

CTR

**2011 - 2012
ANNUAL
REPORT**



MANUFACTURING INDUSTRIES LIMITED

REPORT AND ACCOUNTS FOR 2011-2012

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 Accountant

BANKERS

Bank of Maharashtra
Canara Bank

REGISTRAR AND TRANSFER AGENT

Sharepro Services (India) Pvt.Ltd.
13AB Samitha Warehousing Complex,
2nd Floor, Sakinaka Exchange Lane,
Sakinaka, Andheri (East), Mumbai -400072.

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2012

To,
The Members,

Your Directors present their Report together with the Audited Balance Sheet as at 31st March 2012 and the Profit and Loss Account for the year ended on that date:

FINANCIAL RESULTS

Particulars	Year Ended	Year Ended
	31.3.2012	31.3.2011
	₹ Lacs	₹ Lacs
Gross Sales and Income	16206.99	15051.45
Less: Excise Duty	1368.89	1355.30
	14837.20	13696.15
PROFIT BEFORE TAX	2262.13	2204.04
Less : Provision For Tax	719.65	757.36
PROFIT AFTER TAX	1542.48	1446.68
Prior Period Adjustments	(0.80)	(2.30)
Balance brought forward from previous year	150.70	146.74
Interim and Proposed Final Dividend	(65.94)	(65.94)
Corporate Tax on Dividend	(10.70)	(10.88)
Transfer to General Reserve	(1500.00)	(1350.00)
Transfer to Reserve For Doubtful Debts	(14.72)	(13.60)
BALANCE CARRIED TO BALANCE SHEET	101.02	150.70

DIVIDEND

The Board of Directors recommends a final dividend of ₹10.00 per equity share in addition to the interim dividend of ₹25.00 per equity share paid.

OPERATIONS

During 2011-12 net sales and income increased from ₹ 13696.15 Lacs to ₹ 14837.20 Lacs, and Profit before tax from ₹ 2204.04 Lacs to ₹ 2262.13 Lacs.

OUTLOOK

The Company believes that demand for its products will register better growth in 2012-13 utilizing enhanced capacity of the Aurangabad facilities. Also the Company will register significant growth in export markets.

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. B.M.Suri 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 to whom the provisions of Section 217 (2A) of the Companies Act, 1956 apply.

SUBSIDIARY COMPANY

As required Under Sec 212 of the Companies Act, 1956, the Directors' Report and Audited Accounts of Polymermann (Asia) Private Limited are attached along with the accounts of the Company.

INDUSTRIAL RELATIONS

Industrial and Employee relations continued to be cordial during the year under review.

SOCIAL RESPONSIBILITY

The Company continue to extend financial support to VANARAI to improve rural infrastructure of BAZAR VAHEGAON and AMBADGAON villages in Badnapur taluka of Jalna district during 2011-12.

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, 2 May, 2012

ANNEXURE TO DIRECTORS' REPORT
Under Section 217(1)(e) of the Companies Act, 1956

A CONSERVATION OF ENERGY

FORM A

1. Energy conservation measures : Additional non electrically operated Turbo Ventilators fitted to improve circulation; Wind Turbine Generator continued to generate more units of electricity than consumed by all the Company's facilities.
2. Additional investments & proposals; if any, being implemented for reduction of consumption of energy : -----
3. Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods : Marginal impact on the cost of production since manufacturing activities do not use a significant amount of power.

B TECHNOLOGY ABSORPTION

FORM B

RESEARCH AND DEVELOPMENT (R & D)

1. Specific areas in which R & D is carried out by the Company : Development of new products.
Extention of Product range.
Validation of design and development activities.
Testing of alternate materials.
2. Benefits derived as a result of the above R & D : Customer delight.
Enhanced revenue and growth.
3. Future plan of action : Apply to DSIR for recognition of R & D Centre at Nasik, Maharashtra.
4. Expenditure on R & D : 31 March, 2012
₹ In Lacs
 - i. Capital : 103.95
 - ii. Recurring : 132.02
 - iii. Total : 235.97
 - iv. Total R & D Expenditure as a percentage of total turnover : 1.6%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts, in brief, made towards technology absorption, adaptation and innovation : Constantly innovating design and features of products.
2. Benefits derived as a result of the above efforts : Higher productivity and profitability.
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 : Focus on export business has resulted in increase in export revenues from ₹ 180.81 Lacs in 2010-11 to ₹ 1272.31 Lacs in 2011-12
2. Total Foreign exchange earned and used
Total Foreign exchange earned : ₹ 1272.31 Lacs
Total Foreign exchange used : ₹ 1388.01 Lacs

On behalf of the Board of Directors

K.K.Nohria
Chairman

B. M. Suri
Vice Chairman

A. P. Kumar
Managing Director

Mumbai, 2 May, 2012

INDEPENDENT AUDITOR'S REPORT

To,

The Members of
CTR MANUFACTURING INDUSTRIES LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **CTR MANUFACTURING INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2012, 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 procedure 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 consider 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 polices 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 March 31, 2012
- (b) in the case of the Profit and Loss Account of the profit for the year ended on that date; and
- (c) in the case of the 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 Companies Act, 1956, 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 it appears from our examination of the books and proper returns adequate for the purposes of our audit have been received from branches not visited by us ;
- c. The balance sheet, profit and loss account dealt with by this report are in agreement with the books of account and with the returns received from branches not visited by us;
- d. In our opinion, the Balance Sheet, statement of Profit and Loss and Cash Flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- e. On the basis of written representations received from the directors, as on 31st March 2012 and taken on record by the Board of Directors, none of the director is disqualified as on 31st March 2012 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.

For and on behalf of

A.A. BHAT & CO
Chartered Accountants
(Firm Reg. No. 101282W)

N.V BADWE
Partner
Membership No. 31637
Pune, 2 May, 2012

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph "Report on other legal and regulatory requirement" 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.
- (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 Companies Act, 1956. 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 Rupees 5.00 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) Central Government has prescribed maintenance of cost records by the Company under section 209(1) (d) of the Companies Act, 1956 for the products of the Company. Compliance Certificate has been made mandatory for the Company w.e.f 1.4.2011 and obtained.
- (ix) According to the records and information and explanations given to us in respect of the Statutory and other dues:
 - (a) The Company barring a few instances of delays in depositing undisputed income tax deducted/collected at source 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 2012 for a period more than six months from the date they became payable.
 - (b) Certain unascertained disputed amounts for few years prior to 1998-99 are pending with CIT (Appeals), 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 trading in shares, securities, debentures and other investments; as such this clause 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 loans are utilized for the purposes for which the loans were 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.
- (xx) The Company has not raised monies by public issues during the year and hence the question of disclosure and verification of end use of such monies does not arise.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For and on behalf of

A.A. BHAT & CO
Chartered Accountants
(Firm Reg. No. 101282W)

N.V. BADWE
Partner
Membership No. 31637
Pune, 2 May, 2012