

**— 39 —**  
**ANNUAL REPORT**  
**— 2001-2002 —**

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**SER**  
**INDUSTRIES**  
**LIMITED**



**S E R  
INDUSTRIES  
LIMITED**

**BOARD OF DIRECTORS**

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

**REGISTERED OFFICE**

**S E R Industries Limited,**  
Chikkakuntanahalli Village,  
Bidadi Hobli,  
Ramanagara Taluk,  
Bangalore 562109.  
Ph : 080-7287314

**CORPORATE OFFICE**

#107-108, Mittal Chambers,  
Nariman Point,  
Mumbai - 400 021.  
Ph.: 2813137, 2813138 Fax : 2860392  
e-mail : [ser@vsnl.com](mailto:ser@vsnl.com)

**BANKERS**

**Bank of Maharashtra,**  
Nariman Point Branch,  
Mumbai - 400021.

**AUDITORS**

**M/s. G. V. Sunder and Company**  
Chartered Accountants,  
3/5, IV Floor, Tower Block, Unity Bldg.,  
J. C. Road, Bangalore - 560 002.  
Ph. : 2275160

**REGISTRAR AND  
SHARE TRANSFER AGENT**

**M/s. Tata Share Registry Limited,**  
Army and Navy Building,  
148, M. G. Road, Fort,  
Mumbai - 400 001.  
Ph. : 022-2873831

## 39th Annual Report

### NOTICE

Notice is hereby given that the **Thirty Ninth Annual General Meeting** of the Members of the Company will be held on Tuesday the 24th September 2002 at 11.00 a.m. at the Registered Office of the Company at Chikkakuntanahalli Village, Bidadi Hobli, Ramanagara Taluk, Bangalore 562109 to transact the following business :

#### ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Balance Sheet as at March 31, 2002 and the Profit, & Loss Account for the year ended on that date and the Report of Directors and Auditors thereon.
2. To appoint a director in place of Sri V. G. Rangnekar, who retires by rotation and is eligible for re-appointment.
3. To appoint a director in place of Sri Jayant Mithra, who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors to hold office from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. The retiring auditors, M/s. G. V. Sunder and Co. Chartered Accountants, Bangalore being eligible, offer themselves for re-appointment.

#### SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification, the following, as an Ordinary Resolution:

"RESOLVED that Sri Siddharth Goel who has been appointed as an Additional Director by the Board of Directors and who holds office up to the date of this Annual General Meeting pursuant to the provisions of Section 260 of the Companies Act, 1956, and who is eligible for re appointment and in respect of whom the company has received a notice in writing from some members of the company pursuant to section 257 of the Act proposing his appointment as Director of the Company and who has considered, if appointed, to act as Director, be and is hereby appointed as a Director of the Company.

Place : **Mumbai**

Date : 25.07.2002

By order of the Board  
(Narendra Goel)  
CHAIRMAN

#### NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and the proxy need not be a member of the company.
2. The instrument appointing the proxy should be deposited at the Registered Office of the company not less than 48 hours before the time of the meeting.
3. Members / Proxies are requested to affix their signature at the space provided for in the attendance slip and handover the same at the entrance of the meeting hall.
4. The relative explanatory statement pursuant to Sec. 173 of the Companies Act, 1956 in respect of special business is annexed hereto.
5. The register of Members and Share Transfer Books will remain closed from (17-09-2002 to 24-09-2002) both days inclusive.
6. Members are requested to address all their future correspondence and change of address etc. to the Registrar and Share Transfer Agents M/s. Tata Share Registry Limited Army and Navy Building, 148, M. G. Road, Fort, Mumbai - 400 001.
7. The company has arranged for the transport facilities to the members to attend the Meeting. The company's bus will start from "The Town Hall" parking place, J C Road, Bangalore at 9.30 a.m. Members who are desirous of making use of this facility are requested to contact the company between 10.00 a.m. to 6.00 p.m. at phone Numbers 2270488 and 2270499 at least 48 hours in advance to the time of the meeting.

#### Explanatory statement pursuant to section 173 (2) of the Companies Act, 1956

Explanatory statement relating to the Special business mentioned in the notice is given below and should be taken as forming part of the notice.

#### Item No.5

The Board of Directors in their meeting held on 18th October 2001 appointed Sri Siddharth Goel as an additional Director of the Company with effect from the said date. In terms of section 260 of the Companies Act 1956, (the Act) Sri Siddharth Goel holds office up to the forthcoming Annual General Meeting of the Company. The Company has received a notice in writing from a member in terms of section 257 of the Act signifying his intention to propose the candidature of Sri Siddharth Goel for the office of the Director of the Company at the forth coming Annual General Meeting.

Sri Siddharth Goel is an Engineering Graduate in Computer Science from the University of Michigan (USA) and has good proficiency in business. Your Directors are of the view that appointment of Sri Siddharth Goel as Director would be beneficial to the Company and accordingly recommended the resolution as set out in item Nos. 5 of the Notice convening the Meeting.

None of the Directors other than Sri Siddharth Goel is concerned or interested in the Resolution.

By order of the Board  
(Narendra Goel)  
CHAIRMAN

Place : **Mumbai**

Date : 25.07.2002

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### Director's Report

To the Members,

Your Directors are pleased to present their report on the business and operations of your Company for the year ended March 31st, 2002.

