

CTR



**2008 - 2009
ANNUAL
REPORT**



MANUFACTURING INDUSTRIES LIMITED

REPORT AND ACCOUNTS FOR 2008-2009

BOARD OF DIRECTORS

Mr. K. K. Nohria	Chairman
Mr. B. M. Suri	Vice Chairman
Mr. A. P. Kumar	Managing Director

REGISTERED OFFICE

Nagar Road, Pune 411 014.

AUDITORS

A. A. Bhat & Co.

Chartered Accountants

BANKERS

Bank of Maharashtra

Canara Bank

REGISTRAR AND TRANSFER AGENT

Sharepro Services

Satam Estate, 3rd Floor,

Above Bank of Baroda, Cardinal Gracious Road,

Chakala, Andheri(East), Mumbai 400 099.

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2009

To,
The Members,

Your Directors present their Report together with the Audited Balance Sheet as at 31st March 2009 and the Profit and Loss Account for the year ended on that date:

FINANCIAL RESULTS

Particulars	Year Ended 31.3.2009 Rs.	Year Ended 31.3.2008 Rs.
(a) Gross Sales and Income	1026,271,021	842,513,232
(b) Less: Excise Duty	112,868,516	113,630,942
	913,402,505	728,882,290
(c) PROFIT BEFORE TAX	144,619,453	107,922,096
(d) Less : Provision For Tax	50,339,018	37,124,867
(e) PROFIT AFTER TAX	94,280,435	70,797,229
(f) Balance brought forward from previous year	8,244,136	9,059,779
(g) Interim and Proposed Final Dividends	(5,652,270)	(5,652,270)
(h) Corporate Tax on Dividend	(960,603)	(960,602)
(i) Prior Period Adjustments	554,619	-
(j) Transfer to General Reserve	85,000,000	65,000,000
(k) BALANCE CARRIED TO BALANCE SHEET	11,466,317	8,244,136

DIVIDEND

The Board of Directors recommend a Dividend of Rs.30.00 per equity share (30%) for 2008-09.

OPERATIONS

During 2008-09 gross sales and income increased by 21.8% from Rs.84.25 crores to Rs.102.63 crores, and Profit before tax by 34.0% from Rs. 10.79 crores to Rs. 14.46 crores.

OUTLOOK

With the continuing emphasis of the government on the power sector, the Company will continue to register healthy growth despite overall recessionary trend. The Company has expanded into Rim Seal Fire Extinguishing System for Petroleum storage tanks. The Company is also exploring opportunities in Power Quality and Safety Product businesses.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EARNINGS AND OUTGO

As required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the relevant

data pertaining to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in the prescribed format as an Annexure to this Report.

DIRECTORS

Mr.K.K.Nohria retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

PARTICULARS OF EMPLOYEES

THE Company does not have any employee who was in receipt of remuneration aggregating to the sum prescribed under Section 217(2A) of the Companies Act, 1956 and the rules made there under.

INDUSTRIAL RELATIONS

Industrial and Employee relations continued to be normal during the year under review. Settlements were concluded at the Aurangabad and Pune factories covering daily rated workmen and at the Aurangabad factory covering monthly rated employees.

SOCIAL RESPONSIBILITY

During the year,the Company extended financial support to adopt the village of BAJAR VAHEGAON in Badnapur taluka of Jalna District under the execution of VANARAI, a NGO founded by Padmavibhushan Mr Mohan Dharia to improve rural infrastructure through watershed development and health / sanitation projects.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors assure Members that the financial statements for the year under review conform in their entirety to the requirements of the Companies Act, 1956.

The Directors confirm that:

- the Annual Accounts have been prepared in conformity with the applicable Accounting Standards;
- the Accounting Policies selected and applied on a consistent basis, give a true and fair view of the affairs of the Company for the financial year and of the profit for the year;
- sufficient care has been taken that adequate accounting records have been maintained for safeguarding the assets of the Company, and for prevention and detection of fraud and other irregularities;
- the Annual Accounts have been prepared on a 'going concern basis'.

AUDITORS

The Company's auditors A. A. Bhat & Company hold office up to the conclusion of the ensuing Annual General Meeting, and being eligible, are recommended for re-appointment on the terms to be finalised by the Board of Directors. They have furnished the requisite certificate to the effect that their re-appointment, if effected, would be in accordance with Section 224(1B) of the Companies Act, 1956.

On behalf of the Board of Directors

K.K. Nohria
Chairman

B. M. Suri
Vice Chairman

A. P. Kumar
Managing Director

Mumbai, 20 May, 2009

ANNEXURE TO DIRECTORS' REPORT**Under Section 217(1)(e) of the Companies Act, 1956****A CONSERVATION OF ENERGY****FORM A**

- | | | | |
|----|--|---|---|
| a) | Energy conservation measures | : | Fitted forced draft turboventilators in all manufacturing facilities. Continued to operate captive generators at the Pune and Aurangabad factories for specified periods; the Wind Turbine installation of the Company continued to generate more units of electricity than all the companies manufacturing facilities consumed . |
| b) | Additional investments & proposals; if any, being implemented for reduction of consumption of energy | : | Installation of fibre roofing sheets wherever feasible to improve day light in projects under implementation. |
| c) | Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods | : | No appreciable impact on the cost of production since manufacturing activities do not use significant power. |

