupees Fifty Thousand.)
- xi) As explained to us on physical verification of stores, spares parts, tyres and tubes, the company is not having unserviceable or damaged goods.
- xii) The company has not accepted any deposits as explained under Section 58A of the Companies Act, 1956.
- xiii) 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.
- xiv) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- xv) the Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the companies Act, 1956.
- xvi) The company is regular in depositing Provident fund and Employee's State insurance dues with the appropriate authorities.
- xvii) According to the information and explanation given to us no undisputed amount in respect of Income tax, Entry tax, Wealth tax, Sales tax, Customs duty and Excise duty were outstanding for more than six months as at 31st March, 2001
- xviii) According to the information and explanation given to us no personal expenses of employees or directors have been charged to the revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
- xix) The company is not a sick Industrial Company with in the meaning of Clause (o) of sub-section (1) of Section 3 of the Sick Industrial companies (Special Provision) Act, 1985.

Since the company in not carrying on manufacturing or trading activities, in our opinion Clause xxi,xxii,xxiii, of the manufacturing and other companies (Auditor's Report) Order 1988 are not applicable.

Vide our report of even date
for **G.V. SUNDER & CO.**
Chartered Accountants

Place : Bangalore
Date : 25-05-2001

G. V. SUNDER
Partner


**SER
INDUSTRIES
LIMITED**
BALANCE SHEET AS ON 31st MARCH 2001

(Amount in Rupees)

	Sch No.	As on 31.03.2001 Amount	As on 31.03.2001 Amount	As on 31.03.2000 Amount	As on 31.03.2000 Amount
SOURCES OF FUNDS					
Shareholders Funds					
a. Capital	A	9,945,900.00		9,945,900.00	
b. Reserves & Surplus	B	9,692,592.65		9,610,504.45	
			19,638,492.65		19,556,404.45
Loan Funds					
a. Secured Loans	C			-	
b. Unsecured Loans	D	412,440.00	412,440.00	947,437.00	947,437.00
			20,050,932.65		20,503,841.45
APPLICATOIN OF FUNDS					
Fixed Assets					
a. Gross Block	E	11,520,857.00		11,021,451.00	
b. Less : Depreciation		6,143,482.93		6,624,012.56	
c. Net Block			5,377,374.07		4,397,438.44
Investments					
	F		3,827,098.00		3,817,500.00
Current Assets, Loans and Advances					
a. Inventories	G	39,000.00		39,000.00	
b. Sundry Debtors	H	1,709,414.97		4,273,749.83	
c. Cash and Bank Balances	I	4,374,838.45		895,318.54	
d. Loans and Advances	J	10,640,788.91		13,476,577.28	
		16,764,042.33		18,684,645.65	
Less : Current Liabilities and Provisions					
a. Current Liabilities	K	1,698,581.75		1,423,742.64	
b. Provisions	L	4,219,000.00		4,972,000.00	
		5,917,581.75		6,395,742.64	
Net Current Assets			10,846,460.58		12,288,903.01
Notes on Accounts					
	s		20,050,932.65		20,503,841.45

Narendra Goel
Director

G.P. Goyal
Director

Vide our report of even date
for **G.V. SUNDER & CO.**
Chartered Accountants

Place : Bangalore
Date : 25-05-2001

G. V. SUNDER
Partner


**SER
INDUSTRIES
LIMITED**
**PROFIT AND LOSS ACCOUNT FOR THE YEAR
ENDED 31st MARCH 2001**

(Amount in Rupees)

	Sch No.	As on 31.03.2001 Amount	As on 31.03.2000 Amount
INCOMES			
Frieght Income	M	29,092,454.41	41,207,470.69
Other Income	N	535,200.76	1,865,548.83
Total Income		29,627,655.17	43,073,019.52
EXPENDITURE			
Operational Expenses	O	25,277,945.57	37,446,686.10
Personnel Expenses	P	1,066,061.20	1,236,199.40
Administrative Expenses	Q	2,837,409.19	3,156,666.74
Financial Expenses	R	71,718.21	47,865.10
Depreciation	E	293,370.80	220,687.31
Total Expenditure		29,546,504.97	42,108,104.65
PROFIT BEFORE TAX		81,150.20	964,914.87
Add : Adjustments related to earlier year-Taxation		7,938.00	-
		89,088.20	964,914.87
Less : Provision for Taxation		7,000.00	112,000.00
PROFIT AFTER TAX		82,088.20	852,914.87
Profit after Tax		82,088.20	852,914.87
Surplus brought forward from previous year		7,054,504.45	6,201,589.58
Profit available for appropriation		7,136,592.65	7,054,504.45
APPROPRIATION			
a. General Reserve		-	-
b. Proposed Dividend		-	-
c. Corporate Dividend Tax		-	-
d. Surplus carried to Balance Sheet		7,136,592.65	7,054,504.45

