



R o a d t o S u c c e s s

20th ANNUAL REPORT
2011 - 2012

Twentieth Annual Report 2011-12

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C o n t e n t s

**ANNUAL GENERAL MEETING
2012**

**DATE : 05.09.2012
DAY : Wednesday
TIME : 9:00 A.M.**

VENUE

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

WORDS FROM THE DESK OF CHAIRMAN-CUM MANAGING DIRECTOR



Dear Share Holders,

Each year in CENLUB's history is giving you pleasure because of its growth. For the last eight years or so our growth rate is 30%, which is by no means is bad.

In the F.Y. 11-12, we have touched a turnover of Rs.36.23 Crores with a growth rate of 30%.It gives us a great challenge for the next financial year to keep this growth rate alive. With your support and blessings, I feel confidence to make it.

In the F.Y. 11-12 towards our expansion policy, we have started one more manufacturing unit at Metoda, Rajkot, Gujarat. This will cater needs of Lubrication System for machine tools being made in this state. Results are very encouraging.

Unfortunately industrial economy has been slowing down for a couple of months especially in Engineering Manufacturing sector where we are supplying our systems. This has affected new orders in-flow and going to effect our financial result. At the start of F.Y. 12-13 itself, the tempo of many on going projects got reduced. But we are trying our best to keep the ball rolling and come up to your expectation.

This year company is joining hands and expecting good orders from multinationals as regards lubrication systems for Super Critical and Ultra-critical Turbo Generator. In addition to it, we are continuing our efforts in expanding and consolidating our existing market for machine tool lubrication.

Last but not the least, CENLUB's team leaders are constantly looking at ways to better internal efficiencies and operational effectiveness, with a clear focus on their product quality.

I am confident that CENLUB will perform successfully again in the coming year.

With regards

*Date: 04.08.2012
Faridabad*

V.K. MITTAL
CHAIRMAN-CUM MANAGING DIRECTOR

BOARD OF DIRECTORS



Vijendra Kumar Mittal
Chairman and Managing Director



Madhu Mittal
Executive Director



Aman Mittal
Executive Director



Virendra Kumar Gupta
Executive Director



Ansh Mittal
Executive Director



Dinesh Kaushal
Director



Hakikat Singh
Director



O.P. Verma
Director



Ashok Kumar Agarwal
Director



Ankur Garg
Director

COMPLIANCE OFFICER

Mr. Virendra Kumar Gupta

AUDITORS

M/S Satish Singla & Co.
Chartered Accountants
1st Floor, SCO 107, J&K Bank Building
Sector-16, Faridabad (Haryana)

BANKERS

State Bank of India, Faridabad
State Bank of India, Bangluru
HDFC Bank Limited, Faridabad
HDFC Bank Limited, Bangluru
HDFC Bank Limited, Rajkot

REGISTRAR & SHARE TRANSFER AGENT

Beetal Financial & Computer Services (P) Ltd
Beetal House, 3rd Floor, 99, Madangir, Behind Local
Shopping Centre, Near Dada Harsukhdas Mandir,
New Delhi - 110062
Direct No : 011-29961281-87, FAX : 011-29961284
E-mail: beetal@beetalfinancial.com, www.beetalfinancial.com

REGISTERED AND CORPORATE OFFICE

35, DLF Industrial Estate - 1, Faridabad - 121 003(Haryana)
Ph: +91-129-41113/01-4
Fax:+91-129-2275484/2260524
E mail :cenlub@ceclub.in & investors@cenlub.in
Website:www.cenlub.in

DIRECTORS' REPORT :

Dear Shareholders,

The Directors are pleased to present the 20th Annual Report and the Audited Accounts for the year ended March 31, 2012.

1. Summarised Financial Results :

(Rs. In Lacs)

Particulars	Consolidated 2011-12	Stand Alone	
		2011-12	2010-11
Net Sales	3558.37	3558.45	2736.42
Other Income	64.13	64.13	25.13
Operating Profit before Finance cost ,Depreciation, Tax and Extraordinary Items	401.66	399.06	293.88
Less: Depreciation and amortization expenses finance Costs	30.78	28.09	28.45
Profit before tax and Extraordinary Items	370.88	370.97	265.43
Less: Tax	116.47	116.05	87.32
Profit (Loss) after Tax	254.41	254.91	178.11
Add: Balance brought forward	595.72	595.95	537.55
Total available for appropriation	850.13	850.87	715.66
Less : Provision for earlier Year(Leave Encashment)	9.17	9.17	0
Proposed Dividend	103.00	103.00	0
Corporate Dividend Tax	16.71	16.71	16.71
Balance carried forward	721.25	721.99	595.95

2. Review of Operations

During the year under review, your company has achieved a turn over of Rs.3622.58Lacs against the last year turn over of Rs. 2761.55 Lacs an increase of 31.18% over the corresponding figures of the last year. This year company has been able to achieve a before tax profit of Rs 370.97 lacs in the current financial year against the last year profit of Rs. 265.43 Lacs up by 39.76% over previous year.

