

**To
The Members,**

NOTICE

Notice is hereby given that the Fiftieth Annual General Meeting of SER Industries Limited will be held at Company's Registered Office at Chikkakuntanahalli, Kodiyala Karenahalli post, Via Bidadi, Ramanagara – 562109 on Tuesday the 17th day of September 2013 at 11.30 a.m. to transact the following business :-

A. ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet as at 31st March 2013 and Profit and Loss account for the year ended on that date along with the Reports of the Directors' and Auditors thereon including the Compliance Certificate under section 383A of the Companies Act thereon.
2. To appoint a Director in place of Mr. JAYANT DOLATRAI MITRA a Director who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

Place : Ramanagara
Date : 31-5-2013

By order of the Board

Regd. Office :
S E R Industries Limited, Chikkakuntanahalli Village,
Kodiyala Karenahalli Post, Via Bidadi
Ramanagara Dist. Karnataka 562109

NARENDRA GOEL
Chairman of the meeting

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 a 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 10/09/2013 to 17/09/2013 (both days inclusive) for the purpose of updating the records.
- iii) The shareholders are requested to bring their copy of Annual Report.
- iv) 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.
- v) 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.
- vi) Members desiring any information as regards the Accounts are requested to write to the Company at least 10 days in advance so as to enable the Management to reply at the Meeting.
- vii) 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 as per the "Green initiative" of the Government of India.

By order of the Board

Place : Ramanagara
Date : 31-5-2013

NARENDRA GOEL
Chairman of the meeting

DIRECTORS REPORT

Your Directors present their Fiftieth Report of the Company together with the Audited Statement of Accounts for the financial year ended 31st March 2013.

01. FINANCIAL HIGHLIGHTS :

Rs. in Lakhs

Year	31.03.2013	31.03.2012
Turnover	301.31	314.26
Other Income	1.65	8.65
Profit (Loss) before Depreciation	(20.49)	15.94
Depreciation	2.63	3.92
Profit (Loss) before Tax	(23.12)	12.02
Provision for Tax (Current, Deferred & Fringe Benefit Tax net)	1.55	6.67
Profit/(Loss) after Tax	(24.67)	5.35

02. PERFORMANCE :

The turnover of the Company compared to the previous year is less due to non-movement of agricultural produce by road and gloomy Agricultural and Industrial scene. The loss is also due to the hike in diesel prices.

The performance for the current year is partly low due to drought in many parts of the Country. The business was reduced comparatively and the expenses remained at the same rate ; 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.

03. DIVIDEND :

The Directors do not propose any dividend due to loss during the year.

04. FIXED DEPOSIT :

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 :

Sri. Jayant Dolatrai Mitra, Director retire by rotation at the ensuring Annual General Meeting and being eligible, offers himself for reappointment. The Board of Directors recommends his reappointment.

06. SECRETARIAL COMPLIANCE CERTIFICATE :

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

07. 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. A certificate in terms of section 224(1) of the Act has been filed by them conforming that they are eligible for consideration of the appointment.

08. DEMATERIALIZATION OF SHARES :

64.69% of the total shares of the Company have been dematerialized as on 31/03/2013. Members holding shares in physical form are advised to dematerialize their shares to trade and hold the equity shares in electronic form for convenience.

09. LISTING OF SHARES :

The equity shares of your Company are listed on Stock Exchange – Mumbai and Bangalore Stock Exchange.

The Demat ISIN No: - INE-358F01013 and

BSE code: 507984 may be referred.

The Annual listing fee has been paid up to date to the Stock Exchanges.

10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT AND 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 not applicable to the Company.

11. PARTICULARS OF EMPLOYEES :

The Company has no employees of the category mentioned in Section 217 (2A) of the Companies Act, 1956 for the year or part of the year.

12. DIRECTORS RESPONSIBILITY STATEMENT :

As required under Sec. 217(2AA) of the Companies Act, 1956 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 1956 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.

13. 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 of Directors

Place : Ramanagara

Date : 31-05-2013

Narendra Goel

Chairman of the meeting

SECRETARIAL COMPLIANCE CERTIFICATE

**AGM : 17-09-2013
CIN: L60231KA1963PLC004604**

**To,
The Members,
SER INDUSTRIES LIMITED,
Chikkakuntanahalli Village, Kodiyala Karenahalli Post
Via Bidadi, Ramanagara Dist. Karnataka 562109**

I have examined the Registers, Records, Books and Papers of **M/s SER INDUSTRIES LIMITED**, 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 2013. 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 aforesaid financial year.

