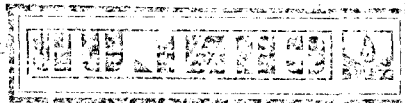




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## TWELVETH ANNUAL REPORT 2003-2004

### CENLUB INDUSTRIES LIMITED

#### DIRECTORS

SHRI V.K. MITTAL	:	Chairman And Managing Director
SHRI AMAN MITTAL	:	Whole Time Director
SHRI MADHU MITTAL	:	Whole Time Director
SHRI V.K. GUPTA	:	Whole Time Director
SHRI ANKUR GARG	:	Director
SHRI HAKIKAT SINGH	:	Director
SHRI O.P. VERMA	:	Director
SHRI DINESH KAUSHAL	:	Director

#### AUDITORS

SATISH SINGLA & CO.  
Chartered Accountants

#### BANKERS

STATE BANK OF INDIA  
SIB BRANCH, FARIDABAD

#### 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-2004

DATE	:	30.09.2004
DAY	:	THURSDAY
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 Twelveth Annual General Meeting of the Members of Cenlub Industries Limited will be held at Agrawal Sewa Sadan, D-48, Sector- 11, Faridabad (Haryana) on Thrusday 30.09.2004 at 9:00 A.M. to transact the following business:-

#### ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at 31<sup>st</sup> March 2004 and the Profit & Loss Account of the company for year ended 31st March 2004, and the reports of the Board of Directors and Auditors thereon.
2. To appoint Director in place of Mrs. Madhu Mittal who retires by rotation and being eligible, offer herself for re-appointment.
3. To appoint Director in place of Mr V.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 and to fix their remuneration..

#### 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 in accordance with the provision of section 257 and other applicable provisions, if any, of the Companies Act 1956, Shri. Hakikat Singh, who was appointed on 24.01.2004 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"

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. O.P.Verma who was appointed on 24.01.2004 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"

7. 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. Ankur Garg who was appointed on 24.01.2004 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 an **Ordinary Resolution**:

"Resolved that, in accordance with the applicable provisions of the Companies Act, 1956, Schedule XIII, any amendment or modification thereof, consent be and is hereby accorded to modification in the terms of remuneration paid or payable to the Managing Director & Whole Time Directors of the company, with effect from 1<sup>st</sup>August 2004 as set out in the Explanatory Statement annexed to the Notice convening this meeting, a copy whereof initialled by the Chairman for identification is placed before this meeting "

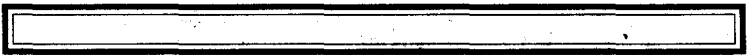
By Order of the Board  
For CENLUB INDUSTRIES LTD.

Place : Faridabad  
Date : 10.08.2004

SANJANA MAGO  
COMPANY SECRETARY



**CENLUB**



**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 24<sup>th</sup> Sep2004 to 30<sup>th</sup> Sep2004 (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 15<sup>TH</sup> September 2004
5. Shri.V.K.Gupta and Mrs. Madhu Mittal, Directors liable to retire by rotation and being eligible offer themselves for re-appointment. Shri. Ankur Garg, Shri Hakikat Singh & Shri O.P.Verma 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 higher in the order of names will be entitled to vote.
10. Members who holds shares in dematerialised 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.


**CENLUB**

**ANNEXURE TO THE NOTICE  
EXPLANATORY STATEMENT  
(PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956)  
ITEM No.5, 6, 7 & 8**

**Item No. 5**

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. Hakikat Singh as Additional Director with effect from 24.01.2004 & the directors holds office as Additional Director up to the date of ensuing Annual General Meeting. The company has received Notice, along with a deposit of Rs.500 (Rupees Five Hundred Only) under Section 257 of the Companies Act, 1956 from the member proposing the candidature of Shri Hakikat Singh for the Office of Director of the Company liable to be retired by rotation.

Save and except, Shri. Hakikat Singh none of the Directors of the Company is, in any way, concerned or interested in this resolution

**PROFILE OF MR. HAKIKAT SINGH**

Mr. Hakikat Singh is Mechanical Engineer by profession. He had served as a Chief General Manger with Escorts for 30 years. Mr Singh is having vide experience in technical area which is very relevant for the growth of the company.

**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.O.P Verma as an Additional Director with effect from 24.01.2004. Shri. O.P Verma 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. O.P Verma for the Office of Director of the Company.

**PROFILE OF MR. O.P VERMA**

MR O.P Verma aged 67 years B.A (L.L.B) served as a Deputy General Manager with Indian Oil Corporation and is having vast experience in the field of administration, marketing and legal departments.