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.

3. Dividend

The Board of Directors have recommended dividend of Rs.2.50/- (25%) per equity share for the year ended March 31, 2012.

4. Subsidiary Companies:

Your Company has 1 subsidiaries at the end of the year which are as follows:

1. Ganpati Handtex Pvt. Ltd

In terms of the general exemption granted by the Ministry of Corporate Affairs, vide General circular no.2/2011, dated 8th February, 2011, Annual Reports of each of the Subsidiary Companies have not been attached to the accounts of the Company for the year ended 31st March, 2012.

Accordingly, the annual report of the Company contains the consolidated audited financial statements prepared pursuant to clause 41 of the Listing Agreement and prepared in accordance with the accounting standards prescribed by the Institute of Chartered Accountants of India (ICA).

Further the Company hereby undertakes that the Annual Reports of the Subsidiary companies will be made available to the shareholders of holding company on making request at any point of time. The annual accounts of subsidiary companies will

also be kept open for inspection by any shareholder during working hours at the Company's registered office and that of the respective subsidiary concerned.

5. Fixed Deposits

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

6. Directors

In terms of the Articles of Association and section 255 & 256 of the Companies Act, 1956, Shri Virendra Kumar Gupta and Shri Ashok Kumar Agarwal retire by rotation in the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

7. Directors Responsibility Statement

Pursuant to the requirement under section 217(2AA) of the Companies (Amendment) Act 2000, with respect to Director's Responsibility Statement, it is hereby confirmed that:

- (I) In the preparation of the Accounts for the Financial Year ended 31st March, 2012, the applicable accounting standards have been followed along with proper explanations relating to material departures ;
- (II) The Directors have selected accounting policies in consultation with Statutory Auditors 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 at the end of the financial year and of the profit of the Company for the year under review:
- (III) The Directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956. The directors have confirmed that there are adequate control & systems for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (IV) The directors have prepared the Annual accounts for the financial year ended 31st March 2012 on a going concern basis.

8. Statutory 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.

9. Corporate Governance

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, the followings form part of this Annual Report :

- (I) Managing Director's declaration regarding compliance of Code of Conduct by Board Members and Senior Management personnel;
- (II) Management Discussion and Analysis;
- (III) Report on the Corporate Governance;
- (IV) Auditors' Certificate regarding compliance of conditions of Corporate Governance. report on Corporate Governance along with the certificate of compliance from the Auditors forms part of this report.

10. Particulars of Employees

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees forms part of this report as Annexure. However, as permitted by Section 219(1)(b) (iv) of the companies Act, 1956 this annual report is being sent to all shareholders excluding aforesaid information. Any member interested in obtaining such particulars may write to Compliance Officer.

11. Acknowledgement

Your Directors express their sincere appreciation and thanks to the Customers, Suppliers, Bankers, Shareholders, Central and State 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.

For and on behalf of the Board
For Cenlub Industries Limited

Date: 4th August, 2012
Place : Faridabad

Vijendra Kumar Mittal
Chairman & Managing Director

Annexure - I to Directors Report

Conservation of Energy, Technology Absorption and Foreign Exchange Earning and out go pursuant to Section 217(1) (e) of the Companies Act, 1956 and Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

A Conservation Of Energy, Technology Absorption And Foreign Exchange Earnings And Out Go.

- 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.
- 3) Technology Absorption, Adaptation and Innovation:

Efforts in brief made towards technology absorption, adaptation and innovation and benefits derived there from. **NIL**

Imported Technology : No new Technology was imported during the year.

