



**SER
INDUSTRIES
LIMITED**

**40th ANNUAL REPORT
2002-2003**



**SER
INDUSTRIES
LIMITED**

BOARD OF DIRECTORS

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

REGISTERED OFFICE

Chikkakuntanahalli Village,
Bidadi Hobli,
Ramanagara Taluk,
Bangalore 562109.
Ph : 080-7287314

CORPORATE OFFICE

#107-108, Mittal Chambers,
Nariman Point, Mumbai - 400 021.
Ph.: 22813137, 22813138 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.,
J. C. Road, Bangalore - 560 002.
Ph. : 2275160

**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 **Fortieth Annual General Meeting** of the Members of SER Industries Limited will be held at Kadu Mane Hotel, Sy. No. 53/5, Bheemanahalli Village, Manchanayakanahalli G P, Bidadi Hobli, Ramanagar Taluk, Bangalore District (beside Bidadi IOC petrol Bunk) on Friday, September 26, 2003 at 11:00 A M, to transact the following business :

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2003 and Profit, & 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 Mrs. Savita Goel, who retires by rotation and who, being eligible, offers herself for re-appointment.
4. To appoint Auditors and fix their remuneration.

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 19, 2003 to September 26, 2003, both days inclusive.
- iii) Members are requested to notify immediately, 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) 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 : 31.07.2003

NARENDRA GOEL
CHAIRMAN

DIRECTORS REPORT

Your Directors take great pleasure in bring you this report for the financial year 2002-2003

Financial Highlights

(Rs. in Lakhs)

Year Ended March 31	2003	2002
Turnover	596.12	579.08
Other Income	7.49	24.57
Profit before Depreciation and interest	5.71	20.32
Depreciation	5.22	4.00
Profit before Tax	0.49	16.32
Provision for Tax	0.04	1.25
Profit after Tax	0.45	15.07
Net cash from Operations		

Performance

Your Company has registered an income of Rs. 603,61,979 during the period under review and net profit for the year was Rs. 45,797. No dividend has been declared during the year under review.

Directors

Mr. G P Goyal and Mrs. Savita Goel 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. G P Goyal and Mrs. Savita Goel.

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 mentioned in notes to their Report with regard to the valuation of equity share of Haryana Steel and Alloys Limited as are not available for physical verification due to some litigation and gratuities have been paid on cash basis, are self explanatory.

Fixed Deposit

Your Company has not accepted any deposit. An amount Rs. 168,990/- has matured and unclaimed. The Company has informed the deposit holder to withdraw the same.

Dematerialization of shares

The Equity Shares of your Company are listed on Stock exchange-Mumbai, Bangalore Stock Exchange and Calcutta Stock Exchange Association Limited and are eligible to be held and traded in dematerialized form since previous year.

54% of the total shares of the company have been dematerialized as on 30.6.2003. Members holding shares in physical form are advised to dematerialize their shares to avoid the risks associated with holding the share certificates in physical form.

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 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 department.
- ii) That they had 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 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 for detecting fraud and other irregularities .
- iv) That they prepared the annual accounts on a going concern basis.

Acknowledgement

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

Your Directors thank the customers for their continued patronage and the investors, bankers and vendors for their continued support.

Your Directors also would like to place on record the support received from Government of India, Government of Karnataka and other central and State government agencies.

For and on behalf of the Board of Directors

Place : Bangalore
Date :31.07.2003

Narendra Goel
Director

Siddharth Goel
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.16,65,385
- Foreign Exchange outgo:** Rs.1,99,600

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, 2003. 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 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 4 times on 18.4.2002, 25.7.2002, 22.10.2002 and 20.1.2003 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 17.9.2002 to 24.9.2002 (both days inclusive)
6. The Annual General Meeting for the financial year ended on 31.3.2002 was held on 24.9.2002 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 not issued any duplicate share certificate during the year.
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. not transferred the amounts in unpaid dividend account, 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 funds as there were no such amounts outstanding 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 58A 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 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 31.07.2003

Name of the Practising Company
Secretary : T R Shylendra Kumar
C P No: 2453

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, 2003.

