



17<sup>th</sup>

ANNUAL REPORT

2008-2009

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# Seventeenth Annual Report 2008-09

## BOARD OF DIRECTORS

Chairman / Managing Director	:	Shri Vijendra Kumar Mittal
Whole Time Executive Director	:	Shri Aman Mittal
Whole Time Executive Director	:	Smt. Madhu Mittal
Whole Time Executive Director	:	Shri Ansh Mittal
Whole Time Executive Director	:	Shri Virendra Kumar Gupta
Independent Non-Executive Director	:	Shri Ankur Garg
Independent Non-Executive Director	:	Shri Hakikat Singh
Independent Non-Executive Director	:	Shri Om Prakash Verma
Independent Non-Executive Director	:	Shri Dinesh Kaushal
Independent Non-Executive Director	:	Shri Ashok Kumar Agarwal

**COMPLIANCE OFFICER** : Shri Virendra Kumar Gupta

## AUDITORS

SATISH SINGLA & CO.  
CHARTERED ACCOUNTANTS  
1st Floor, SCO 107, J&K Bank Building,  
Sector-16, Faridabad (Haryana)

## BANKER

STATE BANK OF INDIA	-	Faridabad
STATE BANK OF INDIA	-	Banglore
HDFC BANK LTD.	-	Faridabad
HDFC BANK LTD.	-	Banglore
CITI BANK	-	Faridabad
KOTAK MAHINDRA	-	Faridabad
HSBC BANK	-	Delhi

## REGISTERED OFFICE

35, DLF INDUSTRIAL ESTATE -1  
FARIDABAD - 121 003 (HARYANA)  
Phone : +91-129-4113701-02-03-04  
Fax : +91-129-2275484, 2260524  
E-mail : cenlub@cenlub.in  
Website : www.cenlub.in

### AGM-2009

DATE : 19.09.2009  
DAY : Saturday  
TIME : 9:00 A.M.

### VENUE

AGRAWAL SEWA SADAN  
D-48, SECTOR 11  
FARIDABAD, (HARYANA)

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## NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Members of **Cenlub Industries Limited** will be held on Saturday the 19<sup>th</sup> September 2009 at 9.00 AM at Agrawal Sewa Sadan D-48, Sector- 11, Faridabad (Haryana) to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March 2009, the Profit and loss Account for the year ended on that date and the report of the Board of Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. O.P.Verma, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in the place of Mr. Ashok Kumar Agarwal who retires by rotation and is eligible 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 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 Vijendra Kumar Mittal, the Managing Director of the company with effect from 1<sup>st</sup> April 2009 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 of Directors  
For **CENLUB INDUSTRIES LIMITED**

Place : Faridabad  
Date : 30.07.2009

**VIJENDRA KUMAR MITTAL**  
Chairman & Managing Director



**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER. THE FORM OF PROXY IS ENCLOSED. THE INSTRUMENT APPOINTING PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 11<sup>th</sup> September-2009 to 19<sup>th</sup> September -2009 (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 2009.
5. Shri O.P.Verma and Shri Ashok Kumar Agarwal 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. Members who hold shares in the dematerialized form are requested to bring their Client\_ID and DP\_ID to the meeting for easier identification.
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.



## ANNEXURE TO THE NOTICE

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

### ITEM No. 5

The Remuneration Committee of the Board of Directors of your company at its meeting held on 28.03.2009 recommend, approved, subject to the approval of the Members, modification with effect from 1<sup>st</sup> April 2009 in the terms of remuneration paid or payable to Shri Vijendra Kumar 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 Vijendra Kumar Mittal was appointed as Managing Director of the company for a period of three years w.e.f 1<sup>st</sup> June 2007 duly approved by the shareholders in their Annual General Meeting held on 18<sup>th</sup> September 2007.
2. That the remuneration of Shri Vijendra Kumar Mittal, Managing Director of Rs 70,000/- per month and perquisites as approved by the share holders in their Annual General Meeting held on 15<sup>th</sup> September 2008.
3. That the remuneration of Shri Vijendra Kumar Mittal, be increased from the present Salary of Rs. 70,000/- to Rs 91,000/ P.M as approved by the Remuneration Committee of Directors of the Company, at their meeting held on 28<sup>th</sup> March- 2009. Further in case of inadequacy of profits or in case of loss incurred by the company the remuneration of Rs. 91,000/- per month will be paid as minimum remuneration.
5. That Gratuity payable to Shri Vijendra Kumar Mittal 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 1972.
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 Vijendra Kumar 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, Shri Aman Mittal, Shri Ansh Mittal and Mrs. Madhu Mittal, are concerned or interested in the above said resolution.

