




CENLUB

ELEVENTH ANNUAL REPORT 2002-2003

CENLUB INDUSTRIES LIMITED

DIRECTORS

SHRI V.K. MITTAL	:	Chairman And Managing Director
SHRI AMAN MITTAL	:	Whole Time Director
SHRI V.K. GUPTA	:	Whole Time Director
SMT. MADHU MITTAL	:	Director
SHRI H.L. BHUTANI	:	Director
SHRI S.K. GUPTA	:	Director
SHRI KRISHAN GOPAL GUPTA	:	Director
SHRI DINESH KAUSHAL	:	Director

COMPANY SECRETARY
MANISH KUMAR GUPTA

AUDITORS

SATISH SINGLA & CO.
Chartered Accountants

BANKERS

STATE BANK OF INDIA
SIB BRANCH, FARIDABAD
SSI PEENYA II STAGE BRANCH, BANGALORE

REGISTERED OFFICE

35, DLF INDUSTRIAL ESTATE-I
FARIDABAD - 121 003 (HARYANA)

WORKS

35, DLF INDUSTRIAL ESTATE - I
FARIDABAD - 121 003 (HARYANA)

45-B, PHASE-II
PEENYA INDUSTRIAL AREA
BANGALORE - 560 058
KARNATAKA

AGM-2003

DATE	:	20.09.2003
DAY	:	SATURDAY
TIME	:	9:00 A.M.
VENUE	:	AGRAWAL SEWA SADAN D-48, SECTOR-11 FARIDABAD (HARYANA)

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CENLUB

NOTICE IS HEREBY GIVEN that the Eleventh Annual General Meeting of the Members of Cenlub Industries Limited will be held at AGRAWAL SEWA SADAN, D-48, Sector- 11, Faridabad (HARYANA) on Saturday the 20-9-2003 at 9:00 A.M. to transact the following business:-

ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at 31st March 2003 and the Profit & Loss Account of the company for year ended 31st March 2003, and the report of the Board of Directors and Auditors thereon.
2. To appoint Director in place of Mr.Kishan Gopal Gupta who retires by rotation and being eligible, offer himself for re-appointment.
3. To appoint Director in place of Mr.S.K.Gupta who retires by rotation and being eligible, offer himself for re-appointment.
4. To appoint M/S Satish Singla & Co. Chartered Accountants Auditors of the company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a remuneration to be decided by the Audit Committee as per Clause 49.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution** :

"RESOLVED that pursuant to the provisions of Section 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such consents, approvals and permissions as may be needed, Mrs. Madhu Mittal be and is hereby appointed Whole time Director of the company for a period of five years with effect from 1st April, 2003 on the terms and conditions of his appointment / remuneration as set out in the Explanatory Statement annexed hereto"

"FURTHER RESOLVED that the remuneration Committee formed by the Board of Directors of the Company be and is hereby authorised to alter or vary the said terms and conditions as its discretion as it may deem fit and as acceptable to Mrs.Madhu Mittal within the limits specified in the Schedule XIII of the Companies Act, 1956 or any amendment made hereinafter in this regard."

"FURTHER RESOLVED that the remuneration Committee formed by the Board of Directors of the Company be and are hereby authorised to do all such such acts, matters and things as may be necessary, requisite, desirable or expedient for giving effect to the foregoing resolution.

6. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT in accordance with the provision of section 257 and other applicable provisions, if any, of the Companies Act 1956, Shri. V.K.Gupta who was appointed on 17.12.2002 by the Board of Directors of the Company as an Additional Director and who holds office upto the date of ensuing Annual General Meeting under section 260 of the Companies Act 1956 and in respect of to whom the company had received the notice in writing proposing his candidature for the office of the Director, be and is hereby appointed as Director of the company liable to retire by rotation"

"FURTHER RESOLVED that pursuant to the provisions of Section 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such consents approvals and permissions as may be needed, **Mr.V.K.Gupta** be and is hereby appointed Whole Time Director of the company for a period of three years with effect from 17 December, 2002 on the terms and conditions of his appointment / remuneration as set out in the Explanatory Statement annexed hereto.

FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorised to alter or vary the said terms and conditions as its discretion as it may deem fit and as acceptable to **Mr. V.K. Gupta** within the limits specified in the Schedule XIII of the Companies Act, 1956 or any amendment made hereinafter in that regard.

FURTHER RESOLVED that the Board of Directors of the Company be and are hereby authorised to do all such acts, matters and things as may be necessary, requisite, desirable or expedient for giving effect to the foregoing resolution.



7. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Ordinary Resolution** :

"RESOLVED THAT in accordance with the provision of section 257 and other applicable provisions, if any, of the Companies Act 1956, Shri. H.L.Bhutani who was appointed on 17.12.2002 by the Board of Directors of the Company as an Additional Director and who holds office upto the date of ensuing Annual General Meeting under section 260 of the Companies Act 1956 and in respect of to whom the company had received the notice in writing proposing his candidature for the office of the Director, be and is hereby appointed as director of the company liable to retire by rotation"

8. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Ordinary Resolution** :

"RESOLVED THAT in accordance with the provision of section 257 and other applicable provisions, if any, of the Companies Act 1956, Shri. Dinesh Kaushal who was appointed on 15.02.2003 by the Board of Directors of the Company as an Additional Director and who holds office upto the date of ensuing Annual General Meeting under section 260 of the Companies Act 1956 and in respect of to whom the company had received the notice in writing proposing his candidature for the office of the Director, be and is hereby appointed as director of the company liable to retire by rotation"

9. To consider and if thought fit, to pass with or without modification(s) the following resolution as a

Special Resolution :

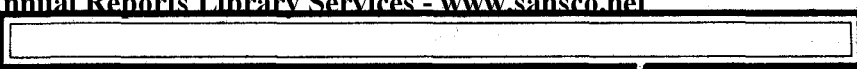
RESOLVED THAT pursuant to the applicable provisions of the Securities and Exchange Board of India (De-listing of Securities) Guidelines, 2003 (herein after referred to as the De-listing Guidelines) and subject to the provisions of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof for the time being in force), the Securities Contracts (Regulation) Act 1956 and the rules framed there under, listing agreements and all other applicable rules, regulations and guidelines and subject to the approvals, consents, permissions, or sanctions of the Securities and Exchange Board of India, Stock Exchanges where the shares of the company are listed and other appropriate authorities, institutions or regulators as may be necessary and subject to the such conditions and modification as may be prescribed or imposed by any authority while granting such approvals, consents, permissions, or sanctions which may be agreed to by the Board of Director of the Company (hereinafter referred to as a Board and expressions shall deemed to include any committee thereof constituted by the Board) the consent of the company be and is hereby accorded to the Board to De-list the Equity Shares of the company from all or any of the Stock Exchanges at Ahmedabad, Delhi and Hyderabad".

Place : Faridabad
Date : 21 July, 2003

V.K.MITTAL
MANAGING DIRECTOR

Notes :

1. 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 forty eight hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from 15th Sept., 2003 to 20th Sept., 2003 (both days inclusive).
3. Please quote your folio number in all correspondence for each type of query/complaint.
4. Members are requested to forward all queries regarding Accounts, at the Registered Office of the Company on or before 5th September, 2003.
5. Shri.Kishan Gopal Gupta, Shri.S.K.Gupta, Directors retire by rotation and being eligible offer themselves for re-appointment. Shri. H.L.Bhutani and Shri.V.K.Gupta are proposed to be appointed as Directors liable to retire by rotation. The Information pursuant to Corporate Governance clause 49 of the Listing Agreement(s) is furnished in the statement of Corporate Governance and is a part with this Annual Report.
6. An Explanatory Statement, pursuant to Section 173(2) of the Companies Act 1956, in respect of Special Business to be transacted at the meeting is annexed hereto.



7. Shareholders are requested to bring their copy of the Annual Report to the meeting.
8. Members / Proxies should bring the Attendance Slip, duly filled in, for attending the meeting.
9. In case of joint holders attending the meeting, only such joint holder who is appearing higher in the order of names will be entitled to vote.
10. Members who holds shares in dematerarlisred form are requested to write their client ID and DP ID Numbers and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting.
11. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to and inclusive of the date of the Annual General Meeting.
12. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to submit to the Registrars and Transfer Agents the details as required in Form 2B, which is attached for the purpose.



