



**2012 - 2013  
ANNUAL  
REPORT**



## **MANUFACTURING INDUSTRIES LIMITED**

### **REPORT AND ACCOUNTS FOR 2012-2013**

#### **BOARD OF DIRECTORS**

<b>Mr. K.K.Nohria</b>	Chairman
<b>Mr. B.M.Suri</b>	Vice Chairman
<b>Mr. A.P.Kumar</b>	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 (India) Pvt.Ltd.  
13AB Samitha Warehousing Complex,  
2nd Floor, Sakinaka Exchange Lane,  
Sakinaka, Andheri (East), Mumbai -400072.

## DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013

To,  
The Members,

Your Directors present their Report together with the Audited Balance Sheet as at 31<sup>st</sup> March 2013 and the Profit and Loss Account for the year ended on that date:

### FINANCIAL RESULTS

Particulars	Year Ended 31.3.2013 ₹ Lacs	Year Ended 31.3.2012 ₹ Lacs
Gross Sales and Income	17031.85	16239.28
Less: Excise Duty / Service Tax	1723.06	1402.08
	15308.79	14837.20
<b>PROFIT BEFORE TAX</b>	<b>1552.74</b>	<b>2262.13</b>
Less : Provision For Tax	484.45	719.65
<b>PROFIT AFTER TAX</b>	<b>1068.29</b>	<b>1542.48</b>
Prior Period Adjustments	(27.02)	(0.80)
Balance brought forward from previous year	101.02	150.70
Interim and Proposed Final Dividend	(65.94)	(65.94)
Corporate Tax on Dividend	(11.21)	(10.70)
Transfer to General Reserve	(1000.00)	(1500.00)
Transfer to Reserve For Doubtful Debts	(14.88)	(14.72)
<b>BALANCE CARRIED TO BALANCE SHEET</b>	<b>50.26</b>	<b>101.02</b>

### DIVIDEND

The Board of Directors recommends a dividend of ₹ 35.00 per equity share.

### OPERATIONS

During 2012-13 gross sales and income increased from ₹ 16239.28 Lacs to ₹ 17031.85 Lacs. However Profit before tax decreased to ₹ 1552.74 Lacs due to unfavourable market conditions and higher input costs.

### OUTLOOK

Despite difficult previous year 2012-13, the Company believes with favourable market conditions expected in the second half of 2013-14, the demand for its products will register growth due to customer preference.

### 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 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. Settlements were concluded at the Pune Factory covering daily rated and monthly rated employees.

## **SOCIAL RESPONSIBILITY**

Despite being an unlisted Company, corporate governance is complied in all actions. The Company continues to extend support to Vanarai to improve rural infrastructure of Bazar Vahegaon and Ambadgaon villages in Badnapur taluka of Jalna district during 2012-13.

## **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, 8 May, 2013**

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

**A CONSERVATION OF ENERGY**

**FORM A**

- |    |  |   |  |
|----|--|---|--|
| 1. | Energy conservation measures   | : | Some of the conventional light fittings in the factories have been changed to Light Emitting Diode (LED) fittings. Additional 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                                      | : | Further LED fittings will be installed.  |
| 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.<br><br>Extention of Product range.<br><br>Validation of design and development activities.<br><br>Testing of alternate materials. |
| 2. | Benefits derived as a result of the above R & D               | : | Customer delight.<br>Enhanced revenue and growth.  |
| 3. | Future plan of action   | : | Includes range extension of Tapchangers, Adoption of new technology trend in Tapchangers and On Line Filter for Tapchanger.                                    |
| 4. | Expenditure on R & D  | : | 31 March, 2013<br>₹ In Lacs  |
|    | i. Capital  | : | 614.29   |
|    | ii. Recurring   | : | 108.38   |
|    | iii. Total  | : | 722.67   |
|    | iv. Total R & D Expenditure as a percentage of total turnover | : | 4.7%   |

## **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.                                   |
| 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 continues. Opportunities for export of spares and servicing are emerging. |
| 2. | Total Foreign exchange earned and used  |   |  |
|    | Total Foreign exchange earned   | : | ₹ 796.71 Lacs  |
|    | Total Foreign exchange used   | : | ₹ 1209.79 Lacs   |

### **On behalf of the Board of Directors**

**K.K.Nohria**  
Chairman

**B. M. Suri**  
Vice Chairman

**A. P. Kumar**  
Managing Director

**Mumbai, 8 May, 2013**

## **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, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, 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, 2013
- (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 2013 and taken on record by the Board of Directors, none of the director is disqualified as on 31st March 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.

**For and on behalf of**

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

**N.V BADWE**  
Partner  
Membership No. 31637  
**Pune, 8 May, 2013**



## **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 ₹ 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. Cost audit has been made mandatory for the Company w.e.f. 1.4.2012 and the same is under progress.
- (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 2013 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, 8 May, 2013**