Narendra Goel
Director

G.P. Goyal
Director

Vide our report of even date
for **G.V. SUNDER & CO.**
Chartered Accountants

G. V. SUNDER
Partner

Place : Bangalore
Date : 25-05-2001

SCHEDULE FORMING PART OF ACCOUNTS

SCHEDULE - A

Particulars	As on 31.03.2001 Rs.	As on 31.03.2000 Rs.
SHARE CAPITAL		
AUTHORISED		
60,00,000 Equity Shares of Rs. 10/- each	60,000,000.00	60,000,000.00
ISSUED AND SUBSCRIBED		
9,99,490 Shares of Rs. 10/- each	9,994,900.00	9,994,900.00
PAID UP		
9,89,590 Equity Shares fully paid	9,895,900.00	9,895,900.00
Add : Amount Paid upon 9000 shares forfeited	50,000.00	50,000.00
	9,945,900.00	9,945,900.00

SCHEDULE - B

Particulars	As on 31.03.2001 Rs.	As on 31.03.2000 Rs.
RESERVES AND SURPLUS		
GENERAL RESERVE		
As per last Balance Sheet	2,556,000.00	2,556,000.00
	2,556,000.00	2,556,000.00
PROFIT AND LOSS ACCOUNT	7,136,592.65	7,054,504.45
	9,692,592.65	9,610,504.45

SCHEDULE - C

Particulars	As on 31.03.2001 Rs.	As on 31.03.2000 Rs.
SECURED LOANS		
TERM LOANS	NIL	NIL

SCHEDULE - D

Particulars	As on 31.03.2001 Rs.	As on 31.03.2000 Rs.
UNSECURED LOANS		
Inter Corporate Loans	243,540.00	778,537.00
From Other	168,900.00	168,900.00
	412,440.00	947,437.00


**SER
INDUSTRIES
LIMITED**
FIXED ASSETS AS ON 31-3-2001**SCHEDULE - E**

Sl. No.	Particulars	Rate %	Gross Block				Depreciation				Net Block	
			Original Cost on 1-4-2000	Additions During the year	Adj for sales /Disposal	Total on 31-3-01	Up to 31-3-2000	For the Year	Adj for Sale/ Disposal	Total	31-3-2001	31-3-2000
1.	LAND	-	958,568.00	70,817.00	-	1,029,385.00	-	-	-	-	-1,029,385.00	958,568.00
2.	BUILDINGS	3.34	2,736,500.00	-	-	2,736,500.00	285,608.20	91,399.10	-	377,007.30	2,359,492.70	2,450,891.80
3.	FURNITURE & FITTINGS	6.33	334,158.00	5,137.00	-	339,295.00	289,363.80	9,806.21	-	299,170.01	40,124.99	44,794.20
4.	MOTOR CYCLES	9.50	91,610.00	87,695.00	40,477.00	138,828.00	17,855.02	7,616.67	6,078.44	19,393.25	119,434.75	73,754.98
5.	COMPUTERS	16.21	213,278.00	5,700.00	-	218,978.00	153,276.36	34,237.14	-	187,513.50	31,464.49	60,001.64
6.	CARS	9.50	642,871.00	1,136,058.00	-	1,778,929.00	183,217.49	133,023.09	-	316,240.58	1,462,688.42	459,653.51
7.	OFFICE EQUIPMENTS	4.75	288,661.00	2,300.00	-	290,961.00	185,316.04	13,717.72	-	199,033.76	91,927.24	103,344.96
8.	AIR CONDITIONERS	4.75	90,905.00	-	-	90,905.00	90,902.00	-	-	90,902.00	3.00	3.00
9.	WORKSHOP EQUIPMENTS	4.75	148,860.00	-	-	148,860.00	140,066.20	3,318.17	-	143,384.37	5,475.63	8,793.82
10.	BICYCLES	9.50	2,660.00	-	-	2,660.00	240.46	252.70	-	493.16	2,166.84	2,419.54
11.	TRUCKS	16.21	5,276,731.00	-	766,374.00	4,510,357.00	5,276,717.00	-	766,372.00	4,510,345.00	12.00	14.00
12.	PLANT & MACHINERY	4.75	235,199.00	-	-	235,199.00	-	-	-	-	235,199.00	235,199.00
	TOTAL		110,20,001.00	1,307,707.00	806,851.00	11,520,857.00	66,22,562.57	293,370.80	772,450.44	6,143,482.93	5,377,374.07	4,397,438.45


