

BOOK - POST

If undelivered please return to :
UNIVERSAL CAPITAL SECURITIES PVT. Ltd.
Unit : CEENIK EXPORTS (INDIA) LIMITED
21, SHAKIL NIWAS, MAHAKALI CAVES ROAD,
ANDHERI (E), MUMBAI - 400 093.

19th

ANNUAL REPORT

2012-2013



CEENIK EXPORTS (INDIA) LIMITED

BOARD OF DIRECTORS

NARAIN N. HINGORANI, Chairman & Managing Director
 BRIJLAL S. BACHANI
 PREM L. VACHHANI
 CHANDRU K. BAKHTIANI

BANKERS

- 1) KARNATAKA BANK LTD.
Road No.33,
BANDRA (W) MUMBAI - 400 050
- 2) HDFC BANK LTD.
LOWER PAREL, MUMBAI – 400 013.
- 3) ICICI BANK LTD.
LOWER PAREL, MUMBAI – 400 013.

LEGAL ADVISORS
 R. S. VASAVADA
 101, DARVESH CHAMBERS,
 P. D. HINDUJA MARG,
 KHAR(W), MUMBAI - 400 052.

AUDITORS

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

REGISTRARS AND TRANSFER AGENTS

UNIVERSAL CAPITAL SECURITIES PVT. LTD.
 21, SHAKIL NIWAS, MAHAKALI CAVES ROAD,
 ANDHERI(E), MUMBAI – 400 093.

REGISTERED OFFICE

14-B, JEEVAN SATYAKAM, DR.AMBEDKAR
 ROAD, BANDRA (W), MUMBAI – 400 050.

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ANNUAL GENERAL MEETING

On Monday, 30th September, 2013 at 11.00 a.m. at
 14-B, Jeevan Satyakam C.H.S. Ltd., Dr. Ambedkar Road,
 Bandra (W), Mumbai – 400 050.

NOTE :

Shareholders are requested to bring their Copy of the
 Annual Report alongwith them as the same will not be
 distributed at the Meeting.

CEENIK EXPORTS (INDIA) LIMITED

Registered Office : 14-B, Jeevan Satyakam C.H.S.Ltd.Dr. Ambedkar Road, Bandra(W), Mumbai-50

PROXY FORM

I/We _____
 of _____
 in the district of _____ being a member / members
 of the above named Comp any, hereby appoint _____
 of _____ in the
 district of _____ or failing him / her
 _____ of _____
 _____ in the district of _____

as my/our Proxy to vote for me/us on my/our behalf at the Seventeenth Annual General Meeting of the
 Company to be held on Monday, 30th September, 2013 at 11a.m. B-14, Jeevan Satyakam C.H.S. Ltd.,
 Dr. Ambedkar Raod, Bandra(W), Mumbai - 400 050.

Signed this _____ day of _____ 2013

Membership Folio No. _____

No. of Shares held _____

Witness _____

1.00 Rupee
 Revenue
 Stamp

Note :

- a. Revenue stamp of 1.00 rupee is to be affixed on this form.
- b. The form should be signed across the stamp as per specimen signature registered with the Comp any.
- c. The Companies Act, 1956 lays down that an instrument appointing a Proxy shall be deposited at the
Registered Office of the Company not less than Forty-Eight Hours before the time fixed for the meeting.
- d. A Proxy need not be the member.

CEENIK EXPORTS (INDIA) LIMITED

Registered Office : 14-B, Jeevan Satyakam C.H.S. Ltd., Dr. Ambedkar Raod, Bandra(W), Mumbai - 400 050.

ATTENDANCE SLIP

To be handled over at the entrance of meeting Hall

NINETEENTH ANNUAL GENERAL MEETING of the Shareholders held on Monday, 30th September, 2013 at 11.00 a.m.
 at B-14, Jeevan Satyakam C.H.S. Ltd., Dr. Ambedkar Raod, Bandra(W), Mumbai - 400 050.

