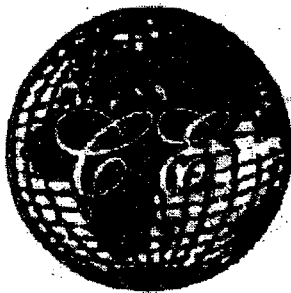


**15th**

**ANNUAL REPORT**

**2008-2009**



**CEENIK EXPORTS (INDIA) LIMITED**

## 15TH ANNUAL REPORT 2008-2009

### BOARD OF DIRECTORS

NARAIN N. HINGORANI, *Chairman & Managing Director*

BRIJLAL S. BACHANI

PREM L. VACHHANI

CHANDRU K. BAKHTIANI

### BANKERS

1) KARNATAKA BANK LTD.  
OVERSEAS BRANCH  
NARIMAN POINT, MUMBAI – 400 021.

2) HDFC BANK LTD.  
LOWER PAREL, MUMBAI – 400 013.

3) ICICI BANK LTD.  
LOWER PAREL, MUMBAI – 400 013.

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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.

### 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.

### ANNUAL GENERAL MEETING

On Wednesday, 30<sup>th</sup> September, 2009 at 11.00 a.m. at 129/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.

## 15TH ANNUAL REPORT 2008-2009

### NOTICE

NOTICE is hereby given that the **Fifteenth Annual General Meeting** of the members of **CEENIK EXPORTS (INDIA) LTD.** will be held at 11.00 A.M. on Wednesday, 30<sup>th</sup> September, 2009 at 129/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, 2009 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. Brijlal S. Bachani, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

#### Regd. Office:

129/A-1, Shah & Nahar Indl. Estate,  
S. J. Road, Lower Parel(W),  
Mumbai – 400 013.  
Date: 31<sup>st</sup> July, 2009.

**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 PROXY (IES) TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF AND THAT SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY (IES) IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- b) 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.
- c) REGISTER OF MEMBERS AND SHARE TRANSFER REGISTERS OF THE COMPANY WILL REMAIN CLOSED FROM 22<sup>th</sup> SEPTEMBER, 2009 TO 30<sup>th</sup> SEPTEMBER, 2009 (BOTH DAYS INCLUSIVE)

#### DIRECTORS' REPORT

To,

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

Your Directors hereby present their FIFTEENTH ANNUAL REPORT alongwith the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2009.

#### FINANCIAL HIGHLIGHTS:

	(Rupees) <u>2008-2009</u>	(Rupees) <u>2007-2008</u>
Profit before Financial Cost, Depreciation & Tax	2,74,81,856	2,30,73,573
Less: Financial Cost	1,93,83,890	1,47,21,712
Less: Depreciation	10,07,249	10,05,157
<b>Profit/Loss before Tax</b>	<b>70,90,717</b>	<b>73,46,704</b>
Less: Provision for Tax	10,50,000	5,50,000
Less: Provision for Fringe Benefit Tax	50,000	60,000
Less: Prior Period Expenses	0	1,86,154
Add/Less: Deferred Tax Expenses	76,429	8,75,016
Add/Less: Short Provision of Tax	6,36,615	Nil
<b>Net Profit for the year</b>	<b>52,77,673</b>	<b>56,92,583</b>
Balance brought forward from Previous Year	11,57,80,659	11,00,88,074
<b>Balance Carried Forward</b>	<b>12,10,58,332</b>	<b>11,57,80,657</b>

#### **DIVIDEND**

In order to conserve resources, your Directors have not recommended any dividend.

#### **MANAGEMENT DISCUSSION & ANALYSIS**

##### **INDUSTRY STRUCTURE AND DEVELOPMENTS**

The Garment Industry in India is witnessing consolidation. The demographic structure of our country gives tremendous scope for the development of the industry. The entry of Multinational Retail Chains also augurs well for the industry.

##### **PERFORMANCE REVIEW**

Export Sales of Garments fell nearly 15% for the year under review. Local Sales made a decent beginning & the overall turnover was higher by 32%. Profit after tax decreased by about 10%. Lower income from the real estate & investment segment contributed to the decline in profit.

