

**23<sup>rd</sup>**

**ANNUAL REPORT**

**2016-2017**



**CEENIK EXPORTS (INDIA) LIMITED**

## 23RD ANNUAL REPORT 2016-2017

### BOARD OF DIRECTORS

NARAIN N. HINGORANI, Chairman & Managing Director  
ROOPA H. TECKCHANDANI (w.e.f. 27.04.2015)  
CHANDRU K. BAKHTIANI  
KAVITA N. HINGORANI

### BANKERS

- 1) KARNATAKA BANK LTD.  
BANDRA (W) MUMBAI - 400 050
- 2) ICICI BANK LTD.  
LOWER PAREL, MUMBAI - 400 013.

Contents	Pg. No.
Board of Directors	1
Notice	2-6
Directors Report	7-26
Auditors Report	27-31
Balance Sheet	32
Profit & Loss Account	33
Cash Flow Statement	34
Notes to Accounts	35-49
Proxy Form	50

### 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.

### ANNUAL GENERAL MEETING

On Friday, 29th September, 2017  
at 10.00 a.m. Registered Office

### NOTE :

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

### REGISTERED OFFICE

D/396/2, TTC INDUSTRIAL AREA, TURBHE MIDC,  
JUI NAGAR, NAVI MUMBAI - 400 705.  
CIN : L51311MH1995PLC85007  
www.csenik.in  
Tel.: 91-22-6143 9600  
Email : csenikexports@gmail.com

23RD ANNUAL REPORT 2016-2017

**NOTICE**

NOTICE is hereby given that the Twentythird Annual General Meeting of the members of Ceenik Exports (India) Limited will be held at 10.00 a.m. on Friday, the 29<sup>th</sup> day of September, 2017 at D-396/2, TTC Industrial Area, MIDC Turbhe, Navi Mumbai-400705, to transact the following business:

**ORDINARY BUSINESS:**

- 1) To receive, consider and adopt the audited Balance Sheet as on 31st March, 2017 and the Statement of Profit & Loss for the year ended on that date together with Directors' Report and Auditors' Report thereon.
- 2) To appoint a Director in place of Mrs. Kavita Narain Hingorani, who retires by rotation and being eligible offers herself for reappointment.
- 3) To appoint Auditors and fix their remuneration and in this regard, pass the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s.V B Goel & Co., Chartered Accountants (Registration No. 115906W), be and are hereby appointed as Auditors of the Company for a term of 5 (five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the 28<sup>th</sup> Annual General Meeting of the Company, subject to ratification by members every year, as applicable at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors."

**SPECIAL BUSINESS:**

- 1) To authorize Board of Directors / its committee to sell, assign, transfer and hand-over the company's immovable property and in this regard, pass the following resolution as a Special Resolution:  
"RESOLVED THAT in pursuance to the provisions of Section 180(1)(a) and other applicable provisions if any, of the Companies Act, 2013 (hereinafter referred to as the 'Act') consent of the Company be and is hereby accorded to the Board of Directors of the Company or its Committee as may be authorized by the Board of Directors, to sell, assign, transfer and hand-over the Company's immovable property situated at Unit No.001, Peninsula Corporate Park, Lower Parel (West), Mumbai 400 013, Maharashtra, India, at such sales consideration, terms and conditions and at such time as the Board of Directors or such Committee may deem fit."  
"RESOLVED FURTHER THAT the Board of Director of the Company be and is hereby authorized to do and perform all such acts, deeds, matters and things and take all such steps as maybe necessary, expedient or incidental to give effect to this resolution including executing, delivering and performing such agreements, contracts, deeds, undertaking and other documents as may be necessary in this regard, and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the shareholders to the end and intent that the shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution."  
RESOLVED FURTEHR THAT the Board of Directors of the Company be and is hereby authorized to delegate all or any of the powers conferred on it by or under this resolution to any committee of the Directors or one or more Directors of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this resolution."

