



27th

ANNUAL REPORT

2018-2019

CENLUB INDUSTRIES LTD.

CORPORATE Information

BANKERS

HDFC Bank Limited

AUDITORS**SANMARKS & ASSOCIATES**

Chartered Accountants

COMPANY SECRETARY

AKANSHA RAWAT

REGISTERED OFFICE :

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AGM-2019

DATE : 28.9.2019
DAY : Saturday
TIME : 10.00 A.M.

VENUE

TERA PANTH BHAWAN
D-2/13, ANUVRAT MARG,
SEC. 10, FARIDABAD 121006
(HARYANA) INDIA

BOARD of directors



Vijendra Kumar Mittal
Chairman and Managing Director



Virendra Kumar Gupta
Executive Director



Madhu Mittal
Executive Director



Aman Mittal
Executive Director



Ansh Mittal
Executive Director



Dinesh Kaushal
Director



K.G. Gupta
Director



Santosh Varma
Director



Ashok Kumar Agarwal
Director



Sujata Arora
Director

Chairman's Letter

CHAIRMAN-CUM MANAGING DIRECTOR'S ADDRESS TO SHARE HOLDERS



Dear Share Holders,

Good morning, Ladies and Gentlemen. It gives me great pleasure to welcome you all to the 27th Annual General Meeting of Cenlub Industries Limited. I would like to thank you for sparing the time to be with us today, and for your continued faith in the Company.

I also take this opportunity to convey my gratitude to all board members, shareholders, employees and work force, all of whom are equal partners in success of this company and give their every support to run this company with reasonable top-line.

Last year, the amalgamation of M/s. Minihyd Hydraulics Limited as well as M/s. Ganpati Handtex Pvt. Ltd with Cenlub Industries Limited has been completed and the combined synergies of this amalgamation has also started bearing fruit in the shape of better profitability of our company. I am very pleased to announce that this year, the company is going to pay 25% dividend to all our share holders.

.I would like to start with a brief overview of the strategy and performance of your company. We have introduced our Oil Circulatory System in many multinational industries in power sectors. As regards Railway lubrication (i.e. track based Rail Lubricator), we are getting good results with our R & D activities.

Our revenue as compared to last year is much better and we expect to grow faster and faster this year. We are trying our best to achieve our target of Power Sector export to European countries. Our next target is setting up of Oil and Gas Industries for domestic as well as export purposes.

We are trying our best to enter big way into Track based Lubricator. It is absolutely "Make in India" campaign. We have to compete with imported stuff.

You will also be happy to know that this year we have procured ISO 14001 and 18001 Certification for our Faridabad plant. This is the legal requirement of Environment, Health and Safety. We are trying to develop some automobile components for which we have received TS certificate.

In conclusion, on behalf of the Board of Directors of your Company I express my gratitude to all the shareholders for their continued support, whose trust and confidence are pillars of strength in all our endeavors. I thank my fellow Directors for the tremendous dedication and passion that they have shown in carrying forward all our activities. I also thank our government, bankers, employees, our customers, dealers, suppliers and other business associates for their support and cooperation.

With warm regards

V.K. MITTAL

Chairman-Cum-Managing Director

NOTICE OF TWENTY SEVENTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 27th Annual General Meeting of Cenlub Industries Limited (CIN: L67120HR1992PLC035087) will be held on Saturday, September 28, 2019 at 10.00 A.M. at Tera Panth Bhawan, D-2/13, Anuvrat Marg, Sector-10, DLF Faridabad-121006, (Haryana) to transact the following businesses:

ORDINARY BUSINESS:

To consider and if thought fit, to pass, with or without modification(s), the following resolutions, as Ordinary Resolutions:

1. TO CONSIDER AND ADOPT THE STANDALONE FINANCIAL STATEMENT OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019:

"RESOLVED THAT the audited standalone financial statement of the Company for the financial year ended March 31, 2019 together with the reports of the Board and Auditors thereon be and are hereby considered and adopted."

2. DECLARATION OF DIVIDEND ON EQUITY SHARES:

"RESOLVED THAT a dividend of Rs.2.50 per equity share of Rs. 10/- each i.e. (25%) for the financial year 2018-19, as recommended by the Board, be and is hereby approved and declared."