1. The Company has kept and maintained all Registers as stated in the Annexure 'A' to this Certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filled 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 thereunder.
3. The Company is a Public limited company and has the minimum prescribed paid up capital during the financial year 31-03-2013.
4. The Board of Directors duly met 4 times on 29.05.2012, 30.07.2012, 31.10.2012 and 08.01.2013 in respect of which meeting proper notices were given and the proceedings were properly recorded and signed in the Minutes records in loose leaf form maintained for the purpose.
5. The Register of members was closed from 20.09.2012 to 27.09.2012(Both days inclusive), to update the records.
6. The Annual General Meeting for the financial year ended on 31st March, 2012 was held on 27th September 2012 and the resolutions recorded in the minutes book.
7. No Extra Ordinary meeting (s) was held during the year.
8. The Company has not advanced loans to companies referred in the 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 entries in the register maintained under section 301 of the Act.
11. The Company is not required to obtain approvals pursuant to Section 314 of the Act since not applicable.

12. One Duplicate share certificate to Mrs. Anju Agarwal for 300 shares was issued during the year after complying with the required formalities by the Registrar and Share Transfer Agent M/s TSR Dara Shaw Limited. The Company demated 1800 shares for 10 shareholders, Remated for 280 shares for 3 share holders, also transferred 200 shares in physical form.
13. The Board of Directors of the Company is duly constituted and the appointment of Directors, additional Directors, alternate Directors and Directors to fill casual vacancies have been duly made.
14. No 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 necessary.
15. 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 thereunder.
16. The Company has not allotted Equity shares during the financial year.
17. There were no claims to dividend / unpaid dividends, shares pending registration during the period.
18. No deposits were invited or accepted by the Company from public.
19. The Company has not borrowed from Directors, Members, during the financial year ending March 31st, 2013.
20. The Company has not given loans or advances to other Companies / body corporate / firms.
21. The Company has not altered the provisions of the Memorandum with respect to the situation of the Company's Registered Office.
22. The Company has not altered the provision of the Memorandum with respect to the name of the Company.
23. The Company has not altered the provision of the Memorandum with respect to the objects of the Company.
24. The Company has not altered the provision of the Memorandum with respect to share capital of the Company.
25. No appointment of Managing Director/Whole time director/s under section 269 was made by the company during the year.
26. The company has not altered its Articles of Association.
27. No show cause notices were received by the company for alleged offences under the Act.
28. The Company has not received any security deposit from its employees during the year under certification.
29. The Company is regular in payment of PF contribution to appropriate authority.
30. The Company has appointed M/s.TSR Dara Shah Limited as Registrar and Share Transfer Agents. Based on their Certificate it is confirmed that
The Company has:
 - a. Effected transfer / transmission of securities / equity shares during the financial year and delivered all the certificates on lodgment there for transfer / transmission after complying with the provisions of the Act.

- b. Deposit of dividend does not apply, No dividend is declared in previous years.
- c. No payment of dividend was due in view of the above.
- d. Not transferred any amount in unpaid dividend account, 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 years to Investor Education and Protection fund as these provisions are not applicable since there was no such amount required to be transferred.
- e. Duly complied with the requirements of Section 217 of the Act.

ANNEXURE 'A'

The following are Registers as maintained by the Company.

1. Register of Members and Share Ledger – u/s -150
2. Register of charges and copies thereof – u/s-143/136
3. Minutes of Board Meetings in Loose leaf form
4. Minutes of Annual General / General Meetings
5. Books of Accounts –u/s-209
6. Register of Contracts – u/s 301
7. Register of Directors
8. Register of Directors share holdings –u/s 307
9. Register of Director Attendance Records
10. Register of Fixed Assets.

ANNEXURE 'B'

The following returns were filed on MCA Portal during the year.

1. Balance sheet as at 31.03.2012 was filed on 03.12.2012(23AC & ACA)
2. Annual Return as of 27.09.2012 was filed on 28.12.2012 (Form20 B)
3. Compliance Certificate as of 31.03.2012 was filed on 15.11.2012 (form 66)
4. Form 23B for notification of appointment of Auditors for financial year 2012-13 was filed on 18.12.2012.

Place : Ramanagara

Date : 31-05-2013

R. C. VENKATESH RAO
COMPANY SECRETARY IN PRACTICE
CP 2733 FCS 2282

INDEPENDENT AUDITORS' REPORT

To the Members of SER Industries Limited;

Report on Financial Statements.

We have audited the accompanying financial statements of SER INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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 the Balance Sheet, of the state of affairs of the Company as at 31 March, 2013 ;
- b. in the Case of Statement of Profit and Loss, of the loss for the year ended on that date ; and
- c. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. 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;

- b. 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 those books.
- c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Place : Ramanagara
Date : 31-05-2013

for **G. V. SUNDER & CO.,**
Chartered Accountants
FRN: 007248S

G.V. SUNDER
Partner
M.No.019190

Annexure to the Auditors' Report

The Annexure referred to in our report to the members of SER Industries Limited ("the Company") for the year ended 31 March, 2013. We report that :