The total income for the year was Rs. 1616.92 lakhs and pre-tax profit was Rs. 70.90 lakhs as against Rs. 1111.66 lakhs and Rs.73.46 lakhs for the previous year respectively.

##### **OPPORTUNITIES & THREATS**

The Indian Economy is one of the few countries which are growing. The overall development of Indian retail markets & increasing purchasing power of Indian consumers offers huge opportunities.

The tremendous volatility in the value of the rupee vis-a-vis the dollar has created uncertainty. The major markets of USA and Europe are still battling with recession which will affect export sales.

##### **RISKS AND CONCERNS**

The increased uncertainties in the Overall Business Scenario pose tremendous risks to business planning. The sudden & huge fluctuation in the exchange rate poses major risk to our profitability.

The speed of creation of new infrastructure in the country is a major concern. Availability of skilled manpower is another concern.

##### **FINANCE**

The finance cost for the year was higher at Rs.193.84 lakhs as against Rs.147.21 lakhs for the previous year. This was mainly due to increase in the interest rates in the first half on Term Loans availed for purchase of Commercial Property. The working capital requirements are being prudently managed.

##### **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 12 employees as on 31<sup>st</sup> March, 2009 as against 14 as on 31<sup>st</sup> March, 2008. Industrial relations continued to be cordial.

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.

##### **FUTURE PROSPECTS**

Efforts are being made for increasing exports by overseas tie-ups with agents abroad & better customer relations. Future prospects of garment Industry is very bright as the domestic economy is growing & consumers are shifting from tailor made to ready made garments.

**RISK MANAGEMENT**

Your Directors regularly review the steps required to mitigate the business risk. The exports are generally covered under ECGC. All assets of the Company are adequately insured.

**CAUTIONARY NOTE**

Certain statements 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:

- i. That in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation wherever necessary relating to material departures.
- ii. That the Directors have 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 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.
- iv. That the Directors have prepared the annual accounts on a going concern basis.

**DIRECTORS**

Mr. Brijlal S. Bachani 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 in 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 earned foreign exchange worth Rs.673.37 lakhs and spent foreign exchange worth Rs.15.13 lakhs.

**COMPLIANCE REPORT**

The Company has received Compliance Report u/s 383A of the Companies Act, 1956 from Mr. U. C. Shukla, Company Secretary. The same is annexed and forms part of this report.

**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., & ICICI Bank Ltd. for their 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  
**(Narain N. Hingorani)**  
Chairman & Managing Director

Mumbai.  
31st July, 2009.

## 15TH ANNUAL REPORT 2008-2009

### REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, a Report on Corporate Governance is given below:

#### A. MANDATORY REQUIREMENT

##### i. COMPANIES PHILOSOPHY ON CODE OF GOVERNANCE

The basic philosophy of corporate governance in the Company is to achieve business excellence, comply with laws and regulations and dedicate itself for increasing long term shareholder value.

##### ii. BOARD OF DIRECTORS

a) As on 31<sup>st</sup> March, 2009, the strength of the Board of Directors was four comprising of Chairman and Managing Director, and three other Non Executive Directors.

During the financial year under review, Eight Board Meetings were held on 17.04.08, 30.06.08, 31.07.08, 05.09.08, 31.10.08, 30.12.08, 31.01.09 and 03.03.09 Attendance of each Director at the Board Meetings and last Annual General Meeting and the number of Companies and Committees where he is Director/Member (as on 31<sup>st</sup> March, 2009), is as under:

Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM held on 28.09.2007	No. of other Companies in which Director	Member of Committee other than Private & Foreign Co.	No. of Share held
Mr. Narain Hingorani	Chairman & Managing Director	8	Yes	4	1	4,50,000
Mr. Brijlal Bachani	Independent Non-Executive	6	No	1	1	500
Mr. Prem Vachhani	Non-Executive	7	Yes	0	2	3,600
Mr. Chandru Bakhtiani	Independent Non-Executive	5	Yes	1	2	Nil

Particulars of Director retiring by rotation and seeking re-appointment are given below

Name of Director	Mr. Brijlal S. Bachani
Date of Birth	12.12.1939
Date of Appointment	27.01.1995
Business Experience	43 years
Qualification	B. A.
Directors in other Companies incorporated in India	Ramolene Textiles Pvt. Ltd.
Chairman/Member of Committee of Companies other than Ceenik Exports (India) Ltd.	None