3. RE-APPOINTMENT OF MRS. MADHU MITTAL

"RESOLVED THAT Mrs. Madhu Mittal (DIN: 00006418), who retires by rotation and being eligible offers herself for reappointment, be and is hereby reappointed as a Director of the Company liable to retire by rotation."

4. RE-APPOINTMENT OF MR. AMAN MITTAL

"RESOLVED THAT Mr. Aman Mittal (DIN: 00006435), who retires by rotation and being eligible offers herself for reappointment, be and is hereby reappointed as a Director of the Company liable to retire by rotation."

SPECIAL BUSINESS:

5. TO APPROVE RE-APPOINTMENT OF MR. KRISHNA GOPAL GUPTA AS INDEPENDENT DIRECTOR OF THE COMPANY FOR SECOND TERM:

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 provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with

Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other provisions, as applicable, Mr. Krishna Gopal Gupta (DIN: 00222525), Independent Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for second term of five consecutive years with effect from 13th November, 2019 till 12th November, 2024 and whose office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental/ancillary thereto."

6. TO APPOINT SMT. SANTOSH VARMA AS A DIRECTOR OF THE COMPANY:

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules made there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and any other provisions, as applicable, Mrs. Santosh Varma (DIN: 08441000), who was appointed by the Board of Directors, as an Additional Director of the Company with effect from April 1, 2019 and who has submitted a declaration that she meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of Five consecutive years w.e.f. April 1, 2019 to March 31, 2024 and is not liable to retire by rotation.

RESOLVED FURTHER THAT the her term upto March 31, 2024 as independent Director shall remain valid irrespective of the fact that she attain the age of 75 year during the currency of this tenure."

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

7. TO REVISE THE REMUNERATION OF MR. VIJENDRA KUMAR MITTAL (DIN: 00006398), MANAGING DIRECTOR

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other consents/approvals as may be required, the approval of the members of the Company be and is hereby accorded to the revision in the remuneration of Mr. Vijendra Kumar Mittal, Managing Director of the Company, with effect from 1st April 2019 for the remaining part of previous tenure 1st June 2016 to 31st May 2019 as detailed below subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof:

a. Salary	5,00,000/- per month
b. Commission	Commission to be paid based on net profit of the Company in a particular year, which put together with salary and perquisites shall be subject to the overall ceilings laid down in Section 197 and 198 of the Companies Act, 2013.
c. Medical Reimbursement	i) Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year or 3 months' salary over a period of 3 years. ii) Mediclaim insurance as per rules of the Company.
d. Leave Travel Concession	for self & family once in a year as per the rules of the Company
e. Personal Accident Insurance	As per the rules of the company.
f. Club Fees Fees	Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fee.
g. Provident fund	Provident fund, superannuation benefits and gratuity as per the rules of the Company subject to the ceilings as per the guidelines for managerial remuneration in force from time to time.
h. Provision of Company's car with driver	
i. Provision of free telephone at residence	
j. Encashment of leave as per the rules of the Company	

"RESOLVED FURTHER THAT in addition to the above salary and perquisites, commission will also be payable up to 1% of the net profits of the Company calculated in the manner referred in Section 198 of the Companies Act, 2013, subject to the overall remuneration payable to Mr. Vijendra Kumar Mittal, Managing Director of the Company not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof."

8. TO REVISE THE REMUNERATION OF MR. ANSH MITTAL (DIN: 00041986), WHOLE-TIME DIRECTOR:

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other consents/approvals as may be required, the approval of the members of the Company be and is hereby accorded to the revision in the remuneration of Mr. Ansh Mittal, Whole-time Director of the Company, with effect from 1st April 2019 for the remaining part of previous tenure 1st May 2016 to 30th April 2019 as detailed below subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof:

a. Salary	3,00,000/- per month
b. Commission	Commission to be paid based on net profit of the Company in a particular year, which put together with salary and perquisites shall be subject to the overall ceilings laid down in Section 197 and 198 of the Companies Act, 2013.
c. Medical Reimbursement	i) Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year or 3 months' salary over a period of 3 years. ii) Mediclaim insurance as per rules of the Company.
d. Leave Travel Concession	for self & family once in a year as per the rules of the Company
e. Personal Accident Insurance	As per the rules of the Company.
f. Club Fees Fees	Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fee.

