

**SIXTH
ANNUAL
REPORT
1999-2000**

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CEENIK EXPORTS (INDIA) LIMITED

CEENIK EXPORTS (INDIA) LTD.**BOARD OF DIRECTORS**

NARAIN N. HINGORANI *Chairman & Managing Director*
 CHANDRA N. HINGORANI
 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.

REGISTERED OFFICE

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

Annual General Meeting :

On 8th September 2000, 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 Sixth Annual General Meeting of the members of Ceenik Exports (India) Ltd. will be held at 11.00 A.M. on September 08, 2000 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, 2000 and Profit & Loss Account for the year ended on that date together with the 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.

SPECIAL BUSINESS :

4. To consider and if thought fit to pass with or without modification (s), the following resolution as a Special Resolution:
 "RESOLVED THAT the consent of the members of the company be and is hereby accorded for amending the object clause of the Memorandum of Association by inserting the following new sub-clauses after sub-clause No. 1 of clause No III (A) and numbered as sub-clauses Nos. 2,3,4,5 and that remaining sub-clauses be renumbered accordingly.
 2. To develop, design, search, renovate, amend, modify, buy, sell, import, export and deal in all types of computer software, programmes, systems, solutions, hardware, peripherals and to carry on the business of developing Websites, Solutions, Electronic Commerce known as E-Commerce and other value added services.
 3. To acquire, set up, establish, own and run schools, colleges, training centers and professional institutions for imparting education, knowledge and training on electronic data processing, computer software, solutions and hardware and in all other educational fields relating to electronics, to provide career guidance & Counseling and to provide consultancy and data processing services.
 4. To design, develop, assemble, buy, sell, distribute, import, export, alter, remodel, lease, install, repair, service and deal in all classes of electronic data processing equipments, products and services including electronic calculators, electronic educational equipments and devices, minicomputers and micro-computers, mainframe and super computers, computer software, hardware and programs, electronic and mechanical computer peripherals speech processing equipments, office and factory automation equipments, parts, assemblies and sub-assemblies relating thereto.
 5. To carry on business as producers, distributors, importers, exporters, exhibitors and financiers of cinematograph films, T. V. Serials, programmes and to manufacture, own, acquire, provide, secure, arrange or deal in films and photographic, sound recording, musical, lighting appliances, instruments, equipments and machines and to construct, establish, own, hire or otherwise acquire and to manage, let out for rent, fee, monetary gain or otherwise, studios, laboratories, theatres, buildings, halls, open air theatres, bars, restaurants and other buildings or work required for the purposes of production, distribution or exhibition of the films, operas, stageplays, dances, operettas, burlesques, vaudeville, revues, ballets, pantomimes, spectacular pieces, promenade, concert, circus or other performances and entertainments, and to act as dealers, importers, exporters of musical instruments and records, tapes, cinema and film projectors and cameras, wigs and other products or materials related or connected with the aforesaid objects and business, and to acquire exclusive or limited rights to any play, story, script, Musical songs and lyric, book, article or any technique by producing, purchasing or other wise acquiring and to use exercise, develop or exploit or turn to account such rights for the business of the Company ; and to act as agents for training, retaining, arranging and supplying artists, stars, art directors, script or storywriters, technicians, extras and other personnel required by the Company or other for film, cinema or show business."
5. To consider and if thought fit, to pass with or without any modification (s), the following resolution as a Special Resolution :
 "RESOLVED THAT pursuant to Section 149 (2A) of the Companies Act, 1956 consent of the members be and is hereby accorded for commencing the business of developing and marketing software, hardware, computer peripherals and other media related business as stated in sub-clauses 2,3,4 and 5 of the object clause III (A) of the Memorandum of Association of the Company."
 "RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorised to do all acts, deeds and things for the aforesaid purpose."
6. To consider and if thought fit, to pass with or without any modification (s), the following resolution

CEENIK EXPORTS (INDIA) LTD.

as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of section 372A and other applicable provisions if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time) and subject to the approval of the Financial Institutions and such other approvals as may be necessary, consent to the Company be and is hereby accorded for investment by way of direct subscription to and / or purchase from open market units of Mutual Funds aggregating to an amount not exceeding Rs. 200 lakhs, notwithstanding that such investments together with all other investments / loans made and guarantee (s) / security (ies) given by the Company in or to all other bodies corporate shall be in excess of the limit prescribed under Section 372A of the Companies Act, 1956".

