

**FIFTH
ANNUAL
REPORT
1998-99**

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CEENIK EXPORTS (INDIA) LIMITED

CEENIK EXPORTS (INDIA) LIMITED**BOARD OF DIRECTORS**

NARAIN N. HINGORANI *Chairman & Managing Director*
 CHANDRA N. HINGORANI
 RENU L. HINGORANI (upto 30.04.99)
 BRIJLAL S. BACHANI
 PREM L. VACHHANI
 CHANDRU K. BAKHTIANI

BANKERS

KARNATAKA BANK LTD.

1) OVERSEAS BRANCH
 COOPERAGE, MUMBAI - 400 020.

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
 E/12, PARWANA APARTMENT,
 SAIBABA NAGAR, BORIVLI (WEST),
 MUMBAI - 400 092.

REGISTRARS AND TRANSFER AGENTS

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

Annual General Meeting :

On 30th September, 1999, 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 long with them
 as the same will not be distributed at the
 Meeting

REGISTERED OFFICE

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

5th Annual Report 1998-99

NOTICE

NOTICE IS HEREBY GIVEN THAT the Fifth Annual General Meeting of the members of the Company will be held at 11.00 A.M. on September 30, 1999 at 251/ A-1, Shah & Nahar Industrial Estate, Sitaram Jadhav Marg, Lower Parel (W), Mumbai - 400 013, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 1999 and Profit and Loss Account for the year ended on that date, together with the Directors' Report and Auditor's Report thereon.
2. To appoint a Director in place of Mr. Brijlal S. Bachani, who retires by rotation and being eligible offers himself for reappointment
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit to pass with or without any modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. Prem Vachhani, who was appointed as an Additional Director by the Board of Directors in its meeting held on 30.01.1999 and pursuant to Section 260 of the Companies Act, 1956 has vacated the office at this meeting, be and is hereby appointed as a Director of the Company, whose office shall be liable to retirement by rotation."
5. To consider and if thought fit to pass with or without any modification(s), the following resolution as a Ordinary Resolution:
"RESOLVED THAT Mr. Chandru K. Bakhtiani, who was appointed as an Additional Director by the Board of Directors in its meeting held on 30.01.1999 and pursuant to Section 260 of the Companies Act, 1956 has vacated the office at this meeting, be and is hereby appointed as a Director of the Company, whose office shall be liable to retirement by rotation."

Regd. Office :
129/ A-1, Shah & Nahar Industrial Estate,
Dhanraj Mills Compound, Sitaram Jadhav Marg,
Lower Parel (W), Mumbai - 400 013.

On behalf of the Board of Directors

(Narain N. Hingorani)
Chairman & Managing Director

Date : 12/08/1999

NOTES :

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXY(IES) 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) An Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 is annexed.
- c) The Register of Members and Share Transfer Registers of the Company will remain closed from 25th September 1999 to 30th September 1999. (both days inclusive).

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

ITEM NO. 4 & 5 :

The Board of Directors in its meeting held on 30.01.99 had appointed Mr. Prem Vachhani and Mr. Chandru Bakhtiani as Additional Directors of the Company. Pursuant to the provisions of Section 260 of the Companies Act, 1956 and Articles of Association of the Company they would be vacating the office at the ensuing Annual General Meeting. However, the Company has received notices from some of its members pursuant to Section 257 of the Companies Act, 1956, alongwith refundable deposit signifying their intention to propose the appointments of Mr. Prem Vachhani and Mr. Chandru Bakhtiani as Directors of the Company.

Mr. Prem Vachhani is a businessman having three decades experience in manufacturing & marketing of engineering goods. Mr. Chandru Bakhtiani is a Science Graduate and has working experience of eight years at senior level. The Board of Directors feels their association as Directors will be in the interest of the Company.

None of the Director is interested or in any way concerned in the appointments of Mr. Prem Vachhani and Mr. Chandru Bakhtiani as Directors, except Mr. Narain N. Hingorani, who may be deemed to be interested in the appointment of Mr. Prem Vachhani so long as they are relatives.

CEENIK EXPORTS (INDIA) LIMITED

DIRECTORS' REPORT

To
The Members
Ceenik Exports (India) Ltd.

Your Directors hereby present their Fifth Annual Report alongwith the audited Financial Statements for the year ended 31st March,1999.

FINANCIAL HIGHLIGHTS

The highlights of Financial results are as under :

	Rs.(Lakhs) 1998-99	Rs.(Lakhs) 1997-98
Profit before Financial Cost, Depreciation and Tax.....	4,004,954	35,174,334
Less : Financial Cost.....	(324,823)	574,831
Less : Depreciation	133,472	98,139
Profit before Tax	4,196,305	34,501,364
Provision for Taxation	Nil	Nil
Net Profit for the year.....	4,196,305	34,501,364
Balance brought forward from previous year.....	83,200,874	48,699,510
Balance Available for appropriation.....	87,397,179	83,200,874
APPROPRIATIONS :		
Transfer to General Reserve.....	419,631	Nil
Balance Carried forward.....	86,977,548	83,200,874

DIVIDEND

Your Directors have not recommended any dividend.

OPERATIONS

The year 1998-99 proved to be one of the worst effected period in the history of the Company. During the year under review, your Company received a great setback as sales slowed down in U.S.A. Your Company entered the markets of United Kingdom and Australia but at a great cost to its profit margins. The export sales for the year was Rs. 819.17 Lakhs. The company earned a pre-tax profit of Rs. 41.96 lakhs for the year as against Rs. 345.01 lakhs for the previous year.

FUTURE PROSPECTS

Your Directors are striving hard to make inroads into the markets of United Kingdom and other European Countries. However the slowdown of the U. S. A. market will take some time to recover. Your Directors are hopeful that the Company will be able to capture the lost ground in the next two years and start growing thereafter.

DIRECTORS

Mrs. Renu Hingorani resigned as a Director with effect from 30.04.99. Mrs. Renu Hingorani was associated with the Company since its inception. The Board places on record its appreciation for her valued services received by the Company during her tenure on the Board.

The Board of Directors in its meeting held on 30.01.99 had appointed Mr. Prem Vachhani and Mr. Chandru Bakhtiani as Additional Directors. They would be vacating their offices at the ensuing Annual General Meeting. The Company has received notices from some of its members u/s 257 of the Companies Act, 1956, signifying their intention to propose the appointments of Mr. Prem Vachhani and Mr. Chandru Bakhtiani as Directors. As required under Articles of Association and pursuant the provisions of the Company Act, 1956.

Mr. Brijlal S. Bachani shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offeres himself for reappointment.