



**S E R
INDUSTRIES
LIMITED**

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**42nd ANNUAL REPORT
2004-2005**



**SER
INDUSTRIES
LIMITED**

BOARD OF DIRECTORS

Sri Narendra Goel
Sri G P Goyal
Sri V G Rangnekar
Sri Jayant Mitra
Sri K P Pandey
Sri C Vijay Kumar

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

Bank of Maharashtra,
Nariman Point,
Mumbai - 400021.

ICICI Bank Limited
CA2 P1, Bidadi Industrial Area,
Near Toyota Kirloskar Motors Pvt. Ltd.
Ramanagara Taluk,
Bangalore - 562 109.

REGISTERED OFFICE

Chikkakuntanahalli Village,
Bidadi Hobli,
Ramanagara Taluk,
Bangalore- 562 109.
Ph. 080 7280314

CORPORATE OFFICE

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

REGISTRAR AND SHARE TRANSFER AGENT

M/s. Tata Share Registry Limited
Army and Navy Building,
148, M G Road, Fort,
Mumbai-400 001. Ph. 022-56568484

42nd Annual Report**NOTICE**

Notice is hereby given that the forty second 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 Thursday, September 15, 2005 at 11:00 AM to transact the following business: -

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2005 and Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr G.P. Goyal, who retires by rotation and who, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr.V.G. Rangnekar, who retires by rotation and who, being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

Special Business

5. To consider and if thought fit, to pass with or without modification, the following as Ordinary Resolution :
"RESOLVED that Mr. K.P. Pandey, who has been appointed as additional Director by the Board and who holds the office up to this Annual General Meeting pursuant to the provision 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 members of the company pursuant to section 257 of the Companies 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 who shall be liable for retirement by rotation."
6. To consider and if thought fit, to pass with or without modification, the following as Ordinary Resolution :
"RESOLVED that Mr. C. Vijay Kumar, who has been appointed as additional Director by the Board and who holds the office up to this Annual General Meeting pursuant to the provision 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 members of the company pursuant to section 257 of the Companies 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 who shall be liable for retirement by rotation."

Notes:

- i) A member entitled to attend and vote is entitled to appoint a Proxy or Proxies to attend and vote instead of himself and a Proxy need not be member. Proxies in order to be effective must be received by the company not less than 48 hours before the time of holding the meeting.
- ii) The Register of Members and Share Transfer Books will remain closed from September 8, 2005 to September 15, 2005, both days inclusive in connection with Annual General Meeting.
- iii) Members are requested to notify change in their address, if any, to the Company's Registrar and Share Transfer Agent, M/s Tata Share Registry Limited Army and Navy Building, 148, M G Road, Fort, Mumbai - 400 001.
- iv) The relative explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of special business is annexed hereto.
- v) As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copies of the Annual Report to the Meeting.

For and on behalf of the Board

Place: Bangalore

Date: 22.7.2005

NARENDRA GOEL
Chairman

42nd Annual Report**Explanatory Statement pursuant to section 173 (2) of the Companies Act, 1956**

Explanatory statement relating to 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 of the company appointed Mr. K P Pandey, as Additional Director on 29.4.2005. In terms of section 260 of the Companies Act, 1956, Mr. K P Pandey will hold the office only up to the date of this Annual General Meeting. Notice required under Section 257 of the Companies Act, 1956 together with requisite deposit has been received from a member proposing the appointment of Mr. K P Pandey as Director.

Mr. K P Pandey is deemed to be concerned or interested in the resolution.

Item No. 6.

Mr. C Vijay Kumar was appointed as Additional Director w.e.f. 22.7.05 by the Board. In terms of Section 260 of the Companies Act, 1956, Mr. C. Vijay Kumar will hold the office only upto the date of this Annual General Meeting. Notice required under Section 257 of the Companies Act, 1956 together with requisite deposit has been received from a member proposing the appointment of Mr. C. Vijay Kumar as Director.

