



**S E R
I N D U S T R I E S
L I M I T E D**

42nd ANNUAL REPORT

2004-2005



**SER
INDUSTRIES
LIMITED**

BOARD OF DIRECTORS

Sri Narendra Goel
Sri G P Goyal
Sri V G Rangnekar
Sri Jayant Mitra
Sri K P Pandey
Sri C Vijay Kumar

AUDITORS

M/s. G. V. Sunder and Company,
Chartered Accountants,
3/5, IV Floor, Tower Block, Unity Buildings,
J. C. Road, Bangalore - 560 002.
Ph. 080 22275160

BANKERS

Bank of Maharashtra,
Nariman Point,
Mumbai - 400021.

ICICI Bank Limited
CA2 P1, Bidadi Industrial Area,
Near Toyota Kirloskar Motors Pvt. Ltd.
Ramanagara Taluk,
Bangalore - 562 109.

REGISTERED OFFICE

Chikkakuntanahalli Village,
Bidadi Hobli,
Ramanagara Taluk,
Bangalore- 562 109.
Ph. 080 7280314

CORPORATE OFFICE

107-108, Mittal Chambers, Nariman point,
Mumbai- 400 021, Ph. 022 22813137/8

**REGISTRAR AND
SHARE TRANSFER AGENT**

M/s. Tata Share Registry Limited
Army and Navy Building,
148, M G Road, Fort,
Mumbai-400 001. Ph. 022-56568484

NOTICE

Notice is hereby given that the forty second Annual General Meeting of the Members of SER Industries Limited will be held at Registered Office of the Company at Chikkakuntanahalli Village, Bidadi Hobli, Ramanagara Taluk, Bangalore- 562 109 on Thursday, September 15, 2005 at 11:00 AM to transact the following business: -

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2005 and Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr G.P. Goyal, who retires by rotation and who, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr.V.G. Rangnekar, who retires by rotation and who, being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

Special Business

5. To consider and if thought fit, to pass with or without modification, the following as Ordinary Resolution :
"RESOLVED that Mr. K.P. Pandey, who has been appointed as additional Director by the Board and who holds the office up to this Annual General Meeting pursuant to the provision of section 260 of the Companies Act, 1956 and who is eligible for re-appointment and in respect of whom the company has received a notice in writing from members of the company pursuant to section 257 of the Companies Act proposing his appointment as Director of the Company and who has considered if appointed, to act as Director, be and is hereby appointed as a Director of the company who shall be liable for retirement by rotation."
6. To consider and if thought fit, to pass with or without modification, the following as Ordinary Resolution :
"RESOLVED that Mr. C. Vijay Kumar, who has been appointed as additional Director by the Board and who holds the office up to this Annual General Meeting pursuant to the provision of section 260 of the Companies Act, 1956 and who is eligible for re-appointment and in respect of whom the company has received a notice in writing from members of the company pursuant to section 257 of the Companies Act proposing his appointment as Director of the company and who has considered if appointed, to act as Director, be and is hereby appointed as a Director of the company who shall be liable for retirement by rotation."

Notes:

- i) A member entitled to attend and vote is entitled to appoint a Proxy or Proxies to attend and vote instead of himself and a Proxy need not be member. Proxies in order to be effective must be received by the company not less than 48 hours before the time of holding the meeting.
- ii) The Register of Members and Share Transfer Books will remain closed from September 8, 2005 to September 15, 2005, both days inclusive in connection with Annual General Meeting.
- iii) Members are requested to notify change in their address, if any, to the Company's Registrar and Share Transfer Agent, M/s Tata Share Registry Limited Army and Navy Building, 148, M G Road, Fort, Mumbai - 400 001.
- iv) The relative explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of special business is annexed hereto.
- v) As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copies of the Annual Report to the Meeting.

For and on behalf of the Board

Place: Bangalore

Date: 22.7.2005

NARENDRA GOEL
Chairman

Explanatory Statement pursuant to section 173 (2) of the Companies Act, 1956

Explanatory statement relating to Special business mentioned in the notice is given below and should be taken as forming part of the notice.

Item No. 5.

The Board of Directors of the company appointed Mr. K P Pandey, as Additional Director on 29.4.2005. In terms of section 260 of the Companies Act, 1956, Mr. K P Pandey will hold the office only up to the date of this Annual General Meeting. Notice required under Section 257 of the Companies Act, 1956 together with requisite deposit has been received from a member proposing the appointment of Mr. K P Pandey as Director.

Mr. K P Pandey is deemed to be concerned or interested in the resolution.

Item No. 6.

Mr. C Vijay Kumar was appointed as Additional Director w.e.f. 22.7.05 by the Board. In terms of Section 260 of the Companies Act, 1956, Mr. C. Vijay Kumar will hold the office only upto the date of this Annual General Meeting. Notice required under Section 257 of the Companies Act, 1956 together with requisite deposit has been received from a member proposing the appointment of Mr. C. Vijay Kumar as Director.

Mr. C. Vijay Kumar is deemed to be concerned or interested in the resolution

For and on behalf of the Board

Place: Bangalore

Date: 22.7.2005

NARENDRA GOEL
Chairman

DIRECTOR'S REPORT

Your directors take great pleasure in bringing you this report for the financial year 2004-2005

Financial Highlights:

(Rs. In lakhs)

Year ended March 31	2005	2004
Turnover	519.37	446.86
Other income	28.60	18.46
Profit before Depreciation	12.24	16.00
Depreciation	5.18	4.45
Profit before tax	7.06	11.56
Provision for tax	0.55	4.64
Profit after tax	6.51	6.92

Performance

Your company has registered a total revenue of Rs.519.37 lakhs and net profit of Rs.6.51 Lakhs during the period under review. No dividend has been declared during the year.

