



S E R INDUSTRIES LIMITED

CIN : L60231 KA1963PLC004604

**54th ANNUAL REPORT
2016-2017**



**S E R
INDUSTRIES
LIMITED**

CIN : L60231 KA1963PLC004604

BOARD OF DIRECTORS

Sri Narendra Goel
Sri G. P. Goyal
Sri V.G. Rangnekar
Sri Jayant Mitra
Mrs. Savita Goel
Mr. Arvind Khot (Additional Director)

AUDITORS

G.V. Sunder and Company

Chartered Accountants,
3/5, IV Floor, Tower Block, Unity Bldg.,
J.C. Road, Bangalore - 560 002.
Ph. : 080 22275160

BANKERS

ICICI Bank Limited
CA2 P1, Bidadi Industrial Area,
Near Toyota Kirlosker Motor Pvt. Ltd.
Ramanagara District - 562 109.
Bank of Maharashtra,
Nariman Point,
Mumbai - 400 021.

REGISTERED OFFICE

Chikkakuntanahalli Village,
Kodiyala Karenahalli Post,
Via Bidadi, Ramanagara Dist.
Karnataka - 562 109.
Mob. : 9343702920 Phone: 91-80-27204463
e-mail : info@serindustries.co.in
www.serindustries.co.in

CORPORATE OFFICE

107-108 Mittal Chambers,
Nariman Point, Mumbai - 400 021.
Ph. : 22813137, 22813138
e-mail : info@serindustries.co.in
www.serindustries.co.in

**REGISTRAR AND
SHARE TRANSFER AGENTS**

TSR Dara Shaw Limited
6-10, Haji Mosa Patriwala Industrial Estate
No.20, Dr. E. Moses Road, Mahalakshmi,
Mumbai - 400011.
Ph : 022-66568484 / 66568494.



**S E R
INDUSTRIES
LIMITED**

INDEX

	Page no.
1. AGM Notice	- 1
2. Directors Report	- 3
3. Report On Corporate Governance	- 7
4. Secretarial Audit Report	- 14
5. Independent Auditors Report	- 17
6. Annexure to the Independent Auditors Report	- 19
7. Annexure B to the Auditors' Report	- 21
8. Annexure - A Form No. MGT - 9	- 23
9. Balance Sheet	- 27
11. Statement of Profit and Loss Account	- 28
12. B. Notes on Financial Statements for the Year ended 31st March, 2017	- 29
13. Property, Plant And Equipment	- 36
14. Cash Flow Statement	- 37
15. Significant Accounting Policies And Notes Forming Part Of Account For The Financial Year 2016-17	- 38
16. E-Voting Form and Instructions	- 40
17. Certificate on Corporate Governance	- 42
18. Proxy Form and Attendance Slip	- 43

To
The Members,

NOTICE

Notice is hereby given that the 54th Annual General Meeting of the Members of the SER Industries Limited will be held at the Company's Registered Office at Chikkakuntanahalli, Kodiyala Karenahalli post, Via Bidadi, Ramanagara-562109 on Friday, 22nd September 2017 at 2.30 PM to transact the following business:-

ORDINARY BUSINESS

1. To consider and adopt the audited financial statements of the Company for the financial year 31st March, 2017 along with the Reports of Board of Directors and Auditors thereon including the Secretarial Audit report under section 204 of the Companies Act 2013 thereon.
2. To appoint a Director in place of Sri. Jayant Dolatrai Mitra (DIN: 00801211) a Director who retires by rotation and being eligible, offers himself for reappointment.
3. To ratify the appointment of auditors of the Company, and to fix their remuneration and to pass the following resolution as an ordinary resolution thereof:
RESOLVED THAT, pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendations of the audit committee of the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on September 15, 2015, the appointment of M/s. G.V Sunder & Co. Chartered Accountants (Firm Registration No. 007248S) as the auditors of the Company to hold office till the conclusion of the AGM to be held in the calendar year 2018 be and is hereby ratified and that the Board of Directors be and are hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2017 in consultation with the auditors.

SPECIAL BUSINESS

4. **Appointment of Mr. Arvind Khot as Director of the Company.**

To consider and if thought fit, to pass the following as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 of the Companies Act, 2013 (the Act), Rules made there under, provisions of the Articles of Association of the Company and other applicable provisions of the Act, if any Mr. Arvind Khot (DIN:06732061) who was appointed as an Additional Director by the Board at its meeting held on 29th May 2017, be and is hereby appointed as Director retiring by rotation of the Company.