**SER
INDUSTRIES
LIMITED**
SCHEDULE - F

Particulars	As on 31.03.2001 Rs.	As on 31.03.2000 Rs.
LIST OF INVESTMENTS		
a. Fully paid up 1,20,000 Equity shares of Rs. 10/- each (including right offer 80,000/- in Harayana Steel and Alloys Ltd. Face Value of Rs. 12,00,000/-	2,800,000.00	2,800,000.00
b. Fully paid up 500 Equity shares of Rs. 10/- each in indo Gulf Fertilizers Chemicals Corporation Ltd. (Sold during the year)	-	5,000.00
c. 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/-	1,000.00	1,000.00
d. Fully paid up 500 nos 12.5% Non Convertible Debentures of Rs 15/-each in Apollo Tyres Limited.	7,500.00	7,500.00
e. Fully paid up 90 Equity Shares of 10 each in AP Heavy Machinery & Engineering Ltd.(Unquoted)	900.00	900.00
f. Fully Paid up 100000 Equity Shares of Rs. 10/- each in Chambal Fertilizers and Chemicals Ltd. (Sold during the year)	-	1,000,000.00
g. Fully Paid up 100 Equity Shares of Rs. 10/- each in Applied Electronics Limited. Face Value Rs.1000/-	1,600.00	1,600.00
h. Fully Paid up 50 nos. 16% Non Convertible Debentures (Part B) of Rs. 30/- each in Essar Shipping Ltd. (Quoted)	1,500.00	1,500.00
i. Fully Paid up 2400 Equity Shares of Rs. 10/- each in BPL Limited. (Quoted) Purchased during the year	162,648.00	
j. Fully Paid up 2400 Equity Shares of Rs. 10/- each in India Cement Ltd. (Quoted) (Purchased during the year)	92,760.00	
k. Fully Paid up 1600 Equity Shares of Rs. 10/- each in Penta Media Graphics Ltd. (Quoted) (Purchased during the year)	147,792.00	
l. Fully Paid up 2400 Equity shares of Rs 10/- each in Silverline Technologies Ltd. (Quoted) (Purchased during the year)	190,368.00	
m. Fully paid up 2400 Equity Shares of Rs. 10 each in Titan Industries Ltd (Quoted Purchased during the year)	1,00,258.00	
n. Fully Paid up 2400 Equity Shares of Rs. 10/- each in Wartsila Ltd. (Quoted) (Purchased during the year)	163,848.00	
o. Fully Paid up 400 Equity Shares of Rs. 10/- each in Reliance industries Limited (Quoted) (Quoted) (Purchased during the year)	156,924.00	
TOTAL	3,827,098.00	3,817,500.00

Aggregate Market Value of Investment in quoted shares is Rs.

SCHEDULE - G

Particulars	As on 31.03.2001 Rs.	As on 31.03.2000 Rs.
INVENTORIES		
Stores, spares, tyres and tubes (valued at cost and certified by the management)	39,000.00	39,000.00
	39,000.00	39,000.00

SCHEDULE - H

Particulars	As on 31.03.2001 Rs.	As on 31.03.2000 Rs.
SUNDRY DEBTORS		
a. Outstanding for more than six months	321,967.29	458,713.00
b. Other debts	1,387,447.68	3,815,036.83
	1,709,414.97	42,73,749.83

SCHEDULE - I

Particulars	As on 31.03.2001 Rs.	As on 31.03.2000 Rs.
CASH AND BANK BALANCES		
a. Cash on hand	41,171.71	272,877.40
b. Cash in Transit	100,000.00	-
With Scheduled bank :		
Current Account	4,042,176.74	361,011.14
Dividend Account	191,490.00	191,430.00
Term Deposit	-	70,000.00
	4, 374,838.45	895,318.54

