



37th Annual Report
1999 - 2000

S E R INDUSTRIES LIMITED

BOARD OF DIRECTORS	:	Sri Narendra Goel Smt. Savita Goel Sri G.P. Goyal Sri Rangnekar Sri Jayant Mitra Lt. Col. Lalit Buxi
REGISTERED OFFICE	:	S E R Industries Ltd., C/o. S.E.R. Compound, Rupen Agrahara, Hosur Road, Madiwala, Bangalore - 560 068. Ph. : 5722856
CORPORATE OFFICE	:	# 107-108, Mittal Chambers, Nariman Point, MUMBAI - 400 021. Ph. : 2813137, 2813138 Fax : 2860392 e-mail : ser@vsnl.com
BANKERS	:	Bank of Maharashtra, Nariman Point Branch, Mumbai - 400 021.
AUDITORS	:	M/s. G.V. Sunder and Company, Chartered Accountants, 3/5, IV Floor, Tower Block, Unity Bldg., Mission Road, Bangalore - 560 002.
SHARE TRANSFER AGENT	:	M/s. Raj Consultancy Services, # 43, Upstairs, III Cross, Link Road, Malleswaram, Bangalore - 560 003. Phone : 3341765 / 3460386

NOTICE

Notice is hereby given that the THIRTY SEVENTH ANNUAL GENERAL MEETING of the members of the company will be held at the Registered Office of the Company at SER Compound, Rupen Agrahara, 8th Mile Stone, Hosur Road, Madiwala, Bangalore - 560 068, on Thursday, 28th September, 2000 at 12.30 P.M. to transact the following business.

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2000 and Profit and Loss Account for the financial year ended on that date and the reports of the Directors and Auditors.
2. To appoint a Director in place of Mr. Narendra Goel who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors in the place of retiring Auditors and to fix their remuneration.
4. "To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution"
"RESOLVED that Mrs. Savita Goel be and is hereby appointed as a Director of the Company liable to retire by rotation"
5. "To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution".
"RESOLVED that Mr. G. P. Goyal be and is hereby appointed as a Director of the Company liable to retire by rotation".
6. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution".
"RESOLVED that Mr. V. G. Rangnekar be and is hereby appointed as a Director of the Company liable to retire by rotation".
7. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution.
"RESOLVED that Mr. Jayant Mitra be and is hereby appointed as a Director of the Company liable to retire by rotation"
8. "To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution".
"Resolved that Mr. Lalit Buxi be and is hereby appointed as a Director of the Company liable to retire by rotation"

Place : Bangalore

Date : 9th August 2000

By Order of the Board of Directors
Chairman

NOTES :

1. IT IS NOTIFIED THAT THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS OF EQUITY SHARES OF THE COMPANY WILL REMAIN CLOSED FROM 20TH SEPT. 2000 TO 28TH SEPT. 2000 (BOTH DAYS INCLUSIVE).
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED SIGNED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
4. Members desiring any information with regard to Accounts are requested to write to the Company atleast 10 days before the date of the meeting, so as to enable the management to keep the information ready.
5. Members are requested to immediately notify change in their address to the Company's Share Transfer Agents:
M/s. Raj Consultancy Services,
43, III Cross, Link Road,
Malleswaram, Bangalore - 560 003.
6. MEMBERS ARE REQUESTED TO BRING THEIR COPIES OF THE ANNUAL REPORT ALONG WITH THEM TO THE GENERAL MEETING.

By order of the Board of Directors

ANNEXURE TO THE NOTICE DATED 9TH AUGUST 2000

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

Item No. 4 Mrs. Savita Goel was appointed as a Director of the Company by the Board of Directors at its meeting held on 28th April 2000 as additional Director U/s 260 of the Companies Act, 1956. She will hold office up to the date of the forthcoming Annual General Meeting of the Company. The Company has received a Notice in writing from a member under Section 257 of the Companies Act, 1956 together with the required deposit, signifying the intention to propose the appointment of Mrs. Savita Goel as a Director of the Company liable to retire by rotation.

Mrs. Savita Goel has filed her consent with the Company under section 264 (1) of the Companies Act, 1956, to act as a Director of the Company, if appointed. Hence approval is sought from the Members of the Company for her appointment by an Ordinary Resolution. None of the Directors of the Company Except Mrs. Savita Goel and Mr. Narendra Goel are concerned or interested in this resolution.

Item No. 5. Mr. G. P. Goyal was appointed as a Director of the Company by the Board of Directors at its meeting held on 28th July 2000 as additional Director U/s 260 of the Companies Act, 1956. He will hold office up to the date of the forthcoming Annual General Meeting of the Company. The Company has received a Notice in writing from a member under Section 257 of the Companies Act, 1956 together with the required deposit, signifying the intention to propose the appointment of Mr. G. P. Goyal as a Director of the Company liable to retire by rotation.