REGISTRAR OF COMPANIES

Sl. No.	Form No.	Section	Description	Date of Filing	Whether filed in prescribed Time	If delay in filing whether Additional Fee paid
1.	32	257	Appointment of Director in AGM	10.1.2003	No	Yes. An additional fee of Rs.1000 was paid in addition to normal fee of Rs.500
2.	-	220(1)	Balance Sheet made upto 31.3.2002	20.11.2002	No	Yes. An additional fee of Rs.1000 was paid in addition to normal fee of Rs.500
3.	-	159(1)	Schedule V made upto 24.9.2002	12.12.2002	No	Yes. An additional fee of Rs.1000 was paid in addition to normal fee of Rs.500

REGIONAL DIRECTOR

NIL

CENTRAL GOVERNMENT & OTHER AUTHORITIES

NIL

OTHER AUTHORITIES

NIL

Place : Bangalore
Date 31.07.2003

Name of the Practising Company
Secretary : T R Shylendra Kumar
C P No: 2453

AUDITOR'S REPORT

We have audited the attached Balance Sheet of SER INDUSTRIES LIMITED, Chikkakuntanahalli Village, Bidadi Hobli, Ramanagara Taluk, Bangalore - 562 109 as at 31st March 2003 and also the attached statement of Profit and Loss Account for the year ended on that date. 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 have 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. We 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 these books.
3. The attached Balance Sheet and Profit and Loss Account dealt within our report are in agreement with the books of account.
4. In our opinion, attached Balance Sheet of the company is in compliance with the Accounting Standards referred to in Sub Section 3(C) of section 211 of the Companies Act, 1956.
5. On the basis of the written representations received from the Directors and taken on record by the Board, 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 explanations given to us, the said statements of account *subject to Note No. 10 & 11 of Notes to Accounts, regarding provision for gratuity liability* and read together with other notes appearing in schedule S, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. In the case of Balance Sheet of the state of affairs of the company as at 31st March 2003 and
 - b. In the case of Profit and Loss Account, of the profit of the Company for the year ended on that date.
7. 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, we further report that:
 - (i) The Company is maintaining proper records to show full particulars of fixed assets. The management at reasonable intervals has physically verified these Fixed assets and no material discrepancies have been noticed on such verification.
 - (ii) None of the Fixed Assets were revalued during the year.
 - (iii) The Stock of stores, spare parts have been physically verified by the management at reasonable intervals.
 - (iv) The procedure for physical verification of stores, spare parts etc. 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 and spare parts.

40th Annual Report

- (vi) In our opinion the valuation of stores, spare parts etc. is fair and proper and in accordance with normally accepted accounting principles and is on the same basis as in the preceding years.
- (vii) The company has not taken any loan secured or unsecured from companies, firms or other parties listed in the register maintained u/s 301 of the Companies Act, 1956, or from the companies under the same management as defined under subsection (1B) of section 370 of the Companies Act, 1956.
- (viii) The company has not granted any loan secured or unsecured to companies, firms or other parties listed in the register maintained u/s 301 of the Companies Act, 1956, or to the Companies under the same management as defined under subsection (1B) of section 370 of the Companies Act, 1956.
- (ix) 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.
- (x) 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.
- (xi) The company has not made transactions of purchase of goods and materials, sale of goods, materials and services in pursuance of contracts or arrangements entered in register maintained u/s 301 of the Companies Act, 1956 which aggregates to Rs. 50,000/- or more in respect of each party during the year.
- (xii) As explained to us, on physical verification of stores, spare parts etc. the company is not having unserviceable or damaged goods.
- (xiii) The company has not accepted any deposits during the year from the public as explained u/s 58A 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 its size and nature of its business.
- (xvi) The Central Government has not prescribed the maintenance of the cost records under 209 (1) (d) of the companies Act, 1956.
- (xvii) The company is regular in depositing Provident Fund and Employees' State Insurance dues with the appropriate authority.
- (xviii) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax for a period of more than six months from the date they became payable. Sales Tax, Customs and Excise Laws are not applicable to the company.
- (xix) According to the information and explanations 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.
- (xx) The company is not a Sick Industrial Company within the meaning of clause (O) of sub section (1) of section 3 of Sick Industrial Companies (Special Provisions) Act, 1985.