SCHEDULE - J

Particulars	As on 31.03.2001 Rs.	As on 31.03.2000 Rs.
LOANS AND ADVANCES		
(Advances receivable in cash or in kind or for value to be received - unsecured and considered goods)		
Advance Income Tax	1,452,705.00	24,30,763.00
Advance Receivable in cash or kind.	222,307.36	16,38,356.81
Loans	81,34,600.00	86,69,600.00
Deposits	759,029.50	6,53,962.50
Staff and Driving Contractors advance	70,632.59	81,542.51
Debenture interest Receivable	1,514.46	2,352.46
	10,640,788.91	13,476,577.28

SCHEDULE - K

Particulars	As on 31.03.2001 Rs.	As on 31.03.2000 Rs.
CURRENT LIABILITIES		
a. Sundry Creditors	299,047.00	866,765.64
b. Others (Advance against sale of Fixed asset)	1,045,637.00	-
c. Outstanding Liabilities	160,677.75	352,242.00
d. Share application money refundable	1,500.00	13,015.00
e. Unclaimed Dividend on Shares	191,720.00	191,720.00
	1,698,581.75	1,423,742.64

SCHEDULE - L

Particulars	As on 31.03.2001 Rs.	As on 31.03.2000 Rs.
PROVISIONS		
a. Income Tax	4,219,000.00	4,972,000.00
b. Proposed Dividend	-	-
	4,219,000.00	4,972,000.00

SCHEDULE - M

Particulars	As on 31.03.2001 Rs.	As on 31.03.2000 Rs.
INCOME		
a. Freight Income	23,136,662.79	36,178,210.56
b. Freight from Co.'s Truck	2,884,890.62	1,400,498.13
c. Freight From Co's Containers Truck	2,971,310.00	3,431,544.00
d. Claims and Damages received	99,591.00	190,547.00
e. Service charges on ZIL bagging work	-	6,671.00
	29,092,454.41	41,207,470.69

SCHEDULE - N

Particulars	As on 31.03.2001 Rs.	As on 31.03.2000 Rs.
OTHER INCOME		
a. Miscellaneous Receipts	83,778.92	165,747.00
b. Profit on sale of Investments	179,380.00	1,136,262.04
c. Interest on IT Refund	98,292.00	50,541.00
d. Dividend from shares	141,946.84	429,398.00
e. Interest Income	5,665.00	3,943.00
f. Profit on sale of Fixed Assets	24,998.00	79,328.01
g. Interest on Debentures	1,140.00	329.78
	535,200.76	1,865,548.83

SCHEDULE - O

Particulars	As on 31.03.2001 Rs.	As on 31.03.2000 Rs.
OPERATIONAL EXPENSES		
a. Diesel & Lubricants	2,056,682.13	1,658,001.34
b. Freight Charges	19,622,432.00	30,850,585.00
c. Insurance	58,709.00	44,208.00
d. Miscellaneous Operational Expenses	1,693,036.13	2,103,533.88
e. Rates & Taxes	340,635.50	315,865.50
f. Repairs & Maintenance	175,445.55	402,833.88
g. Trip Charges	698,610.00	750,726.83
h. Tyres, Tubes and and Flaps	632,395.26	1,320,931.67
	25,277,945.57	37,446,686.10

SCHEDULE - P

Particulars	As on 31.03.2001 Rs.	As on 31.03.2000 Rs.
PERSONNEL EXPENSES		
a. Salary & Allowances	876,353.00	1,013,284.10
b. Bonus	67,073.00	71,041.00
c. Staff Welfare	52,774.75	67,799.00
d. Provident Fund	51,838.00	62,404.00
e. Employees State Insurance	18,022.45	21,671.30
	1,066,061.20	1,236,199.40