Place : Ramanagara

Date : 29-05-2017

By order of the Board

NARENDRA GOEL

Chairman of the Meeting

(DIN No. : 00327187)

NOTES:

- i) The explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of the above mentioned special business is annexed hereto.
- ii) 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 a company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
- iii) 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.
- iv) The Register of members and Share Transfer Books will remain closed from 14.09.2017 to 22.09.2017 (Both days inclusive) for the purpose of updating the records.
- v) Members / Proxies should bring attendance slips along with their copy of annual report to attend the meeting.

- vi) The Register of Directors shareholding, maintained under section 170 of the Companies Act 2013 will be available for inspection by the members at the meeting.
- vii) Requests if any for nomination of shares as provided under section 72 of the Companies Act 2013 may be sent to the Company at the Registered Office.
- viii) Members holding shares in physical form are requested to kindly notify the Company of any change in their addresses so as to enable the company to address future communication to their correct addresses. Members holding shares in demat form are requested to notify their respective Depository Participant of any change in their addresses.
- ix) Members desiring any information on annual report are requested to write to the Company at least 10 days in advance so as to enable the Management to reply at the Meeting.
- x) Share holders may register their e-mail id by writing to the Company for sending the communications of the Company including the annual reports at info@serindustries.co.in to follow the green initiative the instructions of the Government of India.
- xi) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
- xii) Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
- xiii) Copies of Notice, Annual Report are being sent by electronic mode to those members whose Email -Id's are available with our R & T agents unless members requested for physical copy. For members whose Email-Id's are not available physical copy has been sent by permitted mode.
- xiv) Members may note that 54th AGM Notice , Annual Report, attendance slip, Proxy form and e-voting instructions are also available in the company's website i.e. [www.serindustries .co. in](http://www.serindustries.co.in)
- xv) Member's may note that the company is providing the facility of e-voting and all business may be transacted through e-voting facility provided by the Company is annexed to this notice.
- xvi) Voting through electronic means Pursuant to the provisions of section 108 of the Companies Act, 2013, Rule 20 of Companies (Management and Administration) Rules, 2014, and clause 35B of the listing Agreement, the Company is pleased to provide members facility to exercise their right to vote in respect of resolutions which are being considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by NSDL. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting'). Mr.R.C Venkatesh Rao, Practicing Company Secretary (CP No-2733, email: rcvenkateshrao@yahoo.co.in, Ph: 080-26616554, 9845065943) has been appointed as scrutinizer in this regard.
- xvii) The e-voting period beginning 9.00 AM IST on 19.09.2017 and ends 5.00 PM IST on 21.09.2017.

Place: Ramanagara
Date: 29/05/2017

By order of the Board
NARENDRA GOEL

Chairman of the Meeting (DIN No. : 00327187)

ADDITIONAL INFORMATION ON DIRECTORS SEEKING APPOINTMENT AT THE 54TH AGM- SPECIAL BUSINESS:.

ITEM NO. 4 : MR. ARVIND KHOT

Sri. Arvind Khot is B.COM graduate from Mumbai University with additional post qualification in computer programme and application. He is 35 years old, young and energetic.

He has wide administrative and financial exposure and experience having connected with some institutions like Mooga Tech Solutions India Pvt. Ltd, RKS Limited, ePacific Solutions Pvt. Ltd and others etc.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following Explanatory Statement sets out all material facts relating to the special businesses set out in the accompanying notice of the 54th Annual General Meeting of the Members of SER Industries Limited.

Item No. 4 : Mr. Arvind Khot

The Board of Directors at their meeting held on 29th May 2017 appointed Mr. Arvind Khot as an additional Director of the Company. Pursuant to the provisions of Section 149 and 152 of the Companies Act 2013, Mr. Arvind Khot, will hold office up to the date of ensuing AGM. The Company has received notice in writing under Section 149 of the Companies Act from a member proposing the appointment of Mr. Arvind Khot as an additional Director, eligible to retire by rotation. The Board recommend the resolution for the approval of the members.

DIRECTOR'S REPORT

Your Directors present their Fifty Fourth Report of the Company together with the Audited Statement of Accounts for the financial year ended 31st March 2017.

