

SER INDUSTRIES LIMITED

MD						BKC					
CS						DPY					
RO						DIV					
TRA						AC					
ACM						SHI					
YE											

Report  junction.com

34th Annual Report 1996-97

S E R INDUSTRIES LIMITED**BOARD OF DIRECTORS**

Sri Yashvir Goel
Sri Sajjan Kumar Jhunjhunwala
Sri Pratap Singh Lodha
Sri Narendra Goel
Sri Avadhesh Mandelia
Sri B K Dhanuka

COMPANY SECRETARY

Sri Sriram. K.

REGISTERED OFFICE

"Foundation House", No 40, 2nd Main,
C K C Garden, Mission Road
BANGALORE - 560 027

ADMINISTRATIVE OFFICE

#107-108, Mittal Chambers
Nariman Point
MUMBAI - 400 021

BANKERS

Canara Bank
Commercial Centre
Town Hall Branch
BANGALORE - 560 027

The Standard Chartered Bank
#23-25, M. G Road
MUMBAI - 400 001

AUDITORS

M/s G V Sunder and Company
Chartered Accountants
8/2, 2nd Floor, O.T.C. Road
BANGALORE - 560 002

SHARE TRANSFER AGENT

M/s Raj Consultancy Services
43, Upstairs, III Cross
Link Road, Melleswaram
BANGALORE - 560 003
Phone : 3341765.

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the **THIRTY FOURTH ANNUAL GENERAL MEETING** of the Company will be held at **HOTEL AJANTHA, NO.22A, MAHATMA GANDHI ROAD, BANGALORE - 560 001** on **MONDAY, the 29th September, 1997** at **11.30 a.m.** to transact the following business :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1997 and the Profit & Loss Account for the Financial Year ended on that date and the Reports of Directors and Auditors thereon.
2. To declare a Dividend on Equity Shares for the Financial Year ended 31st March, 1997.
3. To appoint a Director in place of Sri Pratap Singh Lodha, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Sri Yashvir Goel, who retires by rotation and being eligible offers himself for reappointment.
5. To appoint a Director in place of Sri Narendra Goel, who retires by rotation and being eligible, offers himself for reappointment.
6. To appoint Auditors and to fix their remuneration. M/s. G.V. Sunder and Company, Chartered Accountants, Bangalore who retire and are eligible for reappointment.

Bangalore
30th June, 1997

By Order of the Board
(Sriram K.)
Company Secretary

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE IN HIS STEAD. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES 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.
2. THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS OF THE COMPANY WILL REMAIN CLOSED FROM 16.09.97 TO 29.09.97 (BOTH DAYS INCLUSIVE).
3. Warrants for Dividend, if declared, will be sent to the members registered in the books of the company as on 29th September 1997.
4. Pursuant to Section 205A of the Companies Act, 1956, all the unclaimed dividends upto the financial year ended on 31st march, 1993, have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed the Dividend warrants for the said period are requested to claim the amount by submitting in the prescribed Form No II under Companies Unpaid Dividend (Transfer to General Revenue Account of The Central Government) Rules, 1978 to The Registrar of Companies, Karnataka, E-Wing, 2nd floor, Kendriya Sadan, Koramangala, Bangalore - 560 034.
5. If you are desirous that the Dividend warrants of our Company be sent to you favouring your bank account in order to avoid any fraudulent encashments, please send the details of your registered Folio No, Name, Current/Savings Bank Account number and the Name of the Bank and Branch, etc., to our Share Transfer Agent **M/s. Raj Consultancy Services, # 43 3rd Cross, Link Road, Malleswaram, Bangalore - 560 003** on or before 17th September 1997
6. Members desiring any information pursuant to the items on the agenda are requested to write to the Company well in advance so as to enable the management to keep information available at the meeting.
7. Members/Proxies are requested to bring the attendance slip duly filled in and hand it over at the entrance of the meeting Hall.

MEMBERS ARE REQUESTED TO BRING THEIR COPIES OF THE ANNUAL REPORT ALONG WITH THEM TO THE ANNUAL GENERAL MEETING.

KEEPING IN MIND THE FINANCE MINISTRY NOTICE TO BANKS AND FINANCIAL INSTITUTIONS AND THE REPORT OF THE WORKING GROUP ON THE COMPANIES ACT 1956 WE REGRET TO INFORM THAT WE HAVE DECIDED TO DISCONTINUE THE DISTRIBUTION OF GIFTS IN THIS GENERAL METING.

S E R INDUSTRIES LIMITED**DIRECTORS' REPORT TO THE SHAREHOLDERS**

Your Directors have pleasure in presenting the Thirty Fourth Annual Report of the Company together with the Audited Statement of Accounts for the Financial Year ended 31st March, 1997.

FINANCIAL RESULTS

The Financial Results for the year ended 31st March, 1997 are as follows:-

(Figures in Rupees)

	Year ended 31/03/1997	Year ended 31/03/1996
Operating Profit-	10,07,979	9,00,706
Add : Other Income	22,48,141	41,89,532
Profit for the year before Depreciation and Taxation	32,56,120	50,90,238
LESS : Depreciation for the year	3,15,531	27,69,036
Profit Before Taxation	32,56,120	23,21,202
LESS : Income Tax Provision	11,30,000	9,00,000
Profit After Tax	18,10,589	14,21,202
ADD : Surplus brought forward from last year	53,51,226	52,17,532
Profit available for appropriation	71,61,815	66,38,734
APPROPRIATION :		
(a) Transfer to General Reserve	1,00,000	1,00,000
(b) Provision for Dividend @ Re. 1/- per equity Share (previous year @ Rs 1.20 per equity share)	9,89,590	11,87,508
(c) Corporate Dividend Tax	98,959	--
(d) Surplus carried to Balance Sheet	59,73,266	53,51,226
Total	71,61,815	66,38,734

OPERATIONS

The world is full of competition and the transportation business is not an exception to this. The principle of "survival of the fittest" applies to the Transportation Industry in the best way.