SCHEDULE - Q

Particulars	As on 31.03.2001 Rs.	As on 31.03.2000 Rs.
ADMINISTRATIVE EXPENSES		
a. Rent	436,371.00	730,061.20
b. Water and Electricity	233,276.60	181,587.70
c. Insurance on Cars & Two Wheelers	80,197.00	54,258.00
d. Postage and Telegram	59,134.17	63,699.19
e. Printing & Stationery	122,192.00	95,678.00
f. Telephone & Telex	472,289.12	563,467.87
g. Books & Periodicals	11,799.00	17,820.00
h. Directors Sitting fees	10,000.00	5,000.00
i. Professional & Legal charges	46,303.85	53,180.00
j. Auditors Remuneration		
i. Audit Fees	15,000.00	12,500.00
ii. Tax Audit fees	2,500.00	2,500.00
iii. Reimbursement of Expenses	1,320.00	-
k. AGM Expenses	9,109.00	21,012.35
l. General Expenses	487,346.29	122,490.85
m. Listing & Filing fees	58,825.83	43,820.00
n. Repairs & Maintenance others	118,927.40	492,928.87
o. Cars and Two Wheelers Maintenance	172,145.49	242,942.88
p. Travelling and Conveyance	481,925.88	402,569.83
q. Press, Notices & Advertisement	17,348.00	51,150.00
r. Loss on Sale of fixed Assets.	1,398.56	-
	2,837,409.19	3,156,666.74

SCHEDULE - R

Particulars	As on 31.03.2001 Rs.	As on 31.03.2000 Rs.
FINANCIAL EXPENSES		
a. Bank Charges	50,390.00	34,774.10
b. Service charges on Car	21,328.21	13,091.00
	71,718.21	47,865.10

Schedule : S.**NOTES FORMING PART OF ACCOUNTS :****SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31-3-2001****A. ACCOUNTING POLICIES :**

1. Financial Statements have been prepared under historical cost and on accrual basis of accounting.
2. Fixed assets have been capitalized at their acquisition cost and other cost attributable in bringing the assets to their 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 Pro-rata basis.
(c) Depreciation is not charged on the assets, which are not put to actual use.
4. Stocks of Stores and spares have been valued at lower of cost or realizable value.
5. Investments are stated at Cost.
6. Gratuities 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 2001 is estimated on arithmetical basis is Rs. 1,43,059/- (Previous year Rs. 1,39,531/-)

B. NOTES ON ACCOUNTS :

1. The company is contingently liable in respect of bank guarantee issued to the extent of Rs. 1,00,000/- (Previous year Rs. 3,00,000/-)
2. Claims against the company not acknowledged as debt Nil. (Previous year Nil)
3. Estimated amount of contracts remaining to be executed on Capital Accounts not provided 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. Earnings in foreign currency : NIL
7. Additional information required : Paragraphs 3, 4C and 4D of Part II of Schedule - VI to the Companies Act, 1956, is applicable to the extent that relates to Gross Income derived from the services rendered. This information had been appropriately given in the Profit and Loss Account. Other requirements of these paragraphs are not applicable as the company is rendering service and is not engaged in manufacturing or trading of any kind.

Narendra Goel
Director

G.P.Goyal
Director

Vide our report of even date
for **G.V. SUNDER & CO.**
Chartered Accountants

Place : Bangalore
Date : 25-05-2001

G. V. SUNDER
Partner

**CASH FLOW STATEMENT**

Particulars	As on 31.03.2001 Rs.	As on 31.03.2000 Rs.
A. CASH FLOW FROM OPERATIONS :		
Net Profit/(Loss) Before Tax	0.81	9.65
<i>Adjustments for :</i>		
Depreciation	2.93	2.21
Interest & Dividend Income	(2.47)	(4.84)
Interest Expenditure	0.72	0.48
Profit on Sale of Assets	(0.25)	(12.47)
Loss on Sale of Assets.	0.01	0.22
 Operating Profit before working capital changes.	 1.75	 (4.75)
<i>Adjustment for :</i>		
Decrease in Sundry Debtors	26.17	28.01
Increase in loans & advances	-	(30.59)
Decrease in loans and advances	18.06	-
Decrease in Current Liabilities	-	(13.31)
Decrease in inventories	-	1.72
Increase in Sundry Debtors	-	-
Increase in Current Liabilities.	2.72	-
 Cash Generated from Operations.	 48.70	 (18.92)
Interest Received	1.05	0.55
Interest Received	(0.72)	(0.48)
Direct Tax Paid (Net of refund and adjustments)	(4.85)	(5.44)
 NET CASH FLOW FROM OPERATING ACTIVITIES (A)	 44.18	 (24.29)