Directors

Mr. G.P. Goyal and Mr. V.G. Rangnekar will retire at the ensuing Annual General Meeting and are eligible for reappointment. Notices have been received from members, pursuant to Section 257 of the Companies Act, 1956 proposing the reappointment of Mr. V G Rangnekar and Mr. G.P. Goyal.

Mr. K.P. Pandey, who was Additional Director w.e.f. 29th April, 2005 and holds office till the forthcoming Annual General Meeting. It is proposed to appoint him as Director of the Company and his appointment is being proposed before the Annual General Body Meeting.

Mr. C. Vijay Kumar, who was Additional Director w.e.f. 22nd July, 2005 and holds office till the forthcoming Annual General Meeting. It is proposed to appoint him as Director of the Company and his appointment is being proposed before the Annual General Body Meeting.

Auditors

M/s G V Sunder and Company, the Statutory Auditors of the Company retire at the forthcoming Annual General Meeting and are eligible for reappointment. The retiring Auditors have furnished a certificate of their eligibility for reappointment under section 224 (1B) of the Companies Act, 1956 and have indicated their willingness to continue.

The Auditors have reported that the company has not made any provision for diminution in the value of investments in equity shares in Haryana Steel & Alloys Limited amounting to Rs.28.00 lakhs and your company is deliberating on this issue and it is being taken up for consideration.

The auditors have also mentioned in notes to their Report that no-provision has been made for gratuity liability amounting to Rs.2,76,802/-. This matter will be discussed in the next Board Meeting and your Company will take necessary action.

Dematerialization of shares

57.38% of the total shares of the Company have been dematerialized as on 31.03.2005. Members holding shares in physical form are advised to dematerialize their shares to trade and hold the equity shares in electronic form. The Equity shares of your Company are continued to be listed on Stock Exchange- Mumbai, Bangalore Stock Exchange and Calcutta Stock Exchange Association Limited.

Nomination of shares:

The Company provides for nomination facility for the shareholders as per the provisions of the Section 109A of the Companies Act, 1956. Shareholders are eligible to file their nominations against shareholdings for smooth transmission process. Nomination forms are available with the Company and those who are interested in getting the facility may write to the Company's Registered Office for a copy of the prescribed Nomination form.

Conservation of Energy, Technology Absorption, Research & Development and Foreign Exchange Earnings and Outgo:

The particulars prescribed under clause (e) of sub-section (1) of Section 217 of the Indian Companies Act, 1956 read with the Companies (Disclosure of particulars in Report of Particulars in the Report of Board of Directors) Rules, 1988 are given in Annexure A of this Report.

Employee Particulars in terms of Section 217(2A) of Indian Companies Act, 1956:

As there were no employees drawing remuneration more than the limit prescribed under sub-section 2 (A) of Section 217 of Indian companies Act, 1956 and the Companies (particulars of Employees) Rules, 1975 as amended from time to time, statement under section 217(2A) is not annexed.

Secretarial Compliance Certificate:

A secretarial Compliance Certificate pursuant to Section 383A of the Companies Act, 1956 is attached as Annexure B.

Directors Responsibility Statement:

Your Directors state:

- i) that in the preparation of the annual accounts, the applicable accounting standards has been followed along with proper explanation relating to material departures.
- ii) That they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.
- iii) That they had taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) That they had prepared the annual accounts on a going concern basis.

Acknowledgements:

Your Directors acknowledge deep sense of gratitude for the continued support extended by investors, customers, business associates, bankers and vendors. Your Directors take this opportunity to thank the regulatory and governmental authorities.

Your Directors thank the invaluable contributions of all the employees, who have demonstrated their skill, teamwork and commitment through their competence, hard work, cooperation and support.

For and on behalf of the Board of Directors

Place: Bangalore
Date: 22.07.2005

Narendra Goel
Director

K.P. Pandey
Director

Annexure A

Particulars furnished pursuant to Companies (Disclosure of particulars in Report of Particulars in Report of Board of Directors) Rules, 1988.

- A. Conservation of Energy:** The Company is not a manufacturing company and hence details in respect of the above are not applicable.
- B. Research and Development:** The Company has not undertaken any R & D activity in any specific area during the year under review and hence no cost has been incurred towards the same.
- C. Technology absorption:** Nil.
- D. Foreign Exchange Earning:** Rs. Nil
Foreign Exchange outgo: Rs. Nil

Annexure B

SECRETARIAL COMPLIANCE CERTIFICATE

Registration No. of the Company- 4604

Authorized Capital: 6,00,00,000

To the Members
SER Industries Limited
Chikkakuntanahalli Village,
Bidadi Hobli
Ramanagara Taluk, Bangalore- 562 109

I have examined the registers, records, books and papers of SER Industries Limited (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the period ended March 31, 2005. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the financial year:

1. The Company has kept and maintained all registers as stated in Annexure "A" to this certificate as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company being a public limited company, comments are not required.
4. The Board of Directors duly met four times on 21.4.2004, 30.7.2004, 27.10.2004, and 31.01.2005 in respect of which meetings proper notices were given and proceedings were properly recorded and signed including the circular resolution passed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members and Share Transfer Books from 17.9.2004 to 24.9.2004 (both days inclusive)
6. The Annual General Meeting for the financial year ended on 31.3.2004 was held on 24.9.2004 after giving due notice to the members of the Company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The Company has not advanced any loans or given any guarantees or provided any securities to its Directors or persons or firms or companies referred under section 295 of the Act.
9. The Company has duly complied with the provisions of section 297 of the Act in respect of contracts specified in that section.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling under the preview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has issued five duplicate share certificates during the year & has duly complied the provision of section 84 (2) of the Act.
13. The Company has:
 - a. delivered all the certificates on lodgment thereof for transfer in accordance with the provisions of the Act.
 - b. has not declared any dividend including interim dividend during the financial year.

- c. The company was not required to post warrants to any member of the company as no dividend was declared during the financial year.
 - d. has transferred Rs. 62,500/- in unpaid dividend account which has remained unclaimed or unpaid for a period of seven year to Investor Education and Protection Fund on 27.12.2004 and has not transferred any other amount in application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven year to Investor Education and Protection fund during the financial year.
 - e. duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and no appointment of additional Director during the year.
 15. The Company has not appointed any Managing Director/Whole-time Director/Manager during the financial year.
 16. The Company has not appointed any sole selling agent during the financial year.
 17. No approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act are necessary to be taken during the financial year.
 18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
 19. The Company has not issued any shares/debentures/other securities during the financial year
 20. The Company has not bought back any shares during the financial year.
 21. There was no redemption of preference shares or debentures during the financial year.
 22. There was no transaction necessitating the Company to keep in abeyance right to dividend, right shares and bonus shares pending registration of transfer of shares.
 23. The Company has not invited/accepted any fixed deposit including any unsecured loan falling within the provisions of Section 58 A of the Companies Act.
 24. The Company borrowings made during the financial year are within the provisions of Section 293 (1) (d) of the Act.
 25. The Company has not made any loan or advances or given guarantee or provided securities to other bodies corporate and consequently no entry has been made in the register kept for the purpose.
 26. The Company has not altered the provisions of memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
 27. The Company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
 28. The Company has not altered the provisions of the memorandum with respect to the name of the Company during the year under scrutiny.
 29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year under scrutiny.
 30. The Company has not altered its articles of association during the financial year.
 31. There was no prosecution initiated against or show cause notices received by the Company for alleged offences under the Act and also no fines and penalties or any other punishment has been imposed on the Company during the financial year.
 32. The Company has not received any money as security from its employees during the year under certificate.
 33. The Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

Place : Bangalore
Date : 22.07.2005

Name of the Practising Company
Secretary : Madhu Arora
C P No : 3194

Annexure- A

Registers as maintained by the Company:

Sl. No.	Section Number	Name of the Register
1.	108	Share Transfer Register
2.	150	Register of Members
3.	163	File regarding copies of Annual Returns
4.	193	Minutes of all meetings of Board of Directors
5.	193(1)	Minutes of General Meeting
6.	299	Disclosure of interest
7.	301	Register of Contracts
8.	303	Register of Directors
9.	307	Register of Directors shareholding
10.	372(6)	Register of investments.
11.	-	Board Meeting attendance register
12.	-	General Meeting attendance register

Annexure- B

Returns/Documents/Forms filed with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended 31st March, 2005.

REGISTRAR OF COMPANIES

Sl. No.	Section	Description	Date of Filing	Whether filed in prescribed Time	If delay in filing whether Additional Fee paid
1	220(1)	Balance sheet made upto 31.3.2004	19.10.2004	Yes	Nil
2	383A	Secretarial compliance report	19.10.2004	Yes	Nil
3	159(1)	Schedule V made up to 26.9.2004	27.10.2004	Yes	Nil
4		Transfer to Investors protection fund	27.12.2004	Yes	Nil

REGIONAL DIRECTOR

NIL

CENTRAL GOVERNMENT & OTHER AUTHORITIES

NIL

OTHER AUTHORITIES

NIL

Place: Bangalore
Date : 22.07.2005

Name of the Practising Company
Secretary : Madhu Arora
C P No. : 3194

AUDITOR'S REPORT

We have audited the attached Balance Sheet of SER INDUSTRIES LIMITED, Chikkakuntanahalli Village, Bidadi Hobli, Ramanagara Taluk, Bangalore Rural District - 562 109 as at 31st March 2005 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These Financial Statements are the responsibility of 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 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 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 [Auditor's Report] Order, 2003 issued by the Central Government of India in terms of sub-section [4A] of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order to the extent applicable.

Further to our comments in the Annexure referred to in paragraph 3 above, we state that :

- a. We have obtained all the information and explanations, which to the best of our Knowledge and belief were necessary for the purpose of audit.
- b. 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 these books.
- c. The Balance Sheet, Profit and Loss Account & Cash Flow Statement referred to in this report are in agreement with the books of account.
- d. In our opinion, the Balance Sheet, Profit & Loss Account & the cash flow statement dealt with by this report comply with the Accounting Standards referred to in section 211 (3C) of the Companies Act, 1956.
- e. On the basis of the 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 2004 from being appointed as a Director in terms of Clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f. In our opinion and as per the information and according to the explanations, given to us, the said Balance Sheet and the Profit and Loss Account, read together with the notes thereon, and subject to,
 - i. Note No.9 of Notes on accounts: The Company has not made any provision for diminution in the value of investments in equity shares in Haryana Steel & Alloys Limited amounting to Rs.28.00 lakhs
 - ii. Note No.10 regarding non-provision for gratuity liability amounting to Rs.2,76,802/- which is contrary to the Accounting Standard No.15 prescribed by the Institute of Chartered Accountants of India.