##### b) Board Procedure

All the Directors on the Board are informed the date and venue of each Board Meeting in advance alongwith Agenda. To enable the Board to discharge its responsibilities effectively, the Managing Director and Finance Manager apprise the Board about performance of the Company. The Board reviews the strategy, business plan, annual operating and capital expenditure budgets, projections, compliance reports of all laws applicable to the company as well as the steps taken to rectify instances on non-compliances, taking on record of unaudited quarterly / half yearly / annual results, minutes of the meetings of the Audit and other Committees of the Board and information on recruitment of officers just below the Board level.

##### c) Code of Conduct

The Board has laid down Code of Conduct for the Board Members and other senior management and employees of the Company. All Board Members and senior Management Personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Managing Director to this effect is enclosed at the end of this report.

**d) Disclosures**

- i) **CEO Certificate** : The Managing Director has given a certificate to the Board as contemplated in clause 49 of the Listing Agreement and the same was placed before the Board.
- ii) There was no transaction of material nature with its promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.
- iii) Transaction with related parties are disclosed under clause no. 8 of schedule 14 forming part of the Accounts. The register of contracts containing the transactions in which Directors are interested is placed before the Board for its approval.
- iv) During the last three years, there were no strictures or penalties imposed by either the Securities Exchange Board of India or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital market.

**III.COMMITTEE OF THE BOARD**

**A) Audit Committee:**

Terms of Reference and Composition, Number of Members and Chairman.

The Audit Committee comprises of Mr. Brijlal S. Bachani, Chairman, Mr. Prem Vachhani, Member, Mr. Chandru Bakhtiani, Member, all of whom are independent Directors; except Mr. Prem Vachhani.

The terms of reference of this Committee cover the matters specified under the clause 49 of the Listing Agreement and in Section 292A of the Companies Act, 1956.

During the year under review, the Audit Committee held four meetings which were attended by all the members.

**B) Remuneration Committee:**

The Remuneration Committee comprises of Mr. Chandru Bakhtiani and Mr. Prem Vachhani. The committee was not required to meet during the year.

Remuneration of Directors

The details of remuneration paid to the Directors during the financial year April, 2008 - March 2009 are given below:

a) Executive Directors

Name of Directors	Salary and Allowances	Commission (Provision made)	Perquisites	Retirement Benefits*
Mr. Narain Hingorani	Rs.4,80,000/-	NIL	NIL	NIL

\* Excluding provision for Gratuity.

- Notes: 1. Notice period for termination of appointment of Managing Director is three months, on either side.  
 2. Presently the Company does not have a scheme for grant of stock options either to the Executive Directors or employees.  
 3. The Managing Director is not entitled to commission on the net profits of the Company.

b) Non-Executive Directors

Non-Executive Directors are not paid any remuneration including sitting fees for attending Board/ Committee Meetings.

**C) Investor's Grievance Committee**

The Company's Investors Grievance Committee has been constituted on 31.07.2002.

The Members of the Committee are Mr. Narain Hingorani, and Mr. Chandru Bakhtiani.

The Committee met 2 times during the year under review.

The Committee looks into redressing of shareholders / investors complaints, issue of duplicate Share Certificate. The Company's Registrars, M/s: Mondkar Computers Pvt. Ltd. has confirmed that they have not received any complaint on behalf of the company during the years under review. The company has also not received any complaint from the shareholders.

**IV. GENERAL BODY MEETINGS**

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Location
2005-06	30.09.2006	11.00 a.m.	225/A-1, Shah & Nahar Indl. Estate, S.J. Road, Lower Parel(W), Mumbai - 400 013.
2006-07	28.09.2007	11.00 a.m.	—do—
2007-08	30.09.2008	11.00 a.m.	—do—

All the resolutions set out in the respective Notices were passed by the Shareholders.

No resolution was required to be put through postal ballot at any of the above General Meetings.

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### V. MEANS OF COMMUNICATIONS

Half-yearly report sent to each household of Shareholders  
Quarterly Results  
Any Website where displayed

No, as the Results of the Company are published in the Newspapers having wide reach.