ANNEXURE TO NOTICE

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

Item No. 5

Mrs. Madhu Mittal promoter/Director of the company is associated with the company since incorporation before that she was a proprietor of Cenlub Engineers and have to her credit 20years successfully guiding a team of highly qualified professional in the field of lubrication systems. She is an M.A. by qualification and women entrepreneur of good standing. As Whole time Director of the company she has been entrusted with the responsibilities of complete administration, customer care & developing and exploring exports markets for the products of the company. The Remuneration Committee had considered that taking her vast experience in the lubrication field her contribution in the above departments would lead the company to higher growths. The gist of the terms of the agreement entered by the company with her are given below herewith

1. Mrs. Madhu Mittal be and is hereby appointed Whole Time Director of the company for a period of five years w.e.f. 1st April 2003 on the terms and conditions hereinafter contained.
2. The Whole Time Director shall conduct the day to day management of the company subject to the directions and control of Board of Directors and shall perform such other duties and services and exercises such powers as shall from time to time, be entrusted to him by the Board of Directors.

REMUNERATION

3. The Company shall pay the following remuneration's to Mrs Madhu Mittal as Whole Time Director.

I. SALARY AND OTHER FIXED ALLOWANCES :

Rs.10,000/- per month including dearness and all other allowances. In case of inadequacy of profits or in case of loss incurred by the company the remuneration of Rs.10,000/- p.m. will be paid as minimum remuneration.

II. COMMISSION :

Since commission is also payable alongwith the salary, it shall not be more than one percent of the net profits of the company subject to a ceiling of fifty percent of the salary or Rs.90,000/- per annum, whichever is less.

III. PERQUISITIES :

Perquisites may be allowed in addition to salary and commission both. In case of person posted at Bombay, Calcutta, Delhi and Madras, perquisites shall be restricted to an amount equal to the annual salary or Rs.1,50,000/- per annum, whichever is less. Perquisites are classified into three categories 'A', 'B' & 'C' as follows and Rs.1,15,000/- if posted elsewhere.

CATAGORY - A

This will comprise house rent allowances, leave travel, commission, medical reimbursement, fees on clubs and personal accident insurance. These may be provided for as under.

(i) Housing I

The expenditure by company on hiring unfurnished accommodation for the appointee will be subject to the following ceiling:

a. Bombay, Calcutta, Delhi and Madras :

Sixty percent of the salary, over and above ten percent payable by the appointee.

b. Other places : Fifty percent of the, salary, over and above ten percent payable by the appointee.

(ii) Housing II

In case the accommodation is owned by the company, ten percent of the salary of the appointee shall be deducted by the company

Housing III

In case no accommodation is provided by the company, the appointee shall be entitled to house rent allowances subject to the ceiling laid down in Housing I.


Explanation:

The expenditure incurred by companies or gas, electricity, water and furnishings shall be valued as per the Income-Tax Rules, 1962. This shall however, be subject to a ceiling of ten percent of ten salary of the person proposed to be appointed.

(ii) Medical Reimbursement :

Expenses incurred for the person to be appointed and the family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

(iii) Leave Travel Concession:

For the person proposed to be appointed and his family, once in a year incurred in accordance with the rules specified by the company.

(iv) Club Fees:

Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

(v) Personal Accident Insurance:

Premium not to exceed Rs. 1,000/- per annum.

Explanation – For the purposes of Category –A, 'Family' means the spouse, the dependant children and dependent parents of the appointee.

CATEGORY – B

Contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-Tax-Act. Gratuity payable should not exceed half a month's salary for each completed year of service, subject to a ceiling of Rs. 1,00,000/-.

CATEGORY – C
1) Company Car with Driver

The Whole Time Director shall be provided a company's car with a driver for his use. However, the use of car for the private purpose shall be billed by the company to the Whole Time Director

2) Free Telephone At Residence

The Director shall be provided not more than one telephone at his residence. However all long distance personal calls shall be allowed to enchase.

3) The Whole Time Director should be entitled for privilege leave on full pay and allowances as per the rules of the Company for a period not exceeding one months after every 11 months of service. The leaves accumulated but not availed of will not be allowed to encashed..

4) So long as Mrs. Madhu Mittal functions as Whole Time Director he shall not be paid any sitting fee for attending the meeting of the Board of Directors or Committee there of.and will be subject to retire by rotation as per the provisions of the Companies Act 1956

5) The Head Quarter of the Whole Time Director shall be at Faridabad where she has to stay regularly for attending to her office.

6) The Whole Time Director shall not so long as she functions as such, become interested or otherwise concerned directly or through his husband, sons or unmarried daughters in any selling agency of the Company in future without the prior approval of the Company Law Board or any other authority which may exist from time to time.

7) This agreement may notwithstanding the period of five years mentioned in clause I hereof, be terminated by either party giving to the other six months notice in writing, in the event of termination of the appointment of Whole Time Director by the Company, she shall be entitled to receive compensation in accordance with the provisions of Section 318 of the Companies Act, 1956.