Save and except, Shri. O.P Verma 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. Ankur Garg as an Additional Director with effect from 24.01.2004. Shri. Ankur Garg 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. Ankur Garg for the Office of Director of the Company.

**PROFILE OF MR. ANKUR GARG**

Mr .Ankur Garg is a Graduate in ECO and had completed his M.B.A . For the last 20 years , he is engaged in his own business in theatre and Colour film processing. He is having vast experience in the field of Financial , Commercial and administrative matters while handling different steams of business.

Save and except, Shri. Ankur Garg none of the Directors of the Company is, in any way, concerned or interested in this resolution.



## ITEM No-8

The Remuneration committee of the Board of Directors of your Company at its meeting held on 15.07.2004. recommend , approved, subject to the approval of the Members , modification with effect from 1st August 2004., in the terms of remuneration paid or payable to the Managing Director & Whole Time Directors of the Company in the following manner.

Managing Director	Whole Time Directors	Consolidated Salary Per month
Shri V.K.Mittal	Shri Aman Mittal Mrs. Madhu Mittal Shri V.K.Gupta	30,000/- 20,000/- 20,000/- 17,000/-

Perquisites- In addition to the aforesaid Consolidated Salary , Managing Director & Whole Time Directors shall be entitled to perquisites, which continue to remain the same as earlier approved by the shareholders and reproduced below:

Perquisites like gas, electricity water, furnishing, medical reimbursement and leave travel concession for self and family, club fees, personal accident insurance etc , in accordance with the Rules of the company , the monetary value of such perquisites being limited to Rs. Rs 150000/-Per annum, for the purposes of which limit perquisites shall be evaluated as per income-tax Rules, wherever applicable, and in absence of any such rule, perquisites shall be evaluated at actual cost. However, the following shall not be included in the aforesaid perquisite limit:-

- Contribution to Provident Fund and Superannuation Fund and contribution to Gratuity Fund shall be as defined in the Rules of the respective Funds , or up to such other limit as may be prescribed under the Income-tax Act,1961 and the Rules thereunder for this purpose and respective agreements entered with the appointees by the company which were duly approved by the members in their meetings.
- Use of Company car for official purposes and telephone at residence ( including payment for local calls and long distance official calls ).
- Encashment of unavailed leaves as per the Rules of the Company at the time of retirement/ cessation of service.
- Costs and expenses incurred by the Company in connection with joining /transfer from one location to another of the Company or its affiliates / associates as per the Rules of the Company.

The aggregate of the remuneration and perquisites/benefits, including contributions towards Provident fund, Superannuation fund and Gratuity Fund, payable to Managing Director, Whole Time Directors of the company taken together, shall not exceed ceiling of the profits of the company calculated in accordance with the provisions of Sections 198 and 309 of the Companies Act,1956.and Schedule XIII of the Companies Act 1956.

The Respective Managing Director and WholeTime directors are interested individually in this Resolution in so far as the same relates to variation in their remuneration . None of the other directors of your Company are interested in this Resolution except Shri V.K. Mittal , Shri Aman Mittal and Mrs Madhu Mittal who are related to each other.

The Board recommends this Resolution for your approval.

By Order of the Board  
For CENLUB INDUSTRIES LTD.

Place : Faridabad  
Date : 10.08.2004

SANJANA MAGO  
COMPANY SECRETARY



## DIRECTORS' REPORT :

TO THE MEMBERS OF CENLUB INDUSTRIES LTD.

Your Directors have pleasure in presenting the Twelfth Annual Report on the working of the Company together with the Audited Accounts for the year ended 31st March 2004

### FINANCIAL HIGHLIGHTS

	(Rs. in Lacs)	
	2004	2003
Sales & other Income	500.34	328.29
Profit (Loss) before Depreciation & tax	53.11	21.71
Depreciation*	26.97	11.46
Profit (Loss) before Tax	26.14	10.25
Provision for tax :		
a) Current Tax	2.10	0.80
b) Deferred Tax liability	15.95	7.56
c) Income Tax for earlier year	.05	-
Profit (Loss) after Tax	8.04	1.89
Surplus/(Deficit Carried from last year	NIL	(1.89)
Retained profit /(Loss) carried forward to the next year	8.04	Nil

\*(Includes Goodwill written off for Rs 15 lacs)

### OPERATIONS & FUTURE PROSPECTS

During the year under review, your company has achieved a turnover of Rs 500.34 lacs against the last year turn over of Rs 328.29 showing an impressive growth of 52% . This year company has been able to achieve a before tax profit of Rs 26.14 lacs in the current financial year against the last year profit of Rs 10.25 Lacs.

