



S E R
INDUSTRIES
LIMITED

44th ANNUAL REPORT

2006-2007



**SER
INDUSTRIES
LIMITED**

BOARD OF DIRECTORS

Sri Narendra Goel
Sri G P Goyal
Sri V G Rangnekar
Sri Jayant Mitra

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

ICICI Bank Limited
CA 2 P1, Bidadi Industrial Area,
Near Toyota Kirloskar Motors Pvt. Ltd.
Ramanagara Taluk,
Bangalore - 562 109.

Bank of Maharashtra,
Nariman Point,
Mumbai - 400021.

REGISTERED OFFICE

Chikkakuntanahalli Village,
Bidadi Hobli,
Ramanagara Taluk,
Bangalore- 562 109.
Ph. 080 27280314

CORPORATE OFFICE

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

**REGISTRAR AND
SHARE TRANSFER AGENT**

TSR Dara Shaw Limited
6-10, Haji Moosa Patriwala Industrial Estate
No.20, Dr. E Moses Road, Mahalakshmi
Mumbai-400 011
Phone: 022-66568484/66568494

To
The Members,

NOTICE

Notice is hereby given that the Forty fourth 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 Friday the 21st day of September 2007 at 11:30 AM to transact the following business: -

A. ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as at March 31, 2007 and Profit and Loss Account for the year ended on that date along with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr V.G. Rangnekar who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr.G. P. Goyal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

B. SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification, the following as Ordinary Resolution :
"RESOLVED that pursuant to provisions of Section 198, 269, 309, 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 Mr. Narendra Goel, Director be and is hereby appointed as Chief Executive Officer of the Company for period of five years from 01.04.2001 to 31.03.2006 on a remuneration set out in the Explanatory Statement, be and is hereby approved and ratified and authorised the Board enter into an Agreement with him in this behalf.
6. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :
"RESOLVED that pursuant to provisions of Section 198,269,309,311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 Mr. Narendra Goel, Director be and is hereby appointment as Chief Executive Officer of the Company for a period of five years from 01.04.2006 to 31.03.2011 on a remuneration set out in the Explanatory Statement, be and is hereby approved and ratified and authorized the Board to enter into an Agreement with him in this behalf.
7. To consider and if thought fit, to pass with or without modification, the following as Ordinary Resolution :
"RESOLVED that pursuant to provisions of Section 198,269,309,311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, Mrs. Savita Goel, Director be and is hereby appointed as Whole Time Director of the Company for the period of five years from 01.04.2001 to 31.03.2006 on a remuneration set out in the Explanatory Statement, be and is hereby approved and ratified and authorized the Board to enter into an Agreement with her in this behalf.
8. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :
"RESOLVED that pursuant to provisions of Section 198,269,309,311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 Mr. K.P. Pandey, Director be and is hereby appointed as Chief Operating Officer of the Company for the period from 29.04.2005

to 28.04.2008 on a remuneration set out in the Explanatory Statement, be and is hereby approved and ratified and authorized the Board to enter into an Agreement with him in this behalf.

9. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution :

"RESOLVED that subject to the provision of the Companies Act 1956 (including any statutory modification (s) or enactment thereof for the time being in force and as may be enacted hereafter) the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and subject to such approvals, permissions and sanction as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approval, which may be agreed to by the Board of Directors of the Company, consent be and is hereby accorded to the Board to delist the Company's Equity Shares from Calcutta Stock Exchange Association Limited.

"RESOLVED further the Board be and is hereby authorised to take all necessary steps in this regard in order to comply with the legal and/or procedural formalities, including authorizing Director/Officers/Executives of the Company to do all such acts, deeds, matters and things as may be necessary to give effect to the above.

Notes:

- i) A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and a Proxy need not be a member of the company. The proxy form should be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting.
- ii) The Register of Members and Share Transfer Books will remain closed from 17/09/07 to 21/09/07 (both days inclusive) for the purpose of updating the records.
- iii) The relative explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of special business under Item Nos. 5 to 9 is annexed hereto.
- iv) Members are requested to notify change in their address if any and also requested **to note the change in address** of the Registrar and Share Transfer Agent given the Directors report for their future correspondence.
- v) The Shareholders are requested bring their copy of the Annual Report.
- vi) Requests if any for nomination of shares as provided under section 109 'A' of the Companies Act may be sent to the Company at the Registered Office.

Place: Bangalore
Date: 27.07.2007

By Order of the Board

NARENDRA GOEL
Chairman

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956, ANNEXED TO THE NOTICE OF 44TH ANNUAL GENERAL MEETING

ITEM NO.5 & 6

The Board of Directors of the Company at its meeting held on 27.04.2001 resolved to appoint Mr.Narendra Goel, Director, as Chief Executive Officer of the Company for the period from 01.04.2001 to 31.03.2006 and on the following remuneration within the limit specified in schedule XIII.

Remuneration

From 01.04.2001 to 31.03.2006	Rs. 96,000/- per year
From 01.04.2006 to 31.03.2011	Rs. 1,56,000/- per year

Mr. Narendra Goel, 57 is an M.Tech and M.B.A. from Michigan University, U.S.A. and has wide industrial and management experience.

The appointment and remuneration is required to be approved by shareholder at a general meeting. As such, appointment and remuneration is placed before the members for their approval and ratification A service agreement is also entered with Mr.Narendra Goel, Director and a copy of the same is available for inspection at the Registered Office of the Company on any day during working hours.

The Board considered his appointment in the interest of the Company and accordingly recommends the acceptance of the resolution set out in item No.5 & 6.