Mr. G. P. Goyal has filed his consent with the Company under section 264(1) of the Companies Act, 1956, to act as a Director of the Company, if appointed.

Hence approval is sought from the Members of the Company for his appointment by an Ordinary Resolution. None of the Directors of the Company Except Mr. G. P. Goyal is concerned or interested in this resolution.

Item No. 6. Mr. V. G. Rangnekar was appointed as a Director of the Company by the Board of Directors at its meeting held on 28th July as additional Director U/s 260 of the Companies Act, 1956. He will hold office up to the date of the forthcoming Annual General Meeting of the Company. The Company has received a Notice in writing from a member under Section 257 of the Companies Act, 1956 together with the required deposit, signifying the intention to propose the appointment of Mr. V. G. Rangnekar as a Director of the Company liable to retire by rotation.

Mr. V. G. Rangnekar has filed his consent with the Company under section 264 (1) of the Companies Act, 1956, to act as a Director of the Company, if appointed.

Hence approval is sought from the Members of the Company for his appointment by an Ordinary Resolution. None of the Directors of the Company Except Mr. V. G. Rangnekar is concerned or interested in this resolution.

Item No. 7. Mr. Jayant Mitra was appointed as a Director of the Company by the Board of Directors at its meeting held on 28th July 2000 as additional Director U/s 260 of the Companies Act, 1956. He will hold office up to the date of the forthcoming Annual General Meeting of the Company. The Company has received a Notice in writing from a member under Section 257 of the Companies Act, 1956 together with the required deposit, signifying his intention to propose the appointment of Mr. Jayant Mitra as a Director of the Company liable to retire by rotation.

Mr. Jayant Mitra has filed his consent with the Company under section 264(1) of the Companies Act, 1956, to act as a Director of the Company, if appointed.

Hence approval is sought from the Members of the Company for his appointment by an Ordinary Resolution. None of the Directors of the Company Except Mr. Jayant Mitra is concerned or interested in this resolution.

Item No. 8. Mr. Lalit Buxi was appointed as a Director of the Company by the Board of Directors at its meeting held on 28th July 2000 as additional Director U/s 260 of the Companies Act, 1956. He will hold office up to the date of the forthcoming Annual General Meeting of the Company. The Company has received a Notice in writing from a member under Section 257 of the Companies Act, 1956 together with the required deposit, signifying his intention to propose the appointment of Mr. Lalit Buxi as a Director of the Company liable to retire by rotation.

Mr. Lalit Buxi has filed his consent with the Company under section 264(1) of the Companies Act, 1956, to act as a Director of the Company, if appointed.

Hence approval is sought from the Members of the Company for his appointment by an Ordinary Resolution. None of the Directors of the Company Except Mr. Lalit Buxi is concerned or interested in this resolution.

Place : Bangalore

Date : 9th August 2000

for and on behalf of the Board

Chairman

37th Annual Report 1999-2000

DIRECTORS' REPORT FOR THE YEAR 1999-2000

Dear Shareholders,

Your Directors have pleasure in presenting the Thirty Seventh Annual Report of your Company together with the Audited Accounts for the year ended 31st March 2000.

FINANCIAL HIGHLIGHTS :

The Financial Results for the year ended 31st March 2000.

Particulars	(Figures in Lakhs of Rupees)	
	Year ended 31.03.2000	year ended 31.03.1999
Operating Profit	(06.80)	(07.94)
Other Income	<u>18.66</u>	<u>05.69</u>
Profit for the year before Depreciation and Taxation	11.86	(02.25)
Less Depreciation for the year	<u>2.21</u>	<u>02.63</u>
Profit before Taxation	9.65	(04.88)
Add : Adjustments related to earlier year taxation	----	(0.16)
Less : Provision for taxation	<u>1.12</u>	----
Profit after Tax	8.53	(05.04)
Add. Surplus brought forward from last year	<u>62.02</u>	<u>67.06</u>
Profit available for appropriation	<u>70.55</u>	<u>62.02</u>
APPROPRIATION :		
a) Transfer to General Reserve	----	----
b) Proposed Dividend	----	----
c) Corporate Divident Tax	----	----
d) Surplus carried to Balance Sheet	<u>70.55</u>	<u>62.02</u>
	<u>70.55</u>	<u>62.02</u>

OPERATIONS:

The year 1999-2000 witnessed another significant economic slow-down, slowdown of the industrial/infrastructural development in the country, affected negatively to the performance of the company. The working of the company also affected by the increase maintenance cost and competitive market. However the company has already initiated steps to improve operation of the company and hope to better results in the coming years.

DIVIDEND :

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

DIRECTORS :

In terms of Article 99 of the Articles of Association Sri Narendra Goel Director of the company retire by rotation and being eligible offers himself for re-appointment.