The growth achieved by the company had been due to the better economic conditions, improved cordial industrial relationships in the company. Your Directors are hopeful that in the current financial year, company will achieve higher growth accompanied with better results .

### DIVIDEND

The Board of Directors of your company are of the opinion that in order to conserve resources, no dividend be recommended & resources be utilised for strengthening the operations of the company .

### DIRECTORS

Sh. V.K Gupta and Mrs Madhu Mittal Directors retires by rotation and being eligible offer themselves for re- appointment. Sh S.K.Gupta ,Sh H.L.Bhutani & Sh. K.G Gupta Directors had resigned from the directorship of the company due to their preoccupation with their own profession . The Board had accepted the resignations of the Directors. The Board placed on records the contributions made by these Directors during their tenure. & Sh O.P Verma, Shri Hakikat Singh & Shri Ankur Garg were appointed as additional directors w.e.f 24<sup>th</sup> January 2004 and they hold office till the ensuing Annual General Meeting of the Company .Your Directors solicits your approval for their appointment .

### PROFILE OF MR. V.K.GUPTA

DATE OF BIRTH	:	17.11.1947
QUALIFICATION	:	Diploma in Mechanical Engineering.
EXPERIENCE	:	20 years Post Qualification Experience running independently in its own unit and looking after finance and administration matters of the company for last 13 years
PRESENTLY	:	Shri V.K.Gupta had been entrusted with the Responsibilities of Finance, Accounts and Legal matters of the company.

Shri V.K.Gupta is not holding Directorship in any other company and is putting full time efforts for the company.

**PROFILE OF MRS. MADHU MITTAL**

DATE OF BIRTH : 02.08.1955.  
 QUALIFICATION : M. A.  
 EXPERIENCE : Women entrepreneur running Cenlub Engineers for 20 Years. Experience in running as Proprietor of the unit Before the unit was merged into Cenlub Industries Ltd and hereafter Mrs Mittal joined as Founder Promoter of the company. She had successfully guided a team of highly qualified professions to make Cenlub Industries a leader in the field of lubrication systems.

PRESENTLY : Mrs Madhu Mittal had been entrusted with the responsibilities of Developing new Exports Markets, Complete Administration of the company.

Smt. Madhu Mittal is not holding Directorship in any other company and is putting full time efforts for the company.

**PROFILE OF MR. ANKUR GARG**

Mr .Ankur Garg is a Graduate in ECO and had completed his M.B.A . For the last 20 years , he is engaged in his own business in theatre and Colour film processing. He is having vast experience in the field of Financial , Commercial and administrative matters while handling different streams of business.

Mr .Ankur Garg is not holding Directorship in any other company

**PROFILE OF MR. O.P VERMA**

MR O.P Verma aged 67 years B.A (L.L.B) served as a Deputy General Manager with Indian Oil Corporation and is having vast experience in the field of administration, marketing and legal departments.

MR O.P Verma is not holding Directorship in any other company

**PROFILE OF MR. HAKIKAT SINGH**

Mr. Hakikat Singh is Mechanical Engineer by profession. He had served as a Chief General Manger with Escorts for 30 years. Mr Singh is having vide experience in technical area which is very relevant for the growth of the company.

Mr. Hakikat Singh is not holding Directorship in any other company

**DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement , it is hereby it is here by stated that :

1. That in the preparation of the accounts for the financial year ended 31<sup>st</sup> March 2004 the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. That the Directors have selected such accounting policies and applied them constantly and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year under review.
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for preventing and detecting fraud and other irregularities,
4. That the directors have prepared the accounts for the financial year ended 31<sup>st</sup> March 2004 on a going concern basis.

**PARTICULARS OF EMPLOYEES**

During the period under review, the company had no employee who are covered under section 217(2 A) Companies Act 1956.




**CENLUB**

## FIXED DEPOSIT

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

## LISTING

The securities of the Company are listed at Delhi, Mumbai, Hyderabad, and Ahmedabad Stock Exchanges. The company has paid the listing fees for Mumbai Stock Exchange. The company had paid arrear listing fees in respect of Delhi Stock Exchange, but fees in respect of Hyderabad & Ahmedabad Stock Exchanges are in arrears which will be paid at the time of delisting of shares. The company had taken made applications to Delhi Hyderabad & Ahmedabad Stock Exchanges for delisting of shares and the matter is under consideration at the above Stock Exchanges.

