

**EIGHTH  
ANNUAL REPORT  
2001-2002**



**CEENIK EXPORTS (INDIA) LIMITED**

**8TH ANNUAL REPORT 2001-2002****BOARD OF DIRECTORS**

NARAIN N. HINGORANI, *Chairman & Managing Director*  
 CHANDRA N. HINGORANI (Upto 31.07.02)  
 BRIJLAL S. BACHANI  
 PREM L. VACHHANI  
 CHANDRU K. BAKHTIANI  
 HARESH R. TECKCHANDANI (w.e.f. 31.07.02)

**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**

M/s.UDAYAVAR DHANESH KUMAR & ASSOCIATES  
 CHARTERED ACCOUNTANTS  
 B/7, AMBEKAR NAGAR,  
 OFF. G.D. AMBEKAR MARG,  
 PAREL,  
 MUMBAI – 400 012

**ANNUAL GENERAL MEETING**

On 28<sup>th</sup> September, 2002 at 11.00 a.m.  
 225/A-1, Shah & Nahar Indl. Estate,  
 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 & NAHAR INDL. ESTATE,  
 S. J. ROAD, LOWER PAREL(W),  
 MUMBAI – 400 013.

**8TH ANNUAL REPORT 2001-2002****NOTICE**

NOTICE is hereby given that the **Eighth Annual General Meeting** of the members of **CEENIK EXPORTS (INDIA) LTD.** will be held at 11.00 A.M. on 28<sup>th</sup> September, 2002 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 31<sup>st</sup> March, 2002 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. Chandru K. Bakhtiani, who retires by rotation and being eligible offers himself for re-appointment.
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 Ordinary Resolution :  
"RESOLVED THAT Mr. Haresh R. Teckchandani, who was appointed as an Additional Director by the Board of Directors in its meeting held on 31.07.2002 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 Indl. Estate,  
S. J. Road, Lower Parel (W),  
Mumbai – 400 013.  
Date: 29<sup>th</sup> August, 2002.

**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) Details of Directors to be appointed/reappointed in Annual General Meeting is annexed pursuant to clause 49 of the Listing Agreement.
- d) Register of Members and Share Transfer Registers of the Company will remain closed from 25<sup>th</sup> September, 2002 to 28<sup>th</sup> September, 2002 (both days inclusive).

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

The Board of Directors in its meeting held on 31.07.2002 had appointed Mr. Haresh R. Teckchandani as an Additional Director of the Company. Pursuant to Section 260 of the Companies Act, 1956, Mr. Haresh R. Teckchandani would vacate the office of Director at the ensuing Annual General Meeting. The Company has received a notice from a member pursuant to Section 257 of Companies Act, 1956, alongwith refundable deposit signifying his intention to propose the appointment of Mr. Haresh R. Teckchandani as Director of the Company.

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Mr. Haresh R. Teckchandani is a Science Graduate from the University of Mumbai and holds a diploma in Commercial Management from The Jamnalal Bajaj Institute, Mumbai. Mr. Haresh R. Teckchandani has wide experience in banking and finance management. He worked with the State Bank of India as Chief Manager. He was also associated with the Company from 1995 to 1997.

Your Directors are of the view that Mr. Haresh R. Teckchandani's association as Director will be in the interest of the Company.

Mr. Haresh R. Teckchandani may be deemed to be interested in the proposed resolution to the extent of his appointment as Director. None of the other Directors may be deemed to be interested or in any way concerned in the resolution.

**Regd. Office:**

129/A-1, Shah & Nahar Indl. Estate,  
S. J. Road, Lower Parel (W),  
Mumbai - 400 013.  
Date: 29<sup>th</sup> August, 2002.

**By Order of the Board**

**(Narain N. Hingorani)**  
*Chairman & Managing Director*

**Information under clause 49 of the Listing Agreement of Directors appointed/ to be reappointed in the eighth Annual General Meeting:**

<b>Name</b>	Mr. Haresh R. Teckchandani.	Mr. Chandru K. Bakhtiani.
<b>Address</b>	C-7, Surya Kiran Soc. Model Town, Four Bungalow, Andheri(W), Mumbai -400 053.	A/62, Roop Darshan, Juhu Cross Road, Andheri(W), Mumbai - 400 058.
<b>Date of Birth</b>	16 <sup>th</sup> July, 1950.	22 <sup>nd</sup> December, 1947.
<b>Qualification</b>	B.Sc. (Hons.) DCM, C.A.I.I.B.	B.Sc.
<b>Experience</b>	28 years	32 years
<b>Other Directorship</b>	Soundcraft Industries Ltd. Kolar Information Technologies Ltd. Adam Comsoft Ltd. Tips Industries Ltd. More Earn Finvest Ltd. Waste Management Industries Ltd.	Ceenik Enterprises Ltd.
<b>Member of Audit Committee</b>	Tips Industries Ltd. Ceenik Exports (India) Ltd.	Ceenik Exports (India) Ltd.