g. Provident fund	Provident fund, superannuation benefits and gratuity as per the rules of the Company subject to the ceilings as per the guidelines for managerial remuneration in force from time to time.
h. Provision of Company's car with driver	
i. Provision of free telephone at residence	
j. Encashment of leave as per the rules of the Company	

9. TO REVISE THE REMUNERATION OF MR. AMAN MITTAL (DIN: 00006435), WHOLE TIME DIRECTOR:

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other consents/approvals as may be required, the approval of the members of the Company be and is hereby accorded to the revision in the remuneration of Mr. Aman Mittal, Whole Time Director of the Company, with effect from 1st April 2019 for the remaining part of previous tenure 1st August 2016 to 31st July 2019 as detailed below subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof:

a. Salary	3,00,000/- per month
b. Commission	Commission to be paid based on net profit of the Company in a particular year, which put together with salary and perquisites shall be subject to the overall ceilings laid down in Section 197 and 198 of the Companies Act, 2013.
c. Medical Reimbursement	i) Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year or 3 months' salary over a period of 3 years. ii) Mediclaim insurance as per rules of the Company.
d. Leave Travel Concession	for self & family once in a year as per the rules of the Company
e. Personal Accident Insurance	As per the rules of the Company.
f. Club Fees Fees	Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fee.

g. Provident fund	Provident fund, superannuation benefits and gratuity as per the rules of the Company subject to the ceilings as per the guidelines for managerial remuneration in force from time to time.
h. Provision of Company's car with driver	
i. Provision of free telephone at residence	
j. Encashment of leave as per the rules of the Company	

10. TO REVISE THE REMUNERATION OF MR. VIRENDRA KUMAR GUPTA (DIN: 00006461), WHOLE TIME DIRECTOR:

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other consents/approvals as may be required, the approval of the members of the Company be and is hereby accorded to the revision in the remuneration of Mr. Virendra Kumar Gupta, Whole Time Director of the Company, with effect from 1st April 2019 for the remaining part of period of his tenure i.e. up to 31st July 2020 as detailed below subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof:

a. Salary	1,25,000/- per month
b. Medical Reimbursement	i) Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year or 3 months' salary over a period of 3 years. ii) Mediclaim insurance as per rules of the Company.
c. Leave Travel Concession	for self & family once in a year as per the rules of the Company
d. Personal Accident Insurance	As per the rules of the Company.
e. Club Fees	Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fee.
f. Provident fund	Provident fund, superannuation benefits and gratuity as per the rules of the Company subject to the ceilings as per the guidelines for managerial remuneration in force from time to time.
g. Provision of Company's car with driver	
h. Provision of free telephone at residence	
i. Encashment of leave as per the rules of the Company	

11. RE-APPOINTMENT OF MR. VIJENDRA KUMAR MITTAL (DIN:00006398) AS MANAGING DIRECTOR OF THE COMPANY

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and all other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such other sanctions /approvals, as may be necessary or required, consent of the members be and is hereby accorded for re-appointment of Mr. Vijendra Kumar Mittal [DIN: 00006398] as Managing Director of the Company for a period of 3 (Three) years with effect from June 01, 2019 to May 31, 2022 on the following terms and conditions including remuneration :

I. SALARY :

A salary of Rs.5,00,000/- (Rupees Five Lakh only) 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.5,00,000/- (Rupees Five Lakh only) per month will be paid as minimum remuneration.

The Board is authorized to determine the salary and grant such increases in Salary and /or Allowances by whatever name called from time to time within the aforesaid limit.

II COMMISSION:

Commission to be paid based on net profit of the Company in a particular year, which put together with salary and perquisites shall be subject to the overall ceilings laid down in Section 197 and 198 of the Companies Act, 2013.

III PERQUISITES :

Perquisites are classified into three categories 'A' 'B' and 'C' as follows:

CATEGORY – A

This will comprise house rent allowance, leave travel concession, medical reimbursement, fees of clubs and personal accident insurance. These may be provided as under:

(i) HOUSING I:

The expenditure by the Company on hiring furnished accommodation will be subject to the following ceiling:
Sixty percent (60%) of the salary over and above ten percent (10%) payable by the Managing Director

(ii) HOUSING II:

In case the accommodation is owned by the Company ten percent (10%) of the salary of the Managing Director shall be deducted by the Company.

