

**Seventh
Annual
Report
2000-2001**

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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.

AUDITORS

I. NAGINDAS & CO.
 CHARTERED ACCOUNTANTS
 121, M. G. ROAD,
 AGRA BUILDING, FORT,
 MUMBAI - 400 023.

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ANNUAL GENERAL MEETING :

On 27 September 2001, at 11.00 a.m.
 225 / 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.

REGISTRARS AND TRANSFER AGENTS

MONDKAR COMPUTERS PVT. LTD.
 21, SHAKIL NIWAS, MAHAKALI CAVES ROAD,
 ANDHERI (E), MUMBAI - 400 093.

REGISTERED OFFICE

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

7TH ANNUAL REPORT 2000-2001**NOTICE**

NOTICE is hereby given that the Seventh Annual General Meeting of the members of CEENIK EXPORTS (INDIA) LTD. will be held at 11.00 A.M. on 27th September, 2001 at 225/A-1, Shah & Nahar Industrial Estate, S. J. Road, 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, 2001 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 Mr. Prem L. Vachhani, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors of the Company to hold office upto the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution: "RESOLVED THAT pursuant to the provisions of Sections 198,269,309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and amendment and/or re-enactment thereof and subject to such other approvals as may be required, the consent of the Company, be and is hereby, accorded to the re-appointment of Mr. Narain N. Hingorani as Managing Director of the Company for a period of five years with effect from 1st July, 2001 on the same terms and conditions of appointment as approved earlier with gross remuneration in the grade Rs. 25,000-Rs. 5,000-Rs. 50,000 per month, (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) with authority to the Board of Directors to increase the remuneration within the maximum limits specified for remuneration to managerial personnel, in the Companies Act, 1956 and any amendment and/or re-enactment thereof."
5. To consider and if thought fit to pass, with or without modification(s) the following resolution as a Special Resolution: "RESOLVED THAT pursuant to Section 149(2A) of the Companies Act, 1956 consent of the Company, be and is hereby, accorded to the commencement of and carrying on, by the Company, of all or any of the business and activities specified in sub-clause 55 in Clause III C of the Memorandum of Association of the Company, in such manner as may be deemed fit by the Board of Directors of the Company."
6. To consider and if thought fit, to pass with or without modification (s), the following resolution as a Special Resolution :

RESOLVED THAT the Articles of Association of the Company be and is hereby altered by inserting after the existing Article No. : 72, the following new Article and numbered as Article 72A :

Article 72A - Subject to the provisions of Section 77A and 77B of the Act and rules made there under, the Company shall have power to purchase its own shares from share-holders and members of the Company.

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 17th September, 2001 to 27th September, 2001 (both days inclusive).

Regd. Office:

129/A-1, Shah & Nahar Indl. Estate,
S. J. Road, Lower Parel (W),
Mumbai - 400 013.
Date: 31st July, 2001.

By Order of the Board

Narain N. Hingorani
Chairman & Managing Director

CEENIK EXPORTS (INDIA) LTD.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**ITEM NO. 4**

The tenure of Mr. Narain N. Hingorani as Managing Director expired on 30.06.2001. The Board of Directors in its meeting held on 31.07.01 re-appointed Mr. Narain N. Hingorani as Managing Director for a period of five years w.e.f. 01.07.2001, subject to the consent of the members of the Company. The terms and conditions of the re-appointment remains the same as approved earlier by the members with a consolidated remuneration of Rs. 25,000 per month in the grade of Rs.25,000- Rs.5,000- Rs. 50,000.

Mr. Narain N. Hingorani, B. Sc., is associated with the Company since incorporation. He has 15 years of experience in Business Management of apparel industry. Considering the progress the Company has made during the tenure of Mr. Narain N. Hingorani as Managing Director, your Directors recommend the resolution as set out in the item No. 4 of the notice convening the Annual General Meeting.