-do-  
No

Whether presentations made to Institutional Investors or to the Analysts  
Newspapers in which Results are normally published in

No

Business Standard & Dainik Sagar / Mumbai Lakshdeep & Financial Express

Whether Management Discussion and Analysis is a part of the Annual Report

Yes

### VI. GENERAL SHAREHOLDER INFORMATION

AGM Date, Time and Venue

30.09.2009 at 11.00 a.m. at 129/A-1, Shah & Nahar Indl. Estate, S.J. Road, Lower Parel(W), Mumbai – 400 013.  
April, 2008 to March, 2009

Financial Calendar

April to March

Financial Year

April to March

First Quarter Results

By end July, 2009

Second Quarter Results

By end October, 2009

Third Quarter Results

By end January, 2010

Fourth Quarter Results

By end April, 2010

Audited Results of the year ending 31<sup>st</sup> March, 10

End July, 2010

Date of Book Closure

22<sup>nd</sup> to 30<sup>th</sup> September, 2009.

Dividend Payment Date

No dividend declared

Listing on Stock Exchanges

The Stock Exchange, Mumbai. The Company has paid the Listing Fees to the Stock Exchange upto the Financial year ended 31<sup>st</sup> March, 2010.

Stock Code – Physical

531119

Demat ISIN Number for NSDL & CDSL

INE418D01010

Market Price Data:

Share Price – Face Value Rs. 10/-

The high & low price during the months in which the Company's shares were traded is as follows:

Month	High	Low
Apr'08	26.25	24.50
May'08	25.70	21.90
Jun'08	---	---
Jul'08	---	---
Aug'08	21.25	18.15
Sep'08	---	---

Month	High	Low
Oct'08	---	---
Nov'08	---	---
Dec'08	---	---
Jan'09	19.05	18.00
Feb'09	---	---
Mar'09	---	---

Registrars & Share Transfer Agents

Mondkar Computers Pvt. Ltd. 21, Shakil Niwas, Mahakali Caves Road, Andheri(E), Mumbai – 400 093.

Person to Contact

Mr. Ravi Utekar

Telephone No.

022 2836 6620

Fax No.

022 2821 1996

Share Transfer System

The power to approve transfer of shares purchased by an investors in physical form has been delegated by the Board of Directors to Investors' Grievance Committee. Transfers are approved as and when received. Transfers in favour of NSDL/CDSL on dematerialisation requests are approved by Managing Director



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Distribution of Shareholding as on 31.03.2009

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1-500	994	79.458	1,42,451	4.252
500-1000	72	5.755	60,881	1.817
1001-2000	118	9.432	200,325	5.980
2001-3000	17	1.359	41,825	1.249
3001-4000	12	0.959	44,396	1.325
4001-5000	4	0.319	19,000	0.567
5001-10000	11	0.879	75,587	2.256
10001 And Above	23	1.839	27,65,535	82.554
<b>TOTAL</b>	<b>1,251</b>	<b>100.00</b>	<b>33,50,000</b>	<b>100.00</b>

Shareholding Pattern as on 31.03.2009

**Categories of Shareholders**

Indian Promoters	Percentage %
Non Resident Indians	74.60
Private Bodies Corporate	0.08
Indian Public	2.76
Dematerialisation of Shares and Liquidity as on 31.03.2009	22.56
Outstanding GDRs/ ADRs/ Warrants	Dematerialised – 1,389,575
Factory Location	Not Issued

Address for correspondence

D/396/2, TTC Indl. Area MIDC, Turbhe,  
Navi Mumbai - 400709  
Shareholder correspondence should be addressed to the  
Company's Registrars. Mondkar Computers Pvt. Ltd.  
21, Shakil Niwas, Mahakali Caves Road,  
Andheri (E), Mumbai - 400 093.

Shareholders holding shares in dematerialised form should address all their correspondence (including change of address, nomination, bank details to be incorporated on dividend warrants, Powers of Attorney, etc.) to their Depository Participants.

**B. NON MANDATORY REQUIREMENTS**

**a) Chairman of the Board**

Whether Chairman of the Board is entitled to maintain a Chairman's Office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties

Expenses incurred in performance of his duties are reimbursed.