- (i) a The Company has maintained proper records showing full particulars including quantitative details and location of the fixed assets.
- b There is a regular program of physical verification, which in our opinion is reasonable, having regard to the size of the Company and the nature of fixed assets. No materials discrepancies have been noticed in respect of the assets physically verified during the period.
- c The Company has not disposed off substantial part of its fixed assets during the year.
- (ii) The Company is a service company, primarily rendering Transportation Services. Accordingly, it does not hold any physical inventories. Therefore, paragraph (4)(ii) of the Order is not applicable.
- (iii) a.e. The Company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act. Therefore, clause (b),(c) and (d) of paragraph (4)(iii) of the Order is not Applicable. The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act. Therefore, clause (f) and (g) of paragraph 4(iii) of the Order is not Applicable.
- (iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of stores and spares, plant and machinery, equipment and other assets and with regard to freight collection. There is no continuing failure to correct major weaknesses in internal control.
- (v) a. All the transactions with parties covered under section 301 of the Companies Act, 1956 have been properly entered, if and when transaction takes place, in the register maintained under section 301 of the Act.
- b. In our opinion and according to the information and explanations given to us, the Company has not entered into transactions of purchase of goods, materials or services and sale of goods, materials or services, the aggregate value of which exceeding rupees five lakhs, made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956.
- (vi) The Company has not accepted any deposits from the public during the year.
- (vii) The Company has an internal audit system commensurate with the size and nature of its business.
- (viii) As explained to us and to the best of our knowledge, the Central Govt. has not prescribed maintenance of cost records as per clause (d) of sub-section (1) of section 209 of the Companies Act, nor is the Company liable to obtain Cost Audit Compliance report.
- (ix) a The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Service Tax with appropriate authorities. The provisions of Custom Duty, Excise Duty Sales Tax are not applicable to the Company. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Wealth Tax, Service Tax, Sales Tax, Cess and other undisputed statutory dues were outstanding for a period of more than six months from the date they became payable.

- b The disputed Statutory dues amounting to Rs. 1,32,76,112 in respect of Income Tax demand received by the Company for the Assessment Year 2008-09, for which the Company has filed an appeal before the CIT (Appeals), Bangalore and the same is pending.
- (x) The Company has incurred cash loss during the financial year under review. However, in the financial year immediately preceding the financial year the Company has not incurred cash loss. The Company does not have accumulated losses at the end of the financial year under review.
- (xi) The Company has not obtained any credit facility from any banks or financial institutions nor has any outstanding debentures.

According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, clause 4(xiii) of the Order is not applicable to the Company.

The Company has maintained proper records of the transactions and contracts for dealing in shares and securities and timely entries has been made therein

According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

The Company did not have any dues to a financial institutions, banks or debenture holders during the year under review.

As the Company has not raised any funds during the year under review, no comments are made on utilization of long term borrowings for short term use and vice versa.

The Company has not made any preferential allotment of shares during the year.

The Company has not issued any debentures during the year.

The Company has not raised any money by way of public issue during the year.

Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

Place : Ramanagara
Date : 31-05-2013

for **G. V. SUNDER & CO.**,
Chartered Accountants
FRN: 007248S

G.V. SUNDER
Partner
M.No.019190

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE
YEAR ENDED 31. 03. 2013.**

A. SIGNIFICANT ACCOUNTING POLICIES:

The Financial Statements have been prepared under the historical cost convention on the accrual basis of accounting and on the accounting principles of going concern, in accordance with all the applicable accounting principles generally accepted in India and comply with the mandatory applicable accounting standards notified under sub-section (3C) of Section 211 of the Companies Act, 1956 and other relevant provisions of the Companies Act, 1956 and the rules, regulations and guidelines made thereunder.

1. **Fixed Assets:** Fixed assets have been capitalized at its acquisition cost and all other costs attributable to bring the assets to its working conditions for their intended use as reduced by the accumulated depreciation and impairment loss, if any.
2. **Depreciation:** Depreciation on fixed assets is provided on straight line basis at the rates provided in Schedule XIV to the Companies Act, 1956. Depreciation on assets acquired during the year has been provided on Pro-rata basis including the month during which the asset is capitalized.
3. **Inventory:** Stocks of Stores and Truck spares have been valued at lower of cost or realizable value. The Company is following first in first out method for valuation of inventories.
4. **Cash Flow Statement:** Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.
5. **Recognition of Income & Expenditure** Income and expenditure are generally accounted on accrual basis in accordance with the applicable accounting standards. Freight income is accounted when goods are delivered by the Company to customers. Freight expenses are accounted when the goods are delivered to the intended customers.
6. **Investments:** Long Term Investments are stated at cost. Reduction in market value of quoted investments due to temporary market fluctuations is not provided for in the books of accounts. Current investments are stated at lower of cost and fair value.
7. **Expenditure on Research and Development:** The Company has not incurred any expenditure, on research and development, during the year.
8. **Segmental Revenue and Expenditure:** The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.
9. **Employee Benefits:** *Defined contribution plans-* are post-employment benefit plans under which the Company pays fixed contributions into separate entities (Provident Fund Authority). The Company has no further payment obligations once the contributions have been paid. The Company's contributions to the defined contribution plans are recognised as an expense when they are due. *Defined benefit plans-* Valuations for gratuity and leave encashment liability have been carried out by independent actuary as on the date of Balance Sheet.