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.

- i. In the case of Balance Sheet, of the state of affairs of the company as at 31st March 2005
- ii. In the case of Profit and Loss Account of the profit of the Company for the year ended on that date; and
- iii. In the case of the Cash Flow statement, of the cash flows for the year ended on that date.

For **G. V. Sunder & Co.**
Chartered Accountants.

Place : Bangalore
Date : 22.07.2005

G. V. Sunder
Partner

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS' REPORT TO THE MEMBERS OF THE SER INDUSTRIES LIMITED FOR THE PERIOD ENDED 31ST MARCH 2005

1. a) The Company has maintained proper records showing full particulars including quantitative details and location of the fixed assets.
b) There is a regular program of physical verification, which in our opinion is reasonable, having regard to the size of the company and the nature of fixed assets. No material discrepancies have been noticed in respect of the assets physically verified during the period.
c) During the year the company has not sold any Fixed assets of material value.
2. a. Inventories (Store & Spares) have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
b. The Procedures of physical verification of stocks (Store & Spares) followed by the management are adequate in relation to the size of the company and the nature of its business.
c. The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt with in the books of Account.
3. a. The Company has not accepted any loan during the period from parties covered in the register maintained under section 301 of the Companies Act, 1956.
b. The Company has not granted any loans during the year to the parties covered in the register maintained under section 301 of the Companies Act 1956. As there is no loans accepted / granted by the company, no comments are made on sub clause (b), (c) and (d) of this clause.
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 purchase of stores and spares, plant and machinery, equipment and other assets and with regard to freight collection. There is no major weakness in the internal control procedures. Since the Company is not carrying on any manufacturing / trading activities, there are no purchase and sale.
5. a. All the transactions with parties covered under section 301 of the Companies Act, 1956 have been properly entered, if and when transactions takes place in the register maintained under section 301 of the Act.
b. In our opinion and according to the information and explanations given to us, the Company has not entered into transactions of purchase of goods, materials or services, and sale of goods, materials or services made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956, and aggregating during the period to Rs. 5,00,000/- or more, in respect of each party.
6. The company has not accepted any deposits from the public during the year.
7. *The Company has an internal audit system. However, in our opinion, the same is not commensurate with the size and nature of its business.*
8. Maintenance of cost records as per clause (d) of sub-section (1) of section 209 of the Companies Act, is not applicable to the Company.
9. a. The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Service Tax with appropriate authorities. The Company is not covered under the provisions of Wealth Tax, Custom Duty, Excise Duty.
b. No Dues are pending to be deposited on account of disputes pending at various forums.
10. The Company has not incurred loss during the year under review and in the immediately preceding financial year. The Company also do not have any accumulated losses during the year under review.

11. The Company has not obtained any facility from any banks / financial institutions nor has any outstanding debentures.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. As the Company is not a chit fund, nidhi, mutual benefit fund or society the provisions of clause 4[xiii] of the Companies [Auditor's Report] Order, 2003 is not applicable to the Company.
14. The Company has maintained proper records of the transactions and contracts for trading / dealing in shares and securities and timely entries has been made therein. *Subject to note No. 9 of Notes to Accounts the shares and securities have been held by the Company, in its own name.*
15. The company has not given any guarantees for loans taken by others from bank or financial institutions, during the period under review.
16. The Company has not obtained any term loans from any banks or financial institutions, during the period under review. Hence, no comments are made on this clause.
17. As the Company has not raised any funds during the year under review, no comments are made on utilization of short term borrowings.
18. The Company has not made any preferential allotment of shares during the year.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by way of public issue during the year.
21. As per the information and explanations given to us no material fraud on or by the Company has been noticed during the period.

For **G. V. Sunder & Co.**
Chartered Accountants.

Place : Bangalore
Date : 22.07.2005

G. V. Sunder
Partner



SER
INDUSTRIES
LIMITED

BALANCE SHEET AS ON 31st MARCH 2005

(Figures in Rupees)

Particulars	Sch No.	As on 31.3.2005 Amount	As on 31.3.2005 Amount	As on 31.3.2004 Amount	As on 31.3.2004 Amount
SOURCES OF FUNDS:					
Shareholders Funds					
a. Capital	A	9,945,900.00		9,945,900.00	
b. Reserves & Surplus	B	12,589,649.14		11,938,204.00	
Loan Funds			22,535,549.14		21,884,104.00
a. Secured Loans	C	-		-	
b. Unsecured Loans	D	412,440.00	412,440.00	412,440.00	412,440.00
Total			22,947,989.14		22,296,544.00
APPLICATION OF FUNDS:					
Fixed Assets	E				
a. Gross Block		7,386,588.95		7,236,649.95	
b. Less : Depreciation		3,825,695.13		3,436,839.60	
c. Net Block			3,560,893.82		3,799,810.35
Investments	F		2,868,500.00		3,332,161.90
Current Assets, Loans and Advances					
a. Inventories	G	39,000.00		39,000.00	
b. Sundry Debtors	H	5,800,674.35		4,581,923.87	
c. Cash and Bank Balances	I	9,057,985.23		10,687,770.04	
d. Loans and Advances	J	7,046,359.71		5,098,487.71	
		21,944,019.29		20,407,181.62	
Less : Current Liabilities and Provisions					
a. Current Liabilities	K	806,423.97		678,609.87	
b. Provisions	L	4,619,000.00		4,564,000.00	
		5,425,423.97		5,242,609.87	
Net Current Assets			16,518,595.32		15,164,571.75
Notes on Accounts	S				
			22,947,989.14		22,296,544.00