**b) Remuneration Committee**

Formed

**c) Shareholder Rights**

The half yearly declaration of financial performance including summary of the significant events in last six months should be sent to each household of Shareholders.

The Company's half yearly Results are published in English and Marathi newspapers having wide circulation. Hence same are not sent to Shareholders.

**d) Postal Ballot**

The company will make use of postal ballot for obtaining approval for such items as are mandated under the listing agreements and by Section 192 A of the Companies Act, 1956.

**DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To,

**The Members of Ceenik Exports (India) Ltd.**

I, Narain Hingorani, Managing Director of Ceenik Exports (India) Ltd. declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct.

Place : Mumbai

(Narain N. Hingorani)

Date : 31.07.2009

Chairman & Managing Director

**COMPLIANCE CERTIFICATE**

To:  
The Members  
Ceenik Exports (India) Limited

I have examined the registers, records, books and papers of Ceenik Exports (India) Limited (the Company) as per provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March, 2009. In my opinion and to the best of my information and according to the examinations carried out by me and explanation furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure A to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate with the Registrar of Companies, Maharashtra, within the time prescribed under the Act and the rules made thereunder. The Company has not filed any form/return with the Regional Director, Central Government, Company Law Board or other authorities.
3. The Company being a Public Limited company, comments on invitation to public to subscribe for shares/debentures or acceptance of deposits as applicable to a Private Limited Company are not required.
4. The Board of Directors duly met eight times on 17/04/2008, 30/06/2008, 31/07/2008, 05/09/2008, 31/10/2008, 30/12/2008, 31/01/2009 and 03/03/2009 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed. No circular resolutions were passed during the financial year.
5. The Company had closed its Register of Members from 22/09/2008 to 30/09/2008 (both days inclusive) during the financial year.
6. The Annual General Meeting for the financial year ended on 31st March, 2008 was held on 30<sup>th</sup> September, 2008 after giving due notices to the members of the Company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loan to its Directors and/or persons or firms or companies referred to in Section 295 of the Act.
9. The Company has duly complied with the provisions of Section 297 of the Act in respect of contracts specified in that section.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there was no appointment/instance falling within the purview of Section 314 of the Act, the Company has not obtained approval from the Board of Directors, members or Central Government.
12. The Company has not issued any duplicate share certificate during the financial year.
13. (i) The Company has delivered all the certificates on lodgment thereof for transfer. There was no allotment or transmission of shares during the financial year.  
(ii) As the Company did not declare any dividend during the financial year, the need to deposit any amount of dividend in a separate Bank Account did not arise.  
(iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.  
(iv) There was no such amount in unpaid dividend account, application money due for refund, matured deposits, matured debentures and interest accrued thereon which have remained unclaimed or unpaid for a period of seven years;  
(v) The Company has complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of Directors have been duly made. There was no appointment of a Additional Director, Alternate Director and Director to fill casual vacancies during the financial year.
15. The appointment of Managing Director has been made in compliance with the provisions of Section 269 read with Schedule XIII to the Act. Company has not appointed Whole-time Director or Manager.
16. The Company has not appointed sole selling agents.
17. The Company was not required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as prescribed in the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/Companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.

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19. The Company has not issued any shares or securities during the financial year ended 31<sup>st</sup> March, 2009.
20. The Company has not bought back any shares during the financial year ending 31<sup>st</sup> March, 2009.
21. The Company has not redeemed any preference shares/debentures during the financial year.
22. The Company was not required to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposit including any unsecured loans falling within the purview of Section 58A of the Act during the financial year.
24. The amount borrowed by the Company from Directors, members, public, financial institution, banks and others during the financial year ended 31<sup>st</sup> March, 2009 are within the borrowing limits of the Company and that necessary resolution as per Section 293(1)(d) of the Act have been passed in duly convened Annual General Meeting held on 28<sup>th</sup> September, 2007.
25. The Company has made loans and investments in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose. The Company has not given any guarantee or provided security to other bodies corporate.
26. The Company has not altered the provisions of the Memorandum with respect to the situation of the Company's Registered Office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notice received by the Company or any other punishment imposed on the Company during the financial year, for offenses under the Act.
32. The Company has not received any money as security from its employees during the year under certification.
33. The Company has deposited both employees' and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