Mr. Narain N. Hingorani, Mrs. Chandra N. Hingorani and Mr. Prem L. Vachhani, being related may be deemed to be interested in this resolution. None of the other Directors is interested or in any way concerned in the resolution.

ITEM NO. 5

It is proposed to diversify the existing activity by entering into the field of real estate. The existing sub-clause 55 of the Object Clause of the Memorandum of Association enables the Company to undertake the proposed activities.

This activity could be conveniently & advantageously combined with the existing business of the Company. Therefore, the Board of Directors think it prudent to commence the new business.

Pursuant to Section 149(2A) of the Companies Act, 1956 members consent by Special Resolution is required for commencing any business indicated in Clause III (C) of the Memorandum of Association. The Directors, therefore, recommend the resolution as set out in item No. 5 of the notice convening the Annual General Meeting.

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

ITEM NO. 6

As per Section 77A of the Companies Act, 1956 the Company can buy-back its own shares from its members, provided Articles of Association of the Company provide such powers. Since the Directors of your Company proposes to avail the advantage of this provision for increasing the shareholders value by buy-back of the shares, it is proposed to amend the Articles of Association suitably.

None of the Directors may be deemed to be interested or concerned in this resolution.

A Copy of the Memorandum & Articles of Association of the Company is available for inspection by members on all working days between 11.00 a.m. to 1.00 p.m. except on Sundays and public holidays at the Registered Office of the Company.

A draft agreement proposed to be entered into with Mr. Narain N. Hingorani is available for inspection at the Registered Office of the Company on all working days between 11.00 a.m. to 1.00 p.m. except on Sundays and public holidays.

Regd. Office:

129/A-1, Shah & Nahar Indl. Estate,
S. J. Road, Lower Parel (W),
Mumbai - 400 013.

Date: 31st July, 2001.

By Order of the Board

Narain N. Hingorani
Chairman & Managing Director

7TH ANNUAL REPORT 2000-2001

DIRECTORS' REPORT

To,

The Members,

Ceenik Exports (India) Ltd.

Your Directors hereby present their SEVENTH ANNUAL REPORT alongwith the audited Financial Statements for the year ended 31st March, 2001.

FINANCIAL HIGHLIGHTS :

	(Rupees)	
	2000-2001	1999-2000
Profit before Financial Cost, Depreciation & Tax	13,163,136	9,108,675
Less : Financial Cost	817,818	409,578
Less : Depreciation	991,555	134,893
Profit before Tax	11,353,763	8,564,204
Less : Provision for Tax	1,400,000	26,000
Tax Paid (earlier year)	NIL	76,569
Net Profit for the year	9,953,763	8,461,635
Balance Brought Forward from Previous year	94,593,019	86,977,548
Balance Available for Appropriation	104,546,782	95,439,183
APPROPRIATIONS :		
Transfer to General Reserve	1,000,000	846,164
Balance Carried Forward	103,546,782	94,593,019

DIVIDEND

Your Directors have not recommended any dividend.

OPERATIONS

The Directors are pleased to report that the Company has recorded 100% growth in exports over the previous year. The Company made its maiden exports to Italy, France and Africa. The exports to U.S.A. could be resumed after a gap of 18 months.

The Company recorded the total Income of Rs. 1404.00 lakhs and made a pre-tax profit of Rs. 113.53 lakhs as against the total income of Rs. 729.82 lakhs and pre-tax profit of Rs. 85.64 lakhs respectively in the previous year. Margins are constantly under pressure due to severe competition. In order to attain higher turnover and capture new business the company had to sacrifice on the profit margin.

FUTURE PROPECTS

Efforts are being made to broad-base the exports by better product mix & value addition and widen the market by exporting to new countries. The Directors hope, barring unforeseen circumstances, the Company would turn out better results in the current year.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 217 (2AA) of Companies Act, 1956 your Directors state as follows:

- (i) That in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures,
- (ii) That the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period,
- (iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing fraud and other irregularities,
- (iv) That the Directors had prepared the annual accounts on a Going concern basis.