Name of the Shareholder _____
 (in Block Letter)

Membership Folio No. _____

No. of Equity Shares held _____
 (in Block Letter)

Name of the Proxy (if you are attending as a proxy) _____

Signature of the shareholder / Proxy _____

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Ceenik Exports (India) Limited

Cash Flow Statement for the year ended 31 March, 2013

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	Rs	Rs
A. Cash Flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	45,628,498	3,180,946
Adjustments for:		
Depreciation and amortisation	1,048,987	444,210
Interest income	-308,213	-1,650,680
Dividend income	-15,380	-40,790
Net (gain) / loss on sale of investmrnts	-717,618	-541,282
Rental income from investment properties	-77,468,885	-27,926,759
	-77,461,109	-29,715,302
Operating profit / (loss) before working capital changes	-31,832,611	-26,534,356
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories		
Trade receivables	-5,565,068	-5,855,705
Short-term loans and advances	-3,410,774	29,596,745
	767,828	201,173
Long-term loans and advances	-8,895,722	-1,610,405
Other current assets	216,830	-44,010
Other non-current assets	31,333	-1,173,088
Adjustments for increase / (decrease) in operating liabilities:		
Trade paybles	-14,190,132	6,082,291
Other current liabilities	5,699,570	-49,169
Short-term provisions	5,589,262	645,429
	-19,756,872	27,793,261
Cash generated from operations	-51,589,484	1,258,905
Net income tax (paid) / refunds	8,500,000	650,000
Net cash flow from / (used in) operating activities (A)	-60,089,484	608,905
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	-10,009,773	-87,571
Purchase of long-term investments	-10,000,000	-10,000,000
- Associates	-1,420,000	-7000,000
- Others	1,245,921	991,096
Proceeds from sale of long-term investments	4,600,000	-13,285,000
Loans given	308,213	1,650,80
Interest received	15,380	40,790
Dividend received	77,468,885	27,926,759
Rental income from investment properties		
	62,208,626	236,753
Net cash flow from / (used in) investing activities (B)	62,208,626	236,753
C. Cash flow from financing activities		
Proceeds from long-term borrowings	51,478,979	25,763,085
Repayment of long-term borrowings	-51,268,968	-26,340,258
Repayment of other short-term borrowings	-	-941,630
	210,011	-1,518,804
Net cash flow from / (used in) financing activities (c)	210,011	-1,518,804
Net increase / (decrease) in cash and cash equvarents (A+B+C)	2,329,153	-673,145
Cash and cash equivalents at the beginning of the year	2,715,155	3,388,300
Cash and cash equivalents at the end of the year	5,044,308	2,715,155
Notes forming part of the financial statements		
As per our attached Report of even date		For and on behalf of the Board
For Udayavar Dhanesh Kumar & Associates		Narain N. Hingorani
Chartered Account ants (FRN : 119401W)		Chairman & Managing Director
Dhanesh Kumar Udayavar		Prem L Vachhani
Proprietor		Director
Place : Mumbai		Place : Mumbai
Date : 30/05/2013		Date : 30/05/2013

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NOTICE

NOTICE is hereby given that the Nineteenth **Annual General Meeting** of the members of **CEENIK EXPORTS (INDIA) LTD.** will be held at 11.00 A.M. on Monday, the 30th September, 2013 at B-14, Jeevan Satyakam, Dr. Ambedkar Road, , Bandra (West), Mumbai – 400 050, to transact the following business:

ORDINARY BUSINESS

- To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013 and Statement of Profit & Loss for the year ended on that date together with the Directors' Report and Auditors' Report thereon.
- To appoint a Director in place of Mr. Prem L.Vachhani,who retires by rotation and being eligible offers himself for re-appointment.
- To appoint Auditors and fix their remuneration.

NOTES

- AMEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF/ HERSELF 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.
- Information about Directors seeking appointment/re-appointment as required under Clause 49 of the listing agreement are furnished in Corporate Governance Report and hence, the same is not separately provided in the notice.
- Register of Members and Share Transfer Registers of the Company will remain closed from 22nd September, 2013 to 30th September, 2013 (both days inclusive).