Mrs. Savita Goel was appointed, as a Director of the Company by the Board of Directors at its meeting held on 28th April 2000 as an additional Director to hold the office up to the forthcoming Annual General Meeting. Necessary resolutions seeking your approval for their appointment are set out in the Notice convening the forthcoming Annual General Meeting.

Mr. G. P. Goyal was appointed as a Director of the Company by the board of Directors at its meeting held on 28th July 2000 as an additional Director to hold the office up to the forthcoming Annual General Meeting. Necessary resolutions seeking your approval for their appointment are set out in the Notice convening the forthcoming Annual General Meeting.

Mr. Jayant Mitra was appointed as a Director of the Company by the Board of Directors at its meeting held on 28th July 2000 as an additional Director to hold the office up to the forthcoming Annual General Meeting. Necessary resolutions seeking your approval for their appointment are set out in the Notice convening the forthcoming Annual General Meeting.

Mr. V.G. Rangnekar was appointed as a Director of the Company by the Board of Directors at its meeting held on 28th July 2000 as an additional Director to hold the office up to the forthcoming Annual General Meeting. Necessary resolutions seeking your approval for their appointment are set out in the Notice convening the forthcoming Annual General Meeting.

Mr. Lalit Buxi was appointed as a Director of the Company by the Board of Directors at its meeting held on 28th July 2000 as an additional Director to hold the office up to the forthcoming Annual General Meeting. Necessary resolutions seeking your approval for their appointment are set out in the Notice convening the forthcoming Annual General Meeting.

AUDITORS :

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

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

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

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

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

EMPLOYEES :

Non of the employees of the Company were in receipt of remuneration exceeding the limits prescribed under Section 217 (2A) of the Companies Act, 1956.

DEPOSITS :

The Company has not accepted any public deposit during the year. deposits amounting to Rs. 1,68,990/- have been matured but not claimed.

The Company has written letter to these depositors for forwarding duly discharged receipts for repayment and/or renewal of the deposits.

LISTING :

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

DEMATERIALISATION :

The Company is making arrangements for dematerializing its shares in the coming year Discussions have been made with different Depositories for undertaking the transaction

APPRECIATION :

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

Place : Bangalore

Date : 9th August 2000

On behalf of the Board

NARENDRA GOEL

Chairman

AUDITOR'S REPORT

TO THE MEMBERS,

We have audited the attached Balance Sheet of 'SER INDUSTRIES LIMITED', SER Compound, Rupen Agrahara, Hosur Road, Madiwala, Bangalore - 560 068. Ph. : 5722856 as at 31st March, 2000 and the Profit and Loss Account for the year ended on that date and report that:

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion proper books of accounts as required by law have been kept by the company so far as it appears from our examination of such books.
3. The Balance Sheet and Profit and Loss Account dealt with in this report are in agreement with the books of accounts.
4. In our opinion the Profit and Loss Account and Balance Sheet comply with the Accounting Standards referred to in sub-section 3© of Section 211 of the Companies Act, 1956.
5. In our opinion and to the best of our information and according to the explanation given to us, the said accounts read together with notes thereon and subject to item No. 6 of Accounting Policies under Schedule S, give the information required by Companies Act, 1956 in the manner so required and gives a true and fair view:
 - a) In the case of Balance Sheet of the state of affairs of the company as at 31st March 2000.
 - b) In the case of Profit and Loss Account of the Profit of the company for the period ended on that date.
6. As required by the manufacturing and other Companies (Auditors Report) Order 1988,

issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we consider appropriate, we further state that:

- i) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets. The management at reasonable intervals has physically verified these fixed assets. On the basis of explanations given to us, no material discrepancies were noticed on such verification.
- ii) None of the fixed assets have been revalued during the year.
- iii) The stock of stores, spare parts, tyres and tubes have been physically verified by the management at the reasonable intervals.
- iv) The procedure for physical verification of stores, spare parts, tyres and tubes followed by management are reasonable and adequate in relation to the size of the company and the nature of its business.
- v) No material discrepancies have been noticed on physical verification of stores, spare parts, tyres and tubes.
- vi) In our opinion the valuation of stores, spare parts, tyres and tubes is fair and proper and in accordance with normally accepted accounting principles and is on the same basis as in the preceding year.
- vii) The company has not taken loans from companies, listed in the register maintained under Section 301 of Companies Act, 1956. The company has not taken loans from the companies under the same management as defined under Sub-section 1B of Section 370 of the Companies Act, 1956.
- viii) The company has not granted loans secured or unsecured, to the companies, firms or other parties listed in the register maintained

under Section 301 of Companies Act, 1956. During the year, no loans secured or unsecured, have been granted to the companies under the same management as defined under sub-section 1B of Section 370 of the Companies Act, 1956.