Provision for Taxation: Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

10. **Provisions:** Provisions are recognized in terms of Accounting Standard 29 notified under the Companies (Accounting Standards) Rules, 2006. when there is a present legal or statutory obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligations and reliable estimate of the amount of the obligation can be made. Contingent liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation can not be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.
11. **Leases:** The Company's significant leasing agreements are in respect of operating leases for premises. These leasing arrangements which are not non-cancellable ranging between 9 months to one year generally or longer and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as rent in the statement of profit & loss.
12. **Earnings Per Share:** The Basic earnings per share is calculated on the net profit or loss for the period attributable to equity share holders considering weighted average shares outstanding during the period. Diluted earnings per share is worked out on the net profit or loss for the period attributable to the equity shareholders and weighted average number of shares outstanding during the period after adjusting for effects of all dilutive potential equity shares, if any.

for **G. V. SUNDER & CO.,**
Chartered Accountants.

Place : Ramanagara
Date : 31-05-2013

G.V. SUNDER
Partner
M.No.019190
FRN: 007248S


**SER
INDUSTRIES
LIMITED**
**BALANCE SHEET AS AT
31st MARCH, 2013**

(Amount in Rupees)

Particulars	Note No.	As at 31.3.2013	As at 31.3.2012
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	9,945,900	9,945,900
Reserves and Surplus	2	9,751,820	12,239,843
Non-Current Liabilities			
Long-term provisions	3	356,827	394,191
Current Liabilities			
Trade payables	4	123,271	2,615,337
Other current liabilities	5	256,390	221,537
Short-term provisions	6	4,411,812	4,637,952
Total		24,846,020	30,054,760
II. ASSETS:			
Non-current assets			
Fixed assets			
Tangible assets	7	2,470,883	3,165,510
Intangible assets	7	-	-
Non-current investments	8	1,120,748	816,236
Deferred tax assets (net)	9	107,555	262,525
Long term loans and advances	10	2,566,374	2,752,939
Current assets			
Trade receivables	11	7,644,114	8,283,462
Cash and cash equivalents	12	6,006,676	10,613,738
Short-term loans and advances	13	4,929,670	4,160,350
Total		24,846,020	30,054,760
Significant Accounting Policies			
Notes forming part of accounts	1-25		

For and on behalf of the Board

Narendra Goel
Director & CEO

V. G. Rangnekar
Director

 as per our report of even date
for **G. V. SUNDER & CO.,**
Chartered Accountants
FRN: 007248S

G.V. SUNDER
Partner
M.No.019190

 Place : Ramanagara
Date : 31-05-2013


**STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31st MARCH, 2013** (Amount in Rupees)

Particulars	Note No.	Year ended 31.3.2013	Year ended 31.3.2012
REVENUE:			
Revenue from operations	14	297,91,633	31,270,877
Other Operating Revenues	15	339,644	155,611
Other Income	16	165,643	864,879
Total Revenue		30,296,740	32,291,367
EXPENSES:			
Freight Charges Paid		25,897,878	23,676,718
Diesel & Lubricants Consumed		531,499	1,186,582
Other Operational Expenses	17	696,154	1,125,080
Employee benefit expense	18	1,794,817	1,832,975
Depreciation and amortization expense	7	263,514	392,303
Other expenses	19	3,425,355	2,875,721
Total Expenses		32,609,217	31,089,379
Profit/(Loss) before Tax		(23,12,477)	1,201,988
Tax expense:			
(1) Current tax		-	237,000
(2) Deferred tax		1,54,970	429,793
Profit/(Loss) after Tax		(24,67,447)	535,195
Less Prior period tax adjustment (Net)		20,576	-
Profit / (Loss) for the Year		(24,88,023)	535,195
Earning per equity share :			
Basic & Diluted		(2.51)	0.54
Significant Accounting Policies Notes forming part of accounts	1-25		

For and on behalf of the Board

Narendra Goel
Director & CEO

V. G. Rangnekar
Director

as per our report of even date
for **G. V. SUNDER & CO.**,
Chartered Accountants.
FRN: 007248S

G.V. SUNDER
Partner
M.No.019190

Place : Ramanagara
Date : 31-05-2013

B. Notes on Financial Statements for the Year ended 31st March, 2013

(Amount in Rs.)