C. Foreign Exchange Earnings And Outgo.

Details of Foreign Exchange, earnings and Outgo are given as below:-

	(Rs. In lacs)	
	2011-12	2010-11
Foreign Exchange earning —	30.19	21.49
Foreign Exchange outgoing—	45.25	69.88

Annexure –II to Director's Report

COMPLIANCE CERTIFICATE

CIN : L67120HR1992PLC035087
Authorised Capital : Rs. 5,00,00,000/-
Paid up Capital : Rs. 4,12,00,000/-

To
The Members
CENLUB INDUSTRIES LIMITED
35, DLF INDUSTRIAL ESTATE –I
FARIDABAD -121003
(HARYANA)

We have examined the registers, records, Books and papers of CENLUB INDUSTRIES LIMITED, as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and the Article of Association of the Company for the financial year ended on 31st March, 2012. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, We certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure "A" as per the provisions of the Act and the rules made there under and all the entries therein have been duly recorded.
2. The company has filed the forms and the returns as stated in the Annexure "B" to this certificate with the Registrar of Companies as prescribed under the Act and the rules made there under.
3. The Company has minimum prescribed paid up capital and being a public limited company, the other comments are not required.
4. The Board of Directors duly meet 7(Seven) times dated 14th May 2011, 16th July 2011, 13th September 2011, 12th November 2011, 16th November 2011, 4th February 2012 and 31st March 2012, of which meetings proper notices were given and the proceedings thereat were properly recorded and signed in the minutes Book maintained for the purpose.
5. The Company had closed its Register of members from 22nd August 2011 to 31st August 2011 and necessary compliance of section 154 of the Act had been made.
6. The Annual General meeting for the financial year ended on 31st March 2011 was held on 31/08/2011 after giving due notice to all the members of the company and the resolution(s) passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. The company had not held any Extra Ordinary General Meeting.
8. As per the Information furnished and based on the Information on the annual accounts, the Company has not made any loans to any of the parties mentioned in Section 295 of the Act during the year under review
9. The company has entered into the transactions with one company, in which one of the directors was interested.
10. The Company had made necessary entries in the register maintained under section 301 of the Act during the financial year.
11. As there were no instances falling within the purview of section 314 of the Act, the company was not required to obtain any approval from the Board of Directors, members or Central Government.
12. The company has not issued any duplicate share certificates during the financial year under review.
13. The company has:
 - (i) not made any allotment of securities during the year under review. However the Company has delivered all the certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provision of the Act
 - (ii) deposited the amount of dividend declared including Interim dividend in a separate bank account on 00938600000028 which is within five days from the date of declaration of such dividend.

- (iii) paid/posted warrants for dividends to all the members within a period of 30(Thirty)days from the date of declaration and that all unclaimed/unpaid dividend has been transferred to Unpaid Dividend Account of the Company with 00938600000028 Bank on HDFC Bank Ltd.;
 - (iv) no amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years and are required to be transferred to Investor Education and Protection Fund
 - (v) Duly complied with the requirements of section 217 of the Act;
14. The Board of Directors of the company is duly constituted and the reappointment of Directors and Whole time Directors has been duly made.
 15. The appointment of Whole-time Directors has been made in compliance with the provisions of section 269 read with Schedule XIII to the Act
 16. The company has not appointed any sole selling agents.
 17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies or other authorities under the various provisions of the Act.
 18. The directors have disclosed their interest in the other firms/companies to the Board of Directors pursuant to the provisions of Act and the rules made there under.
 19. The company during the year under review has not issued any shares, debentures or other securities.
 20. The company during the year under review has not bought back any shares.
 21. The company has not issued any preference shares or debentures, so the provision of their redemption does not apply to the company.
 22. The company has at no occasion required to keep in abeyance the right to dividend, right shares and bonus shares pending registration of transfer of shares.
 23. The company has not accepted any deposits and hence the provision of section 58A and 58AA are not applicable to the company.
 24. The amount borrowed by the Company has been within borrowing limits of the company.
 25. The company has made loans and investments to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose. The Company has not given guarantees or provided securities to other bodies corporate.
 26. The company has not altered the provisions of the memorandum with respect to the situation of the company's registered office of the company.
 27. The company has not altered the provisions of the memorandum with respect to the objects of the company.
 28. The company has not altered the provisions of the memorandum with respect to the name of the Company.
 29. The company has not altered the provisions of the memorandum with respect to the share capital of the company.
 30. The company has not altered its articles of association.
 31. As per the information and explanations given to us by the management and as per our examination of the records, we have not come across with any information or document which suggest that prosecution proceedings is/was initiated against the company and fines or penalties or any other punishment imposed on the company during the financial year for any offences under the Act.
 32. The company has not received any money as security from its employees.
 33. The provision of Section 418 of the Act is not applicable to the company as the Company has not constituted a separate provident fund trust for its employees or class of its employees.

Place: Delhi
Date: 04.08.2012

FOR JAIN VINEY & ASSOCIATES
Company Secretaries

VINEY KUMAR JAIN
CP. NO.-4614