

Seventh Annual Report 1998-99

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CENLUB INDUSTRIES LIMITED

DIRECTORS

SHRI V.K. MITTAL - Chairman And Managing Director
 SHRI AMOD AGRAWAL - Whole Time Director
 SHRI AMAN MITTAL - Whole Time Director
 SHRI S.K. GUPTA
 SMT. MADHU MITTAL
 SHRI KRISHAN GOPAL GUPTA
 SHRI VISHU GUPTA
 SHRI R.P.VORIA
 SHRI DINESH KAUSHAL

COMPANY SECRETARY cum FINANCE MANAGER

DEEPAK RAJ JAIN

AUDITORS

SATISH SINGLA & CO.
Chartered Accountants

BANKERS

State Bank of India
SIB Branch, Faridabad

REGISTERED OFFICE

205, K-138 Kalkaji
New Delhi-110019

WORKS

UNIT - I
78, DLF Industrial Estate-I
Faridabad - 121003 (HARYANA)

UNIT - II
35, DLF Industrial Estate - I
Faridabad - 121003 (HARYANA)

AGM-99

Date : 15th September, 1999
 Time : 9.00 A.M.
 Venue : Community Centre, Meethapur,
New Delhi-44

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NOTICE OF SEVENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Seventh Annual General Meeting of the Members of Cenlub Industries Limited will be held at Community Centre, Meethapur, New Delhi-44 on Wednesday 15th day of September 1999 at 9:00 A.M. to transact the following business :-

ORDINARY BUSINESS

1. To consider and adopt the Accounts of the company for the Financial year ended 31st March, 1999, the balance sheet as at that date and the reports of the Directors and Auditors thereon.
2. To appoint Director in place of Mrs. Madhu Mittal who retires by rotation and being eligible, offers herself for re-appointment.
3. Mr. R.P. Voria who retires by rotation and expressed his unwillingness to be re-appointed hence to resolve that resulting vacancy be not filled up and that the number of Directors be reduced accordingly.
4. To consider and, if thought fit, to pass with or without modification following resolution as Ordinary Resolution: -
"RESOLVED THAT M/s. Satish Singla & Co. Chartered Accountants, Faridabad be and are hereby re-appointed Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on a remuneration to be mutually agreed between the Board of Directors of the Company and the said Auditors."

SPECIAL BUSINESS

5. To consider and if thought fit to pass with or without modification following resolution as Ordinary Resolution :
"RESOLVED THAT pursuant to the provision of Sections 198,309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act 1956, the consent of the company be and is hereby accorded to the re-appointment of Shri V.K. Mittal as Managing Director for a period of five years w.e.f. 26 May 1997 on the terms and conditions as mentioned in the Explanatory Statement annexed hereto."
"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to alter or vary the terms of appointment of the appointee as it may, at its discretion, deem fit from time to time, so as not to exceed the limits prescribed in Schedule XIII of Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) or any amendments made thereto."
6. To consider and if thought fit to pass with or without modification following resolution as Ordinary Resolution :
"RESOLVED THAT pursuant to the provisions of Sections 198,309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act 1956, the consent of the company be and is hereby accorded to the re-appointment of Shri Amod Agrawal as whole time Director for a period of five year w.e.f. 15th December 1997 on the terms and conditions as mentioned in the Explanatory Statement annexed hereto."
"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to alter or vary the terms of appointment of the appointee as it may, at its discretion, deem fit from time to time, so as not to exceed the limits prescribed in Schedule XIII of Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) or any amendments made thereto."

By Order of the Board
For CENLUB INDUSTRIES LTD.

Place : New Delhi
Date : 10th August 1999

V.K.MITTAL
MANAGING DIRECTOR

Notes :

1. The Explanatory statement pursuant to Section 173 of the Companies Act, 1956, in respect of the Special Business mentioned under item No. 5 & 6 above are annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
Proxy in order to be effective must be deposited at the Registered Office of the Company not later than fortyeight hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 10th September 1999 to 15th September 1999 (both days inclusive).
4. Please quote your folio number in all correspondence for each type of query/complaint.
5. Members are requested to forward all queries regarding Accounts at the Registered Office of the Company on or before 31st August 1999.
6. Members are requested to bring their copies of the Annual Report to the meeting.



ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT

(PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956)

ITEM NO. 5

Sh. V.K. MITTAL was re-appointed as whole time Director by the Board of Directors at their meeting held on 29th May 1997 on following terms & conditions.

1. Sh. V.K. MITTAL has been re-appointed for a period of five years w.e.f. 26/05/1997.
2. He is entitled to following remuneration.
 - (i) Salary 15,000/- per month.
 - (ii) He will be entitled perquisites as per category A,B,C.

ITEM NO. 6

Sh. AMOD AGRAWAL was re-appointed as whole time Director by the Board of Directors at their meeting held on 29th November 1997 on following terms & condition.

1. Sh. AMOD AGRAWAL has been re-appointed for a period of five years w.e.f. 15/12/1997.
2. He is entitled to following remuneration.
 - (i) Salary Rs.11,000/- per month
 - (ii) He will be entitled perquisites as per category A,B,C.

PERQUISITES

Category - A

- (i) Housing-I : The expenditure by company on hiring unfurnished accommodation for the appointee will be subject to the following ceilings:-
 - (a) Bombay, Calcutta, Delhi and Madras : Sixty percent of the salary
 - (b) Other places : Fifty percent of the salary.
 Housing-II : In case the accommodation is owned by the Company 10% of the salary of the appointee shall be deducted by the Company.
 Housing-III : In case no accommodation is owned by the Company, the appointee shall be entitled to the house rent allowance subject to the ceiling laid down in Housing -I..
- (ii) Payment of expenditure on gas, electricity, water and furnishing, as per the Income Tax Rules. This shall however be subject to a ceiling of 10% of the salary of the appointee.
- (iii) Medical Reimbursement :- Expenses incurred for appointee and his family subject to the ceiling of one month's Salary in a year or three month's salary over a period of three years.
- (iv) Leave Travel Concession :- For the appointee and his family once in a year incurred in accordance with any rules specified by the Company.
- (v) Club fees :- Fees of Clubs subject to a maximum of two Clubs. This will not include admission and life membership fees.
- (vi) Personal accident insurance :- Premium not to exceed Rs. 1,000/- per annum.
 For the purpose of category A "Family" means the spouse, the dependent children and the dependent parents of the appointee.

Category - B :- Contribution to provident fund, Super annuation fund or annuity fund will not be included in the computation of ceiling of remuneration to the extent these, either single or put together are not taxable under the income Tax Act, Gratuity payable should not exceed half a month's salary for the each completed year of service.

Category - C :- Provision of car for use on Company's business and telephone at residence will not be considered as perquisites .

Sh. V.K. MITTAL, Sh. AMOD AGRAWAL, Sh. AMAN MITTAL and Smt. MADHU MITTAL are interested in the item no. 5 & 6.

By Order of the Board
For CENLUB INDUSTRIES LTD.

Place : New Delhi
Date : 10th August 1999

V.K.MITTAL
MANAGING DIRECTOR



DIRECTORS' REPORT :

TO THE MEMBERS OF CENLUB INDUSTRIES LTD.

Your Directors have pleasure in presenting the Seventh Annual Report on the working of the Company together with the Audited Accounts for the year ended 31st March, 1999.

FINANCIAL HIGHLIGHTS

	(Rs. in Lacs)	
	1999	1998
Sales & other Income	419.30	483.28
Profit (-Loss) before Depreciation & tax	-25.31	-2.52
Depreciation	10.65	10.04
Profit (-Loss) before Tax	-35.96	-12.56
Provision for tax	—	—
Profit (-Loss) after Tax	-35.96	-12.56
Surplus Available for Appropriation	57.74	99.32
Appropriation Gratuity Provision for earlier years	—	5.62
Retained profit carried forward to the next year	57.74	93.70

OPERATION & FUTURE PROSPECTS

During the year 1998-99 the turnover of your company has come down to Rs.404 Lacs from Rs.470 Lacs of the previous year. Due to heavy recession in the Engineering Industry the company could not do well. It has incurred losses of Rs. 35.96 Lacs in the Financial Year 1998-99. Your company was feeding Lubrication System basically for Machine Tool, Die-Casting, Injection Moulding, Textile Machines. The Indian Industries of the above mentioned field are not doing well as regards manufacture of these machines.

