

16th Annual Report 2007-2008

Going up and up...



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CENLUB INDUSTRIES LIMITED
(AN ISO 9001 COMPANY)

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Sixteenth Annual Report 2007-08

CENLUB INDUSTRIES LIMITED

DIRECTORS

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

AUDITORS

SATISH SINGLA & CO.

Chartered Accountants

BANKER

State Bank of India, Faridabad
State Bank of India, Bangalore
HDFC Bank Ltd., Faridabad
HDFC Bank Ltd., Bangalore
CITI BANK Faridabad
HSBC Bank, Delhi
KOTAK Mahindra Bank, Faridabad

REGISTERED OFFICE

35, DLF Industrial Estate – 1
Faridabad – 121 003 (Haryana)

AGM-2008

DATE : 15.09.2008
DAY : Monday
TIME : 9:00 A.M.
VENUE : AGRAWAL SEWA SADAN
D-48, SECTOR 11
FARIDABAD, (HARYANA)

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NOTICE

NOTICE is hereby given that the Sixteenth Annual General Meeting of the Members of **Cenlub Industries Limited** will be held at Agrawal Sewa Sadan D-48, Sector- 11, Faridabad (Haryana) on Monday 15th September 2008 at 9:00 A.M. to transact the following business:-

ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at 31st March 2008 and the Profit & Loss Account of the company for year ended 31st March 2008, and the reports of the Board of Directors and Auditors thereon.
2. To appoint Director in place of Shri Ankur Garg who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Director in place of Shri Hakikat Singh who retires by rotation and being eligible, offers 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 **SPECIAL RESOLUTION** :

"RESOLVED that, pursuant to the provision of section 198, 269 and 309 and 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII as amended and subject to approval of members in general meeting and such consents, approvals and permissions as may be needed, Mrs Madhu Mittal be and is hereby reappointed as Whole Time Director of the company for a period of 3 years with effect from 1st April, 2008 subject to the terms and condition as placed before the Board."

"FURTHER RESOLVED that in the event of any statutory amendment or modification or relaxation in the provisions relating to the payment of remuneration to the managerial persons or to Schedule XIII to the Companies Act, 1956, the remuneration committee be and is hereby authorized to vary or increase the remuneration including salary, commission, perquisites, etc. within such prescribed limits."

"FURTHER RESOLVED that Shri V.K.Gupta, Director of the Company be and is hereby authorized to do all 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 **SPECIAL RESOLUTION** :

"RESOLVED that, pursuant to the provision of section 198, 269 and 309 and 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII as amended and subject to approval of members in general meeting and such consents, approvals and permissions as may be needed, Mr. Virendra Kumar Gupta whose tenure of directorship ended on 31-12-2008, be and is hereby reappointed as Whole Time Director of the company for a further period of 3 years with effect from 1st August, 2008 subject to the terms and condition as placed before the Board."

"FURTHER RESOLVED that in the event of any statutory amendment or modification or relaxation in the provisions relating to the payment of remuneration to the managerial persons or to Schedule XIII to the Companies Act, 1956, the remuneration committee be and is hereby authorized to vary or increase the remuneration including salary, commission, perquisites, etc. within such prescribed limits."

"FURTHER RESOLVED that Shri V.K.Mittal, Managing Director of the Company be and is hereby authorized 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 an SPECIAL 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 Shri V.K.Mittal, the Managing Director of the company with effect from 1st April 2008 as set out in the Explanatory Statement annexed to the Notice convening this meeting, a copy of which had been duly initialed by the Chairman for identification is placed before this meeting.

8. To consider and if thought fit, to pass with or without modification(s) the following resolution as an SPECIAL 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 Shri Aman Mittal, the Whole time Director of the company with effect from 1st April 2008 as set out in the Explanatory Statement annexed to the Notice convening this meeting, a copy of which had been duly initialed by the Chairman for identification is placed before this meeting.

9. To consider and if thought fit, to pass with or without modification(s) the following resolution as an SPECIAL 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 Shri Ansh Mittal, the Whole time Director of the company with effect from 1st April 2008 as set out in the Explanatory Statement annexed to the Notice convening this meeting, a copy of which had been duly initialed by the Chairman for identification is placed before this meeting.

By order of the Board

Place : Faridabad
Date : 28.07.2008

SD/
V.K.GUPTA
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 7th September-2008 to 15th September -2008 (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 01st September 2008
5. Shri Ankur Garg and Shri Hakikat Singh Directors retire by rotation and being eligible offer themselves for re-appointment. 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. Shareholders are requested to bring their copy of the Annual Report to the meeting.
7. Members / Proxies should bring the Attendance Slip, duly filled in, for attending the meeting.
8. 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.