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

Place : Bangalore

Date : 31-7-2003

G. V. Sunder
Partner

	Sch No.	As on 31.3.2003 Amount	As on 31.3.2003 Amount	As on 31.3.2002 Amount	As on 31.3.2002 Amount
SOURCES OF FUNDS					
Shareholders Funds					
a. Capital	A	9,945,900.00		9,945,900.00	
b. Reserves & Surplus	B	11,246,533.03		11,200,610.23	
Loan Funds			21,192,433.03		21,146,510.23
a. Secured Loans	C	-		-	
b. Unsecured Loans	D	412,440.00	412,440.00	412,440.00	412,440.00
Total			21,604,873.03		21,558,950.23
APPLICATION OF FUNDS					
Fixed Assets					
a. Gross Block	E	11,940,225.00		12,357,105.00	
b. Less : Depreciation		5,802,864.14		6,543,754.77	
c. Net Block			6,137,360.85		5,813,350.23
Investments	F		4,157,072.96		2,816,580.00
Current Assets, Loans and Advances					
a. Inventories	G	39,000.00		39,000.00	
b. Sundry Debtors	H	4,312,221.40		9,440,080.00	
c. Cash and Bank Balances	I	5,272,403.94		589,288.67	
d. Loans and Advances	J	6,615,274.87		8,522,817.53	
		16,238,900.21		18,591,186.20	
Less : Current Liabilities and Provisions					
a. Current Liabilities	K	824,461.00		1,437,166.20	
b. Provisions	L	4,104,000.00		4,225,000.00	
		4,928,461.00		5,662,166.20	
Net Current Assets			11,310,439.21		12,929,020.00
Notes on Accounts	S				
			21,604,873.03		21,558,950.23

Narendra Goel
Director

Siddharth Goel
Director

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

Place : **Bangalore**
Date : 31.7.2003

G.V. SUNDER
Partner



SER INDUSTRIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2003

(Amount in Rupees)

	Sch No.	As on 31.3.2003	As on 31.3.2002
INCOME			
Freight Income	M	59,612,454.68	57,907,995.77
Other Income	N	749,524.55	2,457,752.45
Total Income		60,361,979.23	60,365,748.22
EXPENDITURE			
Operational Expenses	O	53,373,643.49	52,568,058.09
Personnel Expenses	P	1,680,432.75	1,222,995.57
Administrative Expenses	Q	4,698,818.50	4,513,207.55
Financial Expenses	R	37,221.69	28,872.59
Depreciation	E	522,065.00	400,271.84
Total Expenditure		60,312,181.43	58,733,405.64
PROFIT BEFORE TAX		49,797.80	1,632,342.58
Provision for Taxation		4,000.00	125,000.00
PROFIT AFTER TAX		45,797.80	1,507,342.58
Add : Excess tax provision of earlier year written back		125.00	675.00
Profit available for Allocation		45,922.80	1,508,017.58
Current Profit		45,922.80	1,508,017.58
Surplus brought forward from previous year		8,644,610.23	7,136,592.65
Profit available for appropriation		8,690,533.03	8,644,610.23
APPROPRIATION			
a. General Reserve		-	-
b. Proposed Dividend		-	-
c. Surplus carried to Balance Sheet		8,690,533.03	8,644,610.23

Narendra Goel
Director

Siddharth Goel
Director

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

Place : **Bangalore**
Date : 31.7.2003

G. V. SUNDER
Partner

SCHEDULE FORMING PART OF ACCOUNTS

SCHEDULE - A

Particulars	As on 31.3.2003 Rs.	As on 31.3.2002 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 31.3.2003 Rs.	As on 31.3.2002 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	8,690,533.03	8,644,610.23
	11,246,533.03	11,200,610.23

SCHEDULE - C

Particulars	As on 31.3.2003 Rs.	As on 31.3.2002 Rs.
SECURED LOANS		
TERM LOANS	NIL	NIL

SCHEDULE - D

Particulars	As on 31.3.2003 Rs.	As on 31.3.2002 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