8) Any dispute of different whatsoever concerning or arising out of this agreement whether during the currency or otherwise, shall be entitled by arbitration in accordance with the law relating to the arbitration for the time being in force.



- 9) The appointee shall also be entitled to reimbursement of entertainment expenses actually and properly incurred in the course of legitimate business of the company.

Sh. V.K. Mittal, Sh. Aman Mittal and Smt. Madhu Mittal herself are interested in the resolution. None of the other directors of the Company is in anyway concerned or interested in the above said resolution.

The copy of the agreement entered by the company with Smt. Madhu Mittal is available for the inspection at the registered office of the company any day between 11 A.M. to 1 P.M. till the date of the Annual General Meeting of the Company.

The above may be treated as an abstract of the Agreement proposed to be entered into between the Company and Smt. Madhu Mittal pursuant to Section 302 of the Companies Act, 1956.

Item No. 6

Pursuant to provisions of Section 260 of the Companies Act, 1956 and Article 104 of the Articles of Association of the Company, the Board of Directors appointed Shri. V.K.Gupta as an Additional Director with effect from 17th December 2002. Shri. V.K.Gupta holds office as Additional Director up to the date of ensuing Annual General Meeting. The company has received a notice, along with a deposit of Rs.500 (Rupees Five Hundred Only) under Section 257 of the Companies Act, 1956 from a member proposing the candidature of Shri.V.K.Gupta for the Office of Director of the Company.

Shri. V.K. Gupta is 55 years Old. He has diploma in Mechanical Engineering in 1967. He had been managing his own business for 20years, since 1971 to 1990 in name of Neo Poly Pack Pvt. Ltd. Thereafter he joined Cenlub Industries Ltd. and later taking into consideration his vast experience last year he was co-opted as addition Director and whole time director. As a whole time director he had been entrusted with the responsibilities of complete finance, accounts, legal matters of the company. The Remuneration Committee had considered that taking his vast experience being entrepreneur would ensure his contribution in the above departments . The gist of the terms of the agreement entered by the company with her are given below herewith.

REMUNERATION

1. The Company shall pay the following remuneration to Mr.V.K.Gupta as Whole Time Director:

I. SALARY AND OTHER FIXED ALLOWANCES :

Rs.10,000/- per month including dearness and all other allowances. In case of inadequacy of profits or incase of loss incurred by the company the remuneration of Rs.10,000/- p.m. will be paid as minimum remuneration.

II. PERQUISITES :

Perquisites may be allowed in addition to salary and commission both. In case of person posted at Bombay, Calcutta, Delhi and Madras, perquisites shall be restricted to an amount equal to the annual salary or Rs.1,50,000/- per annum, whichever is less. Perquisites are classified into three catagories 'A' 'B' & 'C' as follows and Rs.1,15,000/- if posted elsewhere.

CATEGORY – B

Contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-Tax-Act. Gratuity payable should not exceed half a month's salary for each completed year of service, subject to a ceiling of Rs. 1,00,000/-.

CATEGORY – C

- 1 The Whole Time Director should be entitled for privilege leave on full pay and allowances as per the rules of the Company for a period not exceeding one months after every 11 months of service. The leaves accumulated but not availed of will not be allowed to encashed.
- 2 So long as Shri V.K.Gupta functions as Whole Time Director he shall not be paid any sitting fee for attending the meeting of the Board of Directors or Committee thereof.
3. The Head Quarter of the Whole Time Director shall be at Faridabad where he has to stay regularly for attending to his office.



4. The Whole Time Director shall not so long as he functions as such, become interested or otherwise concerned directly or through his wife, sons or unmarried daughters in any selling Agency of the Company in future without the prior approval of the Company Law Board or any other authority that may exists from time to time.
5. This agreement may notwithstanding the period of three years mentioned in clause I thereof, be terminated by either party giving to the other three months notice in writing, in the event of termination of the appointment of Whole Time Director by the Company, he shall not be entitled to receive any compensation.
6. Any dispute of different whatsoever concerning or arising out of this agreement whether during the currency or otherwise shall be entitled by arbitration in accordance with the law relating to the arbitration for the time being in force.

The copy of the agreement entered by the company with Shri. V.K. Gupta is available for the inspection at the registered office of the company any day between 11 to 1 P.M. till the date of the Annual General Meeting of the Company.

The above may be treated as an abstract of the Agreement proposed to be entered into between the Company and Shri. V.K. Gupta pursuant to Section 302 of the Companies Act, 1956.