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ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT

(PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956)

ITEM No.5, 6, 7, 8, 9

Item no.5

Mrs. Madhu Mittal Promoter/Director of the company is associated with the company since incorporation, before that she was the proprietor of Cenlub Engineers and has to her credit 25 years of successfully guiding a team of highly qualified professionals in the field of lubrication systems. She is an M.A. by qualification and women entrepreneur of good standing. As a Whole time Director of the company she has been entrusted with the responsibilities of complete administration, customer care & developing and exploring export 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 reappointed Whole Time Director of the company for a period of three years w.e.f. 1st April 2008 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 her by the Board of Directors.

AGREEMENT WITH Mrs. MADHU MITTAL**REMUNERATION**

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

1. SALARY AND OTHER FIXED ALLOWANCES :

Remuneration of Mrs Madhu Mittal shall include a salary of Rs.30,000/- per month and House Rent allowance of Rs 5000/- inclusive of all other allowances subject to the approval of members in general meeting. In case of inadequacy of profits or incase of loss incurred by the company the remuneration fixed of Rs. 35,000/-p.m. will be paid as minimum remuneration.

2. PERQUISITIES :

Perquisites may be allowed in addition to salary and commission both. In case she is posted at Mumbai/Kolkata/Delhi or Chennai, 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: Bombay, Calcutta, Delhi and Madras :Sixty percent of the salary, over and above ten percent payable by the appointee.

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

**(iii) Housing III**

In case no accommodation is provided by the company, the appointee shall be entitled to house rent allowances of Rs 5000/- p.m..

EXPLANATION:

- (i) The expenditure incurred by company on 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 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.

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 encase.

- 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 she shall not be paid any sitting fee for attending the meeting of the Board of Directors or Committee thereof.

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

- 6) The Whole Time Director shall not so long as he/she 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.
- 7) This agreement may notwithstanding the period of three 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, he 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.

The copy of the agreement entered by the company with Smt. Madhu Mittal is available for inspection at the Registered office of the company any day between 10.00A.M. to 3.00 P.M till the date of the Annual General Meeting of the company

Your Directors recommend the resolution for approval of the Shareholders.

None of the directors of the company except Shri V.K.Mittal, Aman Mittal, Ansh Mittal and Mrs. Madhu Mittal, are concerned or interested in the above said resolution.

Item no 6

Shri Virendra Kumar Gupta is 60 years Old. He has diploma in Mechanical Engineering since 1967. He had been managing his own business for 22 years, since 1971 to 1990 in the name of Neo Poly Pack Pvt. Ltd. Thereafter he joined Cenlub Industries Ltd. and later taking into consideration his vast experience he was reappointed as 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 him are given below herewith.

Shri Virendra Kumar Gupta is reappointed as Whole Time Director of the company for a period of 3 years w.e.f. 1st August 2008 on the terms and conditions mentioned hereinafter.

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

The Company shall pay the following remunerations to Shri.V.K.Gupta as Whole Time Director.

I. SALARY AND OTHER FIXED ALLOWANCES :

Remuneration of Shri Virendra Kumar Gupta shall include a salary of Rs.27,000/- per month and House Rent allowance of Rs 8000/- inclusive of all other allowances. In case of inadequacy of profits or in case of loss incurred by the company the remuneration fixed of Rs. 35,000/- p.m. will be paid as minimum remuneration.

II PERQUISITIES :

Perquisites may be allowed in addition to salary. In case he is posted at Mumbai/Kolkata/Delhi or Chennai, perquisites shall be restricted to an amount maximum of Rs.1,50,000/- per annum and Rs.1,15,000/- if posted elsewhere whichever is less. Perquisites are classified into categories 'B' & 'C' as follows.

CATEGORY – B

Contribution to provident fund, superannuating 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 Maximum of Rs. 3,50,000/- as per Gratuity Act.

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 11months of service. The leaves accumulated but not availed of will not be allowed to be 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 hereof, 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 inspection at the Registered office of the company any day between 10.00A.M. to 3.00 P.M till the date of the Annual General Meeting of the company

Your Directors recommend the resolution for approval of the Shareholders.

None of the directors of the company except Shri V.K. Gupta himself, is concerned or interested in the above said resolution.