Note No.	Particulars		As at 31.03.2013		As at 31.03.2012
1.	SHARE CAPITAL:				
	-Authorised				
	60,00,000 Equity Shares of Rs. 10/- each [Previous Year : 60,00,000 Equity Shares of Rs 10/- each]		6,00,00,000		6,00,00,000
	TOTAL		6,00,00,000		6,00,00,000
	-Issued and Subscribed Share Capital				
	994,590 Shares of Rs.10/- each	99,45,900		99,45,900	
	[Previous Year : 994,590 Equity Shares of Rs 10/- each]		99,45,900		99,45,900
	Paid UP Share Capital				
	989,590 Equity Shares of Rs.10/-each fully paid [989,590 Equity Shares of Rs. 10/-each fully paid]		98,95,900		98,95,900
	Add: Amount Paid up on 9000 Forfeited Shares [Previous year 9000]		50,000		50,000
	TOTAL		99,45,900		99,45,900
	- Reconciliation of Shares:				
		Nos	Amt(Rs)	Nos	Amt(Rs)
	Opening Share Capital	9,89,590	99,45,900	9,89,590	99,45,900
	Add: Shares issued During the year	-	-	-	-
Add: Rights/Bonus Shares Issued	-	-	-	-	
Total					
Less: Buy back of Shares-	-	-	-	-	
Less Reduction in Capital-	-	-	-	-	
Closing Share Capital	9,89,590	99,45,900	9,89,590	99,45,900	
-List of Share holders having 5% or more Shares :					
Name Of Shareholders	In Nos	Percentage	In Nos	Percentage	
Mr. Narendra Goel HUF	3,81,830	38.58%	3,81,830	38.58%	
Mrs. Savita Goel	1,26,450	12.78%	1,26,450	12.78%	
2.	RESERVES AND SURPLUS				
	General Reserve				
	Opening Balance		26,06,000		26,06,000
	Additions / (withdrawals) during the year		-		-
	Closing Balance		26,06,000		26,06,000
	Profit and Loss Account				
	Opening Balance		96,33,843		90,98,648
	Add: Profit / (Loss) for the Year		(24,88,023)		5,35,195
	Less/ (Add): Earlier Year Tax Adjustments		-		-
	Closing Balance		71,45,820		96,33,843
TOTAL		97,51,820		1,22,39,843	
3	LONG TERM PROVISIONS				
	Provision For Gratuity Employee Benefits		3,56,827		3,94,191
			3,56,827		3,94,191
4	TRADE PAYABLES				
	Freight Charges payable		64,300		20,53,693
	Trade Payables for Services Received		58,971		5,61,644
			1,23,271		26,15,337

The details of Micro, Small & Medium Enterprises are as per the details available with the Company and there are no amounts outstanding to Micro, Small & Medium Enterprises at the end of the reporting and the previous reporting period.

Note No.	Particulars	As at 31.03.2013	As at 31.03.2012
5.	OTHER CURRENT LIABILITIES		
	Advance from Customers	26,373	-
	Bonus Payable	44,681	47,225
	Salary Payable	77,202	60,926
	Professional Tax Payable	1,450	1,275
	Short Term Employee Benefits payable	16,000	15,137
	Service Tax Payable	684	15,221
	Audit Fee Payable	90,000	63,727
	TDS Payable	-	18,026
	Total	256,390	221,537
6.	SHORT TERM PROVISIONS		
	Provision for Employee Benefits	311,812	300,952
	Other Provisions:		
	Provision for Taxation	4,100,000	4,337,000
		4,411,812	4,637,952
	Note No. 7, Fixed Assets shown separately		
8	NON CURRENT INVESTEMENTS		
	[Long Term Investements]		
	Investments in Equity instruments:		
	Long Term Investments, Stated at Cost.	1,117,248	812,736
	Fully paid up 15,250 Equity Shares of Rs. 10/- each (P.Y. 10,250 Equity Shares of Rs. 10/- each) in Chambal Fertilisers and Chemicals Limited (Quoted)		
	Fully Paid up 200 Equity Shares of Re. 1/- each (P.Y. 200 equity shares of Re. 1/- each) in Jai Corp Ltd (quoted) (of the above 100 equity shares (previous year 100 Equity Shares of Re. 1) of Re. 1/- each is received as fully paid up Bonus shares)	1,000	1,000
	Fully Paid up 90 Equity Shares of Rs. 10/- each in (P.Y. 90 equity shares of Rs 10 each) Andhra Pradesh Heavy Machinery & Engineering Limited (unquoted)	900	900
	Fully Paid up 100 Equity Shares of Rs. 10/- each (P.Y. 100 equity share of Rs. 10 each) in APLAB Ltd. (Quoted)	1,600	1,600
		1,120,748	816,236
	Aggregate Value of Quoted Investments	1,119,848	815,336
	Aggregate Value of Un-Quoted Investments	900	900
	Aggregate Market Value of Quoted Investments	774,700	809,350
	Investment in Subsidiaries / Associates / Joint Ventures /		
	Controlled special purpose vehicles	Nil	Nil
	Investment in Capital of Partnership Firms.	Nil	Nil
9	DEFERRED TAX ASSETS (NET)		
	Deferred Tax Assets:		
	Provision for Employee Benefits	206,609	214,799
	Carried forward Losses	-	265,706
	Total (A)	206,609	480,505
	Deferred Tax Liabilities:		
	Depreciation	99,054	217,980
	Total (B)	99,054	217,980
	Net Deferred Tax Assets (A-B)	107,555	262,525