Mr. Narendra Goel, Director, may be deemed to be interested in the resolution. Mr.G.P.Goyal and Mrs.Savita Goel being related to Mr.Narendra Goel may be deemed to be interested in the resolution. None of the other Directors of the Company are interested in passing of the resolution.

The above statement may also be treated as an abstract of the terms and Memorandum of interest under Section 302(2) of the Companies Act, 1956.

ITEM NO.7

The Board of Directors of the Company at its meeting held on 27.04.2001 resolved to appoint Mrs.Savita Goel, Director as Whole Time Director of the Company for the period from 01.04.2001 to 31.03.2006 on the following remuneration within the limit specified in schedule XIII.

Remuneration

From 01.4.2001 to 31.03.2006	Rs.90,000/- per year
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Mrs.Savita Goel, 51 is a B.A. from Bombay University
Mrs. Savita Goel resigned as Director with effect from 22.07.2005.

The appointment and remuneration is required to be approved by shareholders at a general meeting. As such appointment and remuneration is placed before the members for their approval and ratification. A service agreement is also entered with Mrs.Savita Goel, Director and a copy of the

same is available for inspection at the Registered Office of the Company on any day during working hours.

The Board considered her appointment as beneficial to the Company and accordingly recommends the acceptance of the resolution set out in item No.7.

Mrs.Savita Goel, Director, may be deemed to be interested in the resolution. Mr.Narendra Goel, Director and Mr.G.P.Goyal, Director being related to Mrs.Savita Goel may be deemed to be interested in the resolution. None of the other Directors of the Company are interested in the resolution.

The above statement may also be treated as an abstract of the terms and Memorandum of interest under Section 302(2) of the Companies Act.1956.

ITEM NO.8.

The Board of Directors of the Company at its meeting held on 27.01.2006 resolved to appoint Mr. K.P. Pandey Director as Chief Operating Officer of the Company for the period from 29.04.2005 to 28.04.2008 on the following remuneration within the limit specified in schedule XIII.

Remuneration

From 29.4.2005 to 28.04.2008

Rs.83,050/- per year

Mr. K.P. Pandey, is a B.Com from Bombay University

The appointment and remuneration is required to be approved by shareholders at a general meeting. As such appointment and remuneration is placed before the members for their approval and ratification. A service agreement is also entered with Mr. K.P. Pandey Director and a copy of the same is available for inspection at the Registered Office of the Company on any day during working hours.

The Board considered his appointment as beneficial to the Company and accordingly recommends the acceptance of the resolution set out in item No.8.

Mr. K.P. Pandey, Director, may be deemed to be interested in the resolution. Sri Pandey, has resigned as Director with effect from 28.12.2005. None of the other Directors of the Company are interested in the resolution.

The above statement may also be treated as an abstract of the terms and Memorandum of interest under Section 302 (2) of the Companies Act.1956.

ITEM NO. 9 Delisting of shares from Calcutta Stock Exchange Association Ltd.

The Company's Shares continued to be listed on Stock Exchange, Mumbai and Bangalore Stock Exchange. The delisting from Calcutta Stock Exchange Association Ltd. will help the company to reduce the administrative cost in filing of number of returns and payment of listing fees. The delisting is subject to approval of share holders. No. exit operation is required to be offered to the members. The Board of Directors recommended the resolution for adoption.

Date: 27.07.2007

Place : Bangalore

By order of the Board

Narendra Goel
Chairman

DIRECTORS REPORT

To the Members:

Your Directors present their Forty Fourth Annual Report of the Company together with the Audited Statement of Accounts for the financial year ended 31st March 2007.

01. FINANCIAL HIGHLIGHTS

	(Rs. in. Lakhs)	
	31.03.2007	31.03.2006
Turnover	502.97	582.09
other Income	49.71	29.01
Profit Before Depreciation	13.91	11.49
Depreciation	5.30	4.69
Profit Before Tax	8.61	6.80
Provision for Tax (Current Deferred Fringe Benefit Tax)	(3.69)	-0.20
Profit After Tax	4.92	7.00

b) The company has invested Rs. 28 lakhs in Haryana Steels & Alloys Limited. The shares are unquoted. There is a litigation before the High Court at Delhi. The Board is of the opinion that there will not be a diminution in the value of shares. Hence no provision is made.

c) The company has made a provision for gratuity as initial contribution of Rs. 2,31,999 and changed the accounting method to keep inline with Accounting Standards. Consequently the profit is low to the extent.

02. PERFORMANCE:

Your Company has achieved total revenue of Rs. 552.68 lakhs and net profit of Rs. 4.92 Lakhs during the year under review. The revenue and the profitability for the first four months of the current year is at the same level compared to the last year.

03. DIVIDEND:

As a matter of prudent financial policy and to conserve resources your Directors do not recommend any dividend for the year ended 31.03.2007.

04. FIXED DEPOSITS:

During the period under review the Company has not accepted any fixed deposits from the public. There are no deposits due for repayment after maturity.

05. DIRECTORS:

Mr. V.G. Rangnekar and Mr. G.P. Goyal, Directors retires by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for reappointment.

Mr. Narendra Goel is re-appointed as Chief Executive Officer by the Board at its meeting held on 21.04.2006 and approval of Shareholders for the appointment and remuneration is sought as detailed in the Notice calling the Annual General Meeting.

Approval of the Shareholders is also sought for the previous period appointment of Mrs. Savita Goel, Mr. K.P. Pandey and Mr. Narendra Goel as Executive Directors.