Schedules A to L and S forms integral part of Balance Sheet

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

Place : **Bangalore**
Date : 22.7.2005

Narendra Goel
Director

K. P. Pandey
Director

G.V. SUNDER
Partner


**SER
INDUSTRIES
LIMITED**
**PROFIT AND LOSS ACCOUNT FOR THE YEAR
ENDED 31st MARCH 2005**

(Amount in Rupees)

Particulars	Sch No.	As on 31.3.2005	As on 31.3.2004
INCOME			
Freight Income	M	51,937,595.66	44,685,776.10
Other Income	N	2,859,803.64	1,846,410.29
Total Income		54,797,399.30	46,532,186.39
EXPENDITURE			
Operational Expenses	O	48,816,081.60	40,126,436.24
Personnel Expenses	P	1,484,803.89	1,436,142.20
Administrative Expenses	Q	3,221,196.29	3,339,210.15
Financial Expenses	R	51,105.87	30,002.27
Depreciation	E	517,766.51	444,802.56
Total Expenditure		54,090,954.16	45,376,593.42
PROFIT BEFORE TAX		706,445.14	1,155,592.97
Less : Provision for Taxation		55,000.00	464,000.00
PROFIT AFTER TAX		651,445.14	691,592.97
Add : Excess tax provision of earlier years written back		-	78.00
Profit available for Allocation		651,445.14	691,670.97
Current Profit		651,445.14	691,670.97
Surplus B/F from previous year		9,382,204.00	8,690,533.03
Profit available for appropriation		10,033,649.14	9,382,204.00
APPROPRIATION			
General Reserve		-	-
Proposed Dividend		-	-
Corporate Dividend Tax		-	-
Surplus carried to Balance Sheet		10,033,649.14	9,382,204.00
Notes to Accounts	S		

Schedules M to S and E forms integral part of Profit & Loss Account

Vide our report of eventdate
for **G. V. SUNDER & CO.,**
Chartered Accountants.Place : **Bangalore**

Date : 22.7.2005

Narendra Goel
Director**K. P. Pandey**
Director**G.V. SUNDER**
Partner

SCHEDULE FORMING PART OF ACCOUNTS

SCHEDULE - A

Particulars	As on 31.3.2005 Rs.	As on 31.3.2004 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 of Rs. 10/- each 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 31.3.2005 Rs.	As on 31.3.2004 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	10,033,649.14	9,382,204.00
	12,589,649.14	11,938,204.00

SCHEDULE - C

Particulars	As on 31.3.2005 Rs.	As on 31.3.2004 Rs.
SECURED LOANS		
TERM LOANS	NIL	NIL

SCHEDULE - D

Particulars	As on 31.3.2005 Rs.	As on 31.3.2004 Rs.
UNSECURED LOANS		
Inter Corporate Loans	243,540.00	243,540.00
From Others	168,900.00	168,900.00
	412,440.00	412,440.00


**SER
INDUSTRIES
LIMITED**
FIXED ASSETS AS ON 31-3-2005
SCHEDULE - E

Sl. No.	Particulars	Rate	Gross Block				Depreciation				Net Block	
			Original Cost on 1-4-2004	Additions During the Year	Adj for Sale /Disposal	Total as on 31.3.05	Up to 31.3.2004	For the year	Adj for Sale/ Disposal	Total	31.3.2005	31.3.2004
1.	LAND	0 %	745,095.00	-	-	745,095.00	-	-	-	-	745,095.00	745,095.00
2.	BUILDINGS	3.34%	311,000.00	-	-	311,000.00	147,155.20	10,387.00	-	157,542.20	153,457.79	163,844.79
3.	FURNITURE & FITTINGS	6.33%	197,941.95	5,550.00	-	203,491.95	136,357.76	9,290.49	-	145,648.25	57,843.70	61,584.19
4.	MOTOR CYCLES	9.50%	140,342.00	33,250.00	-	173,592.00	20,013.80	16,229.00	-	36,242.80	137,349.20	120,328.20
5.	COMPUTERS	16.21%	775,427.00	39,200.00	-	814,627.00	150,095.84	127,447.02	-	277,542.86	537,084.14	625,331.16
6.	CARS	9.50%	2,192,953.00	-	-	2,192,953.00	941,230.58	208,330.00	-	1,149,560.58	1,043,392.42	1,251,722.42
7.	OFFICE EQUIPMENTS	4.75%	248,579.00	850.00	128,911.00	120,518.00	163,638.28	5,721.00	128,911.00	40,448.28	80,069.73	84,940.73
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%	-	-	-	-	-	-	-	-	-	-
10.	BICYCLES	9.50%	2,660.00	-	-	2,660.00	1,252.16	253.00	-	1,505.16	1,154.84	1,407.84
11.	TRUCKS	16.21%	2,296,548.00	200,000.00	-	2,496,548.00	1,786,194.00	140,109.00	-	1,926,303.00	570,245.00	510,354.00
12.	PLANT & MACHINERY	4.75%	235,199.00	-	-	235,199.00	-	-	-	-	235,199.00	235,199.00
12.	TOTAL		7,236,649.95	278,850.00	128,911.00	7,386,588.95	3,436,839.62	517,766.51	128,911.00	3,825,695.13	3,560,893.82	3,799,810.33

