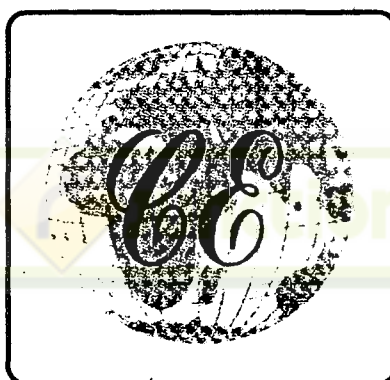


CEENIK EXPORTS (INDIA) LIMITED

MD						BKC					
CS						DPY					
RO						DLV					
TRA						AG					
AGM						SMI					
YE											



3rd ANNUAL REPORT
1996 - 97





CEENIK EXPORTS (INDIA) LIMITED

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BOARD OF DIRECTORS

NARAIN N. HINGORANI *Chairman & Managing Director*
 CHANDRA N. HINGORANI
 RENU L. HINGORANI
 HARESH R. TECKCHANDANI
 BRIJLAL S. BACHANI

BANKERS

KARNATAKA BANK LTD.
 1) OVERSEAS BRANCH
 COOPERAGE, MUMBAI 400 021
 2) BANDRA BRANCH
 BANDRA, MUMBAI 400 050

LEGAL ADVISORS

SAUMIL R.VASAVADA
 101, DARVESH CHAMBERS,
 P.D.HINDUJA MARG,
 KHAR (W), MUMBAI 400 052.

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AUDITORS

I.NAGINDAS & CO.
 CHARTERED ACCOUNTANTS
 121, MAHATMA GANDHI ROAD,
 FORT, MUMBAI 400 023.

REGISTRARS AND TRANSFER AGENTS

PREMIUM FINANCIAL SERVICES LTD.
 477/A-2, SHAH & NAHAR INDUSTRIAL ESTATE,
 LOWER PAREL(W), MUMBAI 400 013.

REGISTERED OFFICE

129/A-1, SHAH & NAHAR INDUSTRIAL ESTATE,
 DHANRAJ MILLS COMPOUND,
 S.J.ROAD, LOWER PAREL(W),
 MUMBAI 400 013.

ANNUAL GENERAL MEETING :

ON 27th September, 1997, at 11.00 a.m.
 251/A-1, Shah & Nahar Industrial Estate,
 Dhanraj Mills Compound, Sitaram Jadhav Marg,
 Lower Parel, Mumbai - 400 013.

NOTE :

Shareholders are requested to bring their copy of the Annual Report alongwith them as the same will not be distributed at the Meeting.



CEENIK EXPORTS (INDIA) LIMITED

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NOTICE

NOTICE is hereby given that the THIRD ANNUAL GENERAL MEETING of the members of Ceenik Exports (India) Ltd. will be held at 11.00 A.M. on September 27, 1997 at 251/A-1, Shah & Nahar Industrial Estate, Dhanraj Mills Compound, Sitaram Jadhav Marg, Lower Parel(W), Mumbai 400 013, to transact the following business :

ORDINARY BUSINESS :

- 1) To receive, consider and adopt audited Balance Sheet as at 31st March, 1997 and Profit & Loss Account for the year ended on that date together with Directors' Report and Auditors' Report thereon.
- 2) To declare dividend.
- 3) To appoint a Director in place of Mr. Brijlal S. Bachani, who retires by rotation and being eligible offers himself for reappointment.
- 4) To appoint Auditors and fix their remuneration.

Registered Office :

129-A-1, Shah & Nahar
Indl. Estate
Lower Parel,
Mumbai 400 013.

By order of the Board

NARAIN N. HINGORANI

7th August, 1997

Chairman & Managing Director

NOTES :

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF AND THAT SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- (b) Register of Members and Share Transfer Registers of the Company will remain closed from 20th September, 1997 to 27th September, 1997 (both days inclusive).
- (c) Payment of dividend declared at the Annual General Meeting, will be made only to those members whose names are registered in the Register of Members of the Company on 27th September, 1997 or to their mandates. Members are requested to notify any change in their addresses and mandates forthwith at the Registered Office.

DIRECTORS' REPORT

To:

The Members

CEENIK EXPORTS (INDIA) LTD.

Your Directors have pleasure in presenting their THIRD ANNUAL REPORT alongwith the audited Financial Statements for the year ended 31st March, 1997.