06. AUDITORS:

M/s G.V. Sunder and Company, Chartered Accountants, the Statutory Auditors of the Company retires at this Annual General Meeting and are eligible for reappointment.

07. SECRETARIAL COMPLIANCE CERTIFICATE:

As required by provision to sub-section (1) of Section 383A of the Companies Act, 1956, the Secretarial Compliance Certificate from a Practising Company Secretary is attached to this Report.

08. DELISTING OF EQUITY SHARES:

The Board of Directors have decided to retain the listing on Regional Stock Exchange and on Bombay Stock exchange (BSE). It is proposed to delist the shares from Calcutta Stock Exchange Association Ltd. The above action is being taken to avoid unnecessary payment and administrative cost in the interest of company. A special resolution is included in the notice for consideration of the share holders at the 44th annual general meeting.

09. DEMATERIALIZATION OF SHARES:

62.86% of the total shares of the Company have been dematerialized as on 31.03.2007. 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.

10. REGISTRARS AND SHARE TRANSFER AGENTS:

The change in the address of the Registrars and Share Transfer Agents is as under;

TSR Dara Shaw Limited
6-10, Haji Moosa Patriwala Industrial Estate
No.20, Dr. E Moses Road, Mahalakshmi
Mumbai-400 011
Phone: 022-66568484/66568494

The Shareholders and all the concerned are requested to note the above change.

11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.

The statement pursuant to Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the annexure A, forming part of this report.

12. PARTICULARS OF EMPLOYEES:

The Company had no employees of the category mentioned in Section 217(2A) of the Companies Act, 1956.

13. DIRECTORS RESPONSIBILITY STATEMENT:

As required under Sec. 217 (2AA) of the Companies Act 1956 your Directors state that:

- (i) In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure.
- (ii) Selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the State of affairs of the Company at the end of the financial year and and profit of the Company for that period.
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) Annual Accounts for the financial year has been prepared on a going concern basis.

14. ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation for the continued support and co-operation extended by all customers, dealers, suppliers, Bankers, Government authorities, stakeholders and Business associates.

FOR AND ON BEHALF OF THE BOARD

Place: Bangalore
Date: 27.07.2007

NARENDRA GOEL
Chairman

Annexure B

SECRETARIAL COMPLIANCE CERTIFICATE

AGM-21-09-2007

CIN-U60231KA1963 PLC-004604

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 financial year ended on 31st March 2007. In my opinion and to the best of my information and according to the checks 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 of act 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, or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company is a public limited company and has the minium prescribed paid up capital during the financial year March 31st 2007.
4. The Board of Directors duly met four times on 21.4.2006, 31.07.2006, 30.10.2006, and 27.01.2007 in respect of which meetings proper notices were given and proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Register of Members were closed from 19.9.2006 to 27.9.2006
6. The Annual General Meeting for the financial year ended on 31.3.2006 was held on 27.9.2006 by giving due notice to the members of the Company and the resolutions recorded.
7. No extra ordinary general meeting (s) were held during the year.
8. The Company has not advanced any loans to 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. The Company has not obtained approvals pursuant under Section 314 of the Act.
12. One duplicate share certificate was issued during the year.
13. The Company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of additional Director alternate Directors and Directors to fill casual vacancies have been duly made.
15. The approvals of the Central Government, Company law Board, Regional Director, Registrar or such other authorities as prescribed under the various provisions of the Act were not necessary since Schedule XIII in not applicable.
16. 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.
17. The Company has not issued any shares during the financial year.
18. There was no claims to dividend, shares pending registration during the period.
19. No deposits were invited or accepted by the Company from public.

20. The Company has not borrowed from Directors, Members, Public Financial, Institutions and Banks during the financial year ending March 31,2007
21. The Company has not altered the provisions of the memorandum with respect to the situation of the Company's registered Company.
22. The Company has not altered the provisions of memorandum with respect to the objects of the Company.
23. The Company has not altered the provisions of memorandum with respect to Share capital of the company's during the year under scrutiny.
24. The Company has not altered its article of Association.
25. The show cause notices received by the Company were replied.
26. The Company has not received any Security Deposit form its employees during the year under certification.
27. The Company as complied with the provisions of ESI and PF Act.
28. The Company has
 - a. Effected transfer/transmission of securities/equity shares during the financial year and delivered all the certificates on lodgement thereof for transfer/ transmission after complying with the Provisions of the Act
 - b. Deposit of dividend does not apply as nc dividend is declared in previous years.
 - c. No payment of dividend was due in view of the above.
 - d. Not transferred any amount in unpaid dividend account. The outstanding share application money due for refund was transfered to government account. There were no amount of matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to be transferred to Investors Education and Protection Fund.
 - e. duly complied with the requirements of Section 217 of the Act.
29. The Company has not bought back any shares during the financial year.
30. There were no redemption of preference shares or debentures during the year.
31. There was no transaction necessitating the Company to keep in abeyance right to dividend, right shares or bonus shares pending registration of transfer.

Place : Bangalore
Date : 20.07.2007

R.C.VENKATESH RAO
COMPANY SECRETARY
IN PRACTICE
CP2733FCS2282

Annexure- A

The following are Registers as maintained by the Company:

Sl. No.	Name of the Register	Section Number
1.	Register of Members and Share ledger u/s	- 150
2.	Register of charges and copies thereof	- 143/136
3.	Minutes of Board Meeting	
4.	Minutes of Annual General/General Meetings	
5.	Books of Accounts- u/s	- 209
6.	Register of Contract -u/s	- 301
7.	Register of Directors	
8.	Register of Directors shareholding u/s	- 307
9.	Register of Directors attendance	
10.	Register of Shareholders attendance Records.	
11.	Register of Fixed Assets	
12.	File re: Copies of annual returns.	