40th Annual Report


FIXED ASSETS AS ON 31-3-2003
SCHEDULE - E

Sl. No.	Particulars	Rate %	Gross Block				Depreciation				Net Block	
			Original Cost on 1-4-2002	Additions During the Year	Adj for Sales /Disposal	Total on 31.3.03	Up to 31.3.2002	For the year	Adj for Sale/ Disposal	TOTAL	31.3.2003	31.3.2002
1.	LAND	-	463,716.00	281,379.00	-	745,095.00	-	-	-	-	745,095.00	463,716.00
2.	BUILDINGS	3.34	2,736,500.00	-	-	2,736,500.00	468,406.30	91,399.00	-	559,805.30	2,176,694.70	2,268,093.70
3.	FURNITURE & FITTINGS	6.33	342,130.00	16,078.00	189,410.00	168,798.00	307,755.59	8,234.00	188,713.83	127,275.76	41,522.24	34,374.41
4.	MOTOR CYCLES	9.50	138,828.00	-	68,948.00	69,880.00	32,582.25	6,639.00	16,576.47	22,644.78	47,235.22	106,245.75
5.	COMPUTERS	16.21	332,328.00	632,327	185,528.00	779,127.00	202,297.28	66,880.00	185,526.00	83,651.28	695,475.72	130,030.72
6.	CARS	9.50	2,192,953.00	-	-	2,192,953.00	524,570.58	208,330.00	-	732,900.58	1,460,052.42	1,668,382.42
7.	OFFICE EQUIPMENTS	4.75	331,669.00	-	84,340.00	247,329.00	209,512.66	5,624.00	57,164.38	157,972.28	89,356.72	122,156.34
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	-	145,398.95	-	145,398.95	-	-	3,461.05
10.	BICYCLES	9.50	2,660.00	-	-	2,660.00	746.16	253.00	-	999.16	1,660.84	1,913.84
11.	TRUCKS	16.21	5,341,357.00	-	669,578.00	4,671,779.00	4,561,583.00	134,706.00	669,576.00	4,026,713.00	645,066.00	779,774.00
12.	PLANT & MACHINERY	4.75	235,199.00	-	-	235,199.00	-	-	-	-	235,199.00	235,199.00
	TOTAL		12,357,105.00	929,784.00	1,346,664.00	11,940,225.00	6,543,754.77	522,065.00	1,262,955.63	5,802,864.14	6,137,360.86	5,813,350.23

SCHEDULE - F

Particulars	As on 31.3.2003 Rs.	As on 31.3.2002 Rs.
LIST OF INVESTMENTS		
a. Fully paid up 1,20,000 Equity shares of Rs. 10/- each (including right offer 80,000 Shares) 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 20 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/- (of the above 10 shares of Rs.10/- each purchased during the year)	1,347.50	1,000.00
c. Fully Paid up 500 nos 12.5% Non Convertible Debentures of Rs 15/- each in Apollo Tyres Limited.	7,500.00	7,500.00
d. Fully Paid up 90 Equity Shares of Rs. 10/- each in Andhra Pradesh Heavy Machinery & Engineering Limited. (unquoted)	900.00	900.00
e. Fully paid up 400 Equity Shares of Rs. 10/- each in Chambal Fertilizers and Chemicals Ltd. (Purchased during the year)	4,080.00	4,080.00
f. Fully Paid up 100 Equity Shares of Rs.10/- each in Applied Electronics Limited. Face value Rs. 1000/-	1,600.00	1,600.00
g. 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
h. Fully Paid up 18900 nos Equity Shares having face value of Rs.10/- each in Silverline Technologies Limited. (Quoted) (Purchased during the year).	419,821.90	
i. Fully Paid up 6400 nos. Equity Shares having face value of Rs.10/- each in Himachal Futuristic Communication Limited. (Quoted) (Purchased during the year)	106,670.00	
j. Fully paid up 1600 nos. Equity shares of Rs. 10/- each in Global Tele Limited. (Quoted) (Purchased during the year)	106,831.80	
k. Fully Paid up 480 nos. Equity Shares of Rs.2/- each in Satyam Computers Ltd. (Quoted) (Purchased during the year)	106,118.76	
l. Fully Paid up 680 nos. Equity Shares of Rs.1/- each in Hindustan Lever Limited. (Quoted) (Purchased during the year)	108,830.00	
m. Fully Paid up 800 nos. Equity Shares of Rs. 10/- each in ICICI Bank Limited (Quoted) (Purchased during the year)	111,490.00	
n. Fully paid up 160 Equity Shares of Rs. 10/- each in ITC Limited (Quoted) (Purchased during the year)	100,850.00	
o. Fully paid up 1600 nos. equity shares of Rs. 10/- each in Mahanagar Telecom Nigam Limited. (Quoted) (Purchased during the year)	151,975.00	
p. Fully paid up 1600 nos. equity shares of Rs. 10 each in Videsh Sanchar Nigam Limited (Quoted) (Purchased during the year)	127,558.00	
TOTAL	4,157,072.96	2,816,580.00