The Company considers and provides for the deferred tax liabilities on actual basis. Deferred tax assets will be considered to the extent there is a virtual certainty that the assets will be realised in future

Note No.	Particulars	As at 31.03.2013	As at 31.03.2012
10.	LONG TERM LOANS AND ADVANCES		
	Earnest Money Deposit	1,75,000	50,000
	Security Deposits	2,058,900	2,048,900
	Telephone Deposit	46,574	46,574
	Rent Deposit	1,85,900	2,93,400
	Retention Money Deposit	-	312,165
	Other Advances	-	1,900
	Godown Deposit	1,00,000	
		25,66,374	2,752,939
11.	TRADE RECEIVABLES		
	(Unsecured, Considered goods)		
	Outstanding for more than six months	216,708	344,108
	others	7,427,406	7,939,354
	TOTAL	7,644,1	8,283,462
	Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.	Nil	Nil
12.	CASH AND BANK BALANCES		
	-Cash and Cash Equivalents		
	Cash on Hand	1,957	6,502
	Balance with Banks	59,994,719	10,607,236
	-In Current Accounts with Scheduled Banks		
	TOTAL	6,006,676	10,613,738
13.	SHORT TERM LOANS AND ADVANCES		
	Advance Income Tax	34,99,152	3,023,154
	Staff and Driving Contractors Advance	14,27,418	1,061,773
	Others-Advance to Transporters	3,100	75,423
		49,29,670	4,160,350
14.	REVENUE FROM OPERATION		
	Income From Services (Transportation Charges)	2,87,92,977	28,819,868
	Income from Company's Own Trucks	9,98,656	2,451,009
		2,97,91,633	31,270,877
15.	OTHER OPERATING REVENUE		
	Loading Charges Received	3,900	1,400
	Handling Charges Received	3,19,264	154,21
	Claims & Damages Received	16,480	-
		3,39,644	155,61
16.	OTHER INCOME		
	Interest Income	1,36,388	449,808
	Dividend Income	29,075	17,200
	Profit on Sale of Fixed Asset	-	50,997
	Profit on Sale of Long Term Investments	-	346,874
		1,65,463	864,879

	Year ended 31.03.2013	Year ended 31.03.2012
17. OTHER OPERATIONAL EXPENSES :		
Tyres, Tubes & Flaps, Purchased	40,730	510,200
Drivers' & Cleaner's expenses	156,710	242,816
Loading & Unloading charges paid	361,396	194,481
Other Operational Expenses	137,318	177,583
	696,154	1,125,080
18. EMPLOYEE BENEFITS EXPENSES		
Salaries & Wages		
Employer's Contribution to Provident Fund*	1,635,856	1,684,648
Employer's Contribution to Employee State Insurance	75,059	74,170
Staff Welfare expenses	35,566	37,789
	48,336	36,368
	1,794,817	1,832,975

*Contribution for Provident Fund is deposited with the Provident Fund Authorities.

Defined Benefit Plan: The Company's Gratuity plan is not funded. The liability is provided on the basis of independent actuarial valuation basis using projected unit cost method, which recognises each period of service as giving raise to additional unit of employee benefit entitlement and measures each unit separately to build up the financial obligation. The liability towards leave encashment is also provided in the same manner as gratuity

The Principal Actuarial assumptions are as below	Gratuity		Leave Benefit	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
Interest / Discount Rate	8 %	8 %	8 %	8 %
Expected rate of return on Asset	-	-	-	-
Expected rate of future salary increase	5 %	5 %	5 %	5 %
Expected Average remaining Service / Average Age	15.64	15.85	15.64	10.91
Changes in the present value of obligations:				
Present Value of Obligation at the beginning of the Year	3,71,741	291,031	353,402	327,376
Interest Cost	27,339	23,282	28,272	24,974
Current Service Cost	36,838	36,432	89,257	94,751
Past Service Cost (Vested / Non Vested)	-	-	-	-
Benefits Paid	-	-	-	(30,400)
Actuarial (Gain) / Loss on obligation	(61,046)	(9,004)	(147,164)	(63,299)
Present Value of Obligation at the end of the Year	3,74,872	341,741	323,767	353,402
Experience History:				
(Gain)/Loss on obligation due to change in Assumption	(17,774)	(9,004)	(18,908)	(63,299)
Experience (Gain) / Loss on obligation	(43,272)	-	(128,256)	-
Actuarial Gain / (Loss) Recognised:				
Actuarial Gain / (Loss) for the period (obligation)	61,046	9,004	147,164	63,299
Actuarial Gain / (Loss) for the period (Plan Assets)	-	-	-	-
Total Gain / (Loss) for the period	61,046	9,004	147,164	63,299
Actuarial Gain / (Loss) recognised for the period	61,046	9,004	147,164	63,299
Unrecognised Actuarial Gain / (Loss) at the end of the period	61,046	9,004	147,164	63,299
Past Service Cost recognised:	-	-	-	-
Amounts recognised in the Balance Sheet:				
Present Value of the Obligation at the end of the Period	3,44,872	371,714	323,767	353,402
Fund Status	(3,44,872)	(371,714)	(323,767)	(353,402)
Net Asset / (Liability) recognised in the Balance Sheet	(3,44,872)	(371,714)	(323,767)	(353,402)
Expenses recognised in the Statement of Profit and Loss:				
Current Service Cost	36,838	36,342	89,257	94,751
Interest Cost	27,339	23,282	28,272	24,974
Past Service Cost (Vested / Non vested benefits)	-	-	-	-
Net Actuarial (Gain) / Loss recognised for the period	(61,046)	(9,004)	(147,164)	(63,299)
Expense recognised in the Statement of Profit and Loss	3,131	50,710	(29,635)	56,426
Movements in the liability recognised in Balance Sheet:				
Opening Net Liability	341,741	291,031	353,402	327,376
Expenses as above	3,131	50,710	(29,635)	56,426
Contribution paid	-	-	-	(30,400)
Closing Net Liability	344,872	341,741	323,767	353,402