Place: Navi Mumbai

Date: 14.08.2017

For and on behalf of the Board of Directors

(N.N. HINGORANI)  
CHAIRMAN & MANAGING DIRECTOR  
DIN : 00275453



**NOTES:**

1. A Member entitled to attend and vote is entitled to appoint one or more proxy (ies) to attend and vote instead of himself and the proxy (ies) need not be a member.
2. The proxy to be effective should be deposited at the registered office of the Company not less than forty eight hours before the commencement of the Meeting.
3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed.
4. As required under Regulation 36(3) of the SEBI (LODR) Regulations, 2015, profile of Directors seeking appointment/ re-appointment at the Annual General Meeting, forms part of the notice.
5. The Register of Members and the Share Transfer Books will remain closed from 28.09.2017 to 29.09.2017 (both days inclusive).
6. Pursuant to Section 205A of the Companies Act, 1956 all unclaimed/unpaid dividend over a period of 7 years have been transferred by the Company to the Investors Education & Protection Fund constituted by the Central Government and there is no outstanding unclaimed/unpaid dividend amount.
7. Members desiring any information as regards accounts or operations of the Company are requested to send their queries in writing at least seven days in advance of the date of the meeting so as to enable the management to keep the Information ready.
8. The members, who hold shares in electronic form are requested to write their client ID and DP ID and those who hold shares in physical form, are requested to write their Folio number in the attendance slip for attending the meeting.
9. Corporate member, intending to send their authorized representatives to attend the meeting, are requested to send a duly certified copy of the Board resolution, authorizing their representatives to attend and vote at the meeting.
10. The shareholders, who still hold share certificates in physical form, are advised to dematerialize their shareholding to avail the benefits of dematerialization, which includes easy liquidity since the trading is permitted in dematerialized form only, electronic transfer, savings in stamp duty and elimination of possibility of loss of documents and bad deliveries.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of permanent account number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Share Transfer Agents.
12. Electronic copy of the Annual Report for the financial year 2016-17 is being sent to all the members, whose e-mail IDs are registered with the Company/depository participants for communication purposes unless any member has requested for a hard copy of the same. For the members, who have not registered their e-mail address, physical copies of the Annual Report for the financial year 2016-17 is being sent in a permitted mode. Rules 18(3)(i) of the Companies (Management & Administration) Rules, 2014 requires a company to provide advance opportunity at least once in a financial year to the member to register his e-mail address and any change therein. In compliance with the same, we request the members, who do not have their e-mail ID registered with the Company, to get the same registered with the Company. Members are also requested to intimate to the Company the changes if any, in their e-mail address.
13. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Rule 20 of the Companies (Management & Administration) Rules, 2014, the members are informed that the Company is pleased to offer e-voting facilities as an alternative mode to voting at the meeting. Necessary arrangements have been made by the Company with the Central Depository Services Ltd. (CDSL) to facilitate e-voting.

**The instructions for shareholders voting electronically are as under:**

- (I) The voting period begins on 26.09.2017 (9.00 a.m.) and ends on 28.09.2017 (5.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22.09.2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (II) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (III) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares In Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number which is mentioned in address label as sr no affixed on Annual Report, in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu, wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of



- any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for "Ceenik Exports (India) Ltd." on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the Image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30<sup>th</sup> June 2017. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- Other Instructions:**
- a) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 22.09.2017.
  - b) Mr. Upendra Shukla, Practising Company Secretary, has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the members, who do not have access to the e-voting process) in a fair and transparent manner.
  - c) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against if any, forthwith to the Chairman of the Company.

## 23RD ANNUAL REPORT 2016-2017

d) A member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a member casts votes by both modes, then voting done through e-voting shall prevail and physical ballot shall be treated as invalid.

e) The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.ceenik.in](http://www.ceenik.in) and on the website on CDSL [www.evoting.cdsi.com](http://www.evoting.cdsi.com) within two days of the passing of the resolutions at the 23rd AGM and communicated to BSE Ltd., where the shares of the Company are listed.