01. FINANCIAL RESULTS:

	In Rs.	In Rs.
Particulars	31/03/2017	31/03/2016
Total Revenue	14,61,333	4,13,432
Total Expenses	18,48,745	37,96,030
Profit (Loss) before Exceptional Extraordinary items and Tax	(3,87,411)	(33,82,598)
Less: Exceptional Items	-	-
Less: Extraordinary Items	-	-
Profit before Tax	-	-
Less: Current Tax	-	-
Deferred Tax	(5027)	11,921
Profit /Loss After Tax	(3,82,384)	(33,94,519)

2. Performance, Management Discussion and Analysis.

The turnover of the Company is higher compared to the previous year inspite of competition Demand for long distance movement of agricultural produce and fertilizers by road is lower and also affected by draught. The loss is also due to increase in higher operational costs.

The business is not encouraging due to flood and draught ; hence the loss.

The Board of Directors do not visualize upward results during the next Financial Year based on the operations for the last 3 months which is lower compared to previous year.

3. Dividend : The Directors do not propose any dividend due to loss incurred during the year.

4. Transfer of Unclaimed Dividend to Investor Education and Protection Fund.

The Provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared for previous years.

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

- 6. Directors:** Sri. Jayant Dolatrai Mitra (Din-00801211) Director, retires by rotation at the ensuring Annual General Meeting and being eligible, offers himself for reappointment.
The Board of Directors recommends his reappointment.
The Board of Directors has appointed Mr. Arvind Khot as an Additional Director of the company with effect from 29/05/2017. He retires at the ensuring AGM and eligible for reappointment as Director retiring by rotation.
The Board of Directors recommends his reappointment.
- 7. Material Changes and Commitment if any affecting the financial position of the Company occurred between ends of the financial year to which this Financial Statements relate and the date of the report.** No material changes and commitments affecting the financial position of the company occurred between the end of the financial year to which this financial statements relate and the date of the report.
- 8. Statement concerning Development and implementation of Risk Management Policy of the company.** The Company does not have any Risk Management Policy as the element of the risk threatening the Company's existence is very minimal.
- 9. Particulars of loans guarantees or investments made under section 186 of the Companies act, 2013.** There was no loan, guarantee or investment made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.
- 10. Particulars of contracts or arrangements made with related parties.**
There was no Contract or Arrangement made with related parties as defined under section 188 of the Companies Act, 2013 except as stated in the notes to account during the year under review.
- 11. Explanation or Comments on qualifications, reservations or adverse remarks or disclaimers made by the Auditors and the Practicing Company Secretary in their reports.**
There was no a qualification, reservation or adverse remark made by the Auditors / Practicing Company Secretary in their reports.
- 12. Extract of Annual Return.**
Extract of Annual Return in Form MGT-9 is enclosed as Annexure - A to this report.
- 13. Number of board meetings conducted during the year under review.**
The Company had Four Board meetings during the financial year under review.
- 14. Directors Responsibility Statement:**
As required under Sec. 134(5) of the Companies Act, 2013 your Directors confirm 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 the financial results 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 of 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
 - iv) The Annual Accounts for the financial year has been prepared on a going concern basis.
 - v) The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating effectively.

vi) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. Subsidiaries, Joint Ventures and Associate Company.

The company does not have any subsidiary / joint venture or an associate company.

16. Disclosure of composition of Audit Committee and providing vigil mechanism.

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 is applicable to the Company, no report is due.

17. Shares

a. Buyback of securities.

The company has not bought back any of its securities during the year under review.

b. Sweat Equity.

The Company has not issued any Sweat Equity Shares during the year under review.

c. Bonus shares

No Bonus Shares were issued during the year under review.

d. Employee stock option scheme.

The Company has not introduced or offered any Stock Option Scheme to the employees.

18. Details of policy developed and implemented by the Company on its Corporate Social Responsibility initiatives. The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

19. Company's policy relating to directors appointment, payment of remuneration and discharge of their duties. : The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are applicable to the Company.

20. Adequacy of Internal Financial Controls with reference to Financial Statements.

The Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weakness in the design or operation was observed.

21. Details of Significant and Material Orders passed by the Regulators, Courts and Tribunals.

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

22. Auditors: M/s. G.V Sunder and Co, Chartered Accountants were appointed as Auditors of the Company for Four financial years w.e.f 2014-15 at the 52nd Annual General Meeting. Their appointment subject to ratification at the forth coming Annual General Meeting.

23. Dematerializations of Shares:

65.14% of the total shares of the Company have been dematerialized as on 31/03/2017. Members holding shares in physical form are advised to dematerialise their shares to trade and hold the equity shares in electronic form for convenience..