SCHEDULE - F

Particulars	As on 31.3.2005 Rs.	As on 31.3.2004 Rs.
LIST OF INVESTMENTS		
1. Fully paid up 1,20,000 Equity shares of Rs. 10/- each (including right offer 80,000/- shares) in Haryana Steel and Alloys Ltd., Face Value of Rs. 12,00,000/- (Unquoted)	2,800,000.00	2,800,000.00
2. Fully Paid up 10 Equity Shares of Rs.10/- each (P.Y.10) in Jai Corp Ltd. (Quoted)	1,000.00	1,000.00
3. Fully Paid up 500 nos 12.5% Non Convertible Debentures of Rs 15/- each in Apollo Tyres Limited. (Unquoted)	7,500.00	7,500.00
4. Fully Paid up 90 Equity Shares of Rs. 10/- each in Andhra Pradesh Heavy Machinery & Engineering Limited. (Unquoted)	900.00	900.00
5. Fully Paid up 100 Equity Shares of Rs.10/- each in Applied Electronics Limited.	1,600.00	1,600.00
6. Fully Paid up 50 nos. 16% Non Convertible Debentures (Part B) of Rs. 30/- each in Essar Shipping Ltd. (Unquoted)	1,500.00	1,500.00
7. Fully Paid up 30,900 nos. Equity Shares having face value of Rs. 10/- in Silverline Technologies Limited (Quoted) (P.Y. 30,900 shares of Rs.10/- each). (Sold during the year)	-	519,661.90
8. Fully paid up 200 nos. Equity shares having facee value of Rs.10/- each in ICICI Bank Ltd. (Previous Year NIL)	56,000.00	-
	2,868,500.00	3,332,161.90
Aggregate Value of quoted investments	86,176.00	155,401.00

SCHEDULE - G

Particulars	As on 31.3.2005 Rs.	As on 31.3.2004 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 31.3.2005 Rs.	As on 31.3.2004 Rs.
SUNDRY DEBTORS		
a. Outstanding for more than six months	341,450.87	319,580.93
b. Other debts	5,459,223.48	4,262,342.94
	5,800,674.35	4,581,923.87

SCHEDULE - I

Particulars	As on 31.3.2005 Rs.	As on 31.3.2004 Rs.
CASH AND BANK BALANCES		
a. Cash on hand	57,136.78	258,409.53
b. Balance with Scheduled Banks :		
Current Account	8,932,748.45	10,298,060.51
Dividend Account	68,100.00	131,300.00
Term Deposit	-	-
	9,057,985.23	10,687,770.04

SCHEDULE - J

Particulars	As on 31.3.2005 Rs.	As on 31.3.2004 Rs.
LOANS AND ADVANCES		
(Advances receivable in cash or in kind or for value to be received - unsecured and considered good)		
Advance Income Tax	1,921,379.00	861,443.00
Advance receivable in cash or kind	1,962,764.50	607,221.00
Loans	1,800,000.00	1,800,000.00
Deposits	1,174,012.50	1,769,012.50
Staff and Driving Contractors advance	187,467.09	60,074.59
Debenture interest Receivable	736.62	736.62
	7,046,359.71	5,098,487.71

SCHEDULE - K

Particulars	As on 31.3.2005 Rs.	As on 31.3.2004 Rs.
CURRENT LIABILITIES		
a. Sundry Creditors	317,859.75	281,868.02
b. Outstanding Liabilities	418,964.22	263,941.85
c. Share application money refundable	1,500.00	1,500.00
d. Unclaimed Dividend on Shares	68,100.00	131,300.00
	806,423.97	678,609.87

SCHEDULE - L

Particulars	As on 31.3.2005 Rs.	As on 31.3.2004 Rs.
PROVISIONS		
a. Income Tax	4,619,000.00	4,564,000.00
	-	-
	4,619,000.00	4,564,000.00

SCHEDULE - M

Particulars	As on 31.3.2005 Rs.	As on 31.3.2004 Rs.
INCOME		
a. Freight Income	47,223,571.03	36,851,196.27
b. Freight from Co.'s Truck	1,251,730.63	1,659,938.63
c. Freight from Co.'s Containers Truck	3,462,294.00	3,895,155.00
d. Claims and Damages received	-	40,491.45
e. SMS Connection Charges Received	-	2,238,994.75
	51,937,595.66	44,685,776.10

SCHEDULE - N

Particulars	As on 31.3.2005 Rs.	As on 31.3.2004 Rs.
OTHER INCOME		
a. Miscellaneous Receipts	2,729,964.64	304,309.45
b. Profit on sale of Investments	4,080.00	390,678.74
c. Interest on IT Refund	-	69,196.00
d. Dividend from shares	1,650.00	11,028.00
e. Interest Income	124,109.00	68,667.00
f. Profit on sale of Fixed Assets	-	1,002,531.10
	2,859,803.64	1,846,410.29