Aggregate Market Value of Investment in quoted shares is Rs. 9,65,472/-
(Previous year Rs.5,090/-)

SCHEDULE - G

Particulars	As on 31.3.2003 Rs.	As on 31.3.2002 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 31.3.2003 Rs.	As on 31.3.2002 Rs.
SUNDRY DEBTORS		
a. Outstanding for more than six months	498,747.77	357,381.27
b. Other debts	3,813,473.63	9,082,698.73
	4,312,221.40	9,440,080.00

SCHEDULE - I

Particulars	As on 31.3.2003 Rs.	As on 31.3.2002 Rs.
CASH AND BANK BALANCES		
a. Cash on hand	55,316.50	71,808.35
Balances with Scheduled bank :		
Current Account	3,841,965.44	325,760.32
Dividend Account	191,620.00	191,720.00
Term Deposit	1,183,502.00	
	5,272,403.94	589,288.67

SCHEDULE - J

Particulars	As on 31.3.2003 Rs.	As on 31.3.2002 Rs.
LOANS AND ADVANCES		
(Advances receivable in cash or in kind or for value to be received - unsecured and considered good)		
Advance Income Tax	1,245,858.00	1,027,165.00
Advance receivable in cash or kind	1,132,625.06	1,359,345.42
Loans	2,700,000.00	4,000,000.00
Deposits	1,467,212.50	2,041,562.50
Staff and Driving Contractors advance	68,842.69	94,007.99
Debenture interest Receivable	736.62	736.62
	6,615,274.87	8,522,817.53

SCHEDULE - K

Particulars	As on 31.3.2003 Rs.	As on 31.3.2002 Rs.
CURRENT LIABILITIES		
a. Sundry Creditors	246,884.25	422,409.50
b. Others (Advance against sale of Fixed asset)	-	-
c. Outstanding Liabilities	384,456.75	821,536.70
d. Share application money refundable	1,500.00	1,500.00
e. Unclaimed Dividend on Shares	191,620.00	191,720.00
	824,461.00	1,437,166.20

SCHEDULE - L

Particulars	As on 31.3.2003 Rs.	As on 31.3.2002 Rs.
PROVISIONS		
a. Income Tax	4,104,000.00	4,225,000.00
b. Proposed Dividend	-	-
	4,104,000.00	4,225,000.00

SCHEDULE - M

Particulars	As on 31.3.2003 Rs.	As on 31.3.2002 Rs.
INCOME		
a. Freight Income	49,854,796.80	51,052,575.20
b. Freight from Co's Truck	4,026,069.63	3,364,234.07
c. Freight from Co's Containers Truck	3,952,627.00	3,357,300.00
d. Claims and Damages received	989.00	133,886.50
e. SMS Connection Charges Received	1,777,972.25	-
	59,612,454.68	57,907,995.77

SCHEDULE - N

Particulars	As on 31.3.2003 Rs.	As on 31.3.2002 Rs.
OTHER INCOME		
a. Miscellaneous Receipts	342,543.95	135,162.10
b. Profit on sale of Investments	109,102.06	708,480.35
c. Interest on IT Refund	66,744.00	133,306.00
d. Dividend from shares	2,580.00	14,575.00
e. Interest Income	57,101.00	-
f. Profit on sale of Fixed Assets	171,453.54	1,448,147.00
g. Interest on Debentures	-	-
h. Interest on Security Deposit	-	18,082.00
	749,524.55	2,457,752.45

SCHEDULE - O

Particulars	As on 31.3.2003 Rs.	As on 31.3.2002 Rs.
OPERATIONAL EXPENSES		
a. Diesel & Lubricants	3,610,612.76	2,800,073.98
b. Freight Charges	43,442,911.00	44,711,670.00
c. Insurance	72,691.00	43,232.00
d. Miscellaneous Operational Expenses	1,429,077.15	1,296,640.61
e. Rates & Taxes	455,511.14	244,935.60
f. Repairs & Maintenance	410,442.23	492,755.91
g. Trip Charges	895,367.00	737,076.00
h. Tyres, Tubes and Flaps	1,412,266.48	2,241,673.99
i. Server Rental and SMS Services Centre Charges-Cellent	1,644,764.73	-
	53,373,643.49	52,568,058.09