## AUDIT COMMITTEE

Pursuant to the provisions of clause 49 of the listing agreement, the Company had constituted an Audit Committee of the Board of Directors Shri Dinesh Kaushal holds the office as Chairman of the Committee in place of Shri K.G.Gupta who had expressed his inability to continue as the member of the committee. During the year under review Shri O.P.Verma and Shri Hakakit Singh were co-opted as new members of the Audit Committee.

### PROFILE OF MR.O.P VERMA

DATE OF BIRTH	:	13.04.1937
QUALIFICATION	:	B.A.(LLB)
EXPERIENCE	:	Marketing –Retired As A Deputy General Manager From Indian Oil Corporation

Shri O.P .Verma is entrusted with the responsibilities of Audit Committee of the company.

### PROFILE OF MR. HAKIKAT SINGH

DATE OF BIRTH	:	01.04.1935
QUALIFICATION	:	Mechanical Engineer
EXPERIENCE	:	Ex-Chief General Manager with Escorts Ltd for 30 years

Shri Hakikat Singh entrusted with the responsibilities of Audit Committee of the company.

### PROFILE OF MR. DINESH KAUSHAL

DATE OF BIRTH	:	10.03.1959
QUALIFICATION	:	CHARTERED ACCOUNTANT&COMPANY SECRETARY
EXPERIENCE	:	10 Years Post Qualification experience in handling finance and Accounts matter of various organizations

Mr .Kaushal has been entrusted with the responsibilities of Audit Committee of the company.

**The terms of reference stipulated by the Board to the Audit Committee are, as contained under Clause 49 of the Listing Agreement, i.e**

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information.
- b. Recommending the appointment and removal of statutory auditors, fixation of audit fee and also approval for payment for any other services.
- c. Reviewing with management the annual financial statements before submission to the board, focussing primarily on (i) any changes in accounting policies and practices, (ii) major accounting entries based on exercise of judgement by management, (iii) qualifications in draft audit report, (iv) significant adjustments arising out of audit, (v) the going concern assumption, (vi) compliance with accounting standards, (vii) compliance with Stock Exchange and legal requirements concerning financial statements and (viii) any related party transactions i.e. transactions of the company of material


**CENLUB**

- nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.
- d. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
  - e. Reviewing the adequacy of internal audit functions.
  - f. Discussion with internal auditors any significant findings and follow up there on.
  - g. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
  - h. Discussion with external auditors before the audit commences nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
  - i. Reviewing the Company's financial and risk management policies.

#### REMUNERATION COMMITTEE

Pursuant to clause 49 of the listing agreement, and as per the amendments introduced by Schedule XIII of the Companies Act 1956, a remuneration committee was formed by the company consisting of three directors namely Shri H.L.Bhutani., Shri K.G. Gupta & Shri S.K. Gupta. As per the responsibilities entrusted to the remuneration committee under the notification No. GSR (36 E) DT.16.01.2002 appointment and payment of remuneration to Managing Directors and Whole Time Directors of the company which are having no profits or have inadequate profits is required to be approved by the remuneration committee. During the year under review Shri Ankur Garg, Shri O.P.Verma were co-opted as new members of the remuneration Committee in place of Shri H.L.Bhutani, Shri K.G.Gupta, Shri S.K.Gupta who had resigned as the directors of the company. During the year under review, since there was no appointments of Whole time directors, therefore no committee meeting was held.

#### DEMATERIALISATION OF SHARES

As per the circular issued by SEBI, shares of your company were brought under compulsory Demat mode by 02.02.2002. Accordingly to meet the requirements, company had entered agreements with National Securities Depository Ltd (NSDL) and Central Depository Services of India Ltd. And company had been allotted ISIN NO – INE 627 F01011 and NSDL vide their letter had informed that w.e.f 06.08.2002, equity shares of your company have been activated for dematerialisation on NSDL. M/s Beetal Financial & Computer Services (P) Ltd have been appointed as share transfer agent for carrying out both transfer and demat work for the company as per the SEBI direction and the such share Registrar & transfer agent shall look after entire share related matters of the company. Shareholders are requested to note that all work relating to transfer and demat of shares are done by the above registrars. Therefore share holders are requested to send their request for transfer and demat of shares (through their DP) at their office situated at :-

**Beetal Financial & Computer Services (P) Ltd**  
**321-S, Chirag Delhi ( Near Shahid Bhagat Singh College), New Delhi-17**

#### 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, 2004 are given below :

##### 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.