SCHEDULE - O

Particulars	As on 31.3.2005 Rs.	As on 31.3.2004
OPERATIONAL EXPENSES		
a. Diesel & Lubricants	2,120,387.15	2,376,184.85
b. Freight Charges	41,427,355.70	32,270,124.00
c. Insurance	45,210.00	36,299.00
d. Miscellaneous Operational Expenses	771,037.75	1,565,860.69
e. Rates & Taxes	297,875.50	362,252.50
f. Repairs & Maintenance	130,394.58	205,815.58
g. Trip Charges	480,266.00	577,869.00
h. Tyres, Tubes and Flaps	1,186,695.92	1,342,619.87
i. Server Rental and SMS Services Centre Charges-Cellent	-	1,389,410.75
j. Service Charges paid ZIL	2,356,859.00	-
	48,816,081.60	40,126,436.24

SCHEDULE - P

Particulars	As on 31.3.2005 Rs.	As on 31.3.2004 Rs.
PERSONNEL EXPENSES		
a. Salary & Allowances	1,218,344.25	1,189,772.40
b. Bonus	92,114.00	97,553.00
c. Staff Welfare	68,320.00	51,316.50
d. Provident Fund	75,485.00	80,080.00
e. Employees State Insurance	30,540.64	17,420.30
	1,484,803.89	1,436,142.20

SCHEDULE - Q

Particulars	As on 31.3.2005 Rs.	As on 31.3.2004 Rs.
ADMINISTRATIVE EXPENSES		
a. Rent	458,571.00	576,128.25
b. Water and Electricity	56,272.67	128,007.60
c. Insurance on Cars & Two Wheelers	42,412.00	23,492.00
d. Postage and Telegram	71,790.35	103,401.60
e. Printing & Stationery	200,689.15	165,739.70
f. Telephone & Telex	345,288.47	343,015.25
g. Books & Periodicals	8,073.00	16,646.50
h. Directors Sitting fees	6,000.00	8,000.00
i. Professional & Legal charges	20,765.00	217,906.00
j. Auditors Remuneration		
i. Audit fees	30,000.00	27,500.00
ii. Tax Audit fees	12,000.00	7,500.00
iii. Reimbursement of Expenses	10,387.00	13,130.00
k. AGM Expenses	894.00	6,076.00
l. Directors' Remuneration	186,000.00	186,000.00
m. General Expenses	542,661.58	604,282.00
n. Listing & Filing fees	18,581.00	34,300.00
o. Repairs & Maintenance others	223,193.00	275,254.00
p. Cars and Two Wheelers Maintenance	180,652.53	216,642.45
q. Travelling and Conveyance	378,698.96	351,941.80
r. Press, Notices & Advertisement	24,344.00	22,512.00
s. Loss on Sale of fixed Assets	-	11,735.00
t. Loss on Sale of Investments	403,922.58	-
	3,221,196.29	3,339,210.15

SCHEDULE - R

Particulars	As on 31.3.2005 Rs.	As on 31.3.2004 Rs.
FINANCIAL EXPENSES		
a. Bank Charges	51,105.87	30,002.27
b. Services on Car		
	51,105.87	30,002.27

Schedule : S.

NOTES FORMING PART OF ACCOUNTS:

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31.3.2005.

A. ACCOUNTING POLICIES :

1. Financial Statements have been prepared under historical cost and on accrual basis of accounting and materially comply with the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.
2. Fixed assets have been capitalized at its acquisition cost and other cost attributable to bring the assets to its working conditions 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 during the year.
4. Stocks of Stores and spares have been valued at lower of cost or net realizable value.
5. Investments : Long Term Investments are stated at Cost. Reduction in market value of quoted investments due to temporary market fluctuations is not provided for in the books of accounts.
6. Expenditure on Research and Development : The Company has not incurred any expenditure on Research and Development, during the year.
7. Employee Benefits : Contributions to Provident Fund are made on actual liability basis calculated as a percentage of salary as per the provisions of Employees Provident Fund Act, 1972. No provision is made in the books of account for Gratuity Liability, which is accounted on actual payment basis.

B. NOTES ON ACCOUNTS :

1. Claims against the Company not acknowledged as debt : Rs. Nil - (Previous year Rs. Nil)
2. Contingent Liabilities not provided for : Rs. Nil - (Previous year Rs. Nil)
3. Estimated amount of contracts remaining to be executed on Capital Accounts not provided for: Rs. Nil (Previous year Rs. Nil)
4. Earning in foreign currency : Rs. Nil (Previous Year : Rs. 21,99,770/-)
5. Expenditure in foreign currency : Rs. Nil (Previous Year : Rs. Nil)
6. Segmental Revenue and Expenditure : During the year the Company operated under only segment of Transportation of Goods. During the Previous Year, the Company was operating in Transport Business and SMS Connectivity for mobile operations. The following are the segmental revenue and expenditure for the year ended 31.3. 2004.