Annexure- B

The following returns were filed during the year with Registrar of Companies

1. Compliance Certificate as of 31.03.2006 filed on 25.10.2006
2. Form 23 AC as of 31.03.2006 filed on 25.10.2006
3. Form 20B as of 31.03.2006 filed on 09.11.2006
4. Unclaimed Share application money remitted to Central Government on 30.12.2006
5. Form 32 Filed on 02.12.2006
6. Form 25 C filed on 23.12.2006
7. Form 25 C filed on 23.12.2006
8. Form 25 C filed on 23.12.2006
9. Form 25 C filed on 28.12.2006
10. Form 23- Re : N.Goel - 1.4.2001 to 31.03.2006 filed on 28.12.2006
11. Form 23- Re : N.Goel - 1.4.2006 to 31.03.2006 filed on 28.12.2006
12. Form 23- Re : K.P. Pandey - 29.4.2005 to 28.04.2008 filed on 28.12.2006

Place : Bangalore
Date : 20.07.2007

R.C. VENKATESH RAO
COMPANY SECRETARY
IN PRACTICE
CP2733FCS2282

AUDITORS' REPORT

We have audited the attached Balance Sheet of the "SER INDUSTRIES LIMITED", Chikkakuntanahalli Village, Bidadi Hobli, Ramanagar Taluk, Bangalore Rural District – 560 109 as at 31st March, 2007 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 the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.

As required by the Companies [Auditor's Report] Order, 2003 (as amended) 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 the books.
- c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of accounts.
- d. In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in section 211[3C] of 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 2007 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 explanations given to us, the said Balance Sheet and the Profit and Loss Account, read together with the notes thereon, 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 on 31st March 2007.
 - b. In the case of the Profit and Loss Account of the Profit of the Company for the year ended on that date; and
 - c. 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 : 27.07.2007

G. V. Sunder
Partner

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS' REPORT TO THE MEMBERS OF THE SER INDUSTRIES LIMITED FOR THE YEAR ENDED 31ST MARCH 2007

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 materials 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 (stores and 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 (stores and 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 transaction 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 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, are made at prices which are reasonable having regard to prevailing market prices.
6. The Company has not accepted any deposits from the public during the year.
7. The Company has an internal audit system 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 Custom Duty, Excise Duty and Sales Tax provisions.
- 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 does 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. 19 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 public issue during the year.
21. As per the information and explanation given to us no materials fraud on or by the Company has been noticed during the period.

Place : **Bangalore**
Date : 27.07.2007

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

G.V. SUNDER
Partner

Particulars	Sch No.	As on 31.3.2007 Amount	As on 31.3.2007 Amount	As on 31.3.2006 Amount	As on 31.3.2006 Amount
SOURCES OF FUNDS:					
Shareholders Funds					
a. Capital	A	9,945,900.00		9,945,900.00	
b. Reserves & Surplus	B	13,674,079.40		13,182,452.98	
			23,619,979.40		23,128,352.98
Loan Funds					
a. Secured Loans		-		-	
b. Unsecured Loans	C	-		412,440.00	412,440.00
Total			23,619,979.40		23,540,792.98
APPLICATION OF FUNDS:					
Fixed Assets					
a. Gross Block	D	7,320,956.95		6,683,797.95	
b. Less : Depreciation		4,185,193.16		3,749,620.18	
c. Net Block			3,135,763.79		2,934,177.77
Investments					
Deferred Tax Assets(Net)	E		2,803,500.00		2,803,500.00
			171,014.00		80,241.00
Current Assets, Loans and Advances					
a. Inventories	F	39,000.00		309,000.00	
b. Sundry Debtors	G	5,777,381.62		5,982,009.86	
c. Cash and Bank Balances	H	13,977,860.55		12,199,624.90	
d. Loans and Advances	I	4,610,607.84		4,092,407.10	
		24,404,850.01		22,583,041.86	
Less : Current Liabilities and Provisions					
a. Current Liabilities	J	1,977,032.40		636,038.65	
b. Provisions	K	4,918,116.00		4,224,129.00	
		6,895,148.40		4,860,167.65	
Net Current Assets			17,509,701.61		17,722,874.21
Notes on Accounts	R				
			23,619,979.40		23,540,792.98

Schedules A to K and R forms integral part of Balance Sheet

 Place : **Bangalore**

Date : 27.07.2007

Narendra Goel
 Director

V.G. Rangnekar
 Director

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

G.V. SUNDER
 Partner



SER INDUSTRIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2007

(Amount in Rupees)