Place: MUMBAI  
Date: 31.07.2009

(UPENDRAC. SHUKLA)  
COMPANY SECRETARY  
FCS: 2727/CP No: 1654

### ANNEXURE A

#### Registers as maintained by the Company

- 1) Minutes Book of the Board Meeting u/s 193 of the Act.
- 2) Minutes Book of the General Meeting u/s 193 of the Act.
- 3) Register of Members of the Company u/s 150 of the Act.
- 4) Register of Directors u/s 303 (2) of the Act.
- 5) Register of Directors' Shareholding u/s 307
- 6) Register of Charges u/s 143
- 7) Register of Contracts u/s 301

### ANNEXURE B

Forms and returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended on 31<sup>st</sup> March, 2009.

- 1) Form 8 – pertaining to modification dated 04/02/2009 to the charge, filed u/s 138 on 16/03/2009.

Place: Mumbai  
Date: 31.07.2009

(UPENDRAC. SHUKLA)  
COMPANY SECRETARY  
FCS: 2727/CP No: 1654

## 15TH ANNUAL REPORT 2008-2009

**Certificate of Compliance from Auditors as stipulated under clause 49 of the listing agreement of the Stock Exchanges in India**

### CERTIFICATE

To the Shareholders

We have examined the compliance of conditions of Corporate Governance by Ceenik Exports (India) Ltd. for the year ended on 31<sup>st</sup> March, 2009, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

*In our opinion and to the best of our information and according to the explanations given to us, We certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.*

We state that in respect of investor grievances received during the year ended 31<sup>st</sup> March, 2009 no investor grievances are pending against the Company as per the records maintained by the Company and presented to the Investor Grievances Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Udayavar Dhanesh Kumar & Associates  
Chartered Accountants**

Mumbai  
31.07.2009.

**Dhanesh Kumar Udayavar  
Proprietor**

### **Auditors' Report to the Members of Ceenik Exports (India) Ltd.**

- 1) We have audited the attached Balance Sheet of **Ceenik Exports (India) Ltd.** as at **31st March, 2009** and also the Profit and Loss Account and also the cash flow statement 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.
- 2) 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.
- 3) As required by the Companies (Auditors Report) Order, 2003 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 & 5 of the said order.
- 4) 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 accounts as required by law have been kept by the company, so far as appears from our examination of those books.*
  - iii. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.

## 15TH ANNUAL REPORT 2008-2009

- iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;
- v. On the basis of the written representations received from the directors, as on 31<sup>st</sup> March 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2009 from being appointed as a 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, read together with the Significant Accounting policies and notes appearing thereon as contained in **Schedule 14** give the information as 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 **31<sup>st</sup> March 2009**;
  - b. In the case of the Profit and Loss Account, of the profit for the year ended on that date.
  - c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **UDAYAVAR DHANESH KUMAR & ASSOCIATES**  
Chartered Accountants

Place: Mumbai  
Date: 30.06.2009

**DHANESH KUMAR UDAYAVAR**  
Proprietor  
Membership No. 102031

### ANNEXURE TO THE AUDITORS REPORT

(Referred to in Paragraph 3 of our Report of even date)

1.
  - a. The Company has maintained proper records to show full particulars, including quantitative details and situation of the fixed assets.
  - b. All the assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
  - c. As explained to us, the company has not disposed off a major or any part of plant and machinery during the year.
2.
  - a. As explained to us, the inventory has been physically verified by the management. According to the information and explanations given to us, we are of the opinion, the frequency of the verification is reasonable.
  - b. In our opinion, the procedure of the physical verification of the inventories followed by the company are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c. The company is maintaining records of inventory. No discrepancies are noticed on verification between the physical stocks and the book records. However, the Company needs to improve methods of maintaining records of inventories of raw materials sent for processing, stitching, washing and other processes.

**15TH ANNUAL REPORT 2008-2009**

3. a. The following are the particulars of unsecured loans taken from Companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956.