- ix) In respect of loans or advances in the nature of loans, given by the company, the parties are repaying the interest and principal amount as stipulated.
- x) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of stores, including components, equipment and other assets.
- xi) The company has not purchased/sold goods/ rendered services to any of the parties listed in the register maintained under Section 301 of the Companies Act, 1956 exceeding Rs. 50,000.00 (Rupees Fifty Thousand).
- xii) As explained to us, on physical verification of stores, spare parts, tyres and tubes, the company is not having unserviceable or damaged goods.
- xiii) The Company has not accepted any deposits as explained under Section 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 maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956.
- xvii) The company is regular in depositing Provident Fund and Employee's State

Insurance dues with the appropriate authorities.

- xviii) According to the information and explanation given to us no undisputed amount in respect of Income tax, Entry tax, Wealth tax, Sales tax, Customs duty and Excise duty were outstanding for more than six months as at 31st March, 2000.
- xix) According to the information and explanation given to us no personal expenses of employees or directors have been charged to the revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
- xx) The Company is not a Sick Industrial Company with in the meaning of Clause (o) of sub-section (3) of the Sick Industrial Companies (Special Provision) Act, 1985.
- xxi) Since the company is not carrying on manufacturing or trading activities, in our opinion Clause xxi, xxii, xxiii of the Manufacturing and Other Companies (Auditor's Report) Order 1988 are not applicable.

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

(G.V. SUNDER)
Partner

Place: Bangalore
Date: 22.6.2000

BALANCE SHEET AS ON 31ST MARCH 2000

(Figures in Rupees)

	Sch No.	As on 31.03.2000 Rs.	As on 31.03.2000 Rs.	As on 31.03.1999 Rs.	As on 31.03.1999 Rs.
A. SOURCES OF FUNDS					
Shareholders Funds					
a. Capital	A	9,945,900.00		9,945,90.00	
b. Reserves & Surplus	B	<u>9,610,504.45</u>	19,556,404.45	<u>8,757,589.58</u>	
					18,703,489.58
Loan funds					
a. Secured Loans	C	-		190,805.00	
b. Unsecured Loans	D	<u>947,437.00</u>	947,437.00	<u>2,337,440.00</u>	2,528,245.00
TOTAL			<u>20,503,841.45</u>		<u>21,231,734.58</u>
B APPLICATION OF FUNDS					
Fixed Assets					
a. Gross Block		11,021,451.00		12,734,708.00	
b. Less: Depreciation		<u>6,624,012.56</u>		<u>8,155,318.00</u>	
c. Net Block			4,397,438.44		4,579,390.00
Investments	F		3,817,500.00		5,880,575.00
Current Assets, Loans And Advances					
a. Inventories	G	39,000.00		211,500.00	
b. Sundry Debtors	H	4,273,749.83		7,074,214.71	
c. Cash and Bank Balances	I	895,318.54		1,234,688.77	
d. Loans and Advances	J	<u>13,476,577.28</u>		<u>9,873,514.42</u>	
			18,684,645.65		18,393,917.90
Less: Current Liabilities & Provisions					
a. Current Liabilities	K	1,423,742.64		2,762,148.32	
b. Provisions	L	<u>4,972,000.00</u>		<u>4,860,000.00</u>	
			6,395,742.64		7,622,148.32
Net Current Assets			12,288,903.01		10,771,769.58
Notes on Accounts	S				
			<u>20,503,841.45</u>		<u>21,231,734.58</u>

Sd/-
Narendra Goel
Director

Sd/-
Savita Goel
Director

Vide our report of even date
For **G.V. SUNDER & CO.**,
Chartered Accountants
Sd/-
(G.V. SUNDER)
Partner

Place : Bangalore
Date : 22-06-2000

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2000

	Sch No.	As on 31.03.2000	As on 31.03.1999
INCOME			
Freight Income	M	41,207,470.69	46,991,393.76
Other Income	N	1,865,548.83	569,257.62
Total Income		43,073,019.52	47,560,651.38
EXPENDITURE			
Operational Expenses	O	37,446,686.10	42,967,012.45
Personal Expenses	P	1,236,199.40	1,236,701.45
Administrative Expenses	Q	3,156,666.74	3,394,718.02
Financial Expenses	R	47,865.10	186,732.86
Depreciation	E	220,687.31	263,372.02
Total Expenditure		42,108,104.65	48,048,536.80
PROFIT BEFORE TAX		964,914.87	(487,885.42)
Add: Adjustments related to earlier year – Taxation			(16,595.00)
Less: Provision for Taxation		112,000.00	
PROFIT AFTER TAX		852,914.87	(504,480.42)
Profit after Tax		852,914.87	(504,480.42)
Surplus brought forward from Previous Year		6,201,589.58	6,706,070.00
Profit available for appropriation		7,054,504.45	6,201,589.58
APPROPRIATION			
a. General Reserve		-	-
b. Proposed dividend		-	-
c. Corporate Dividend Tax		-	-
d. Surplus carried to Balance Sheet		7,054,504.45	6,201,589.58
		7,054,504.45	6,201,589.58