(iii) HOUSING III:

In case no accommodation is provided by the Company, the Managing Director shall be entitled to house rent allowance subject to the ceiling laid down in HOUSING I.

EXPLANATION:

The expenditure incurred by the 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 (10%) of the salary of the Managing Director.

(iv) MEDICAL REIMBURSEMENT:

As per the rules of the Company.

(v) LEAVE TRAVEL CONCESSION:

For the Managing Director and his family in accordance with the rules of the Company.

(vi) CLUB FEES:

Fees of clubs subject to a maximum of two (2) clubs. This will not include admission and life membership fees.

(vii) PERSONAL ACCIDENT INSURANCE:

As per the rules of the Company.

EXPLANATION :

For the purpose of Category 'A' 'family' means the spouse, the dependent children and dependent parents of the Managing Director.

CATEGORY – B

1. 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.1961.
2. Gratuity to be paid as per the Rules of the Company.
3. Encashment of leave at the end of the tenure.
4. Retirement and other benefits as per the Rules of the company.

CATEGORY – C

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Managing Director.

Notwithstanding anything mentioned herein, where in any Financial Year during the currency of tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay him remuneration by way of salary and perquisites specified above subject to requisite approvals and limits, if any, as may be required under the Companies Act, 2013 and the rules made there under.

12. RE-APPOINTMENT OF MR. ANSH MITTAL (DIN:00041986) AS WHOLE TIME DIRECTOR OF THE COMPANY

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and all other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force and subject to such other sanctions/approvals, as may be necessary or required, consent of the members be and is hereby accorded for re-appointment of Mr. Ansh Mittal [DIN: 00041986] as a Whole Time Director and designate him as the Executive Director of the Company for a period of 3 (Three) years with effect from May 01, 2019 to April 30, 2022, on the following terms and conditions including remuneration:

REMUNERATION

The Company shall pay the following remunerations to Shri Ansh Mittal as Whole Time Director (Executive Director).

1. SALARY AND OTHER FIXED ALLOWANCE:

A salary of Rs.3,00,000/- (Rupees Three Lakh only P.M) will be paid as minimum remuneration.

The Board is authorized to determine the salary and grant such increases in Salary and /or Allowances by whatever name called from time to time

2. PERQUISITES:

Perquisites are classified into three categories 'A' 'B' and 'C' as follows:

CATEGORY – A

This will comprise house rent allowance, level travel concession, medical reimbursement, fees of clubs and personal accident insurance. These may be provided as under:

(i) HOUSING I:

The expenditure by the Company on hiring furnished accommodation will be subject to the following ceiling:

Sixty percent (60%) of the salary over and above ten percent (10%) payable by the Executive Director.

(ii) HOUSING II:

In case the accommodation is owned by the Company ten percent (10%) of the salary of the Executive Director shall be deducted by the Company.

(iii) HOUSING III:

In case no accommodation is provided by the Company, the Executive Director shall be entitled to house rent allowance.

EXPLANATION:

The expenditure incurred by the 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 (10%) of the salary of the Executive Director.

(iv) MEDICAL REIMBURSEMENT:

As per the rules of the Company.

(v) LEAVE TRAVEL CONCESSION:

For the Executive Director and his family in accordance with the rules of the Company.

vi) CLUB FEES:

Fees of clubs subject to a maximum of two (2) clubs, This will not include admission and life membership fees.

vii) PERSONAL ACCIDENT INSURANCE:

As per the rules of the Company .

EXPLANATION:

For the purpose of Category 'A' 'family' means the spouse, the dependent children and dependent parents of the Executive Directors.

CATEGORY – B

- i. 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. 1961.
- ii. Gratuity payable should not exceed half a month's salary for each completed year of service Subject to Maximum of Rs.10,00,000/- as per Gratuity Act 1972.
- iii. Encashment of leave the Executive 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 month after every 11 months of service. The leaves accumulated but not availed of will not be allowed to be encashed.
- iv. Retirement and other benefits as per the rules of the company.
- v. 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.

CATEGORY – C

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Executive Director.

Notwithstanding anything herein, wherein any financial year during the currency of tenure of the Executive Director, the Company has no profits or its profits are inadequate, the Company will pay him remuneration by way of salary and perquisites specified above subject to requisite approval and limits, if any, as may be required under the Companies Act, 2013 and rules made there under.