SCHEDULE - P

Particulars	As on 31.3.2003 Rs.	As on 31.3.2002 Rs.
PERSONNEL EXPENSES		
a. Salary & Allowances	1,422,444.00	1,009,751.90
b. Bonus	69,297.00	65,420.00
c. Staff Welfare	71,291.25	54,340.12
d. Provident Fund	93,953.00	73,495.00
e. Employees State Insurance	23,447.50	19,988.55
	1,680,432.75	1,222,995.57

SCHEDULE - Q

Particulars	As on 31.3.2003 Rs.	As on 31.3.2002 Rs.
ADMINISTRATIVE EXPENSES		
a. Rent	664,804.50	1,337,918.00
b. Water and Electricity	309,851.95	263,355.32
c. Insurance on Cars & Two Wheelers	56,249.00	50,690.00
d. Postage and Telegram	202,364.68	74,352.95
e. Printing & Stationery	174,600.95	118,968.35
f. Telephone & Telex	585,865.96	581,751.81
g. Books & Periodicals	11,245.50	29,015.50
h. Directors Sitting fees	7,000.00	6,000.00
i. Professional & Legal charges	119,380.00	60,217.05
j. Auditors Remuneration		
i. Audit fees	20,000.00	20,000.00
ii. Tax Audit fees	5,000.00	5,000.00
iii. Reimbursement of Expenses	10,260.00	4,993.00
k. AGM Expenses	10,077.60	9,630.00
l. Directors' Remuneration	186,000.00	186,000.00
m. General Expenses	509,136.20	412,589.75
n. Listing & Filing fees	37,988.75	34,750.00
o. Repairs & Maintenance others	281,912.50	174,052.49
p. Cars and Two Wheelers Maintenance	416,435.57	476,301.60
q. Travelling and Conveyance	1,055,140.36	643,576.73
r. Press, Notices & Advertisement	23,343.00	24,045.00
s. Loss on Sale of fixed Assets	12,161.98	-
	4,698,818.50	4,513,207.55

SCHEDULE - R

Particulars	As on 31.3.2003 Rs.	As on 31.3.2002 Rs.
FINANCIAL EXPENSES		
a. Bank Charges	37,221.69	28,872.59
b. Services on Car	-	-
	37,221.69	28,872.59

Schedule : S.

NOTES FORMING PART OF ACCOUNTS:

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31.3.2003.

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 realizable value.
5. Investments are stated at Cost. Reduction in market value of quoted investments due to temporary market fluctuations is not provided for.
6. Expenditure on Research and Development : During the year the Company has not incurred any expenditure on Research and Development.
7. Employee Benefits : Contributions to Provident Fund are made on actual liability basis calculated as a percentage of salary. Payments made towards Gratuity is accounted on actual payment basis

B. NOTES TO ACCOUNTS :

1. The company is contingently liable in respect of bank guarantee issued to the extent of Rs. -NIL- (Previous year Rs. 1,00,000/-)
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 : Rs. 1,99,600/- Previous Year - NIL-
6. Earnings in foreign currency : Rs. 16,65,385/- Previous Year - NIL-
7. During the year the Company had an opportunity to develop softwares for SMS connectivity. The Segmental Revenue and Expenditure are as follows :

Particulars	Year ended 31.3.2003		
	Transport (Rs. in lacs)	Software (Rs. in lacs)	Total (Rs. in lacs)
Gross Revenue	578.34	17.78	596.12
Other Income	7.50	NIL	7.50
Total	<u>585.84</u>	<u>17.78</u>	<u>603.62</u>
Less : segmental exp.	<u>530.84</u>	<u>19.70</u>	<u>550.54</u>
Segmental Result	55.00	(1.92)	53.08
Less : Unallocated Costs			52.58
Net Profit			<u>0.50</u>

(previous year figures are not given as the company was operating under only one segment of Transportation)

8. 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.
9. Related Party Disclosure : During the year the company has paid rent of Rs. 2,26,572/- (Maintenance Charges paid to Mittal Chambers Association) to M/s Nandanvan Roadways and Rs.1,80,000/- vehicle hire charges and rent of Rs.57,000/- to M/s Ramangaram Khandasari Sugar & Allied Products Limited. The Directors of the Company are also partners/ Directors in the above said concerns.
10. Due to some litigation, Investments in Equity Shares of Haryana Steel and Alloys Limited were not available for physical verification. For the same reason, Diminution in the value of these shares are also not ascertained and provided for in the books of accounts.
11. 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 2002 is estimated on arithmetical basis is Rs.2,13,012/- (Previous year Rs. 1,82,015/-)
12. 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 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.