Mr. C. Vijay Kumar is deemed to be concerned or interested in the resolution

Place: Bangalore
Date: 22.7.2005

For and on behalf of the Board

NARENDRA GOEL
Chairman

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DIRECTOR'S REPORT

Your directors take great pleasure in bringing you this report for the financial year 2004-2005

Financial Highlights:

(Rs. In lakhs)

Year ended March 31	2005	2004
Turnover	519.37	446.86
Other income	28.60	18.46
Profit before Depreciation	12.24	16.00
Depreciation	5.18	4.45
Profit before tax	7.06	11.56
Provision for tax	0.55	4.64
Profit after tax	6.51	6.92

Performance

Your company has registered a total revenue of Rs.519.37 lakhs and net profit of Rs.6.51 Lakhs during the period under review. No dividend has been declared during the year.

Directors

Mr. G.P. Goyal and Mr. V.G. Rangnekar will retire at the ensuing Annual General Meeting and are eligible for reappointment. Notices have been received from members, pursuant to Section 257 of the Companies Act, 1956 proposing the reappointment of Mr. V G Rangnekar and Mr. G.P. Goyal.

Mr. K.P. Pandey, who was Additional Director w.e.f. 29th April, 2005 and holds office till the forthcoming Annual General Meeting. It is proposed to appoint him as Director of the Company and his appointment is being proposed before the Annual General Body Meeting.

Mr. C. Vijay Kumar, who was Additional Director w.e.f. 22nd July, 2005 and holds office till the forthcoming Annual General Meeting. It is proposed to appoint him as Director of the Company and his appointment is being proposed before the Annual General Body Meeting.

Auditors

M/s G V Sunder and Company, the Statutory Auditors of the Company retire at the forthcoming Annual General Meeting and are eligible for reappointment. The retiring Auditors have furnished a certificate of their eligibility for reappointment under section 224 (1B) of the Companies Act, 1956 and have indicated their willingness to continue.

The Auditors have reported that the company has not made any provision for diminution in the value of investments in equity shares in Haryana Steel & Alloys Limited amounting to Rs.28.00 lakhs and your company is deliberating on this issue and it is being taken up for consideration.

The auditors have also mentioned in notes to their Report that no-provision has been made for gratuity liability amounting to Rs.2,76,802/-. This matter will be discussed in the next Board Meeting and your Company will take necessary action.

Dematerialization of shares

57.38% of the total shares of the Company have been dematerialized as on 31.03.2005. 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.

Nomination of shares:

The Company provides for nomination facility for the shareholders as per the provisions of the Section 109A of the Companies Act, 1956. Shareholders are eligible to file their nominations against shareholdings for smooth transmission process. Nomination forms are available with the Company and those who are interested in getting the facility may write to the Company's Registered Office for a copy of the prescribed Nomination form.

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Conservation of Energy, Technology Absorption, Research & Development and Foreign Exchange Earnings and Outgo:

The particulars prescribed under clause (e) of sub-section (1) of Section 217 of the Indian Companies Act, 1956 read with the Companies (Disclosure of particulars in Report of Particulars in the Report of Board of Directors) Rules, 1988 are given in Annexure A of this Report.

Employee Particulars in terms of Section 217(2A) of Indian Companies Act, 1956:

As there were no employees drawing remuneration more than the limit prescribed under sub-section 2 (A) of Section 217 of Indian companies Act, 1956 and the Companies (particulars of Employees) Rules, 1975 as amended from time to time, statement under section 217(2A) is not annexed.

Secretarial Compliance Certificate:

A secretarial Compliance Certificate pursuant to Section 383A of the Companies Act, 1956 is attached as Annexure B.

Directors Responsibility Statement:

Your Directors state:

- i) that in the preparation of the annual accounts, the applicable accounting standards has been followed along with proper explanation relating to material departures.
- ii) That they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.
- iii) That they had taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) That they had prepared the annual accounts on a going concern basis.

Acknowledgements:

Your Directors acknowledge deep sense of gratitude for the continued support extended by investors, customers, business associates, bankers and vendors. Your Directors take this opportunity to thank the regulatory and governmental authorities.