We are trying to do Import & Export activities of Engineering items, House hold applications besides the present activities of Lubrication System to be carried out by the company.

In spite of the best efforts by our Officers, Staff, Engineers & Workers the company could not show good results.

DIVIDEND

In view of the losses suffered by the company during F.Y. 1998-99, your Director do not recommend for payment of dividend.

DIRECTORS

Mrs. MADHU MITTAL retires by rotation and being eligible offer herself for re-appointment.

Sh. R.P. VORIA, retires by rotation and expressed his unwillingness to be re-appointed. It is proposed not to fill the vacancy and number of directors be reduced accordingly.

FIXED DEPOSIT

During the year under review your company has not invited any deposits from the Public Under Section 58 A of the Companies Act, 1956.

HUMAN RESOURCES

During the year your company has maintained cordial relationship with its employees. The Board places on record its deep appreciation of contribution made by all employees of company.

There are no employees whose particulars are required to be given under section 217 (2A) of the companies Act, 1956 read with the companies (particulars of employees) rules, 1975 as amended.

Y2K COMPLIANCE

The company is aware of the importance of Y2K problem. Only the accounting function will be affected by the Y2K problem. The company is taking necessary steps to make its all Hardware & Software Y2K compliant, the work will be completed much before the end of calendar year 1999. The expenditure to ensure Y2K compliance is not material.



CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO.
Information required to be given pursuant to section 217(1) (e) of the companies Act, 1956 read with the Companies (Disclosures of particulars in the report of the Directors), Rules 1988 and forming part of the Director's report for the year ended 31st March, 1999 are annexed to this report.

AUDITORS

M/s. Satish Singla & Co. Chartered Accountants the company's Auditors retire at the conclusion of this Annual General Meeting and being eligible offer themselves for reappointment which, if made, will be in confirmation with the provisions of section 224 (1B) of Companies Act, 1956.

ACKNOWLEDGEMENT

Your Directors express their sincere appreciation and thank our Employees, Customers, Suppliers, Banks, Shareholders, Central and Haryana Government for their valuable co-operation and assistance.

For and on behalf of the Board

Place : New Delhi
Date : 10th August 1999

V.K. MITTAL
CHAIRMAN

ANNEXURE TO THE DIRECTORS' REPORT

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo

A. CONSERVATION OF ENERGY

- Energy Conservation Measures Taken : Control on illumination lights and use of D.G. set is being taken, However your company operations involve low energy consumption.
- Additional Investment and Proposals, 'if any', being implemented for reduction in consumption of energy : NIL
- Impact of measures (a) & (b) above on reduction of energy consumption and consequent impact on production of goods : Not Significant.

B. TECHNOLOGY ABSORPTION

RESEARCH AND DEVELOPMENT (R & D)

1) Specific areas in which R&D carried out by the company.

- Development of Grease & Oil dispensing system for Automobile Industries.
- Development of dripless Mist Lubrication System for conveyor.

2) Benefits derived as a result of the above R & D.

Further improvement in quality, development of new products as per customer's requirements, diversification with regard to import substitution.

3) Future plan of action.

Company is trying to explore possibility of developing Special Lubrication System for high speed spindle running about 45000 RPM used in machine tools.

4) Expenditure on R & D.

No separate details of such expenditure can be ascertained. Research and Development is being carried out in normal course of business.

Technology Absorption, Adaptation and Innovation:

- Efforts in brief made towards technology absorption, adaptation and innovation and benefits derived therefrom. NIL
- Imported Technology : No new Technology was imported during the year.

C FOREIGN EXCHANGE EARNINGS AND OUTGO.

Details of Foreign Exchange, earnings and Outgo are given in schedule XVIII to the notes of the enclosed Accounts.

For and on behalf of the Board

Place : New Delhi
Date : 10th August 1999

V.K. MITTAL
CHAIRMAN