FINANCIAL HIGHLIGHTS:

	1996-97	1995-96
Profit before Financial Cost, Depreciation and Tax	36,413,527	34,794,492
Less: Financial Cost	65,607	Nil.
Less: Depreciation	92,994	149,781
Profit before Tax	36,254,926	34,644,711
Less: Provision for Tax	4,717,000	Nil.
Net Profit for the year	31,537,926	34,644,711
Proposed Dividend for last year scaled down	2,225,000	Nil.
Balance brought forward from previous year	25,460,376	223,636
Balance Available for appropriation:	59,223,302	34,868,347
APPROPRIATIONS :		
Transfer to General Reserve	3,153,792	3,464,471
Proposed Dividend	6,700,000	5,943,500
Provision for Tax on Dividend	670,000	Nil.
Balance Carried forward	48,699,510	25,460,376

DIVIDEND

Your Directors are pleased to recommend a dividend of Rs.2/- per Equity Share. Dividend if approved at the ensuing Annual General Meeting, shall be free of tax in the hands of the member shareholders. The Company has made necessary provisions for Tax on Dividend as per the recent amendment to Income Tax Act, 1961. The effective pay-out will thus, be Rs.2.20 per Share for the Company, which is nearly double that of the previous year.

OPERATIONS

The Company recorded a total export sale of Rs.1460.23 lakhs for the year under review, an increase of 17.42% compared to last year. In view of sluggish exports



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DIRECTORS' REPORT...(contd.)

& more particularly in textiles & garments your directors consider the export performance noteworthy.

Due to long term marketing strategy and sustained efforts of increasing export sales by introducing new designs in garments for meeting the exporters' changing demand the Company maintained its profitability despite stiff competition & depressed economic conditions.

The performance of first quarter of the current year is satisfactory. The order book shows a healthy trend. Barring unforeseen circumstances the directors believe the performance in current year would match the projections as indicated in prospectus dated 19.6.95.

PERFORMANCE V/S PROJECTIONS

In pursuance to Clause 43 of the Listing Agreement with Bombay Stock Exchange, following are the comparative details of actual performance and projections made in the Prospectus dated 19.6.95 :

	Peformance (Rs. lakhs)	Projections (Rs. lakhs)
Sales & Trade Receipts	1687.55	1422.04
Profit after Tax	315.38	286.28
Earning per Share	9.41	8.54

FUTURE PROSPECTS

Sustained efforts are being made to enter other overseas markets besides U.S.A., where the Company has already established its market strength. In line with the strategy of globalisation, the Company is strengthening its international marketing network.

EXPANSION AND MODERNISATION

To meet the international competition and increasing demand for the Company's garments, your Directors propose to modernise the existing manufacturing facilities and increase the capacities. As reported in last Directors' Report, efforts are being made to raise the required financial resources.

DIRECTORS

Pursuant to the provisions of the Companies Act,1956 and Articles of Association of the Company, Mr. Brijlal S. Bachani shall retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offers himself for reappointment.

EMPLOYEES

Relations between the employees and management were cordial throughout the year. During the year under review, none of the employees of the Company was in receipt of a remuneration exceeding to Rs.25,000/- per month or Rs.3,00,000/- per annum. Hence, information as required under the provision of Section 217(2A) of the Companies Act,1956 is not furnished.

CONSERVATION OF ENERGY, ETC.

Your Company is not using any specific energy, which could be conserved by exercising any device. Further, the Company is using its inhouse technology and hence, question of absorbing technology does not arise. Hence, information required under Section 217(1)(c) of the Companies Act,1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules,1988 is not given.

During the year under review, the Company earned a foreign exchange worth Rs.1370.75 lakhs on account of exports and spent a foreign exchange worth Rs.4 50 lakhs on account of Foreign Tour .

AUDITORS

M/s. I. Nagindas & Co; Chartered Accountants, Auditors of the Company, shall retire at the forthcoming Annual General Meeting. They are eligible for reappointment. Members are requested to appoint Auditors and fix their remuneration.

APPRECIATION

Your Directors wish to express their gratitude for the continuous cooperation, support and assistance provided by The Karnataka Bank Ltd. The Directors also wish to place on record their appreciation to employees at all levels for their excellent contribution to ensure the consistent growth of your Company. Directors also thank all the Shareholders for demonstrating their unflinching support to the Company.

For & on behalf of the Board

NARAIN N. HINGORANI

MUMBAI : 7th August, 1997. Chairman & Managing Director