**8TH ANNUAL REPORT 2001-2002****DIRECTORS' REPORT**

To,

**The Members,****Ceenlk Exports (India) Ltd.**

Your Directors hereby present their EIGHTH ANNUAL REPORT alongwith the audited Financial Statements for the year ended 31<sup>st</sup> March, 2002.

**FINANCIAL HIGHLIGHTS:**

	<b>2001-2002</b>	(Rupees) <b>2000-2001</b>
Profit before Financial Cost, Depreciation & Tax	5,291,591	13,163,136
Less: Financial Cost	694,553	817,818
Less: Depreciation	<u>1,004,722</u>	<u>991,555</u>
<b>Profit before Tax</b>	3,592,316	11,353,763
Less: Provision for Tax	800,000	1,400,000
Less: Extra-Ordinary Item	<u>5,000,000</u>	<u>0</u>
<b>Net Loss for the year</b>	2,207,684	9,953,763
Balance Brought Forward from Previous year	103,546,782	94,593,019
Balance Available for Appropriation	<u>101,339,098</u>	<u>104,546,782</u>
<b>APPROPRIATIONS:</b>		
Transfer to General Reserve	0	1,000,000
Balance Carried Forward	101,339,098	<u>103,546,782</u>

**DIVIDEND**

Your Directors have not recommended any dividend.

**OPERATIONS**

The sales of the Company declined by over 30% as compared to the previous year. Export Markets went topsy-turvy after September, 11 resulting in reduced sales.

The Company recorded the total income of Rs. 1,034.85 lakhs and made a pre-tax profit of Rs. 35.92 lakhs as against the total income of Rs. 1407.40 lakhs and pre-tax profit of Rs. 113.53 lakhs respectively in the previous year. Margins are constantly under pressure due to severe competition. In order to increase turnover the company had to sacrifice on the profit margins.

**FUTURE PROSPECTS**

Global economic conditions worsened nullifying the best efforts made by your Company. A new phenomenon of under cutting has emerged which is changing the market dynamics very fast. The future appears uncertain. The directors are striving hard to improve the Company's performance.

**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,

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(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.

**DIRECTORS**

Mr. Chandru K. Bakhtiani shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment.

Mr. Haresh R. Teckchandani was appointed as additional Director w.e.f. 31.07.2002. Pursuant to section 260 he would be vacating the office at the ensuing Annual General Meeting. The Company has received a notice u/s 257 of the Companies Act, 1956, proposing his appointment as Director.

**LISTING OF SHARES**

The Company's Equity Capital is listed on the Bombay Stock Exchange. The Company has paid Annual Listing fee upto the year 2002-2003.

**EMPLOYEES**

Your Directors wish to record their sincere appreciation of the efforts made and support rendered by Company's employees.

None of the employees is covered by the provisions of section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and therefore no details have been furnished as part of this report.

**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 in-house technology and hence, question of absorbing technology does not arise. Therefore, 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.747.17 lakhs and spent foreign exchange worth Rs. 37.05 lakhs.

**AUDITORS**

M/s. Udayavar Dhanesh Kumar & Associates, 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 the dedicated services rendered by all employees of the Company. Directors also thank all the Shareholders for their support to the Company.

For & on behalf of the Board

Mumbai.  
29<sup>th</sup> August, 2002.

(Narain N. Hingorani)  
Chairman & Managing Director

**8TH ANNUAL REPORT 2001-2002****Auditors' report to the members of Ceenik Exports (India) Ltd.**

We have audited the attached Balance Sheet of Ceenik Exports (India) Ltd. as at 31st March, 2002 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- I. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- II. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books
- III. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
- IV. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with Accounting Standards referred to in sub-section (3c) of section 211 of the Companies Act, 1956;
- V. On the basis of written representation received from the directors, as on 31st March 2002 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2002 from being appointed as director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
- VI. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2002; and
  - b) In the case of the Profit and Loss Account, of the loss for the year ended on that date.

For UDAYAVAR DHANESH KUMAR & ASSOCIATES.  
Chartered Accountants

Place : Mumbai  
Date : 29.08.2002.

**DHANESH KUMAR UDAYAVAR**  
Proprietor