



**S E R  
INDUSTRIES  
LIMITED**

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**44<sup>th</sup> ANNUAL REPORT  
2006-2007**



**S E R  
INDUSTRIES  
LIMITED**

**BOARD OF DIRECTORS**

Sri Narendra Goel  
Sri G P Goyal  
Sri V G Rangnekar  
Sri Jayant Mitra

**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**

ICICI Bank Limited  
CA 2 P1, Bidadi Industrial Area,  
Near Toyota Kirloskar Motors Pvt. Ltd.  
Ramanagara Taluk,  
Bangalore - 562 109.

Bank of Maharashtra,  
Nariman Point,  
Mumbai - 400021.

**REGISTERED OFFICE**

Chikkakuntanahalli Village,  
Bidadi Hobli,  
Ramanagara Taluk,  
Bangalore- 562 109.  
Ph. 080 27280314

**CORPORATE OFFICE**

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

**REGISTRAR AND  
SHARE TRANSFER AGENT**

TSR Dara Shaw Limited  
6-10, Haji Moosa Patriwala Industrial Estate  
No.20, Dr. E Moses Road, Mahalakshmi  
Mumbai-400 011  
Phone: 022-66568484/66568494

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To  
The Members,

## NOTICE

Notice is hereby given that the Forty fourth 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 Friday the 21st day of September 2007 at 11:30 AM to transact the following business: -

### **A. ORDINARY BUSINESS:**

1. To consider and adopt the audited Balance Sheet as at March 31, 2007 and Profit and Loss Account for the year ended on that date along with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr V.G. Rangnekar who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr.G. P. Goyal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

### **B. SPECIAL BUSINESS**

5. To consider and if thought fit, to pass with or without modification, the following as Ordinary Resolution :  
"RESOLVED that pursuant to provisions of Section 198, 269, 309, 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 Mr. Narendra Goel, Director be and is hereby appointed as Chief Executive Officer of the Company for period of five years from 01.04.2001 to 31.03.2006 on a remuneration set out in the Explanatory Statement, be and is hereby approved and ratified and authorised the Board enter into an Agreement with him in this behalf.
6. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :  
"RESOLVED that pursuant to provisions of Section 198,269,309,311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 Mr. Narendra Goel, Director be and is hereby appointment as Chief Executive Officer of the Company for a period of five years from 01.04.2006 to 31.03.2011 on a remuneration set out in the Explanatory Statement, be and is hereby approved and ratified and authorized the Board to enter into an Agreement with him in this behalf.
7. To consider and if thought fit, to pass with or without modification, the following as Ordinary Resolution :  
"RESOLVED that pursuant to provisions of Section 198,269,309,311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, Mrs. Savita Goel, Director be and is hereby appointed as Whole Time Director of the Company for the period of five years from 01.04.2001 to 31.03.2006 on a remuneration set out in the Explanatory Statement, be and is hereby approved and ratified and authorized the Board to enter into an Agreement with her in this behalf.
8. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :  
"RESOLVED that pursuant to provisions of Section 198,269,309,311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 Mr. K.P. Pandey, Director be and is hereby appointed as Chief Operating Officer of the Company for the period from 29.04.2005

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to 28.04.2008 on a remuneration set out in the Explanatory Statement, be and is hereby approved and ratified and authorized the Board to enter into an Agreement with him in this behalf.

9. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution :

“RESOLVED that subject to the provision of the Companies Act 1956 (including any statutory modification (s) or enactment thereof for the time being in force and as may be enacted hereafter) the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and subject to such approvals, permissions and sanction as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approval, which may be agreed to by the Board of Directors of the Company, consent be and is hereby accorded to the Board to delist the Company's Equity Shares from Calcutta Stock Exchange Association Limited.

“RESOLVED further the Board be and is hereby authorised to take all necessary steps in this regard in order to comply with the legal and/or procedural formalities, including authorizing Director/Officers/Executives of the Company to do all such acts, deeds, matters and things as may be necessary to give effect to the above.

Notes:

- i) A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and a Proxy need not be a member of the company. The proxy form should be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting.
- ii) The Register of Members and Share Transfer Books will remain closed from 17/09/07 to 21/09/07 (both days inclusive) for the purpose of updating the records.
- iii) The relative explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of special business under Item Nos. 5 to 9 is annexed hereto.
- iv) Members are requested to notify change in their address if any and also requested to **note the change in address** of the Registrar and Share Transfer Agent given the Directors report for their future correspondence.
- v) The Shareholders are requested bring their copy of the Annual Report.
- vi) Requests if any for nomination of shares as provided under section 109 'A' of the Companies Act may be sent to the Company at the Registered Office.

Place: Bangalore  
Date: 27.07.2007

By Order of the Board

**NARENDRA GOEL**  
Chairman

44<sup>th</sup> Annual Report**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956, ANNEXED TO THE NOTICE OF 44TH ANNUAL GENERAL MEETING****ITEM NO.5 & 6**

The Board of Directors of the Company at its meeting held on 27.04.2001 resolved to appoint Mr.Narendra Goel, Director, as Chief Executive Officer of the Company for the period from 01.04.2001 to 31.03.2006 and on the following remuneration within the limit specified in schedule XIII.