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as the Board may in its absolute discretion, deem necessary or desirable and to settle all questions and matters arising out of and incidental to the proposed investment."

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

"RESOLVED THAT the consent of the company be and is hereby accorded in terms of Section 293 (1) (d) and other applicable provisions if any, of the Companies Act, 1956 to the Board of Directors to sale, lease or in any way dispose of all or part of the immovable properties of the Company wheresoever situated (both present & future) at such price, terms and conditions as the Board at its absolute discretion deems fit."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as the Board may in its absolute discretion, deem necessary or desirable and to settle all questions and matters arising out of and incidental to the transactions."

Regd. Office :

129/A-1, Shah & Nahar Indl. Estate,
Lower Parel (W), Mumbai-400 013.
Date : 31 - 07 - 2000

By Order of the Board

(Narain N. Hingorani)
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) An Explanatory Statement pursuant to Section 173 (2) of the companies Act, 1956 is annexed.
- c) Register of Members and Share Transfer Registers of the Company will remain closed from 5th September, 2000 to 8th September, 2000 (both days inclusive).

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

ITEM NOS. 4 & 5:

The Company proposes to diversify in the field of development and marketing of software and other value added solutions of E-commerce activities and media related business. Since the Memorandum of Association of the Company does not provide any clause authorising the Company to enter into such activity, your Directors propose to amend the Object Clause of the Memorandum of Association suitably. Under the provision of Section 17 of the Companies Act, 1956 the Object Clause of Memorandum of Association could be altered by members of the Company by passing a Special Resolution.

Under the provisions of section 149 (2A) of the Companies Act, 1956, the Company can commence any activity other than the existing business; provided members consent by Special Resolution is obtained. The Board of Directors proposes to enter into the business of development & marketing of software & other E-commerce activities and media related business which will amount to entering into new business. Hence, the members consent is being sought.

The Board of Directors recommend the resolutions as stated in the notice.

None of the Directors is interested or in any way concerned in the proposed resolution.

6TH ANNUAL REPORT 1999-2000**ITEM NO. 6:**

The Company is in the business of Export of Garments. The nature of the business of such that on receipt of payments the Company has excess fund on hand prior to its utilisation in business. The excess fund which is not immediately required is being invested in securities having better liquidity.

Section 372 A of the Companies Act, 1956, provides that where the aggregate of the loans and investments so far made, the amounts for which guarantee or securities so far provided to or in all other bodies corporate, alongwith the investments, loans, guarantee or securities proposed to be made or given by the Board exceeds 60% of the paid up share capital and free reserves or 100% of free reserves whichever is more, no investment or loan shall be made or guarantee shall be given or security shall be provided unless authorised by the Special Resolution passed in a General Meeting.

Since your Directors propose to invest excess funds in Income/Debt based mutual funds by direct subscription and / or purchase from open market and proposed investment together with other investments/loans may exceed the limit laid down in Section 372 A of the Companies Act, consent of the members is sought to the proposed investments as per resolution set up in the notice. The proposed investments would be subject to approval of the Company's bankers/ financial institution and other approvals as may be required. The proposed investments shall be made from the internal accruals and the surplus funds which are not immediately required for the business of the Company.

None of the Directors is interested or in any way concerned in the resolution.

ITEM NO. 7 :

The Garment Industry is passing through recessionary trend and your Company is experiencing sluggishness in export demand since last two years. In order to make optimum utilisation of the Companies Assets your Directors wish to take advantage of the prime locality of the company's premises. Presently the Company has idle premises as well as capacity of manufacturing garments, which your Directors think will not require in near future. Your Directors think it prudent that the excess manufacturing capacity alongwith Company's infrastructure should be leased out and/or be sold. As and when the need arises the Company can acquire/lease premises in certain distant/backward places without affecting the business of the Company.

The Company can sell/lease and/or dispose off any of it's undertaking or fixed assets by prior approval of the members obtained by way of Ordinary Resolution under Section 293(1) (d) of the Companies Act, 1956. Your Directors recommend this resolution.

None of the Directors is interested or in any way concerned in the resolution.

Regd. Office :

129/A-1, Shah & Nahar Indl. Estate,
Lower Parel (W), Mumbai-400 013.
Date : 31 - 07 - 2000

By Order of the Board

(Narain N. Hingorani)
Chairman & Managing Director