By Order of the Board
(Narain N. Hingorani)
Chairman & Managing Director

Date : 13/08/2013

DIRECTORS' REPORT

To,
The Members,
Ceenik Exports (India) Ltd.
Your Directors hereby present their NINETEENTH ANNUAL REPORT along with the Audited Financial Statements for the year ended 31st March, 2013.

FINANCIAL HIGHLIGHTS:	(Rupees) 2012-2013	(Rupees) 2011-2012
Profit before Financial Cost, Depreciation & Tax	6,25,34,336	2,00,89,113
Less: Financial Cost	1,58,56,850	1,64,63,957
Less: Depreciation	10,48,987	4,44,210
Profit/Loss before Tax	4,56,28,499	31,80,946
Less: Provision for Tax	85,00,000	6,50,000
Less: Prior Period Expenses	19,56,143	-
Add/Less: Deferred Tax Expenses (Income)	(4,70,364)	(1,46,212)
Add/Less: Short Provision of Tax	-	-
Net Profit for the year	3,56,42,720	26,77,158
Balance brought forward from Previous Year	12,75,29,448	12,48,52,290
Balance Carried Forward	16,31,72,168	12,75,29,448

DIVIDEND

Considering the exigencies of the funds, your Directors have not recommended any dividend.

MANAGEMENT DISCUSSION & ANALYSIS**INDUSTRY STRUCTURE AND DEVELOPMENTS**

Your Company belongs to the Garment and Apparel industry which is dynamic and caters to the basic necessities of life. It is a labour intensive industry and provides large employment to our countrymen. It contributes a significant role in the growth and development of the economy of the Country.

PERFORMANCE REVIEW

Domestic sales for the year under review were Rs.428.01 lacs, a jump of 143.55% compared to last year. Income from the real estate and investment activities increased by about 7.75% without considering the exceptional income of Rs 460.26 lacs received pursuant to a settlement of a long dispute.

The total income for the year under review was Rs.1216.97 lakhs and pre-tax profit was Rs.456.28 lacs as against Rs.496.83 lakhs and Rs.31.81 lacs for the previous year respectively.

OPPORTUNITIES & THREATS

Your Company is strengthening its manufacturing facilities and is able to produce the entire range of Men's wear at low cost with reasonably good quality. The demographic structure of our country gives tremendous scope for the development of this industry. The likely opening up of retail sector for FDI also augurs well for the industry.

The uncertainty in the local policy making has created infrastructural bottlenecks. High food inflation has caused a cascading effect on the growth rates of wages and manpower costs.

RISKS AND CONCERNS

Manpower availability and increased cost of power continue to be a big risk, which is also making Indian companies uncompetitive.

FINANCE

The finance cost for the year was Rs.158.56 lakhs as against Rs.164.64 lakhs in the previous year due to better management of working capital requirements despite increase in the interest rates.

INTERNAL CONTROLS

The Company has in place adequate internal control systems and procedures so that all assets and resources are used efficiently and are adequately protected.

SAFETY, HEALTH & ENVIRONMENTAL PROTECTION

Garment manufacturing is non-polluting industry. The Company is providing appropriate training to employees in order to optimize the contribution of each employee.

PERSONNEL

The Company had 9 employees as on 31st March, 2013. Industrial relations continued to be cordial through out the year. 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.

Note 24.14

Deferred tax (liability) / asset		
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed asset	5,21,806	1,70,263
On expenditure deferred in the books but allowable for tax purposes		
On items included in Reserves and surplus pending amortisation into the Statement of Profit and Loss		
Others		
Tax effect of items constituting deferred tax liability	5,21,806	1,70,263

Tax effect of items constituting deferred tax assets

Provision for compensated absences, gratuity and other employee benefits		
Provision for doubtful debts / Advances		
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961		
On difference between book balance and tax balance of fixed assets		

Unabsorbed depreciation carried forward	18,30,762	10,08,855
Brought forward business losses		
On items included in Reserves and surplus pending amortisation into the Statement of Profit and Loss		
Others		
Tax effect of items constituting deferred tax assets	18,30,762	10,08,855

Net deferred tax (liability) / asset

13,08,956	8,38,592
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The Company has recognised deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax (or) The Company has recognised deferred tax asset on unabsorbed depreciation and brought forward business losses based on the Management's estimates of future profits considering the non-cancellable customer orders received by the Company.