	As at 31.03.2013	As at 31.03.2012
19. OTHER EXPENSES :		
Electricity & Water Charges	1,21,697	49,827
Telephone & Internet Expenses	2,51,884	2,54,858
Rent Paid	4,46,925	4,38,200
Repairs & Maintenance-Office	1,45,078	75,105
Repairs & Maintenance- Motor Cars & Two Wheelers	2,04,835	1,99,759
Repairs & Maintenance - Trucks	83,757	2,84,950
Insurance	62,440	80,446
Auditors' Remuneration:		
- for Statutory Audit	60,000	55,000
- for Tax Audit	30,000	25,000
- Reimbursement of Expenses	17,560	17,061
Rates and Taxes, excluding taxes on income	1,31,491	1,36,645
Printing & Stationery	1,58,969	1,50,633
Postage & Courier Charges	59,573	69,564
Travelling & Conveyance Expenses	2,22,743	1,59,463
Bad Debts Written off	-	1,95,520
Legal & Professional Charges	62,846	87,381
Listing, Filing & Depository Expenses	2,38,947	1,61,067
General & Miscellaneous Expenditure	4,55,732	2,62,514
Sales Promotion Expenses	1,67,750	1,29,340
Directors' Sitting Fee	22,400	22,400
Bank Charges	13,037	20,988
Loss on Sale of Long Term Investments	26,678	-
Loss on Sale of Fixed Asset (Net)	4,41,013	-
Total	34,25,355	28,75,721
20. EARNINGS PER SHARE :		
Net Profit as per Statement of Profit & Loss attributable to Equity Share holders	(2,488,023)	535,195
Weighted average number of equity shares used as denominator for calculating EPS	989,590	989,590
Basic & Diluted Earnings Per Share	(2.51)	0.54
Face Value per Equity Share	10	10
21. EARNINGS & EXPENDITURE IN FOREIGN EXCHANGE :		
Earning in Foreign Currency	Nil	Nil
Expenditure in Foreign Currency	Nil	Nil
22. RELATED PARTY TRANSACTIONS :	Nature of Relationship	
Name of the Related Party		
Madiwala Charitable Trust	The Director(s) of the Company are the Trustee(s) of the Trust	
Chhabildas Memorial Foundation	The Director(s) of the Company are the Trustee(s) of the Trust	
Varun Engineering Works (Partnership Firm)	The Director's relatives are the Partners in the firm	
Nandanvan Roadways (Partnership Firm)	The Director's relatives are the Partners in the firm	
Mr. Narendra Goel	Director and CEO	
Mrs. Savita Goel	Customer Relationship Manage, relative of a Director	
Transactions during the year with related parties :	31.03.2013	31.03.2012
Madiwala Charitable Trust (Rent Paid)	102,000	102,000
Mr. Narendra Goel - Remuneration & Allowance	143	142
Mrs. Savitha Goel - Remuneration & Allowance	143	142

23. SEGMENTAL REPORTING :

Based on the guiding Principles given in Accounting Standards on Segment Reporting specified under the Companies (Accounting Standards) Rules, 2006, the Company is having only one segment as primary segment based on its nature of service rendered.

24. CONTINGENT LIABILITIES & COMMITMENTS

Claims against the Company / Disputed Liabilities not acknowledged as debts
Income Tax Demand Notice received :

As at 31.03.2013	As at 31.03.2012
13,276,112	13,776,112

The Company's Income Tax Assessment for the A.Y. 2008-09 is completed and a demand raised by the Assessing Office amounting to Rs. 1,37,76,112. The Company has preferred an appeal against the Order and the same is pending before the CIT (Appeals). During the year, the Company has paid Rs. 5,00,000/- subject to outcome of the Appeal.