The Board recommends this Resolution for your approval .

By order of the Board of Directors  
For **CENLUB INDUSTRIES LIMITED**

Place : Faridabad  
Date : 30.07.2009

**VIJENDRA KUMAR MITTAL**  
Chairman & Managing Director



## DIRECTORS' REPORT :

### TO THE MEMBERS OF CENLUB INDUSTRIES LTD.

Your Directors have pleasure in presenting the report on the business and operations of the Company for the financial year ended 31st March 2009 along with the audited Annual Accounts for the financial year ended 31st March, 2009.

## FINANCIAL RESULTS :

	(Rs. in Lacs)	
	(2008-09)	( 2007-08)
Sales & other Income	1551.46	1479.22
Profit (Loss) before Deprecation & tax	171.41	176.95
Depreciation	22.06	17.31
Profit (Loss) before Tax	149.35	159.64
Provision for tax :		
a) Current Tax /Income Tax	50.34	56.97
b) Fringe Benefit Tax	3.50	3.09
d) Deferred Tax liability	0.56	(2.26)
c) Income Tax for earlier year	0.62	(0.95)
Profit (Loss) after Tax	94.33	102.79
Surplus/(Deficit Carried from last year	323.94	221.15
Retained profit /(Loss) carried forward to the next year	418.28	323.94

## 2. OPERATIONS & FUTURE PROSPECTS

During the year under review, the turnover of the Company was Rs. **1551.46** Lacs as against Rs. **1479.22** Lacs in the previous year showing an impressive growth of **4.88%**. This year company has been able to achieve a before tax profit of Rs **149.35** lacs in the current financial year against the last year profit of Rs. **159.64** Lacs beside recession in the global market .

Your Directors are hopeful that in the current financial year, company will achieve higher growth accompanied with better results.

## 3. DIVIDEND

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

## 4. BOARD OF DIRECTORS

Shri Om Prakash Verma and Shri Ashok Kumar Agarwal Directors retire by rotation and being eligible offer themselves for re-appointment.

Your Directors solicits your approval for the appointment of directors.

### PROFILE OF SHRI OM PRAKSAH VERMA

DATE OF BIRTH : 13.04.1937

QUALIFICATION : B.A (L..L.B)

EXPERIENCE : 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 has been entrusted with the responsibilities of Remuneration Committee of the company.



## PROFILE OF SHRI ASHOK KUMAR AGARWAL

DATE OF BIRTH : 10.07.1952

QUALIFICATION : B.Sc.,LL.B. M.B.A

EXPERIENCE : Doing Management Consultancy on Industrial and labour Law for the Last three years. He has got around 30 years experience in Personnel and Administration of different companies.

## 5. DIRECTORS RESPONSIBILITY STATEMENT

As required under the provisions of Section 217(2AA) of the Companies Act,1956, your Directors Report that :

- a. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures ;
- b. The Directors had selected accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for the year under review;
- c. 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,
- d. The directors have prepared the Annual accounts for the financial year ended 31<sup>st</sup> March 2009 on a going concern basis.

## 6. PARTICULARS OF EMPLOYEES

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

## 7. FIXED DEPOSIT

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

## 8. CORPORATE GOVERNANCE

A Separate Section on Corporate Governance with clause 49 of the listing agreement forms a part of this Report. The relevant certificate from Auditor is annexed and also form part of this Report.

## 9. LISTING

At present the securities of the Company are listed at Bombay Stock Exchange. The company has paid the listing fees to Mumbai Stock Exchange.

## 10. 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 consisting of three independent Non Executive Directors. Shri Dinesh Kaushal holds the office as Chairman of the Committee. During the year under review Shri Ankur Garg and Shri Hakikat Singh were also the members of the Audit Committee.

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



1. Oversight of the Company's financial reporting process and the disclosure of its financial information.
2. Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
3. Reviewing with management the annual financial statements before submission to the board, focusing primarily on (i) any changes in accounting policies and practices, (ii) major accounting entries based on exercise of judgment 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 nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.
4. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
5. Reviewing the adequacy of internal audit functions.
6. Discussion with internal auditors any significant findings and follow up there on.
7. 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.
8. 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.
9. Reviewing the Company's financial and risk management policies.

## 11. 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 informed by the company consisting of three independent Non Executive Directors. Namely Shri Ankur Garg and Shri Hakikat Singh and Shri O.P.Verma. As per the responsibilities entrusted to the remuneration committee. Appointment and payment of remuneration to Managing Directors and Whole Time Directors of the company is required to be approved by the remuneration committee. During the year under review, 1(one) meeting was held on 28.03.2009, since there was no appointments of whole Time directors, therefore one committee meeting was held.