Sr. No.	Name of the party	Amount (In Rs.)	Relationship	Year end Balance (Rs.)
1	Ceenik Fashions	37,64,800/-	Proprietor is Managing Director / Shareholder	558,741/-
2	September Fashion	22,60,000/-	Proprietor is Shareholder / Promoter	333,536/-
3.	International Exports Corporation	1,00,000/-	Proprietor is Shareholder / Promoter	371,899/-
4.	Ceenik Enterprises Ltd.	160,000/-	Associate Company	Nil

- b. No Loans are given to Companies, firms and other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- c. Interest are paid on loans taken from Companies, firms and other parties listed in the register maintained under section 301 of the Companies Act, 1956. In our opinion, the rate of interest and other terms and conditions on which loans have been taken are not Prima facie prejudicial to the interest of the company.
- d. The company is regular in repaying the principal amounts as stipulated and the parties have repaid the principal amounts as stipulated.
- e. There is no overdue amount of loans taken from / given to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets & with regard to sale of goods. During the course of our audit, we have not observed any continuing failure to correct weakness in internal controls.
5. a. Based on the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b. In respect of contracts or arrangements to be entered in the register maintained in pursuance of section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the explanation and information given to us following is the transaction entered for an amount exceeding Rs.5 lacs.

Sr. No.	Name of the Party	Nature of Transaction	Amount (in Rs.)
1.	Viking Advanced Technology Pvt. Ltd.	Labour Charges Paid	163,92,790/-

6. The company has not accepted deposits from public, under section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
7. In our opinion, the company has an internal audit system commensurate with size and nature of its business.
8. The company is not required to maintain any Books of Accounts pursuant to the rules made by the Central Government for the maintenance of Cost Records under section 209 (1) (d) of the Companies Act, 1956.

**15TH ANNUAL REPORT 2008-2009**

9. a. According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Cess and other material statutory dues applicable to it and no amount were in arrears as at 31<sup>st</sup>. March, 2009 for a period of more than six months from the date they became payable.  
b. According to the records of the Company, there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
10. There are no accumulated losses at the beginning of the year. The company has not incurred cash losses during the financial year covered under audit and the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution; bank.
12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, during the year under audit.
13. In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/ society. Therefore, the provisions of clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. Based on our audit procedures and on the information and explanations given to us, the company has maintained proper records of the transactions and contracts in respect of dealings or trading in shares, securities, debentures and other investments. The company timely records the transactions and the shares, securities, debentures and other securities are held by the company in its own name.
15. According to the information and explanations given to us, the company has not given guarantees for the loans taken by others from banks or financial institutions.
16. The term loans granted to the company have been applied for the purpose for which it was granted.
17. During the accounting period covered by our report, the company has raised Rs.32.93 lacs from sale of investments, and generated from operations Rs. 52.78 lacs as Long term Sources We find that long term funds were applied for long term and short term purposes during the accounting period covered by our report.
18. The company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
19. The company has not issued debentures during the year. Therefore, the provisions of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
20. The company has not made a public issue of any of its securities. Therefore, the provisions of clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**For UDAYAVAR DHANESH KUMAR & ASSOCIATES**  
Chartered Accountants  
**DHANESH KUMAR UDAYAVAR**  
Proprietor  
Membership No. 102031