The year under review was a difficult one for the economy in general and for the transport sector in particular, due to strikes by the transporters in protest against imposition of Service Tax and Octroi.

Despite these difficulties the turnover of the Company increased by 7.10% to Rs.408.09 lakhs as against Rs.381.76 lakhs in the previous year.

The Operating Profit of the Company was increased by 11.91% even though the margin of Profit was under-stress due to increase in cost of operation, fuel and the woefully inadequate supporting infrastructure like roads and highway networks.

The Profit after Tax was substantially higher at Rs.18.11 lakhs as against Rs.14.21 lakhs an increase of 27.40% in comparison to the previous year.

DIVIDEND

The Directors, keeping in mind the increased requirement of Working Capital, additional Corporate Dividend Tax and availability of distributable profit for the year, have pleasure in recommending a Dividend of 10% on the Paid-up Capital for the year ended 31st March, 1997 without deduction of Tax at Source.

DIRECTORS

In terms of Article 99 of the Articles of Association Sarvashri Pratap Singh Lodha, Yashvir Goel and Narendra Goel, Directors of the company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-election.

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

The company has no activity of which the company is required to furnish information regarding conservation of energy or technology absorption. The information relating to foreign exchange outgo is given in the notes of accounts vide item No. 7 in Schedule R.

PUBLIC DEPOSITS

The company's public Deposit Scheme was continued during the year. 19 deposits amounting to Rs 11.30 lakhs which have matured were either renewed or repaid on the due dates.

PARTICULARS OF EMPLOYEES

None of the employees was in receipt of remuneration during the year or part of the year exceeding such sum as prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

AUDITORS' REPORT

The Auditors in their report have referred to item 6 of accounting policies under Schedule R. The explanation contained in this note may be treated as information/explanation submitted by the board as required under Section 217(3) of the companies act, 1956.

AUDITORS

M/s G V Sunder And Company, Chartered Accountants, Bangalore, the statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

ACKNOWLEDGMENT

The Board of Directors wish to record their appreciation for the support provided by our valued Customers, Bankers and Government Authorities. The Board of Directors also wish to place on record their appreciation of the sincere and efficient services rendered by the Executives, Officers, and Employees of the Company.

For and on behalf of the Board

Bangalore
30.06.97

NARENDRA GOEL
Chairman

S E R INDUSTRIES LIMITED**AUDITORS' REPORT**

To The Members,

We have audited the attached Balance Sheet of **S E R industries limited** as at **31st March, 1997** 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 account as required by law have been kept by the company so far as appears from our examination of such books.
3. The balance Sheet and Profit and Loss Account dealt with in the report are in agreement with the books of account.
4. In our opinion and to the best of our information and according to the explanations given to us, the attached accounts read with the notes thereon and subject to Item No 6 of Accounting Policies under Schedule-R, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - (a) In the case of Balance Sheet of the state of affairs of the company as at 31st March, 1997 and
 - (b) In the case of Profit and Loss Account of the Profit of the company for the year ended on that date.
5. As required by the manufacturing and other companies (Auditor's Report) order, 1988 issued by the Company Law Board in terms of section 227 (4A) of the Companies Act 1956, and on the basis of such checks as we considered appropriate, we further state that:
 - (i) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. These fixed assets have been physically verified by the management at reasonable intervals. On the basis of explanations given to us, no material discrepancies have been 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 reasonable intervals.
 - (iv) The procedures for physical verification of stores, spare parts, tyres and tubes, followed by the 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 in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
 - (vii) The company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and 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 granted loans Secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. However, in our opinion the terms and conditions of such loans are not prima facie prejudicial to the interest of the company. 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 for the purchase of stores including components, equipment and other assets.
- (xi) The company has not purchased / sold goods and materials aggregating to Rs 50,000/- or more in value from / to any of the parties listed in the register maintained under Section 301 of the Companies Act, 1956. However, the company has rendered, during the year, service exceeding the value of Rs 50,000/- from firms in which the Directors were interested the price paid for such services is reasonable having regard to the prevailing market prices for such services.
- (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 complied with the directives issued by The Reserve Bank of India and the provisions of Section 58A of the Companies Act, 1956, in respect of deposits renewed / accepted during the year.
- (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 the size and nature of its business.
- (xvi) The Central Government has not prescribed maintenance of cost records under section 209 (i) (d) of the companies Act 1956.
- (xvii) The company is regular in depositing the Provident Fund and Employee's State Insurance dues with the appropriate authorities.
- (xviii) No undisputed amounts payable in respect of income Tax, wealth Tax, Sales Tax, Custom Duty and Excise Duty were outstanding as at 31st March 1996.
- (xix) No personal expenses of employees or Directors have been charged to Revenue Account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
- (xx) The company is not a sick industrial company within the meaning of clause (O) of sub-Section (1) of section 3 of The Sick Industrial Companies (Special Provisions) Act, 1985.
- (xxi) The company has a reasonable system of recording receipts, issues and consumption of materials and stores commensurate with the size and nature of its business and has a system which provides for a reasonable allocation of materials consumed.
- (xxii) The company has a reasonable system of recording manhours utilised.
- (xxiii) The company has a reasonable system of authorisation at proper levels and an adequate system of internal control commensurate with the size of the company and the nature of its business, on issue of stores and allocation of stores and labour to jobs.

For G. V. SUNDER AND COMPANY
Chartered Accountants

Bangalore
30th June, 1997

G. V. Sunder
Partner.