**Remuneration**

From 01.04.2001 to 31.03.2006	Rs. 96,000/- per year
From 01.04.2006 to 31.03.2011	Rs. 1,56,000/- per year

Mr. Narendra Goel, 57 is an M.Tech and M.B.A. from Michigan University, U.S.A. and has wide industrial and management experience.

The appointment and remuneration is required to be approved by shareholder at a general meeting. As such, appointment and remuneration is placed before the members for their approval and ratification. A service agreement is also entered with Mr.Narendra Goel, Director and a copy of the same is available for inspection at the Registered Office of the Company on any day during working hours.

The Board considered his appointment in the interest of the Company and accordingly recommends the acceptance of the resolution set out in item No.5 & 6.

Mr. Narendra Goel, Director, may be deemed to be interested in the resolution. Mr.G.P.Goyal and Mrs.Savita Goel being related to Mr.Narendra Goel may be deemed to be interested in the resolution. None of the other Directors of the Company are interested in passing of the resolution.

The above statement may also be treated as an abstract of the terms and Memorandum of interest under Section 302(2) of the Companies Act, 1956.

**ITEM NO.7**

The Board of Directors of the Company at its meeting held on 27.04.2001 resolved to appoint Mrs.Savita Goel, Director as Whole Time Director of the Company for the period from 01.04.2001 to 31.03.2006 on the following remuneration within the limit specified in schedule XIII.

**Remuneration**

From 01.4.2001 to 31.03.2006	Rs.90,000/- per year
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Mrs.Savita Goel, 51 is a B.A. from Bombay University  
Mrs. Savita Goel resigned as Director with effect from 22.07.2005.

The appointment and remuneration is required to be approved by shareholders at a general meeting. As such appointment and remuneration is placed before the members for their approval and ratification. A service agreement is also entered with Mrs.Savita Goel, Director and a copy of the

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same is available for inspection at the Registered Office of the Company on any day during working hours.

The Board considered her appointment as beneficial to the Company and accordingly recommends the acceptance of the resolution set out in item No.7.

Mrs.Savita Goel, Director, may be deemed to be interested in the resolution. Mr.Narendra Goel, Director and Mr.G.P.Goyal, Director being related to Mrs.Savita Goel may deemed to be interested in the resolution. None of the other Directors of the Company are interested in the resolution.

The above statement may also be treated as an abstract of the terms and Memorandum of interest under Section 302(2) of the Companies Act.1956.

### ITEM NO.8.

The Board of Directors of the Company at its meeting held on 27.01.2006 resolved to appoint Mr. K.P. Pandey Director as Chief Operating Officer of the Company for the period from 29.04.2005 to 28.04.2008 on the following remuneration within the limit specified in schedule XIII.

#### Remuneration

From 29.4.2005 to 28.04.2008

Rs.83,050/- per year

Mr. K.P. Pandey, is a B.Com from Bombay University

The appointment and remuneration is required to be approved by shareholders at a general meeting. As such appointment and remuneration is placed before the members for their approval and ratification. A service agreement is also entered with Mr. K.P. Pandey Director and a copy of the same is available for inspection at the Registered Office of the Company on any day during working hours.

The Board considered his appointment as beneficial to the Company and accordingly recommends the acceptance of the resolution set out in item No.8.

Mr. K.P. Pandey, Director, may be deemed to be interested in the resolution. Sri Pandey, has resigned as Director with effect from 28.12.2005. None of the other Directors of the Company are interested in the resolution.

The above statement may also be treated as an abstract of the terms and Memorandum of interest under Section 302.(2) of the Companies Act.1956.

### ITEM NO. 9 Delisting of shares from Calcutta Stock Exchange Association Ltd.

The Company's Shares continued to be listed on Stock Exchange, Mumbai and Bangalore Stock Exchange. The delisting from Calcutta Stock Exchange Association Ltd. will help the company to reduce the administrative cost in filing of number of returns and payment of listing fees. The delisting is subject to approval of share holders. No. exit operation is required to be offered to the members. The Board of Directors recommended the resolution for adoption.

Date: 27.07.2007  
Place : Bangalore

By order of the Board

**Narendra Goel**  
Chairman

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## DIRECTORS REPORT

### To the Members:

Your Directors present their Forty Fourth Annual Report of the Company together with the Audited Statement of Accounts for the financial year ended 31st March 2007.

#### 01. FINANCIAL HIGHLIGHTS

	(Rs. in. Lakhs)	
	31.03.2007	31.03.2006
Turnover	502.97	582.09
other Income	49.71	29.01
Profit Before Depreciation	13.91	11.49
Depreciation	5.30	4.69
Profit Before Tax	8.61	6.80
Provision for Tax (Current Deferred Fringe Benefit Tax)	(3.69)	-0.20
Profit After Tax	4.92	7.00

b) The company has invested Rs. 28 lakhs in Haryana Steels & Alloys Limited. The shares are unquoted. There is a litigation before the High Court at Delhi. The Board is of the opinion that there will not be a diminution in the value of shares. Hence no provision is made.

c) The company has made a provision for gratuity as initial contribution of Rs. 2,31,999 and changed the accounting method to keep inline with Accounting Standards. Consequently the profit is low to the extent.