Place : Bangalore
Date : 31-07-2003

Vide our report of evendate
For **G. V. Sunder & Co.**
Chartered Accountants.

Narendra Goel
Director

Siddharth Goel
Director

G. V. Sunder
Partner

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details :

Registration No. : State Code : 08
Balance Sheet Date : 31.03.2003

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

Public Issue - nil- Right Issue Nil
Bonus Issue -nil- Private Placement Nil

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

Total liabilities Total Assets
21,604.87 21,604.87

Sources of Funds :

Paid-up Capital	Reserves & Surplus
9945.90	11,246.53
Secured Loan	Unsecured Loans
-nil -	412.44

Application of Funds :

Net Fixed Assets	Investment
6,137.36	4,157.07
Net Current Assets	Misc. Expenditure (Incl. Pre-Operative Expenses)
11,310.44	-nil-
Accumulated Losses	
Nil	

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

Turnover	Total Expenditure
60,361.98	60,312.18
Profit/Loss Before Tax	Profit/Loss After Tax
49.80	45.80
Earning per Share Rs.	Dividend Rate (%)
0.05	-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

Narendra Goel
Director

Siddharth Goel
Director


CASH FLOW STATEMENT

Particulars	As on 31.3.2003 Rs.	As on 31.3.2002 Rs.
A. CASH FLOW FROM OPERATION :		
Net Profit / (Loss) Before Tax	0.50	16.40
Adjustments for :		
Depreciation	5.22	4.00
Interest & Dividend Income	(1.26)	(1.66)
Interest Expenditure	-	0.29
Profit on sale of Assets	(1.71)	(14.48)
Profit on sale of Investments	(1.09)	(7.08)
Loss on Sale of Assets	0.12	-
Operating Profit before working capital changes.	1.78	(2.53)
Adjustment for :		
Decrease in Sundry Debtors	51.28	-
Increase in loans & advances	-	-
Decrease in loans & advances	16.82	21.10
Decrease in Current Liabilities	(7.34)	(2.55)
Decrease in inventories	-	-
Increase in Sundry Debtors	-	(77.31)
Increase in Current Liabilities	-	-
Cash Generated form Operations.	62.54	(61.29)
Interest Received	1.24	1.55
Interest Paid	-	(0.29)
Direct Tax Paid (Net of refund and adjustments)	(0.04)	(1.25)
NET CASH FLOW FROM OPERATING ACTIVITES (A)	63.74	(61.28)



Particulars	As on 31.3.2003 Rs.	As on 31.3.2002 Rs.
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Dividend Received	0.02	0.11
Sale of Fixed Assets	2.43	20.14
Additions to Fixed Assets	(9.30)	(14.02)
Additions to Investments	(13.40)	-
Sale of Investments	3.34	17.19
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(16.91)	23.42
C. CASH FLOW FROM FINANCIAL ACTIVITIES :		
Repayment of Term Loan	-	-
Dividend Paid	-	-
Interest Paid	-	-
NET CASH FLOW FROM FINANCIAL ACTIVITIES (C)	-	-
Net Increase / (Decrease) in cash & cash equivalents (A+B+C)	46.83	(37.86)
Cash & Cash equivalents (Opening) Cash and Bank Balances	5.89	43.75
Cash & Cash equivalents (Closing) Cash and Bank Balances.	52.72	5.89

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

NARENDRA GOEL
Director

SIDDHARTH GOEL
Director

We have examined the above Cash Flow Statement on M/s. SER Industries Limited for the year ended 31st March 2003 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 : 31.07.2003

G. V. Sunder
Partner

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 40th Annual General Meeting of the Company to be held at Kadu Mane Hotel, Sy. No. 53/5, Bheemanahalli Village, Manchanayakanahalli G P, Bidadi Hobli, Ramanagar Taluk, Bangalore District (beside Bidadi IOC petrol Bunk) on Friday, September 26, 2003 at 11:00 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.

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 number(s) furnished below/as per annexure of M/s. S.E.R. Industries Limited, Chikkakuntanahalli Village, Bidadi Hobli, Ramanagara Taluk, Bangalore 562109 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 deposits 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 nominee and repayment of amount of deposits to nominee shall be valid discharge by the Company against the legal heir.

BOOK-POST

U.C.P.

If undelivered please return to :

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