## 12. 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 31.03.2009 are given below :

### A. CONSERVATION OF ENERGY

- a) 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.
- b) 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.
  - i) Development of Grease dispensing system for Commercial Vehicle .
  - ii) Development of Grease dispensing system for wind turbine.
- 2) Expenditure on R & D. No separate details of such expenditure can not be ascertained. Research and Development is being carried out in normal course of business.

Technology Absorption, Adaptation and Innovation:

- 1 Efforts in brief made towards technology absorption, adaptation and innovation and benefits derived there from. **NIL**
- 2 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 as below:-

**Financial Year 2008.09**

( Amt.in lacs )

Foreign Exchange earning	15.20
Foreign Exchange outgoing	64.50

## 13. INDUSTRIAL RELATIONS

During the year under review, industrial relations in the company had been cordial at various levels & had improved significantly. Board of Directors of the company places on record that effective steps taken last year had brought in improved relationships.

## 14. AUDITORS

M/s. Satish Singla & Co. Chartered Accountants, retire at the Annual General Meeting and being eligible offer themselves for reappointment. A letter has been received from them that reappointment, if made , will be in conformity with the provisions of section 224(1-B) of the Companies Act,1956.

## 15. ACKNOWLEDGEMENT

Your Directors express their sincere appreciation and thanks to the Customers, Suppliers, Bankers, Shareholders, Central and Haryana Government for their valuable co-operation and assistance. Your Directors wish to place on record their appreciation for the contribution made by the employees at all level.

**BY ORDER OF THE BOARD OF DIRECTORS  
FOR CENLUB INDUSTRIES LIMITED**

Place : FARIDABAD

Date : 30.07.2009

**VIJENDRA KUMAR MITTAL  
CHAIRMAN & MANAGING DIRECTOR**



## **CORPORATE GOVERNANCE REPORT OF CENLUB INDUSTRIES LTD**

Good Corporate Governance refers to a system that entails transparency, fairness, accountability and integrity. The Company is committed to transparency in all its dealings and places uncompromising emphasis on integrity and regulatory compliance.

The basic philosophy of corporate governance in the Company is to achieve business excellence and enhance shareholder value, keeping in view the needs and interests of its stakeholders.

### **1. BOARD OF DIRECTORS**

The Board of Directors comprises of four Executive Directors, one being the Managing Director and five Non-Executive Directors and Independent Directors.

The matters placed before the Board for their consideration and approval included annual operating plans and various other information, including those specified under Annexure 1 of the Listing Agreement.

The composition of the Board of Directors as at 31.3.2009 is as under:

<b>Name</b>	<b>Category</b>
Shri. Vijendra Kumar Mittal	Chairman/Managing Director
Smt. Madhu Mittal	Whole Time Executive Director
Shri Aman Mittal	Whole Time Executive Director
Shri Virendra Kumar Gupta	Whole Time Executive Director
Shri. Ansh Mittal	Whole Time Executive Director
Shri Dinesh Kaushal	Non-Executive, Independent Director
Shri Ankur Garg	Non-Executive, Independent Director
Shri. Om Prakash Verma	Non-Executive, Independent Director
Shri. Hakikat Singh	Non-Executive, Independent Director
Shri Ashok Kumar Agarwal	Non-Executive, Independent Director

#### **Notes :**

- None of the Directors of your Company is a member of more than 10 Committees or is the Chairman of more than five Committees across all the Public Companies in which they are Directors.
- No Director is related to any other Director on the Board except Shri V.K.Mittal, Shri Aman Mittal, Smt. Madhu Mittal and Shri Ansh Mittal who are related to each other.
- None of the Directors of your Company except Shri Dinesh Kaushal and Shri O.P.Verma & Shri V.K.Gupta are holding position of Directorship of other outside Company.

### **BOARD MEETINGS**

The Board of Directors met 8 times during the year under review as against the minimum requirement of 4 times. The dates, place and the number of directors present at the meetings therein are mentioned below:

<b>S.No.</b>	<b>Date of the Board Meetings</b>	<b>Place of Meeting</b>	<b>No. of Directors</b>	<b>Attendance</b>
1.	30th April, 2008	Regd Off: 35 DLF Indl. Area 1- Faridabad	10	9
2.	15th May, 2008	-DO-	10	5
3.	28th July, 2008	-DO-	10	9
4.	30th Aug, 2008	-DO-	10	6
5.	10th Oct, 2008	-DO-	10	5
6.	25th Oct, 2008	-DO-	10	10
7.	22nd Jan, 2009	-DO-	10	10
8.	31st March, 2009	-DO-	10	5