Prevention Of Insider Trading: The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Board of Directors and the designated employees have confirmed compliance with the Code.

- 24. Listing of Shares:** The share holders who like to transact the company shares may do so through Bombay stock exchange. The listing fee for Bombay Stock Exchange has been paid for the financial year 2017-18. The ISIN No: 358F01013
- E-Voting:** On the above subject the Directors report that:
- The shares have to be dematted to an extent not less than 75%. The dematerialization has not taken effect substantially in this company and the shareholding pattern is not encouraging Demat.
 - We have informed by way of note in our previous annual reports for demat in the notice of the AGM and also for furnishing e-mail addresses of shareholders. Email address is one of the prime requirements to adopt E-voting.
- NSDL has been appointed to organize electronic voting / e-voting Necessary instructions issued by them in due course.
- 25. Conservation of energy, technology absorption, foreign exchange earnings and outgo:**
The statement pursuant to Section 134 (M) of the Companies Act, 2013 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable to the Company.
- 26. Secretarial Audit :** Pursuant to the provisions of the Companies Act, 2013 read with relevant Rules made thereunder, a Secretarial Audit was conducted by Mr. R.C Venkatesh Rao, a Practicing Company Secretary-FCS 2282. The Secretarial Audit Report for the financial year ended March 31, 2017 is annexed to the Board's Report.
- 27. Corporate Social Responsibility (CSR) :** The provisions of Section 135 pertaining to the Corporate Social Responsibility is not apply to the Company.
- 28. Declaration of Independent directors :** The Company has received declarations from Independent directors as mentioned in sub-section (6) of section 149 of the Companies Act, 2013.
- 29. Corporate Governance :** The Company strives to ensure good in Corporate Governance and levels of transparency with all the provisions of Clause-49 of the Listing Agreement. A certificate from the Secretarial Auditor to this effect forms part of Corporate Governance Report.
- 30. Internal Complaint Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 :** There are no woman employees at the work place, Hence the clause is not applicable
- 31. Statutory Disclosures :** None of the Directors of your Company are disqualified as per provisions of Section 164(2) of the Companies Act, 2013. Your Directors have made necessary disclosures, as required under various provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 32. Acknowledgement:** Your Directors wish to place on record their appreciation for the support and co-operation extended by all customers, bankers, Government authorities, stakeholders and business associates.

Place: Ramanagara
Date: 29/05/2017

For and on behalf of the Board of Directors

NARENDRA GOEL
Chairman of the Meeting
(DIN No. : 00327187)

REPORT ON CORPORATE GOVERNANCE

Philosophy on Corporate Governance

The Company believes that Corporate Governance is a set of processes, customs, policies, regulation and laws for ensuring transparency, professionalism and accountability in its dealings with its customers, employees, shareholders and with all the stakeholders of the Company. The Company has complied with the provisions of Clause 49 of the Listing Agreement of the Stock Exchange, which deals with the compliance of Corporate Governance requirements as detailed below for the year ending March 31, 2017:

A. The Board Composition.

Size and Composition of Board.

1. The Company comprises of 5 non executive directors. The Directors possess experience in fields of varied services such transportation, banking, finance, real estate, marketing and social service. The skill and knowledge of the Directors have proved to be of immense value to the Company. The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges. The details of Directors seeking appointment/re-appointment have been attached along with the Notice of the Annual General Meeting.

2. None of the Directors hold directorships in more than ten public companies. Further, none of them serve as members of more than 10 Committees nor are they Chairman of more than 5 Committees, as per the requirements of the Listing Agreement. "Committees" for this purpose include the Audit Committee and the Stakeholders Relationship Committee under the said Clause 49 of the Listing Agreement.

3. None of the Directors serve as Independent Directors in more than seven listed companies and none of the Whole time Directors of any listed company serve as Independent Directors in more than three listed companies.

4. None of the Directors are related to each other, except Mr. Gyan Prakash Goyal, Mr. Narendra Goel and Mrs. Savita Goel who are related to each other.

5. All the relevant information, as recommended by the Securities and Exchange Board of India (SEBI) / Stock Exchanges, is promptly furnished to the Board from time to time in a structured manner.

6. Non-Executive Directors of the Company are paid sitting fees of Rs. 3500 per meeting for attending meetings of the Board of Directors, Audit Committee, and Nomination & Remuneration Committee and the sitting fees for the Stakeholders Relationship Committee is Rs. 3500 per meeting.