Your Directors thank the invaluable contributions of all the employees, who have demonstrated their skill, teamwork and commitment through their competence, hard work, cooperation and support.

For and on behalf of the Board of Directors

Place: Bangalore
Date: 22.07.2005

Narendra Goel
Director

K.P. Pandey
Director

Annexure A

Particulars furnished pursuant to Companies (Disclosure of particulars in Report of Particulars in Report of Board of Directors) Rules, 1988.

- A. Conservation of Energy:** The Company is not a manufacturing company and hence details in respect of the above are not applicable.
- B. Research and Development:** The Company has not undertaken any R & D activity in any specific area during the year under review and hence no cost has been incurred towards the same.
- C. Technology absorption:** Nil.
- D. Foreign Exchange Earning:** Rs. Nil
Foreign Exchange outgo: Rs. Nil

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Annexure B

SECRETARIAL COMPLIANCE CERTIFICATE

Registration No. of the Company- 4604

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 period ended March 31, 2005. In my opinion and to the best of my information and according to the examinations 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 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, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company being a public limited company, comments are not required.
4. The Board of Directors duly met four times on 21.4.2004, 30.7.2004, 27.10.2004, and 31.01.2005 in respect of which meetings proper notices were given and proceedings were properly recorded and signed including the circular resolution passed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members and Share Transfer Books from 17.9.2004 to 24.9.2004 (both days inclusive)
6. The Annual General Meeting for the financial year ended on 31.3.2004 was held on 24.9.2004 after giving due notice to the members of the Company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The Company has not advanced any loans or given any guarantees or provided any securities to its Directors or persons or firms or 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. As there were no instances falling under the preview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has issued five duplicate share certificates during the year & has duly complied the provision of section 84 (2) of the Act.
13. The Company has:
 - a. delivered all the certificates on lodgment thereof for transfer in accordance with the provisions of the Act.
 - b. has not declared any dividend including interim dividend during the financial year.

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- c. The company was not required to post warrants to any member of the company as no dividend was declared during the financial year.
 - d. has transferred Rs. 62,500/- in unpaid dividend account which has remained unclaimed or unpaid for a period of seven year to Investor Education and Protection Fund on 27.12.2004 and has not transferred any other amount in application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven year to Investor Education and Protection fund during the financial year.
 - e. duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and no appointment of additional Director during the year.
 15. The Company has not appointed any Managing Director/Whole-time Director/Manager during the financial year.
 16. The Company has not appointed any sole selling agent during the financial year.
 17. No approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act are necessary to be taken during the financial year.
 18. 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.
 19. The Company has not issued any shares/debentures/other securities during the financial year.
 20. The Company has not bought back any shares during the financial year.
 21. There was no redemption of preference shares or debentures during the financial year.
 22. There was no transaction necessitating the Company to keep in abeyance right to dividend, right shares and bonus shares pending registration of transfer of shares.
 23. The Company has not invited/accepted any fixed deposit including any unsecured loan falling within the provisions of Section 58 A of the Companies Act.
 24. The Company borrowings made during the financial year are within the provisions of Section 293 (1) (d) of the Act.
 25. The Company has not made any loan or advances or given guarantee or provided securities to other bodies corporate and consequently no entry has been made in the register kept for the purpose.
 26. The Company has not altered the provisions of memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
 27. The Company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
 28. The Company has not altered the provisions of the memorandum with respect to the name of the Company during the year under scrutiny.
 29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year under scrutiny.
 30. The Company has not altered its articles of association during the financial year.
 31. There was no prosecution initiated against or show cause notices received by the Company for alleged offences under the Act and also no fines and penalties or any other punishment has been imposed on the Company during the financial year.
 32. The Company has not received any money as security from its employees during the year under certificate.
 33. The Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

Place : Bangalore
Date : 22.07.2005

Name of the Practising Company
Secretary : Madhu Arora
C P No : 3194