Item No. 7

The Remuneration Committee of the Board of Directors of your company at its meeting held on 28.03.2008 recommend, approved, subject to the approval of the Members, modification with effect from 1st April 2008 in the terms of remuneration paid or payable to Shri V.K. Mittal, Managing Director of the Company. The gist of terms of the agreement entered by the Company with him are given below herewith

1. That Shri. V.K. Mittal was appointed as Managing Director of the company for a period of three years w.e.f 1st June 2007 duly approved by the shareholders in their Annual General Meeting held on 18th September 2007.
2. That the remuneration of Shri. V.K. Mittal, Managing Director of Rs 45000/- per month and perquisites as approved by the share holders in their Annual General Meeting held on 18th September 2007.
3. That the remuneration of Shri. V.K. Mittal, be increased from the present Salary of Rs. 45000/- to Rs 70,000/- per month as approved by the Remuneration Committee of Directors of the Company, at their meeting held on 28th March- 2008. Further in case of inadequacy of profits or in case of loss incurred by the company the remuneration of Rs. 70,000/- per month will be paid as minimum remuneration.
5. That Gratuity payable to Shri. V.K. Mittal Managing Director of the company would not exceed half a month of salary for each completed year of his services to the company subject to maximum of Rs. 3,50,000/- as per Gratuity Act.

6. That the other terms and conditions of his appointment as in force shall remain same and shall apply as earlier.

The copy of the agreement entered by the company with Mr. V.K. Mittal is available for inspection at the Registered office of the company any day between 10.00 A.M. to 3.00 P.M till the date of the Annual General Meeting of the company

Your Directors recommend the resolution for approval of the Share holders.

None of the directors of the company except Shri V.K. Mittal, Aman Mittal, Ansh Mittal and Mrs. Madhu Mittal, are concerned or interested in the above said resolution.

Item no. 8

The Remuneration Committee of the Board of Directors of your company at its meeting held on 28.03.2008 recommend, approved, subject to the approval of the Members, modification with effect from 1st April 2008 in the terms of remuneration paid or payable to Shri Aman Mittal Whole Time Director of the Company. The gist of terms of the agreement entered by the Company with him are given below herewith

1. That the remuneration of Mr. Aman Mittal, Whole time Director of Rs 35000/- per month and perquisites as approved by the share holders in their Annual General Meeting held on 29th September 2006.
2. That w.e.f. 1st April 2008 remuneration of Shri Aman Mittal, Whole time Director of the company for the residual period of his appointment is being modified in accordance with the provisions of Schedule XIII of the Companies Act 1956.
3. That the remuneration of Shri. Aman Mittal be increased from the present level of Rs. 35000/- to Rs 55,000/- per month inclusive of all other allowances as approved by the Remuneration Committee of the Board of Directors of the Company, at their meeting held on 28th March-2008. Further in case of inadequacy of profits or in case of loss incurred by the company the remuneration of Rs. 55,000/- per month will be paid as minimum remuneration.
4. That Gratuity payable to Shri Aman Mittal, Whole time Director of the company would not exceed half a month of salary for each completed year of his services to the company subject to maximum of Rs. 3,50,000/- as per Gratuity Act.
5. That the other terms and conditions of her appointment as in force shall remain same and shall apply as earlier.

The copy of the agreement entered by the company with Sh. Aman Mittal is available for inspection at the Registered office of the company any day between 10.00 A.M. to 3.00 P.M till the date of the Annual General Meeting of the company

Your Directors recommend the resolution for approval of the Shareholders.

None of the directors of the company except Shri V.K. Mittal, Aman Mittal, Ansh Mittal and Mrs. Madhu Mittal, are concerned or interested in the above said resolution.

Item no. 9

The Remuneration Committee of the Board of Directors of your company at its meeting held on 28.03.2008 recommend, approved, subject to the approval of the Members, modification with effect from 1st April 2008 in the terms of remuneration paid or payable to Shri Ansh Mittal Whole Time Director of the Company. The gist of terms of the agreement entered by the Company with him are given below herewith

1. That Shri Ansh Mittal was appointed as Whole time Director of the company for a period of three years w.e.f 1st April 2007 duly approved by the share holders in their Annual General Meeting held on 18th Sep., 2007.
2. That the remuneration of Mr. Ansh Mittal, Whole time Director of Rs 30000/- per month and perquisites as approved by the share holders in their Annual General Meeting held on 18th September 2007.
3. That w.e.f. 1st April 2008 remuneration of Shri Ansh Mittal, Whole time Director of the company for the residual period of his appointment is being modified in accordance with the provisions of Schedule XIII of the Companies Act 1956.