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

Sd/-
Narendra Goel
Director

Sd/-
Savita Goel
Director

Sd/-
(G.V. SUNDER)
Partner

Place : Bangalore
Date : 22-06-2000

SCHEDULE FORMING PARTS OF ACCOUNTS

SCHEDULE-A : SHARE CAPITAL

	As on 31.03.2000 Rs.	As on 31.03.1999 Rs.
AUTHORISED		
60,00,000 Equity Shares of Rs. 10/- each	6,000,000.00	6,000,000.00
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-up on 9,900 shares Forfeited	50,000.00	50,000.00
	9,945,900.00	9,945,900.00

SCHEDULE - B

RESERVES AND SURPLUS

GENERAL RESERVE

As per last balance sheet

2,556,000.00

2,556,000.00

Ass: Transfer from Profit and Loss A/c

2,556,000.00

2,556,000.00

PROFIT AND LOSS ACCOUNT

7,054,504.45

6,201,589.58

9,610,504.45**8,757,589.58**

SCHEDULE - C : SECURED LOANS

TERM LOANS

From Country Wide Finance for the purpose of
purchase of car against the security of the same

Nil

190,805.00

190,805.00

SCHEDULE - D : UNSECURED LOANS

Inter Corporate loans

778,537.00

1,443,540.00

From Others

1,68,900.00

8,93,900.00

1,68,900.00**8,93,900.00**

SCHEDULE - E: FIXED ASSETS

SL.NO.	PARTICULARS	RATE	GROSS BLOCK				DEPRECIATION				NET BLOCK	
			ORIGINAL COST ON 01.04.99	ADJ FOR SALE OR DISPOSAL	ADDITIONS	TOTAL AS ON 31.3.00	UPTO 31.03.99	FOR THE YEAR	ADJ FOR SALE OR DISPOSAL	TOTAL	31.03.2000	31.03.1999
I	LAND	-	913,808.00	-	44,760.00	958,568.00	-	-	-	-	958,568.00	913,808.00
II	BUILDINGS	3.34	2,736,500.00	-	-	2,736,500.00	194,209.10	91,399.10	-	285,608.20	2,450,891.80	2,542,290.90
III	FURNITURE & FITTINGS	6.33	324,533.00	1,930.00	11,555.00	334,158.00	280,194.32	9,169.48	-	289,363.80	44,794.20	44,338.62
IV	MOTOR CYCLES	9.50	147,104.00	55,494.00	-	91,610.00	52,603.80	8,702.95	43,451.73	17,855.02	73,754.98	94,500.22
V	COMPUTERS	16.21	229,178.00	33,900.00	18,000.00	213,278.00	150,103.24	32,867.40	29,694.28	153,276.36	60,001.64	79,074.77
VI	CARS	9.50	1,237,871.00	595,000.00	-	642,871.00	717,143.75	61,072.75	594,999.00	183,217.49	459,653.51	520,727.26
VII	OFFICE EQUIPMENT	4.75	307,486.00	19,500.00	675.00	288,661.00	171,675.99	13,640.05	-	185,316.04	103,344.96	135,810.03
VIII	AIR CONDITIONERS	4.75	90,905.00	-	-	90,905.00	90,902.00	-	-	90,902.00	3.00	3.00
IX	WORKSHOP EQUIPMENT	4.75	148,860.00	-	-	148,860.00	136,579.94	3,486.26	-	140,066.20	8,793.81	12,280.07
X	BYCYCLE	9.5	1,450.00	-	2,660.00	4,110.00	1,341.13	349.33	-	1,690.46	2,419.54	1,341.13
XI	LIGHT GOODS VEHICLE	16.21	239,023.00	239,023.00	-	-	239,022.00	-	239,022.00	-	-	1.00
XII	TRUCKS	16.21	6,122,791.00	846,060.00	-	5,276,731.00	6,122,775.00	-	846,058.00	5,276,717.00	14.00	16.00
XIII	PLANT AND MACHINERY	4.75	235,199.00	-	-	235,199.00	-	-	-	-	235,199.00	235,199.00
			12,734,708.00	1,790,907.00	77,650.00	11,021,451.00	8,156,550.26	220,687.31	1,753,225.01	6,624,012.56	4,397,438.44	4,579,390.00