Particulars	Sch No.	As on 31.3.2007	As on 31.3.2006
INCOME			
Freight Income	L	50,297,043.43	58,209,374.04
Other Income	M	4,970,584.34	2,901,478.32
Total Income		55,267,627.77	61,110,852.36
EXPENDITURE			
Operational Expenses	N	48,494,320.84	54,342,962.14
Personnel Expenses	O	2,457,650.00	1,656,994.50
Administrative Expenses	P	2,824,422.60	3,812,916.65
Financial Expenses	Q	100,149.91	84,344.94
Depreciation	D	530,331.00	469,439.29
Total Expenditure		54,406,874.35	60,366,657.52
PROFIT BEFORE TAX		860,753.42	744,194.84
Less : Provision for Taxation - Current (Deferred)		385,000.00	60,000.00
Fringe Benefit Tax		(90,773.00)	(80,241.00)
		74,900.00	64,129.00
PROFIT AFTER TAX		491,626.42	700,306.84
Less : Prior years Tax Adjustments		-	107,503.00
Profit available for Allocation		491,626.42	592,803.84
Current Profit		491,626.42	592,803.84
Surplus B/F from previous year		10,576,452.98	10,033,649.14
Profit available for appropriation		11,068,079.40	10,626,452.98
APPROPRIATION			
General Reserve		-	50,000.00
Surplus carried to Balance Sheet		11,068,079.40	10,576,452.98
Notes to Accounts	R		

Schedules L to R and D forms integral part of Profit & Loss Account

Place : Bangalore
Date : 27.07.2007

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

Narendra Goel
Director

V.G. Rangnekar
Director

G.V. SUNDER
Partner

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SCHEDULE FORMING PART OF ACCOUNTS

SCHEDULE - A

Particulars	As on 31.3.2007 Rs.	As on 31.3.2006 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 31.3.2007 Rs.	As on 31.3.2006 Rs.
RESERVES AND SURPLUS		
GENERAL RESERVE		
As per last Balance Sheet	2,606,000.00	2,556,000.00
Add : Transfer during the year		50,000.00
	2,606,000.00	2,606,000.00
PROFIT AND LOSS ACCOUNT		
	11,068,079.40	10,576,452.98
	11,068,079.40	10,576,452.98
	13,674,079.40	13,182,452.98

SCHEDULE - C

Particulars	As on 31.3.2007 Rs.	As on 31.3.2006 Rs.
UNSECURED LOANS:		
Inter Corporate Loans	-	243,540.00
From Others	-	168,900.00
	-	412,440.00

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FIXED ASSETS AS ON 31-03-2007
SCHEDULE - D

Sl. No.	Particulars	Rate	Gross Block				Depreciation				Net Block	
			Original Cost on 1-4-2006	Additions During the Year	Adj for Sale /Disposal	Total as on 31.3.07	Up to 31.3.2006	For the year	Adj for Sale/ Disposal	Total as on 31.03.2007	31.3.2007	31.3.2006
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	167,929.20	10,387.00	-	178,316.20	132,683.80	143,070.80
3.	FURNITURE & FIXTURE	6.33%	209,400.95	3,040.00	5,400.00	207,040.95	152,548.40	5,640.00	313.00	157,875.40	49,165.55	56,852.55
4.	MOTOR CYCLES	9.50%	207,582.00	-	-	207,582.00	55,425.80	19,183.00	-	74,608.80	132,973.20	152,156.20
5.	COMPUTERS	16.21%	711,527.00	-	15,450.00	696,077.00	333,162.00	109,641.00	14,523.02	428,279.98	267,797.00	378,365.00
6.	MOTOR CARS	9.50%	1,550,082.00	874,318.00	-	2,424,400.00	808,235.34	227,326.00	-	1,035,561.34	1,388,838.66	741,846.66
7.	OFFICE EQUIPMENTS	4.75%	123,799.00	-	15,150.00	108,649.00	46,230.28	5,067.00	6,369.00	44,928.28	63,720.72	77,568.72
8.	AIR CONDITIONERS	4.75%	90,905.00	-	-	90,905.00	90,902.00	-	-	90,902.00	3.00	3.00
9.	BICYCLES	9.50%	2,660.00	-	-	2,660.00	1,758.16	253.00	-	2,011.16	648.84	901.84
10.	TRUCKS	16.21%	2,496,548.00	130,000.00	99,000.00	2,527,548.00	2,093,429.00	152,634.00	73,553.00	2,172,710.00	354,838.00	403,119.00
	PLANT. & MACHINERY	4.75%	235,199.00	-	235,199.00	-	-	-	-	-	-	235,199.00
	TOTAL		6,683,797.95	1,007,358.00	370,199.00	7,320,956.95	3,749,620.18	530,331.00	94,758.02	4,185,193.16	3,135,763.77	2,934,177.77
	Previous Year		7,386,588.95	56,070.00	758,861.00	6,683,797.95	3,825,695.13	469,439.29	545,514.24	3,749,620.18	2,934,177.77	3,560,893.82

SCHEDULE - E

Particulars	As on 31.3.2007 Rs.	As on 31.3.2006 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) (Previous year 120000 shares of Rs. 10 each fully paid of which 80000/- shares acquired by right offer, face value Rs. 12,00,000/-)	2,800,000.00	2,800,000.00
2. Fully Paid up 10 Equity Shares of Rs.10/- each (P.Y. 10 equity shares of Rs 10 each) in Jai Corp Ltd. (Quoted)	1,000.00	1,000.00
3. Fully Paid up 90 Equity Shares of Rs. 10/- each (P.Y. 90 equity shares of Rs 10 each) Ardhra Pradesh Heavy Machinery & Engineering Limited (unquoted)	900.00	900.00
4. Fully Paid up 100 Equity Shares of Rs.10/- each (P.Y. 100 equity shares of Rs. 10 each) in Applied Electronics Limited. (Quoted)	1,600.00	1,600.00
(All the above investments are held as Long Term Investments)		
	2,803,500.00	2,803,500.00
Aggregate Value of quoted investments	30,372.00	12,778.00