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

#### Item No. 4

Section 180(1)(a) of the Companies Act, 2013 provides that the Board of Directors of a company with the consent of the Company by Special Resolution, can sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company. As per explanation to Section 180(1)(a) of the Companies Act, 2013, the 'Undertaking' means an undertaking in which the investment of the company exceeds twenty percent of its net-worth as per the audited balance sheet of the preceding financial year or an undertaking, which generates twenty percent of the total income of the company during the previous financial year.

To reduce the debt and improve the leverage, your Directors propose to monetize some of its assets. The Board has identified the Company's assets situated at Unit No.001, Peninsula Corporate Park, Lower Parel, Mumbai 400 013, which commands a premium. Since the book value of this asset exceeds twenty percent of the net-worth of the Company, Directors of your Company think it prudent to seek members' prior approval to the proposed sell of the asset under the provisions of Section 180(1)(a) of the Companies Act, 2013.

Mr. Narain N. Hingorani, Managing Director, and Mrs. Kavita N. Hingorani, Director, may be deemed to be interested in the proposed resolution to the extent of their respective shareholding in the Company. None of the other Directors, key managerial personnel or their relatives is in any way concerned or interested financially or otherwise in the proposed resolution.

Details of Directors seeking appointment/ re-appointment at the ensuing Annual General Meeting fixed on Friday, the 30<sup>th</sup> September, 2016 as required under Regulation 36(3) of the SEBI (LODR) Regulations, 2015.

<b>Name of the Director</b>	<b>Mrs. Kavita Hingorani</b>
<b>Date of Birth</b>	24.01.1967
<b>Date of Appointment</b>	14.03.2015
<b>Qualification</b>	B.A
<b>Brief Profile</b>	Has about 20 years experience of running textile and property business.
<b>Directorship held in other Public Companies (excluding Section 25 and foreign Companies)</b>	One
<b>Memberships/Chairmanship of committees of other companies (includes only Audit &amp; Shareholders/ Investors Grievance/Stakeholders Relationship Committee)</b>	Nil
<b>Shareholding in the Company (Equity)</b>	10,50,000 Equity Shares

**For and on behalf of the Board**

Place: Navi Mumbai  
Date: 14/08/ 2017

(N.N. HINGORANI)  
CHAIRMAN & MANAGING DIRECTOR



**DIRECTORS' REPORT**

The Members,

Your Directors are pleased to present their Twenty Third Annual Report on the working of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2017.

**Financial Performance :**

	<b>Current Year March 31, 2017</b>	<b>Previous Year March 31, 2016</b>
Profit before Interest & Depreciation	45,70,430	2,74,88,323
Finance Cost	2,43,29,386	2,11,33,796
Profit before Depreciation	(1,97,58,956)	63,54,527
Depreciation	1,01,59,300	1,12,06,711
Profit before Tax	(2,99,18,256)	(48,58,184)
Tax Expenses:		
Current tax	0	0
Deferred Tax Expense / (Income)	1,37,79,648	32,83,522
Profit after Tax	(1,61,38,608)	(15,68,662)

**Dividend**

Due to loss, your Directors have not recommended any dividend.

**Directors' Responsibility Statement:**

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge, confirms that:

- in the preparation of the accounts the applicable accounting standards have been followed along with proper explanations relating to material departure;
- appropriate accounting policies have been selected and applied consistently and have 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 of the Company for that period;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis;
- they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**MANAGEMENT DISCUSSION AND ANALYSIS**

To avoid repetition in Directors' Report and Management Discussion & Analysis, your Directors have presented a composite summary of performance and functions of the Company.



**Economy**

Indian economy continues to be one of the fastest growing economies in the world inspite of demonetization. According to the World Bank report, India's economy is expected to grow by 7.2% in the year 2017-2018 and 7.5% in 2018-2019. These expectations are mainly due to increased capacity outlay on infrastructure by government and improved investment climate. Indian economy is on a strong growth trajectory, which coupled with its commitment to fiscal discipline, its deficit and debt ratios are likely to decline significantly in years to come.