SCHEDULE F

LIST OF INVESTMENTS

	PARTICULARS	31.03.00	31.03.99
A	Fully paid up equity shares of Rs. 10/- each in Apollo Tyres Limited (Face Value Rs. 20,000/- (sold during the year)	-	47,500.00
B	Fully paid up 1,20,000 Equity Shares of Rs. 10/- each (including right offer 80,000/- in Haryana Steel and Alloys Limited, Face Value of Rs. 12,00,000	2,800,000.00	2,800,000.00
C	Fully paid Up 500 Equity Shares of Rs. 10/- each In Indo Gulf Fertilizers Chemicals Corporation Limited	5,000.00	5,000.00
D	Fully Paid Up 10 Equity Shares of Rs. 10/- each in Jai Corp. Limited (Issued for 100 Equity Shares of Rs. 10/- each held in Cement Steels Limited (Face Value of Rs. 100/-)	1,000.00	1,000.00
E	Fully paid up 72 Equity Shares of Rs. 10/- each (incl 36 Equity Shares received as Bonus Shares) in RIL Face Value Rs. 360/-, (sold during the year)	-	2,390.00
F	Fully Paid Up 241 Equity Shares of Rs. 10/- in Essar Shipping Limited (Incl, 50 Equity Shares received on conversion of Debentures and 91 Equity Shares Received on Rights Offer) Face Value 2,410/-, (sold during the year)	-	6,025.00
G	Fully Paid Up 100 Equity Shares of Rs. 10/- each In Applied Electronics Limited. Face Value of Rs. 1,000/-	1,600.00	1,600.00
H	Fully Paid up 2 Equity Shares of Rs. 10/- each (incl 1 Right Offer) in Zuari Limited, Face Value of Rs. 20/- (sold during the year)	-	90.00
I	Fully Paid up 10 Equity Shares of Rs. 10/- each (incl 80 shares received by conversion of Debentures in Essar Steel Limited, Face Value Rs. 1,000/- (sold during the year)	-	5,500.00
J	Fully Paid up 1,00,000 Equity Shares of Rs. 10/- each (previous year 3,00,000) in Chambal Fertilizers and Fertilizers Limited Face Value of Rs. 10,00,000/- (previous year Rs. 30,00,000/-)	1,000,000.00	3,000,000.00
K	Fully Paid up 90 Equity Shares of Rs. 10/- each In Andhra Pradesh Heavy Machinery (sold during the year)	-	900.00
L	Fully Paid up 90 Equity Shares of Rs. 10/- each in Andhra Pradesh Heavy Machinery & Engineering Limited (Unquoted)	900.00	900.00
M	Fully Paid-up 500 12.5% Non-convertible Debentures Of Rs. 15/- each in Apollo Tyres Limited.	7,500.00	7,500.00
N	Fully Paid up 6 Nos. 12.5% Secured Non-Convertible Debentures Of Rs. 95/- each in Reliance Industries Limited (Series H) (Quoted) (sold during the year)	-	570.00
O	Fully Paid up 50 Nos. 16% Non-convertible Debentures Part B of Rs. 50/- each in Essar Shipping Limited (Quoted)	1,500.00	2,500.00
		3,817,500.00	5,881,475.00
	(Aggregate Market Value of Investment in Quoted Shares Rs.	(70,75,621/-)	

	As on 31.03.2000 Rs.	As on 31.03.1999 Rs.
SCHEDULE – G : SECURED LOANS		
Stores, spares, tyres and tubes (valued at cost and certified by the management)	39,000.00	2,11,500.00
	39,000.00	2,11,500.00
	As on 31.03.2000 Rs.	As on 31.03.1999 Rs.
SCHEDULE – H : SUNDRY DEBTORS		
a. Outstanding for more than six months	458,713.00	952,651.00
b. Other debts	3,815,036.83	6,121,563.71
	4,273,749.83	7,074,214.71
	As on 31.03.2000 Rs.	As on 31.03.1999 Rs.
SCHEDULE – I : CASH AND BANK BALANCE :		
a. Cash on Hand	272,877.40	53,072.48
b. With scheduled bank		
Current Account	361,011.14	738,247.29
Dividend Account	191,430.00	202,965.00
Term Deposit	70,000.00	40,404.00
c. Funds in Transit		200,000.00
	895,318.54	1,234,688.77
	As on 31.03.2000 Rs.	As on 31.03.1999 Rs.
SCHEDULE – J : LOANS AND ADVANCES		
(Advances receivable in cash or in kind or for value to be received – unsecured and considered good)		
Advances for purchases and others advances	10,307,956.81	1,081,691.79
Advance Income Tax	2,430,763.00	1,887,226.88
Advance to others	20,000.00	-
Deposits	653,962.50	602,450.50
Staff and Driving Contractors Advance	36,056.51	141,767.79
Trade Advances	25,000.00	-
Other Loans	-	6,157,700.00
Advance against Expenses	486.00	-
Interest accrued but not due	2,352.46	2,677.46
(Interest on KD 196 & Debenture Interest)		
	13,476,577.28	9,873,514.42
	As on 31.03.2000 Rs.	As on 31.03.1999 Rs.
SCHEDULE – K : CURRENT LIABILITIES		
a. Sundry Creditors for Purchases	225.00	54,850.00
b. Others	866,540.64	716,101.00
c. Outstanding Liabilities	352,242.00	1,775,217.32
d. Share application money refundable	13,015.00	13,015.00
e. Unclaimed Dividend on Shares	191,720.00	202,965.00
	1,423,742.64	2,762,148.32