#### 02. PERFORMANCE:

Your Company has achieved total revenue of Rs. 552.68 lakhs and net profit of Rs. 4.92 Lakhs during the year under review. The revenue and the profitability for the first four months of the current year is at the same level compared to the last year.

#### 03. DIVIDEND:

As a matter of prudent financial policy and to conserve resources your Directors do not recommend any dividend for the year ended 31.03.2007.

#### 04. FIXED DEPOSITS:

During the period under review the Company has not accepted any fixed deposits from the public. There are no deposits due for repayment after maturity.

#### 05. DIRECTORS:

Mr. V.G. Rangnekar and Mr. G.P. Goyal, Directors retires by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for reappointment.

Mr. Narendra Goel is re-appointed as Chief Executive Officer by the Board at its meeting held on 21.04.2006 and approval of Shareholders for the appointment and remuneration is sought as detailed in the Notice calling the Annual General Meeting.

Approval of the Shareholders is also sought for the previous period appointment of Mrs. Savita Goel, Mr. K.P. Pandey and Mr. Narendra Goel as Executive Directors.

#### 06. AUDITORS:

M/s G.V. Sunder and Company, Chartered Accountants, the Statutory Auditors of the Company retires at this Annual General Meeting and are eligible for reappointment.

#### 07. SECRETARIAL COMPLIANCE CERTIFICATE:

As required by provision to sub-section (1) of Section 383A of the Companies Act, 1956, the Secretarial Compliance Certificate from a Practising Company Secretary is attached to this Report.

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### 08. DELISTING OF EQUITY SHARES:

The Board of Directors have decided to retain the listing on Regional Stock Exchange and on Bombay Stock exchange (BSE). It is proposed to delist the shares from Calcutta Stock Exchange Association Ltd. The above action is being taken to avoid unnecessary payment and administrative cost in the interest of company. A special resolution is included in the notice for consideration of the share holders at the 44th annual general meeting.

### 09. DEMATERIALIZATION OF SHARES:

62.86% of the total shares of the Company have been dematerialized as on 31.03.2007. 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.

### 10. REGISTRARS AND SHARE TRANSFER AGENTS:

The change in the address of the Registrars and Share Transfer Agents is as under;

TSR Dara Shaw Limited  
6-10, Haji Moosa Patriwala Industrial Estate  
No.20, Dr. E Moses Road, Mahalakshmi  
Mumbai-400 011  
Phone: 022-66568484/66568494

The Shareholders and all the concerned are requested to note the above change.

### 11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.

The statement pursuant to Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the annexure A, forming part of this report.

### 12. PARTICULARS OF EMPLOYEES:

The Company had no employees of the category mentioned in Section 217(2A) of the Companies Act, 1956.

### 13. DIRECTORS RESPONSIBILITY STATEMENT:

As required under Sec. 217 (2AA) of the Companies Act 1956 your Directors state that:

- (i) In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure.
- (ii) Selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the State of affairs of the Company at the end of the financial year and and profit of the Company for that period.
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) Annual Accounts for the financial year has been prepared on a going concern basis.

### 14. ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation for the continued support and co-operation extended by all customers, dealers, suppliers, Bankers, Government authorities, stakeholders and Business associates.

FOR AND ON BEHALF OF THE BOARD

Place: Bangalore  
Date: 27.07.2007

**NARENDRA GOEL**  
Chairman



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## Annexure B

### SECRETARIAL COMPLIANCE CERTIFICATE

AGM-21-09-2007

CIN-U60231KA1963 PLC-004604

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 financial year ended on 31st March 2007. In my opinion and to the best of my information and according to the checks 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 of act 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, or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company is a public limited company and has the minium prescribed paid up capital during the financial year March 31st 2007.
4. The Board of Directors duly met four times on 21.4.2006, 31.07.2006, 30.10.2006, and 27.01.2007 in respect of which meetings proper notices were given and proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Register of Members were closed from 19.9.2006 to 27.9.2006
6. The Annual General Meeting for the financial year ended on 31.3.2006 was held on 27.9.2006 by giving due notice to the members of the Company and the resolutions recorded.
7. No extra ordinary general meeting (s) were held during the year.
8. The Company has not advanced any loans to 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. The Company has not obtained approvals pursuant under Section 314 of the Act.
12. One duplicate share certificate was issued during the year.
13. The Company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of additional Director alternate Directors and Directors to fill casual vacancies have been duly made.
15. The approvals of the Central Government, Company law Board, Regional Director, Registrar or such other authorities as prescribed under the various provisions of the Act were not necessary since Schedule XIII in not applicable.
16. 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.
17. The Company has not issued any shares during the financial year.
18. There was no claims to dividend, shares pending registration during the period.
19. No deposits were invited or accepted by the Company from public.