Particulars	Year ending 31.3.2004			(Rs. In Lakhs)
	Transport	SMS Connectivity Charges	Total	
Gross Revenue	424.47	22.39	446.86	
Other Income	<u>18.46</u>	Nil	<u>18.46</u>	
Total	442.93	22.39	465.32	
Less: Segmental Exp :	<u>392.37</u>	<u>15.65</u>	<u>413.41</u>	
Segmental Result	50.56	6.74	57.30	
Less : Unallocated Costs			<u>45.70</u>	
Net Profit			<u>11.60</u>	

7. The company has not made any provision for deferred taxation as there are no material amount of revenue and expenditure, which has an impact on taxation on book profit and tax profit. Provision for current taxation is made based on the amount expected to be paid using applicable tax rates and tax laws.
8. Related Party Disclosure : During the year the company has paid rent of Rs. 102,000/- by way of rent to Madiwala Charitable Trust. The Directors of the Company are also Trustees in the above said Trust.
9. Due to some litigation, Investments in Equity Shares of Haryana Steel and Alloys Limited were not available for physical verification as these share certificates are not physically held by the Company. For the same reason, diminution in the value of these shares also could not be ascertained by the company. These shares are not listed in any Stock Exchange on the Balance Sheet date and hence, no provision is made in the books of account for probable diminution in the value of these shares. These investments are stated at cost only in the financial statements.
10. Gratuity : The company has not made any provision for present liability in respect of future payment of gratuity. The gratuity liability as on 31st March 2005, is estimated on arithmetical basis is Rs. 2,76,802/-(Previous year Rs. 2,40,597/-)
11. 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 and major expenditure. These informations have been given at appropriate places 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 any manufacturing or trading activity of any kind.
12. Previous year figures have been regrouped or rearranged wherever necessary

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

Place : **Bangalore**
Date : 22.7.2005

Narendra Goel
Director

K. P. Pandey
Director

G.V. SUNDER
Partner

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details :

Registration No. : 4604 State Code : 08
Balance Sheet Date : 31.03.2005

2. Capital raised during the year (Amount in Rs. Thousands)

Public Issue - Right Issue -
Bonus Issue - Private Placement -

3. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total liabilities	Total Assets
28,373.41	28,373.41
Sources of Funds :	
Paid-up Capital	Reserves & Surplus
9,895.90	11,938.20
Secured Loan	Unsecured Loans
-nil -	412.44

Application of Funds :

Net Fixed Assets	Investment
3,560.89	2,868.50
Net Current Assets	Misc. Expenditure
16,518.60	Nil
Accumulated Losses	
Nil	

4. Performance of company (Amount in Rs. Thousands)

Turnover	Total Expenditure
54,797.40	54,090.95
Profit/Loss Before Tax	Profit/Loss After Tax
706.45	651.45
Earning per Share of Rs. 10/- each	Dividend Rate (%)
10.14	Nil

5. Generic Names of Three Principals products / services of company (As per monetary terms)

Item Code No. (ITC Code): N.A.
Product Description : Transport and other allied services



CASH FLOW STATEMENT

Particulars	As on 31.3.2005 Rs. in Lacs	As on 31.3.2004 Rs. in Lacs
A. CASH FLOW FROM OPERATION :		
Net Profit / (Loss) Before Tax	7.06	11.56
Adjustments for :		
Depreciation	5.18	4.45
Interest & Dividend Income	(1.26)	(1.48)
Profit on sale of Assets (net)	-	(10.02)
Profit on sale of Investments	(0.04)	(3.90)
Loss on Sale of Investments	4.04	-
Operating Profit before working capital changes.	14.98	0.61
Adjustment for :		
Increase in Sundry Debtors	(12.19)	(2.69)
Decrease(increase) in loans & advances	(14.21)	15.17
Increase in Current Liabilities	1.28	-
Decrease in current Liabilities		(0.85)
Cash Generated form Operations.	(10.14)	12.24
Interest Received	1.24	1.39
Direct Tax Paid (Net of refund and adjustments)	(4.64)	(0.04)
NET CASH FLOW FROM OPERATING ACTIVITES (A)	(13.54)	13.59



Particulars	As on 31.3.2005 Rs.	As on 31.3.2004 Rs.
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Dividend Received	0.02	0.11
Sale of Fixed Assets	-	30.11
Sale of Investments	1.20	13.21
Additions to Fixed Assets	(2.79)	(0.99)
Additions to Investments	(0.56)	(1.27)
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(2.13)	41.17
C. CASH FLOW FROM FINANCIAL ACTIVITIES :		
Repayment of Term Loan	-	-
Dividend Paid*	(0.63)	(0.60)
Interest Paid	-	-
NET CASH FLOW FROM FINANCIAL ACTIVITIES (C)	(0.63)	(0.60)
Net Increase / (Decrease) in cash & cash equivalents (A+B+C)	(16.30)	54.16
Cash & Cash equivalents (Opening) Cash and Bank Balances	106.88	52.72
Cash & Cash equivalents (Closing)	90.58	108.88

* represents unclaimed dividend remitted to investor protection and education fund account

SER INDUSTRIES LIMITED,

Chikkakuntanahalli Village,
Bidadi Hobli,
Ramanagara Taluk,
Bangalore 562109.

ATTENDANCE SLIP

To be handed over at the entrance of meeting hall

No. of Shares

Folio

Name and Address

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,

Chikkakuntanahalli Village,
Bidadi Hobli,
Ramanagara Taluk,
Bangalore 562109.

No. of Shares

Folio

PROXY FORM

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 42nd Annual General Meeting of the Company to be held at Register Office of the Company at Chikkakuntanahalli Village, Bidadi Hobli, Ramanagara Taluk, Bangalore - 562 109, on Thursday, September 15, 2005 at 11:00 AM,

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

UCP

If undelivered please return to :

S E R Industries Limited,
Chikkakuntanahalli Village, Bidadi Hobli,
Ramanagara Taluk, Bangalore 562109.