S E R INDUSTRIES LIMITED

	As on 31.03.2000 Rs.	As on 31.03.1999 Rs.
SCHEDULE – L : PROVISIONS		
a. Income Tax	4,972,000.00	4,860,000.00
b. Proposed Dividend	-	-
	4,972,000.00	4,860,000.00
SCHEDULE – M : INCOME		
	As on 31.03.2000 Rs.	As on 31.03.1999 Rs.
a. Freight Income	36,178,210.56	41,781,133.76
b. Freight from Co.'s Trucks	1,400,498.13	564,639.00
c. Freight from Co.'s Container Trucks	3,431,544.00	3,738,075.00
d. Claims and Damages received	190,547.00	-
e. Services Charges on ZIL bagging work	6,671.00	907,546.00
f. Vehicle Hire Charges		
	41,207,470.69	46,991,393.76
SCHEDULE – N : OTHER INCOME		
	As on 31.03.2000 Rs.	As on 31.03.1999 Rs.
a. Miscellaneous Receipts	165,747.00	141,615.15
b. Profit on sale of Investment	1,136,262.04	-
c. Interest on IT Refund	50,541.00	-
d. Dividend from Shares	429,398.00	392,681.44
e. Interest Income	3,943.00	7,965.03
f. Profit on sale of Fixed Assets	79,328.01	26,996.00
g. Interest on Debentures	329.78	-
	1,865,548.83	569,257.62
SCHEDULE – O : OPERATIONAL EXPENSES		
	As on 31.03.2000 Rs.	As on 31.03.1999 Rs.
a. Diesel & Lubricants	1,658,001.34	1,243,826.29
b. Freight Charges	30,850,585.00	36,167,205.00
c. Insurance	44,208.00	49,532.00
d. Miscellaneous Operational Expenses	2,103,533.88	2,215,818.73
e. Rates & Taxes	315,865.50	229,943.50
f. Repairs & Maintenance	402,833.88	308,919.09
g. Trip Charges	750,726.83	866,886.00
h. Tyres, Tubes & Flaps	1,320,931.67	1,102,281.03
i. ZIL Bagging Expenses	-	782,600.81
	37,446,686.10	42,967,012.45

	As on 31.03.2000 Rs.	As on 31.03.1999 Rs.
SCHEDULE – P : PERSONNEL EXPENSES		
a. Salary & Allowances	1,013,284.10	982,988.00
b. Bonus	71,041.00	68,245.00
c. Staff Welfare	67,799.00	94,256.25
d. Provident Fund	62,404.00	61,142.00
e. Employees State Insurance	21,671.30	30,070.20
	1,236,199.40	1,236,701.45
	As on 31.03.2000 Rs.	As on 31.03.1999 Rs.
SCHEDULE – Q: ADMINISTRATIVE EXPENSES		
a. Rent	730,061.20	831,701.00
b. Water & Electricity	181,587.70	176,955.19
c. Insurance on Cars & Two Wheelers	54,258.0	19,355.00
d. Postage & Telegram	63,699.19	79,840.18
e. Printing & Stationery	95,678.00	143,603.25
f. Telephone & Telex	563,467.87	509,168.87
g. Books & periodicals	17,820.00	19,870.00
h. Directors' Sitting Fee	5,000.00	6,000.00
i. Professional & Legal Charges	53,180.00	7,500.00
j. Auditors' Remuneration		
i. Audit Fees	12,500.00	12,500.00
ii. Tax Audit Fees	2,500.00	2,500.00
l. AGM Expenses	21,012.35	13,228.80
m. General Expenses	122,490.85	519,212.95
n. Listing & Filing Fees	43,820.00	32,270.00
o. Repairs & Maintenance Others	492,928.87	333,775.50
p. Cars & Two Wheelers Maintenance	242,942.88	201,446.71
q. Travelling & Conveyance	402,569.83	418,596.37
r. Press, Notices & Advertisement Expenses	51,150.00	67,194.20
	3,156,666.74	3,394,718.02
	As on 31.03.2000 Rs.	As on 31.03.1999 Rs.
SCHEDULE – R : FINANCIAL EXPENSES		
a. Bank Charges	29,983.10	144,207.86
b. Other Interest	4,791.00	-
c. Services on Cars & LCVs	13,091.00	42,525.00
	47,865.10	186,732.86

SCHEDULE FORMING PART OF ACCOUNTS

Schedule: S

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31.03.2000

A. ACCOUNTING POLICIES:

1. Financial statements have been prepared under historical cost and on accrual basis of accounting.
2. Fixed assets have been capitalized at 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.