**Industry Structure and development**

Garment and apparel industry is susceptible to fast changing trends and styles. It is a labour intensive industry and requires skilled and unskilled labour in large numbers. Further, the industry is pre-dominated by unorganized sector, leading to a cutthroat competition in certain segment of the industry from unorganized sector. The Government's various initiative such as 'Make in India' will generate employment as also stimulate the economy.

On 8<sup>th</sup> November, 2016 the government of India announced the demonetization of certain currency notes. The government also placed various restrictions on the convertibility of domestic money and bank deposits. Though the broad motive behind this announcement was to curb the menace of fake currency notes and abolishing unaccounted money, the impact of this move was felt across all the sectors including garment and apparel business. This adversely affected the sales of garments and apparels bringing it to almost standstill for certain period.

**Performance of the Company**

For the year under review, revenue from operations was lower compared to previous year. Other income also remained lower. This had an adverse effect of profitability.

Revenue from operations for the financial year under review was Rs.1058.99 lacs as against Rs.1321.50 lacs in the previous year, a reduction of 19.86%. The total income including other income was Rs.1116.31 lacs as against Rs.1544.37 lacs a year ago, a fall of 27.71%. The Company incurred a loss of Rs.299.18 lacs as against Rs.48.52 lacs in the previous year.

**MATERIAL CHANGES AND COMMITMENT**

There was no material change and commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

**Opportunity and threats**

Your Company is strengthening its manufacturing facilities and is able to procure the entire range of Men's wear at low cost with reasonably good quality. The Company has also commenced the business of providing services of processing of garments and fabrics. The growing young population of our country and change in pattern of spending income gives tremendous scope for the development of this industry.

The availability of enough skilled labour and high sticky inflation has caused a cascading effect on the growth rates of wages and manpower costs.

**Future Outlook**

Your Directors are of the opinion that new government's agenda of development and creating jobs for young generation will stimulate the growth. Considering the huge population and change in consumers' spending pattern, Indian economy is bound to grow in coming years.

Looking to increasing culture of undertaking higher study in metropolis, the students all over the world come to Mumbai and join various universities and colleges. This has increased the need of

accommodation. To serve the society on the one hand and earn a legitimate profit on the other, your Company has made a modest beginning by setting-up a hostel for students and other needy working and non-working women.

Considering the economic growth envisaged and new activities undertaken, your Company is expected to perform better in coming years barring unforeseen circumstances.

#### **SUBSIDIARY COMPANIES**

Your Company does not have any subsidiary.

#### **CONSOLIDATED FINANCIAL STATEMENTS**

Since the Company does not have any subsidiary company or associate or joint venture, consolidated financial statements are not prepared.

#### **Corporate Governance**

Provisions of para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 are not applicable to your Company. Hence, report on Corporate Governance is not annexed.

#### **Loans, Guarantees and Investments**

The Company has not given any loan or guarantee. The Company has made investments in shares and commercial properties details of which are provided in the financial statements.

#### **Public Deposits**

Your Company has not accepted any deposit from the public, its shareholders or employees during the year under review.

#### **Conservation of Energy etc.**

Information pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with the rules made there under, is annexed as Annexure I.

#### **Transactions with related parties**

All the transactions with related parties entered into during the financial year 2016-2017 were on arm's length basis and also in the ordinary course of business. Details of all related party transactions are placed before the audit committee. The policy on related party transactions as approved by the Board of Directors is placed on the Company's website.

Since all the transactions with the related parties entered into by the Company were in ordinary course of business and were on arm's length basis, Form AOC-2 is not applicable.

#### **Directors and key managerial personnel**

During the year under review, there was no change in constitution of the Board of Directors of your Company.

To comply with the requirements of the Companies Act, 2013 and Articles of Association of the Company, Mrs. Kavita N. Hingorani shall retire by rotation at the forthcoming Annual General Meeting. Being eligible, she has offered herself for re-appointment.

During the year under review, none of the non-executive directors had any pecuniary relationship or transactions with the Company. Mr. Narain Hingorani, Managing Director of the Company is Chief Executive Officer, and Mr. Prakash Dhumal is the Chief Finance Officer. The Company is in search of an ideal candidate for the post of the Company Secretary.