Keeping in view his vast experience and knowledge, the Directors recommend the resolution for members approval.

Save and except Shri. V.K. Gupta, none of the Directors of the Company is, in any way, concerned or interested in this Resolution.

Item No. 7

Pursuant to provisions of Section 260 of the Companies Act, 1956 and Article 104 of the Articles of Association of the Company, the Board of Directors appointed Shri. H.L. Bhutani as an Additional Director with effect from 17th December 2002. Shri. H.L. Bhutani holds office as Additional Director up to the date of ensuing Annual General Meeting. The company has received a Notice, along with a deposit of Rs. 500 (Rupees Five Hundred Only) under Section 257 of the Companies Act, 1956 from a member proposing the candidature of Shri. H.L. Bhutani for the Office of Director of the Company.

PROFILE OF MR. H.L. BHUTANI

MR. H.L. BHUTANI, aged 61 years engineer (Mechanical & Metallurgical) from Delhi College of Engineering, after serving for almost 28 years in various private/Govt. organizations. He started his own small scale unit in the name of M/s. HYFIT ENGINEERS. The Company is an ISO 9001:2000 certified and is in the line of manufacturing of Hydraulic Fittings, Catering needs of more than 200 customers.

Keeping in view his vast experience and knowledge, the Directors recommend the resolution for members approval.

Save and except, Shri. H.L. Bhutani none of the Directors of the Company is, in any way, concerned or interested in this Resolution.

Item No. 8

Pursuant to provisions of Section 260 of the Companies Act, 1956 and Article 104 of the Articles of Association of the Company, the Board of Directors appointed Shri Dinesh Kaushal as an Additional Director with effect from 15.2.2003. Shri Dinesh Kaushal holds office as Additional Director up to the date of ensuing Annual General Meeting. The company has received a Notice, along with a deposit of Rs. 500 (Rupees Five Hundred Only) under Section 257 of the Companies Act, 1956 from a member proposing the candidature of Shri Dinesh Kaushal for the Office of Director of the Company.

PROFILE OF MR. DINESH KAUSHAL

Shri Dinesh Kaushal is Company Secretary & Chartered Accountant by profession and he is having ten years post qualification experience in accounts, finance and banking matters.

PROFILE OF MR. KRISHAN GOPAL GUPTA

Mr. K.G. Gupta has completed his M.Sc. (Chemistry) in 1976 from Meerut University. He has 25 years experience in General Management and Administration, finance and accounts.

**PROFILE OF MR. S.K.GUPTA**

Shri S.K. Gupta has completed his MSC (Mathematics) in 1967 from Agra University. He has 30years of varied experience in specialist functions, general management and computer software.

Item No. 9

The Securities and Exchange Board of India (SEBI) has issued the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, (hereinafter referred to as the "Delisting Guidelines") incorporating, among others, provisions for delisting of securities of a body corporate voluntarily by a promoter or an acquirer or any other person from the Stock Exchanges.

Presently, the company's equity shares are listed on the following Stock Exchanges :-

1. The Stock Exchange, Mumbai
2. The Stock Exchange, Ahmedabad
3. The Stock Exchange, Hyderabad
4. The Stock Exchange, Delhi

With the extensive networking of the Stock Exchange, Mumbai (BSE) and the extension of the BSE terminals to other cities as well, investors have access to online dealings in the Company's equity shares across in the country. The trading in the Company's equity shares in any case takes place on the BSE, and the depth and liquidity of trading in the Company's equity shares on all other Stock Exchanges are lower.

The Company's equity shares are one of the scripts which the Securities and Exchange Board of India (SEBI) has specified for settlement only in dematerialised form by all investors, since 6th August 2002. It is also observed that the listing fee paid to Stock Exchanges other than BSE is disproportionately high compared to the extremely low trading volumes of the Company's securities on those Exchanges. The company has proposed this resolution, which will enable it to delist its equity shares at any time in future from all or any of the following Stock Exchanges:

1. The Stock Exchange, Ahmedabad
2. The Stock Exchange, Hyderabad
3. The Stock Exchange, Delhi

The company's equity shares will continue to be listed on The Stock Exchange, Mumbai after the proposed delisting.

Your Directors recommend the Special resolution for your approval.

By Order of the Board
For **CENLUB INDUSTRIES LTD.**

V.K. MITTAL
MANAGING DIRECTOR

Place : Faridabad
Date : 21st July, 2003