4. Stock of stores and spares have been valued at lower cost or market value.
5. Investments are stated at cost.
6. Gratuity payable in respect to the employees are accounted on cash basis. Hence, no provision has been made for present liability in respect of future payment of gratuity. The gratuity liability as on 31st March 2000 is estimated on arithmetical basis is Rs. 1,39,531/- (Previous year Rs. 1,31,696/-).

B. NOTES ON ACCOUNTS:

1. The company is contingently liable in respect of bank guarantee issued to the extent of Rs. 3,00,000/- (Previous Year Rs. 3,00,000/-)
2. Claims against the company not acknowledged as debt is Rs. Nil. (Previous Year Rs. Nil)
3. Estimated amount of contracts remaining to be executed on Capital Accounts not provided for is Rs. Nil (previous year Rs. Nil)
4. Figures of the previous year have been regrouped or rearranged wherever necessary.
5. Expenditure in foreign currency: Nil
6. Earnings in foreign currency: Nil
7. Additional information required: Paragraph 3, 4C & 4D of part II of the 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.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

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

I. REGISTRATION DETAILS

Registration No. 4604
Balance Sheet Date 31.03.2000

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

Public Issue	Right Issue
Nil	Nil
Bonus Issue	Private Placement
Nil	Nil

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

	Total Liabilities	Total Assets
	20,507	20,507
SOURCES OF FUNDS	Paid-up Capital	Advance against Equity
	9,946	Nil
	Reserves & Surplus	Secured Loans
	9,614	Nil
	Unsecured Loans	
	947	
APPLICATION OF FUNDS	Net Fixed Assets	Capital Work in Progress
	4,397	Nil
	Investments	Net Current Assets
	3,818	12292
	Misc. Expenditure	Accumulated Losses
	Nil	Nil

IV. PERFORMANCE OF THE COMPANY (AMOUNT IN RUPEES THOUSANDS)

	Turnover	Total Expenditure
	43,104	42,136
	Profit before tax	Profit after tax
	968	856
	Earnings per share (in Rs.)	Dividend
	0.87	-

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

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

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

Sd/-
Narendra Goel
Director

Sd/-
Savita Goel
Director

Sd/-
(G.V. SUNDER)
Partner

Place : Bangalore
Date : 22-06-2000

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31-3-2000

Particulars	31.03.2000	31.03.1999
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit (Loss) Before Tax	9.65	(4.88)
Adjustment for:		
Depreciation	2.21	2.63
Interest & Dividend Income	(4.84)	(4.01)
Interest Expenditure	0.48	1.87
Profit on Sale of Assets	(12.47)	(0.27)
Loss on sale of assets	0.22	-
Operating Profit before working capital changes	(4.75)	(4.66)
Adjustment for:		
Decrease in Sundry Debtors	28.01	23.64
Increase in Loans & Advances	(30.59)	(0.47)
Decrease in Loans & Advances	-	-
Decrease in Current Liabilities	(13.31)	(25.00)
Decrease in Inventories	1.72	-
Increase in Sundry Debtors	-	-
Increase in Current Liabilities	-	-
Cash Generation from Operations	(18.92)	(6.49)
Interest Received	0.55	0.08
Interest Paid	(0.48)	(1.87)
Direct Tax Paid (Net of refund and adjustment)	(5.44)	(8.55)
NET CASH FROM OPERATING ACTIVITIES (A)	(24.29)	(16.83)

B CASH FLOW FROM INVESTING ACTIVITIES

Dividend Received	4.29	3.93
Sale of fixed Assets	1.38	0.32
Additions to Fixed Assets	(0.78)	(1.51)
Sale of Investments	31.97	0.01
NET CASH FROM INVESTING ACTIVITIES (B)	36.86	2.75

C CASH FLOW FROM FINANCIAL ACTIVITIES

Repayment of Term Loan	(15.81)	6.01
Dividend Paid	(0.04)	(9.89)
Interest Paid	-	-
NET CASH FLOW FROM FINANCIAL ACTIVITIES (c)	(15.85)	(3.88)
Net Increase/(Decrease) in cash & cash equivalents (A+B+C)	(3.28)	(17.96)
CASH AND CASH EQUIVALENTS (OPENING)	10.32	28.28
Cash and Bank Balance		
CASH AND CASH EQUIVALENTS (CLOSING)	7.04	10.32
Cash and Bank Balance		

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

We have examined the above Cash Flow Statement of M/s. SER Industries Limited for the year ended 31st March, 2000 and verified that it has been derived from the audited accounts (and the under-lying records of the company reported on by us as per our report date.

For **G.V. SUNDER AND COMPANY**
Chartered Accountants

G.V. SUNDER
Partner

Place : Bangalore
Date : 22-06-2000