#### Financial results

(Rs. in Lakhs)

Year Ended March 31	2002	2001
Operating Profit	(4.24)	(1.60)
Other Income	24.57	5.35
Profit for the year before depreciation and taxation	20.32	3.74
Less : Depreciation	4.00	2.93
Profit before Taxation	16.32	0.81
Add : Adjustments related to earlier year taxation	-	0.08
Less : Provision for Taxation	1.25	0.07
Profit after Tax	15.07	0.82
Add : Profit brought forward from previous years	71.37	70.55
Profit available for appropriation	86.44	71.37
Appropriation :		
Transfer to General Reserve	-	-
Proposed Dividend	-	-
Surplus carried to Balance Sheet	86.44	71.37

#### Results of Operations

During the year, the operations of your Company were better Compared to that of the previous years. Slow down of the economic activity in general and in the industry in particular continue to contribute to this state of affairs of the Company.

#### Dividends

In order to preserve the liquidity of the Company, Your directors are unable to declare dividend for the year.

#### Corporate Governance

The Company will have to adhere to the Corporate Governance as per clause 49 of the listing agreement from April 1, 2002.

The Company has started implementing the same.

#### Fixed Deposits

Your Company has not accepted any Public Deposits during the year. An amount of Rs.1,68,990/- has matured and remains unclaimed. The Company has informed the deposit holder to forward the duly discharged receipts to act further in the matter. However action is yet to be taken by the Deposit Holders.

#### Directors

Sri V. G. Rangnekar and Sri Jayant Mitra retire by rotation in the forthcoming Annual general meeting ; being eligible, offer themselves for reappointment.

The Board has inducted Sri Siddharth Goel as an additional Director on October 18, 2001. He will hold office till the date of Annual General Meeting, and has to be appointed by the Share holders in the said meeting. Additional director with effect from 18/10/2001. His appointment requires the approval of the members at the ensuing Annual General Meeting.

#### Auditors

The Statutory Auditors, M/s. G. V. Sunder & Co. Chartered Accountants, retire at the ensuing Annual General Meeting and are eligible for re-appointment.

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### Conservation of energy, research and development, technology absorption, foreign exchange earnings and outgo

The particulars as prescribed under subsection 1(e) of section 217 of the Companies act, 1956, read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, are not applicable to the Company.

### Foreign exchange earnings and outgo : Nil

### Particulars of Employees

As required under the provisions of section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees), rules, 1975, as amended, there are no employees who fall under the category.

### Director's Responsibility Statement

The Director's responsibility statement setting out the compliance with the accounting and financial reporting requirements specified under Section 217 (2AA) of the Companies (Amendment) Act, 2000, in respect of the financial statements, is given below.

### Directors' responsibility statement :

- a. That in the preparation of annual accounts the applicable accounting standards have been Followed.
- b. That the directors have selected such accounting policies and have applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of affairs of the company the end of the financial year and of the pre operative expenses of the company for that period.
- c. That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Act and safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d. That the Directors have prepared the annual accounts on going concern basis.

### Registrar & Transfer Agents :

During the year M/s. Tata Share Registry Limited, has been appointed as the Registrar and Share Transfer Agents of the company. As you are aware, your Company's Shares can now be held and traded in electronic / demat form. All Shareholders have been individually informed in April, 2002 .

### Listing :

The Equity shares of the Company are listed with The Stock Exchange Mumbai, Bangalore Stock Exchange, and Calcutta Stock Exchange Association Limited. All the listing fees have been paid as of 31.03.2002. Members are requested to note that the trading on the exchanges is permitted only in electronic/ demat form.

### Acknowledgements

Your Directors wish to place on record their appreciation to their bankers, associates, and clients and shareholders for their continued support for the Company's growth. Your Directors place on record their appreciation of the contribution made by employees at all levels, whom through their competence, hard work, co-operation and support, have made possible the growth of your Company. Your Directors also thank the Government of India, Government of Karnataka and other Government agencies for their support during the year and look forward to their continued support in the future.

For and on behalf of the Board of Directors

Place : Mumbai  
Date : 25.07.2002

**Narendra Goel**  
Chairman

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### AUDITOR'S REPORT

We have audited the attached Balance Sheet of SER INDUSTRIES LIMITED, Chikkakuntanahalli Village, Bidadi Hobli, Ramanagara Taluk, Bangalore - 562 109 as at 31st March 2002 and also the attached statement of Profit and Loss Account for the year ended on that date. 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 have conducted our Audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. We have obtained all the information and explanations, which to the best of our Knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, proper books of account, as required by law, have been kept by the company so far as appears from our examination of these books.
3. The attached Balance Sheet and Profit and Loss Account dealt within our report are in agreement with the books of account.
4. In our opinion, attached Balance Sheet of the company is in compliance with the Accounting Standards referred to in Sub Section 3(C) of section 211 of the Companies Act, 1956.
5. On the basis of the written representations received from the Directors and taken on record, we report that none of the Directors are disqualified from being appointed as a Director in terms of Clause (g) of sub-section 274 of the Companies Act, 1956.
6. In our opinion, and to the best of our information and according to the explanations given to us, the said statements of account subject to Note No 6 regarding provision for gratuity liability and read together with other notes appearing in schedule S, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a. In the case of Balance Sheet of the state of affairs of the company as at 31st March 2002 and
  - b. In the case of Profit and Loss Account, of the profit of the Company for the year ended on that date.
7. As required by the Manufacturing and Other Companies (Auditor's Report) Order 1988, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we further report that:
  - (i) The Company is maintaining proper records to show full particulars of fixed assets. The management at reasonable intervals has physically verified these Fixed assets and no material discrepancies have been noticed on such verification.
  - (ii) None of the Fixed Assets were revalued during the year.
  - (iii) The Stock of stores, spare parts have been physically verified by the management at reasonable intervals.
  - (iv) The procedure for physical verification of stores, spare parts etc. followed by management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - (v) No material discrepancies have been noticed on physical verification of stores and spare parts.