Note 25 Other Notes

(I) Amount of Rs. 14,06,383/- receivable from an overseas party is classified as unsecured but considered good, the Company has filed a suit in Court outside India.

Note 26 Previous year's figures

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Note 24.12a Related party Transaction

Details of related parties: Description of relationship	Particulars Names of related parties
Associates	Niktin Properties Estats Pvt. Ltd., Viking Advanced Technologies Pvt. Ltd. Ceenik Enterprice Ltd.
Key Management Personal (KMP)	Mr. Narain Hingorani - Managing Director (Prop. of M/s Ceenik Fashion) Shareholder
Relatives of KMP	Mrs. Kavita Hingorani (Prop. of M/s September Fashion), Shareholder, Wife of KMP
Relatives of KMP	Mrs. Chandra Hingorani (Prop. of M/s. International Export Corporation), Shareholder, mother of KMP

Note: Related parties have been identified by the Management.

Details of related party transactions during the year ended 31 March, 2013 and balances outstanding as at 31 March, 2013

	Rs.			
Note 24.12b Related party Transaction		Associates	KMP	Relatives of KMP
Rendering of services		95,24,583	8,74,532	3,72,634
		(39,36,621)	(5,70,000)	(1,11,270)
Reimbursement of Expenses / Payment on our behalf		-	7,42,792	8,41,442
		(89,299)	(8,32,877)	(16,31,881)
Finance (including loans and equity contributions in cash or in kind)		1,72,34,000	1,18,45,000	2,85,15,000
		(5,00,000)	(28,10,000)	(30,75,000)
Write off / write back made during the year		Nil	Nil	Nil
		(Nil)	(Nil)	(Nil)
Balances outstanding at the end of the year				
Borrowings		53,39,252	3,60,808	61,84,460
		(4,734)	(31,023)	(1,10,911)
Receivables / Payable		52,60,188	Nil	50,00,000
		(34,97,841)	(Nil)	(Nil)

Note: Figures in bracket relates to the previous year

Particulars	For the Year Ended 31 March, 2013 Rs	For the Year Ended 31 March, 2012 Rs
Note 24.13		
Earnings per share		
Basic		
Continuing operations		
Net profit / (loss) for the year (before tax)	4,56,28,499	3,180,946
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year attributable to the equity shareholders	4,56,28,499	3,180,946
Weighted average number of equity shares	33,50,000	3,350,000
Par value per share	10	10
Earnings per share from continuing operations - Basic	13.62	0.95

FUTURE PROSPECTS

The Management of your Company foresee significant opportunities to drive future growth, as the Indian economy continues to grow. Future prospects of Garment Industry is bright as the domestic economy is growing and consumer is shifting from tailor made to ready made garments.

RISK MANAGEMENT

Your Directors regularly review the steps required to mitigate the business risk. The assets of the company are adequately insured.

CAUTIONARY NOTE

Certain statement in the above report may be forward looking and are stated as required by legislation in force. The actual results may be affected by many factors which may be different from what the Directors/ Management envisage in terms of future performance and outlook.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation wherever necessary relating to material departures,
- That the Directors have selected such accounting policies and applied them consistently and made judgments 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.
- That the Directors have 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.
- That the Directors have prepared the annual accounts on a going concern basis.

DIRECTORS

Mr. Prem L.Vachhani shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement a separate report on Corporate Governance and a certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance are annexed to the Directors' 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 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 the review, the Company did not earn nor spend any foreign exchange.

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., HDFC Bank Ltd and ICICI Bank Ltd for their support. Your Directors also wish to place on record their appreciation the dedicated services rendered by all employees of the Company. Directors also thank all the Shareholders for their confidence reposed in the management.

Place : Mumbai

Date : 13/08/2013

For & on behalf of the Board

(Narain N. Hingorani)
Chairman & Managing Director