B TECHNOLOGY ABSORPTION**FORM B****RESEARCH AND DEVELOPMENT (R & D)**

- | | | | |
|------|---|---|---------------------------|
| 1. | Specific areas in which R & D is carried out by the Company | : | Range extention. |
| 2. | Benefits derived as a result of the above R & D | : | Customer delight |
| 3. | Future plan of action | : | Expand range further |
| 4. | Expenditure on R & D | : | 31 March, 2009Rs. In Lacs |
| i. | Capital | : | 12.51 |
| ii. | Recurring | : | 62.89 |
| iii. | Total | : | 75.40 |
| iv. | Total R & D Expenditure as a percentage of total turnover | : | 0.74 % |

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- | | | | |
|----|--|---|----------------|
| 1. | Efforts, in brief, made towards technology absorption, adaptation and innovation | : | Not Applicable |
| 2. | Benefits derived as a result of the above efforts | : | Not Applicable |
| 3. | a. Imported Technology | : | Not Applicable |
| | b. Year of Import | : | Not Applicable |
| | Has technology been fully Absorbed | : | Not Applicable |
| | If not fully absorbed, areas where this has not taken place, reasons thereof and future plan of action | : | Not Applicable |

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- | | | | |
|----|--|---|---|
| 1. | Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans. | : | Transformer Fire Prevention Systems and Flange mounted on load Tapchangers were exported directly to utilities and transformer manufacturers apart from exports through domestic transformer manufacturers. |
| 2. | Total Foreign exchange earned and used | : | |
| | Total Foreign exchange earned | : | Rs. 224.72 Lacs |
| | Total Foreign exchange used | : | Rs. 556.91 Lacs |

On behalf of the Board of Directors

K.K. Nohria
Chairman

B. M. Suri
Vice Chairman

A. P. Kumar
Managing Director

Mumbai, 20 May, 2009

AUDITOR'S REPORT

To,

The Members of

CTR MANUFACTURING INDUSTRIES LIMITED

We have audited the attached Balance Sheet of **CTR MANUFACTURING INDUSTRIES LIMITED** as at 31st March 2009 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure, a statement on the matters specified in paragraphs 4 & 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) 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;
- (iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet and Profit and Loss account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) On the basis of the written representation received from the individual Directors and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31.3.2009 from being appointed as Director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with significant accounting policies and notes to accounts in schedule No. 18 & 19 respectively and those appearing elsewhere in the accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2009;
- (b) In the case of the Profit and Loss Account, of the profit for the year ended on that date;
- (c) In the case of cash flow statement, of the cash flows for the year ended on that date.

For and on behalf of

A. A. BHAT & CO.
Chartered Accountants

N. V. BADWE
Partner
Membership No. 31637

Pune, 20 May 2009



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As explained to us the fixed assets were physically verified during the year by the management in accordance with a program of verification, covering all fixed assets, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year are not substantial and hence it has not affected the going concern assumption.
- (ii) In respect of its inventories:
 - (a) As explained to us, inventories were physically verified during the year by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted or taken any loans, secured or unsecured to/from Companies, firms or other parties covered in the register maintained under Section 301 of the Act. Sub clause (b), (c), (d), are 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 for the purchase of inventory and fixed assets and for the sale of goods and services.
- (v) In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956:
 - (a) To the best of our knowledge and belief and according to the information and explanations given to us, transactions that needed to be entered into the register have been so entered.
 - (b) According to the information and explanations given to us, where each of such transactions is in excess of Rs. 5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- (vi) According to the information and explanations given to us the Company has not accepted any deposits from public.
- (vii) In our opinion, the Company has an internal audit system, which is commensurate with its size and nature of its business.

- (viii) According to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956, for any of the products of the Company.
- (ix) According to the records and information and explanations given to us in respect of the Statutory and other dues:
 - (a) According to the records of the Company barring a few instances of delays in depositing undisputed income tax deducted/collected at source the company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Customs Duty, Excise Duty, Cess, Service Tax, Wealth Tax and any other statutory dues with the appropriate authorities during the year. According to the information and explanation given to us, there are no arrears of Statutory dues outstanding as on 31st March 2009 for a period more than six months from the date they became payable.
 - (b) According to the information and explanations given to us certain unascertained disputed amounts for few years prior to 1998-99 are pending with CIT (Appeals) and ITAT, Sales Tax Tribunal and High Court.
- (x) The Company does not have accumulated losses as at the end of the year and the Company has not incurred cash losses during the current and the immediately preceding financial year.
- (xi) Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions and banks.
- (xii) The Company is not a chit / nidhi / mutual benefit fund / society and as such this clause of order is not applicable.
- (xiii) The Company is not dealing or trading in shares, securities, debentures and other investments; as such this clause of order is not applicable
- (xiv) According to the information and explanations given to us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The term loan is utilised for the purpose for which the loan was obtained.
- (xvii) According to the information and explanations given to us, funds raised on short-term basis have, prima facie, not been used during the year for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956, during the year and hence the question of whether the price at which shares have been issued is prejudicial to the interest of the Company does not arise.
- (xix) According to the information and explanations given to us and the records examined by us, the Company has not made any debenture issue.