

CEENIK EXPORTS (INDIA) LIMITED



4th ANNUAL REPORT
1997 - 98





CEENIK EXPORTS (INDIA) LIMITED

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MD	✓	BKC	✓
CS	NA		NA
RO	✓		NA
TRA	✓		✓
AGM	✓		✓
YE	✓		✓

BOARD OF DIRECTORS

NARAIN N. HINGORANI *Chairman & Managing Director*
 CHANDRA N. HINGORANI
 RENU L. HINGORANI
 HARESH R. TECKCHANDANI (upto 22/01/98)
 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.

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.

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ANNUAL GENERAL MEETING :

ON 28th November, 1998, at 11.00 a.m.
 251/ A-1, Shah & Nahar Industrial Estate,
 Dhanraj Mills Compound, Sitaram Jadhav Marg,
 Lower Parel (W), 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.



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NOTICE

Notice is hereby given that the Fourth Annual General Meeting of the members of the Ceenik Exports (India) Ltd., will be held at 11.00 A.M. on November 28, 1998 at 251/ A-1, Shah & Nahar Industrial Estate, Sitaram Jadhav Marg, Lower Parel (W), Mumbai - 400 013, to transact the following business:

- 1 To receive, consider and adopt audited Balance Sheet as at 31st March, 1998 and Profit & Loss Account for the year ended on that date together with Directors' Report and Auditors' Report thereon.
- 2 To appoint a Director in place of Mrs. Chandra N. Hingorani, who retires by rotation and being eligible offers herself for reappointment.
- 3 To appoint Auditors and fix their remuneration.

Regd. Office: By order of the Board
129/ A-1, Shah & Nahar
Indl. Estate, Lower Parel,
Mumbai - 400 013.

(Narain Hingorani)

Dated : 10/ 10/ 1998. 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 25th November, 1998 to 28th November, 1998 (both days inclusive)

DIRECTORS' REPORT

To,
The Members
Ceenik Exports (India) Ltd.,

Your Directors hereby present their FOURTH ANNUAL REPORT alongwith the audited Financial Statements for the year ended 31st March, 1998.

FINANCIAL RESULTS :

The Highlights of financial results are as under :-

	(Rs.) 1997 - 98	1996 - 97
Profit before Financial Cost,		
Depreciation and Tax	35,174,334	36,413,527
Less : Financial Cost	574,831	65,607
Less : Depreciation	98,139	92,994
Profit before Tax	34,501,364	36,254,926
Less : Provision for Tax	NIL	4,717,000
Net Profit for the year	34,501,364	31,537,926
Provision for Dividend for earlier year reversed	NIL	2,225,000
Balance brought forward from previous year	48,699,510	25,460,376
Balance Available for appropriation:	83,200,874	59,223,269

APPROPRIATIONS :

Transfer to General Reserve	NIL	3,153,789
Proposed Dividend	NIL	6,700,000
Provision for Tax on Dividend	NIL	670,000
Balance Carried forward	83,200,874	48,699,480

DIVIDEND :

Considering the economic situation the world over and the need to conserve financial resources to meet working capital contingencies, your Directors have not recommended any dividend.

OPERATIONS :

Despite worsening trade situation throughout the world, your company was able to maintain its export sales at Rs. 1468.46 Lakhs. However the profit margins were under pressure. Your Company was able to maintain the net profit only due to tight expenditure control and better inventory management.

The performance of first - half of the current year is satisfactory. However the order book shows a declining trend. The directors are making all efforts to increase exports and maintain the profitability.

PERFORMANCE V/S PROJECTIONS

In pursuance to clause 43 of the Listing Agreement with Mumbai Stock Exchange, following are the comparative details of actual



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performance and projections made in the Prospectus dated 19.06.95 :

	Performance (Rs. in Lakhs)	Projections (Rs. in Lakhs)
Sales & Trade Receipts	1810.83	1501.04
Profit after Tax	345.01	306.03
Earning per Share	10.30	9.13

FUTURE PROSPECTS

In line with the strategy of globalisation, the Company is strengthening its international marketing network. Your Directors are glad to state that during the year under review, the Company successfully exported garments to United Kingdom. Efforts are being made to increase the presence in West European and other developed countries.

DIRECTORS

During the year, Mr. H. R. Teckchandani resigned as Director from the Board. Mr. H. R. Teckchandani was associated with the Company since its incorporation. Your Directors place on record their deep sense of gratitude for the valued guidance received by the Company during his tenure on the Board. Pursuant to the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mrs. Chandra N. Hingorani shall retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offers herself 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 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)(e) 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 foreign exchange worth Rs. 1423.58 Lakhs on account of exports and spent a foreign exchange worth Rs. 11.19 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 thank the Karnataka Bank Ltd. for its unstinted support. Your Directors also wish to place on record dedicated services rendered by all employees of the Company. Directors also thank all the Shareholders for their support to the Company.

For and on behalf of the Board

(Narain N. Hingorani)

Chairman & Managing Director

Mumbai : 10th October, 1998.