SCHEDULE - F

Particulars	As on 31.3.2007 Rs.	As on 31.3.2006 Rs.
INVENTORIES:		
Stores, spares, tyres and tubes (Valued at cost as certified by the management)	39,000.00	309,000.00
	39,000.00	309,000.00

SCHEDULE - G

Particulars	As on 31.3.2007 Rs.	As on 31.3.2006 Rs.
SUNDRY DEBTORS:		
(Unsecured & considered good. No debts due from Directors)		
a. Outstanding for more than six months	637,256.31	464,281.48
b. Other debts	5,140,125.31	5,517,728.38
(There are no debts considered doubtful or bad)		
	5,777,381.62	5,982,009.86

SCHEDULE - H

Particulars	As on 31.3.2007 Rs.	As on 31.3.2006 Rs.
CASH AND BANK BALANCES		
a. Cash on hand	68,038.71	73,659.38
b. Balance with Scheduled Banks : Current Account	13,909,821.84	12,125,965.52
	13,977,860.55	12,199,624.90

SCHEDULE - I

Particulars	As on 31.3.2007 Rs.	As on 31.3.2006 Rs.
LOANS AND ADVANCES:		
[Advances receivable in cash or in kind or for value to be received unsecured and considered good. No advances due from Directors]		
Advance Income Tax	2,376,732.00	1,205,856.00
Advance Fringe Benefit Tax	85,716.00	64,129.00
Advance Receivable in cash or kind	913,536.00	543,823.00
Loans		900,000.00
Deposits	1,148,612.50	1,199,612.50
Staff and Driving Contractors advance	86,011.34	123,689.60
Interest Receivable		55,297.00
	4,610,607.84	4,092,407.10

SCHEDULE - J

Particulars	As on 31.3.2007 Rs.	As on 31.3.2006 Rs.
CURRENT LIABILITIES:		
a. Sundry Creditors	1,475,098.40	109,489.00
b. Outstanding Liabilities	501,934.00	525,049.65
c. Excess Call money received	-	1,500.00
	1,977,032.40	636,038.65

SCHEDULE - K

Particulars	As on 31.3.2007 Rs.	As on 31.3.2006 Rs.
PROVISIONS:		
a. Income Tax	4,545,000.00	4,160,000.00
b. Fringe Benefit Tax	74,900.00	64,129.00
c. Provision for Gratuity	231,999.00	-
d. Provision for Leave Encashment	66,217.00	-
	4,918,116.00	4,224,129.00

SCHEDULE - L

Particulars	As on 31.3.2007 Rs.	As on 31.3.2006 Rs.
INCOME		
a. Freight Income	43,482,319.42	51,652,706.49
b. Freight from Co.'s Truck	2,154,728.01	2,558,089.55
c. Freight from Co.'s Containers Truck	4,659,996.00	3,998,578.00
	50,297,043.43	58,209,374.04

SCHEDULE - M

Particulars	As on 31.3.2007 Rs.	As on 31.3.2006 Rs.
OTHER INCOME		
a. Service Charges Received	4,120,165.00	2,405,931.80
b. Miscellaneous Receipts	280,709.34	293,430.73
c. Octroi Received	264,978.00	8,106.00
b. Profit on sale of Investments (Long Term Investments)	-	23,751.26
c. Profit on Sale of Fixed assets	39,553.00	
c. Dividend from shares (long term investments)	250.00	180.00
d. Interest income, Gross (TDS Rs23,843/- PY. TDS Rs.14,946/-)	264,929.00	170,078.53
	4,970,584.34	2,901,478.32

SCHEDULE - N

Particulars	As on 31.3.2007 Rs.	As on 31.3.2006 Rs.
OPERATIONAL EXPENSES		
a. Diesel & Lubricants	3,276,287.37	3,149,107.20
b. Freight Charges	37,210,436.50	45,079,314.45
c. Insurance	64,078.00	61,110.00
d. Miscellaneous Operational Expenses	1,058,377.25	943,896.63
e. Rates & Taxes	364,561.50	326,225.50
f. Repairs & Maintenance	206,234.00	595,482.46
g. Trip Charges	618,817.00	657,441.85
h. Tyres, Tubes and Flaps Consumed	1,930,090.35	1,242,366.15
j. Service Charges Paid	3,765,438.87	2,288,017.90
	48,494,320.84	54,342,962.14

SCHEDULE - O

Particulars	As on 31.3.2007 Rs.	As on 31.3.2006 Rs.
PERSONNEL EXPENSES		
a. Salary & Allowances	2,179,728.65	1,394,624.00
b. Bonus	115,718.35	96,571.00
c. Staff welfare	31,081.00	46,090.50
d. Provident Fund	100,840.00	94,756.00
e. Employees State Insurance	30,282.00	24,953.00
	2,457,650.00	1,656,994.50

SCHEDULE - P

Particulars	As on 31.3.2007 Rs.	As on 31.3.2006 Rs.
ADMINISTRATIVE EXPENSES		
a. Rent	531,370.00	520,436.00
b. Water & Electricity	58,479.50	35,588.00
c. Insurance on Cars and Two Wheelers	45,789.00	17,389.00
d. Postage & Telegram	95,510.00	86,911.52
e. Printing & Stationary	175,341.73	170,364.88
f. Telephone & Telex	399,065.35	419,254.81
g. Books & Periodicals	4,884.50	5,935.50
h. Directors Sitting Fees	16,200.00	7,000.00
l. Professional & Legal Charges	243,875.00	47,698.00
j. Auditors remuneration:		
i. Audit Fees	50,000.00	40,000.00
ii. Tax Audit Fees	25,000.00	15,000.00
iii. Reimbursement of Expenses	10,589.00	12,516.00
k. AGM expenses	4,031.00	2,621.00
l. Directors remuneration	-	289,050.00
m. General Expenses	546,627.60	1,413,917.30
n. Listing & filing Fees	21,275.00	20,150.00
o. Repairs & Maintenance Others	175,924.00	123,261.00
p. Cars & Two Wheelers Maintenance	259,681.42	225,460.12
q. Travelling & Conveyance	84,526.50	164,889.75
r. Press, Notices & Advertisements	68,564.00	27,488.00
s. Loss on Sale of Fixed Assets	7,689.00	167,985.77
	2,824,422.60	3,812,916.65