SER
INDUSTRIES
LIMITED

Particulars	31.03.2001	31.03.2000
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Dividend Received	1.42	4.29
Sale of Fixed Assets	0.58	1.38
Addition to Fixed Assents	(13.08)	(0.78)
Addition to Investments	(10.14)	-
Sale of Investments	11.84	31.97
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(9.38)	36.86
C. CASH FLOW FROM FINANCIAL ACTIVITIES :		
Repayment of Term Loan	-	(15.81)
Dividend Paid	-	(0.04)
Interest Paid	-	-
NET CASH FLOW FROM FINANCIAL ACTIVITIES (C)	-	(15.85)
Net Increase/(Decrease) in case & cash equivalents (A +B+C)	34.80	(3.28)
Cash & Cash equivalents (Opening) Cash and Bank Balance.	7.04	10.32
Cash & Cash equivalents (Closing) Cash and Bank Balance.	41.84	7.04

Notes to Cash Flow Statements.

1. Figures in brackets indicate cash outflow and without brackets indicate cash inflow.
2. Direct taxes paid in treated is arising from Operating Activities and is not bifurcated between investing and Financing Activities.

For and on behalf of the Board

Narendra Goel
 Director

G.P.Goyal
 Director.

We have examined the above Cash Flow Statement of SER Industries Limited for the year ended 31st March 2001 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 of even date.

 for **G.V. SUNDER & CO.**
 Chartered Accountants

 Place : Bangalore
 Date : 25-05-2001

G. V. SUNDER
 Partner

**FROM 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 number(s) furnished below/as per annexure of M/s. S.E.R. Industries Limited. SER Compound, Rupen Agrahara, 8th Mile Stone, Hosur Road, Madiwala, Bangalore - 560 068 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 Nominees :

Name :
Address :
Date of Birth :
(to be furnished in case the nominee is 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		

	Witness 1	Witness 2
Name and Address		
Signature with Date		

Instructions :

1. 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 or attorney cannot nominate. If the shares are held jointly all joint holders will sign the nomination form.
2. A minor can be nominated by a holder of shares/ debentures/ deposit and in the event the name and address of the guardian shall be given by the holder.
3. The nominee shall not be a trust, society, body corporate, partnership firm, karta not required of Hindu Undivided Family or a power of attorney holders. A non-resident Indian can be a nominee on re-partiable basis.
4. Nomination stand rescinded upon transfer of share/ debenture or deposits made.
5. Transfer of share/ debenture in favour of a nominated and repayment of amount of deposits to nominee shall be valid discharge by the Company against the legal heir.

SER INDUSTRIES LIMITED

C/o. S.E.R. Compound, Rupen Agrahara,
Hosur Road, Madiwala, Bangalore - 560 068.
Ph : 5735856

ATTENDENCE SLIP

To be handed over at the entrance of meeting hall
Name and Address

No. of Shares Folio

38th Annual General
Meeting on 17-07-01

I certify that I am a Registered Shareholder of the Company.

I hereby record my presence at the above Annual Meeting of the Company

A Member/Proxy wishing to attend the meeting must complete this attendance slip and hand it over at the entrance of the meeting hall.

Name of Proxy (if any) in BLOCK LETTERS

Signature of Member/Proxy

SER INDUSTRIES LIMITED

C/o. S.E.R. Compound, Rupen Agrahara,
Hosur Road, Madiwala, Bangalore - 560 068.
Ph : 5735856

PROXY FORM

No. of Shares Folio

I/We _____
of _____
being a member / members of SER Industries Limited hereby appoint

Of _____ or failing him _____
of as my/our proxy to attend and vote for me/us on my/our behalf at the 38th Annual General Meeting of the Company to be held at Registered Office of the Company at SER Compound, Rupen Agrahara, 8th Mile Stone, Hosur Road, Madiwala, Bangalore - 560 068, on Tuesday 17 July 2001 at 11-30 a.m.

Affix
Revenue
Stamp
Re. 1.00

Signature.....

Note : Any member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. This form duly completed should be deposited at the Registered office of the Company at Bangalore not later than 48 hours before the commencement of the meeting.

BOOK-POST

If undelivered please return to :

S E R Industries Limited

C/o. S.E.R. Compound, Rupen Agrahara

Hosur Road, Madiwala, Bangalore - 560 068.

Ph. : 5735856