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S E R

INDUSTRIES LIMITED

35th Annual Report
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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

Ramesh Kumar Bhat

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, Malleswaram
BANGALORE - 560 003
Phone : 3341765

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the **THIRTY FIFTH ANNUAL GENERAL MEETING** of the Members of the Company will be held at **HOTEL AJANTHA, NO. 22A, MAHATMA GANDHI ROAD, BANGALORE - 560 001 ON TUESDAY, the 29th September 1998 at 12.00 Noon** to transact the following business :

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31.03.1998 and the Profit and Loss Account for the financial year ended on that date and the Reports of the Directors and Auditors.
2. To Declare a dividend on Equity Shares for the year 1997-98.
3. To appoint a Director in the Place of Mr. Sajjan Kumar Jhunjhunwala who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in the Place of Mr. Avadesh Mandelia who retires by rotation and is eligible for re-appointment
5. To appoint Auditors and to fix their remuneration.

By Order of the Board of Directors

RAMESH KUMAR BHAT
Company Secretary

Bangalore
30th June, 1998
NOTES :

1. IT IS NOTIFIED THAT THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS OF THE COMPANY WILL REMAIN CLOSED FROM THURSDAY THE 24TH SEPTEMBER, 1998 TO THE 29TH SEPTEMBER 1998 (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 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.

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. Pursuant to Section 205A of the Companies Act, 1956, all the unclaimed dividends upto the financial year ended 31st March 1994, have been transferred to 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 an application in Form No. II to the Registrar of Companies, Karnataka, E-Wing, II Floor, Kendriya Sadan, Koramangala, Bangalore - 560 034
6. Members are requested to immediately notify in their own interest the Bank/Branch to be specified in the Dividend Warrants and any change in their address to the Company's Share Transfer Agents:

M/s. Raj Consultancy Services
43, III cross, Link Road
Malleshwaram
BANGALORE - 560 003

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

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors are pleased to present the 35th Annual Report of your Company alongwith the Audited statement of Accounts for the year ended 31st March 1998.

FINANCIAL RESULTS :

The Financial Results for the year ended 31st March, 1998 are as follows :

(Figures in Rupees)

Particulars	Year ended 31.03.98	Year ended 31.03.97
Operating Profit	11,06,830	10,07,979
Other Income	10,43,749	22,48,141
Profit for the year before Depreciation and taxation	21,50,579	32,56,120
LESS : Depreciaion for the year	2,16,848	3,15,531
Profit before Taxation	19,33,731	32,56,120
LESS : Income Tax Provision (Net of excess provision in respect of earlier years)	12,378	11,30,000
Profit after Tax	19,21,353	18,10,589
ADD : Surplus brought forward from last year	59,73,266	53,51,226
Profit available for appropriation	78,94,619	71,61,815

APPROPRIATION :

(a) Transfer to General Reserve	1,00,000	1,00,000
(b) Provision for Dividend @ Rs.1/- per equity share (Previous year @ Rs.1.00 per equity share)	9,89,590	9,89,590
(c) Corporate Dividend Tax	98,959	98,959
(d) Surplus carried to Balance Sheet	67,06,070	59,73,266
	78,94,619	71,61,815

OPERATIONS :

The Year 1997-98 witnessed a significant economic slowdown, which affected the performance of most industries. Political uncertainty as well as the South East Asian crisis in the later part of the year prolonged the recessionary trend. Against this backdrop your Company's total income has gone upto Rs. 602.96 lakhs comparing to last years total income of Rs. 430.57 lakhs reflecting an increase of 40% over the previous year. The net profit of the company is also increased from Rs. 18.10 lakhs to 19.21 lakhs. The net realisation to turnover is less mainly due to intense competition and increase in cost of operation and low margin.

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 recommrning a Dividend of 10% on the Paid-up Capital for the year ended 31st March, 1998 without deduction of Tax at Source.

DIRECTORS :

In terms of Article 99 of the Articles of Association Sri. Sajjan Kumar Jhunjunwala & Sri. Avadesh Mandelia Directors of the company retire by rotation and being eligible offers themselves for re-appointment.

AUDITORS :

M/s. G.V. Sunder & Co., Chartered Accountants, the Auditors of the Company retire at the conclusion of the 35th Annual General Meeting and are eligible for re-appointment.

The Auditors of the Company have informed, that their appointment if made would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956. The Directors recommend for their re-appointment.

The observation 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.

DISCLOSURES :

Particulars under Companies(Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 on Conservation of Energy, Technology, Absorption are not applicable to your company. The Company did not have any Foreign Exchange Earnings or outgo.

EMPLOYEES :

None of the employees of the Company were in receipt of remuneration exceeding the limits prescribed under Section 217(2A) of the Companies Act, 1956.

PUBLIC DEPOSITS :

The Company has not accepted any public deposit during the year. 4 deposits amounting to Rs.2,81,500 have matured but not been claimed. The Company has written 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. Necessary listing fee has been paid to the respective stock exchanges.

APPRECIATION :

Your Directors wish to place on record their warm appreciation of the timely assistance and support extended to your company by the Bankers, Shareholders, Fixed Deposit Holders, Government Bodies and employees and look forward their continued support for growth of your company.

By Order of the Board of Directors

NARENDRA GOEL
Chairman

Bangalore
30th June, 1998

AUDITORS' REPORT

TO THE MEMBERS

We have audited the attached Balance Sheet of M/s. S.E.R. INDUSTRIES LIMITED as at 31st March, 1998 and the Profit and Loss Account for the year ended on that date and report that :

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| <p>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.</p> <p>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.</p> <p>3. The Balance Sheet and Profit and Loss Account dealt with in the report are in agreement with the books of account.</p> <p>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 :</p> <p style="margin-left: 20px;">a. In the case of Balance Sheet of the state of affairs of the company as at 31st March, 1998 and</p> <p style="margin-left: 20px;">b. In the case of Profit and Loss Account of the profit of the Company for the year ended on that date.</p> <p>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 :</p> <p style="margin-left: 20px;">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</p> | <p>explanations given to us, no material discrepancies have been noticed on such verification.</p> <p>ii) None of the fixed assets have been revalued during the year.</p> <p>iii) The stock of stores, spare parts, tyres and tubes have been physically verified by the management at reasonable intervals.</p> <p>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.</p> <p>v) No material discrepancies have been noticed on physical verification of stores, spare parts, tyres and tubes.</p> <p>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 preceeding year.</p> <p>vii) The company has taken loan from companies listed in the register maintained under Section 301 of the Companies Act, 1956. However, the terms of such loans are not prima facie prejudicial to the interests of the Company. 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.</p> <p>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.</p> |
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