SCHEDULE - Q

Particulars	As on 31.3.2007 Rs.	As on 31.3.2006 Rs.
FINANCIAL EXPENSES		
a. Bank Charges	100,149.91	84,344.94
	100,149.91	84,344.94

SCHEDULE: - R.

NOTES FORMING PART OF ACCOUNTS:

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31. 3. 2007

A. ACCOUNTING POLICIES:

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. The significant accounting policies followed by the Company are:

1. Revenue Recognition: Revenue from transportation of goods is recognized and accounted as and when the services are rendered. Interest income and other income are recognized on accrual basis.
2. Fixed Assets have been capitalized at its acquisition cost and other costs attributable to bring the assets to its working conditions for their intended use.
3. (a) Depreciation on fixed assets is provided on straight line method and 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.
4. Stocks of Stores and Truck spares have been valued at lower of cost or realizable value. The Company is following first in first out method for valuation of inventories.
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. Segmental Revenue and Expenditure: The Company operates under only one segment of transportation and related services.
8. Employee Benefits: Contributions to the Provident Fund are made on actual liability basis calculated as a percentage of salary, as per the provisions of Employees Provident Fund Act, 1972. Up to the previous financial year, the Company was following cash system of accounting for payment of Gratuity and Leave Encashment. However, from the current Financial Year, the Company has changed its Accounting Policy and made necessary provisions for Gratuity payable to the employees for the past services rendered and Leave Encashment Payable.
9. Provision for Taxation: Provision for current taxes are made on the profits of the Company at the rates applicable for the current financial year. Provision for Deferred Tax is made on the net amount of timing differences at the rates applicable for the current year. Provision for Fringe Benefit Tax is made on the actual basis at the rates prescribed under Income Tax Act.
10. The Company has not acquired any assets on lease basis.

B. NOTES ON ACCOUNTS:

11. Claims against the Company not acknowledged as debt: Rs. -Nil- (Previous Year: Rs. -Nil-)
12. Contingent Liabilities not provided for: Rs. -Nil- (Previous Year: Rs. -Nil-)
13. Estimated amount of contracts remaining to be executed on Capital Accounts not provided for : Rs. - Nil- (Previous Year : Rs. -Nil-)
14. Earnings in Foreign Currency: Rs. Nil (Previous Year: Rs. -Nil-)
15. Expenditure in Foreign Currency: Rs.-Nil- (Previous Year: Rs. -Nil-)
16. Remuneration to Directors: None of the Directors have received any remuneration during the year (P.Y. Rs.2,89,050/-)
17. None of the Creditors of the Company have confirmed that they are small scale industrial unit.

18. Related Party Transactions:

Sl.No	Name of the Related Concern	Nature of Relation	Nature of Transaction	Amount of Transaction
1	Madiwala- Charitable Trust	The Director(s) of the Company are Trustee(s) of the Trust.	Rent Paid	Rs. 1,02,000/-
2	M/s Nandanvan Roadways	The Director's Relatives are partners in the Firm.	Nil	Nil.
3	M/s Varun Engineering Works	The Director's Relatives are partners in the Firm.	Nil.	Nil.
4	Chhabildas Memorial Foundation	The Director(s) of the Company are Trustee(s) of the Trust.	Nil	Nil
5	Mrs. Savita Goel	Relative of Director	Salary Paid	Rs. 2,02,585/-

19. Due to pending litigation, physical share certificates for Investments in Haryana Steel & Alloys Limited are not available with the Company. The above mentioned is an unlisted Company and considering the present worth of the assets owned by it, the Management of the Company is of the opinion that, there is no diminution in the value of investments made by the Company. The Company is expecting the final Order from the Hon'ble High Court of Delhi, by December 2007. In view of the above position, in the opinion of the Management, there is no diminution in the value of the investments made in equity shares of the Company.

20. Gratuity: During the Financial Year the Company has changed the method of accounting for Gratuity and Leave Encashment payable to employees, from cash system to mercantile system of accounting. The Company has made a provision for Gratuity Payable of Rs. 2,31,999/- on account of past arrears Leave Encashment of Rs. 66,217/- during the current Financial Year. These liabilities were not provided in the books of accounts during the earlier years. Out of the above, Gratuity provision of Rs. 2,02,152/- and Leave Encashment provision of Rs. 58,516/- is relating to the earlier years and profit for the year and reserves and surplus has been reduced to that extent. The Company's gratuity plan and Leave Encashment plan is not funded and the liability is provided for in the books of account.