Guarantees outstanding	Nil	Nil
Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil
Other Commitments	Nil	Nil

25. The previous year figures have been regrouped or reclassified wherever necessary to confirm to the current year presentation.

for and on behalf of the board

Narendra Goel
Director & CEO

V. G. Rangnekar
Director

as per our report of even date
for **G. V. SUNDER & CO.**,
Chartered Accountants
FRN: 007248S

Place : Ramanagara
Date : 31-05-2013

G.V. SUNDER
Partner
M.No.019190

Sl. No	Particulars	Rate %	Gross Block				Depreciation				Net Block		
			As on 01.04.2012	Addition During the Year	Deletions/ Adjustments	As on 31.03.2013	As on 01.04.2012	For the year	Deletions/ Adjustments	As on 31.03.2013	WDV as on 31.12.2013	WDV as on 31.03.2012	
I	Tangible Assets												
1	Free Hold Land	0%	423,675	-	-	423,675	-	-	-	-	-	423,675	423,675
2	Building	3.34%	795,421	-	-	795,421	26,567	-	313,448	481,972	-	508,539	508,539
3	Plant and Equipment	4.75%	90,905	-	-	90,905	-	-	90,902	3	-	3	3
4	Furnitures & Fixtures	6.33%	133,754	-	-	133,754	2,446	-	116,513	17,241	-	19,687	19,687
5	Vehicles:												
a	Cars	9.50%	2,583,640	-	496,430	2,087,210	142,487	282,966	729,835	1,357,375	-	1,713,326	1,713,326
b	Other Vehicles	9.50%	177,247	-	-	177,247	16,839	-	139,701	37,546	-	54,385	54,385
6	Office Equipment	4.75%	162,252	-	-	162,252	4,834	-	127,050	35,202	-	40,036	40,036
7	Others:												
a	Computers	16.21%	748,270	35,200	518,875	264,595	12,795	518,866	218,527	46,068	-	23,672	23,672
b	Trucks	16.21%	1,849,024	-	801,387	1,047,637	57,546	548,547	975,838	71,799	-	382,185	382,185
c	Bicycles	9.50%	2,660	-	-	2,660	-	-	2,658	2	-	2	2
	SUB TOTAL (A)		6,966,848	35,200	1,816,692	5,185,356	263,514	1,350,379	2,714,472	2,470,883		3,165,510	3,165,510
II	Intangible Assets												
	SUB TOTAL (B)												
	Grand Total (A+B)		6,966,848	35,200	1,816,692	5,185,356	263,514	1,350,379	2,714,472	2,470,883		3,165,510	3,165,510
	(Previous Year)		7,871,122	4,250	908,524	6,966,848	392,303	908,521	4,837,994	3,037,374		3,519,888	3,519,888

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	As at 2013	As at 2012
A. CASH FLOW FROM OPERATION :		
Net Profit / (Loss) Before Tax - as per statement of profit & Loss	(2,312,477)	1,201,988
Adjustments for :		
Depreciation	263,514	392,303
Interest & Dividend Income	(165,463)	(467,008)
(Profit)/loss on Sale of Assets (net)	441,013	(50,997)
(Profit)/loss on Sale of Investments (net)	26,678	(346,874)
Provision / (reversal) for Employee Benefits (net)	(26,504)	76,736
Operating Profit before Working Capital Changes	(1,773,239)	8,06,148
Adjustment for :		
Decrease/(Increase) in Trade Receivables	639,348	(5,001,679)
Decrease/(Increase) in Advances	(124,021)	(1,461,300)
Decrease/(Increase) in Inventory	-	39,000
Decrease/(Increase) in Current Liabilities	(2,457,213)	2,409,190
Cash Generated from Operations	(3,715,125)	(3,208,641)
Interest Received	136,388	449,808
Direct Taxes Paid (net of refund)	(716,311)	(26,972)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	(4,295,049)	(2,785,805)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Dividend Received	29,075	17,200
Sale of Fixed Assets	25,300	51,000
Sale of Investments	135,662	1,811,082
Purchase of Fixed Assets	(35,200)	(4,250)
Purchase of Investments	(466,851)	(1,296,326)
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(312,014)	578,706
C. CASH FLOW FROM FINANCIAL ACTIVITIES :		
Repayment of Term Loan	-	-
Dividend Paid	-	-
Interest Paid	-	-
NET CASH FLOW FROM FINANCIAL ACTIVITIES : (C)	-	-
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(4,607,063)	(2,207,099)
Cash & Cash Equivalents (Opening)		
Cash & Bank Balances	10,613,738	12,820,837
Cash & Cash Equivalents (Closing)	6,006,676	10,613,738

for and on behalf of the board

Narendra Goel
Director & CEO

V. G. Rangnekar
Director

as per our report of eventdate
for **G. V. SUNDER & CO.,**
Chartered Accountants
FRN: 007248S

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