(Rs. '000)

Gratuity:

Projected benefit obligation at the beginning of the year	202.15
Benefits Paid	(9.81)
Projected benefit obligation at the end of the year	231.99

Leave Encashment:

Projected benefit obligation at the beginning of the year	58.52
Benefits Paid	(9.30)
Projected benefit obligation at the end of the year	66.22

Assumed Discount Rate is 8.00% and Interest Cost 7.50% p.a
(Projected benefit obligations at the end of the year is considered as per actuarial valuation)

21. Additional Information required: Paragraphs 3, 4C and 4D of Part II of Schedule – VI to the Companies Act, 1956, is applicable to the extent it relates to Gross Income derived from services rendered and major expenditure etc. These information 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.

22. Previous year figures have been regrouped or rearranged wherever necessary.

Place: Bangalore.
Date : 27.7.2007

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

Narendra Goel
Director

V.G. Rangnekar
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 : 31.03.2007

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

Public Issue - Right Issue
Bonus Issue - Private Placement

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

Total Liabilities	Total Assets
23,619.98	23,619.98
Sources of Funds :	
Paid-up Capital	Reserves & Surplus
9,945.90	13,674.08
Secured Loan	Unsecured Loans
Nil	Nil
Application of Funds :	
Net Fixed Assets	Investment
3,135.76	2803.50
Net Current Assets	Misc. Expenditure
17,680.72	Nil
Accumulated Losses	
Nil	

4 Performance of Company (Amount in Rs. Thousands)

Turnover	Total Expenditure
55,267.63	54,406.87
Profit / Loss Before Tax	Profit / Loss After Tax
860.75	491.63
Earning Per Share of Rs.10/- each (Rs)	Dividend Rate (%)
0.50	NIL

5 Generic Names of Three Principals products / services of company (As per monetary terms) Item Code No. (ITC Code) : NA

Product Description : Transport and Other allied Services

CASH FLOW STATEMENT

Particulars	As on 31.3.2007 Rs. in Lacs	As on 31.3.2006 Rs. in Lacs
A. CASH FLOW FROM OPERATION :		
Net Profit / (Loss) Before Tax	8.61	7.44
Adjustments for :		
Depreciation	5.30	4.69
Interest & Dividend Income	(2.65)	(1.70)
Profit on sale of Assets (net)	(0.32)	-
Profit on sale of Investments	-	(0.24)
Loss on Sale of Investments	-	-
Operating Profit before working capital changes.	10.94	10.19
Adjustment for :		
Increase / (Decrease) in Sundry Debtors	2.05	(1.81)
Increase / (Decrease) in loans & advances	5.18	28.27
Increase / (Decrease) in Inventory	(2.70)	(2.70)
Increase in Current Liabilities	11.37	(1.02)
Decrease in current Liabilities	-	-
Cash Generated form Operations.	26.84	32.93
Interest Received	2.65	1.70
Direct Tax Paid (Net of refund and adjustments)	(0.58)	(3.21)
NET CASH FLOW FROM OPERATING ACTIVITES (A)	28.91	31.42



Particulars	As on 31.3.2006 Rs.	As on 31.3.2005 Rs.
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Dividend Received	-	-
Sale of Fixed Assets	3.07	0.43
Sale of Investments	-	0.80
Additions to Fixed Assets	(10.07)	(0.56)
Additions to Investments	-	-
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(7.00)	0.67
C. CASH FLOW FROM FINANCIAL ACTIVITIES :		
Repayment of Term Loan	(4.12)	-
Dividend Paid*	-	(0.68)
Interest Paid	-	-
NET CASH FLOW FROM FINANCIAL ACTIVITIES (C)	(4.12)	(0.68)
Net Increase / (Decrease) in cash & cash equivalents (A+B+C)	17.79	31.41
Cash & Cash equivalents (Opening) Cash and Bank Balances	121.99	90.58
Cash & Cash equivalents (Closing)	139.78	121.99

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

SER INDUSTRIES LIMITED,

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

PROXY FORM

I/We.....of.....in the district of.....being a member/members of SER Industries Limited, hereby appoint.....of.....in the district of or failing himof in the district of as my/our proxy to attend and vote for me/us on my/our behalf at the Forty fourth Annual General Meeting of the Company to be held on Friday the 21st day of September 2007 at 11:30 AM at Registered Office of the Company at Chikkakuntanahalli Village, Bidadi Hobli, Ramanagara Taluk, Bangalore- 562 109. and at any adjournment thereof.

Signed this day of 2007

Affix Revenue Stamp

DP. Id +	
Client Id +	
Reg. Folio No.	

Signature

+ Applicable if share are held in electronic form.
 The form is to be used *infavour of/* against the Resolution. Unless otherwise instructed the proxy will act as he thinks it.
 * Strike out whichever is not desired.

NOTE :
 The proxy form in order to be effective should be fully completed and signed across the Revenue Stamp and should reach the Registered Office of the Company at least 48 hours before the time of the meeting.

ATTENDANCE SLIP

FORTY FOURTH ANNUAL GENERAL MEETING ON FRIDAY THE 21ST DAY OF SEPTEMBER 2007
 I certify that I am a registered shareholder/proxy for the registered shareholder of the Company, I hereby record my presence at the Forty Fourth Annual General Meeting of the Company to be held on Friday the 21st day of September 2007 at 11:30 AM at Registered. Office of the Company at Chikkakuntanahalli Village, Bidadi Hobli, Ramanagara Taluk, Bangalore- 562 109.

DP. Id +	
Client Id +	
Reg. Folio No.	

Signature of the shareholder/Proxy

Full Name of the Shareholder/Proxy
 (in block letters)

+ Applicable if share are held in electronic form.
NOTE :
 Shareholders attending the meeting in person or by proxy are requested to complete this attendance slip and hand it over at the entrance of the meeting hall.

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If undelivered please return to :

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