Place : Mumbai  
Date : 30th June, 2009

**15TH ANNUAL REPORT 2008-2009**

**BALANCE SHEET  
as at 31st March, 2009**

I. SOURCES OF FUND	Schedule		As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
<b>1. SHARE HOLDERS FUND</b>				
(a) Share Capital	1	33,500,000		33,500,000
(b) Reserve & Surplus	2	<u>130,402,714</u>		<u>125,125,039</u>
			163,902,714	158,625,039
<b>2. LOAN FUNDS</b>				
(a) Secured Loans	3	165,457,208		165,112,999
(b) Unsecured Loans	4	<u>1,275,283</u>		<u>3,257,651</u>
			<u>166,732,491</u>	<u>168,370,650</u>
<b>Total</b>			<u><u>330,635,205</u></u>	<u><u>326,995,689</u></u>
<b>II. APPLICATION OF FUNDS</b>				
<b>1. FIXED ASSETS</b>	5			
(a) Gross Block		15,841,030		15,703,743
(b) Less: Depreciation		7,194,503		6,187,255
(c) Net Block		<u>8,646,527</u>		<u>9,516,488</u>
<b>2. INVESTMENTS</b>	6		209,055,283	212,348,636
<b>3. CURRENT ASSETS, LOANS &amp; ADVANCES</b>	7			
(a) Inventories		17,942,785		35,054,636
(b) Sundry Debtors		121,266,548		76,783,380
(c) Cash & Bank Balances		(3,199,727)		1,430,092
(d) Other Current Assets		2,242,161		8,010,062
(e) Loans & Advances		14,814,363		20,061,110
(f) Share Application Money		5,100,000		0
(g) Deferred Tax Assets		<u>306,545</u>		382,974
		158,472,675		<u>141,722,256</u>
Less : Current Liabilities & Provisions	8			
(a) Liabilities		43,200,206		35,127,617
(b) Provisions		<u>2,339,074</u>		1,464,074
		<u>45,539,280</u>		<u>16,058,937</u>
<b>Net Current Assets</b>			112,933,395	105,130,565
MISCELLANEOUS EXPENDITURE				
<b>Total</b>			<u><u>330,635,205</u></u>	<u><u>326,995,689</u></u>

Notes forming part of Accounts 14

As per our attached report of Even Date

**For Udayavar Dhanesh Kumar & Associates**  
Chartered Accountants

**Dhanesh Kumar Udayavar**  
Proprietor  
Membership No. 102031

Place : Mumbai  
Date : 30.06.2009

For and on behalf of the Board  
**Narain N. Hingorani**  
Chairman & Managing Director

**Prem L Vachhani**  
Director

Place : Mumbai  
Date : 30.06.2009



**15TH ANNUAL REPORT 2008-2009**

**PROFIT AND LOSS ACCOUNT  
as at 31st March, 2009**

INCOME	Schedule	For the year ended	
		31.03.2009 Rupees	31.03.2008 Rupees
Sales - Exports		70,898,711	82,84,917
Sales - Local		40,629,325	1,573,382
Other Income	9	50,164,161	26,744,772
		<u>161,692,197</u>	<u>111,166,071</u>
<b>EXPENDITURE</b>			
(Increase)/ Decrease in stock	10	(14,63,407)	1,296,747
Materials	11	93,875,297	46,106,102
Other Expenses	12	41,798,452	40,689,649
Interest paid	13	19,383,890	14,721,712
Depreciation		1,007,249	1,005,157
		<u>15,46,01,481</u>	<u>103,819,367</u>
Profit/ (Loss) before Taxation		7,090,717	7,346,704
Add: Sundry Balances Written Back		-	17,049
Less Prior Period Expenses		-	186,154
Less: Provision for Tax		1,050,000	550,000
Less: Provision for Fringe Benefit Tax		50,000	60,000
Add (Less) : Deferred Tax Income / (Expenses)		(76,429)	(875,016)
		<u>5,914,288</u>	<u>5,692,583</u>
Profit/ (Loss) after Taxation		636,615	-
Add: Excess Provision for tax		<u>5,277,673</u>	<u>5,692,583</u>
Profit / (Loss) for the year		115,780,659	110,088,074
Balance Brought Down			
		<u>121,058,332</u>	<u>115,780,659</u>
Available for Appropriations			
Transfer to General Reserve		-	-
Balance Carried to Balance Sheet		121,058,332	115,780,659
		<u>121,058,332</u>	<u>115,780,659</u>

Notes forming part of Accounts 14

As per our attached report of Even Date

**For Udayavar Dhanesh Kumar & Associates**  
Chartered Accountants

**Dhanesh Kumar Udayavar**  
Proprietor  
Membership No. 102031

Place : Mumbai  
Date : 30th June 2009

For and on behalf of the Board

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

**Prem L Vachhani**  
Director

Place : Mumbai  
Date : 30th June, 2009

**15TH ANNUAL REPORT 2008-2009**

Schedule No. 1 to 14 annexed to and forming part of the Balance Sheet as at and the Profit and Loss Account for the year ended 31st March, 2009

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
<b>Schedule 1: Share Capital:</b>		
<b>Authorised</b>		
75,00,000 Equity Shares of Rs. 10 each	<u>75,00,000</u>	<u>75,00,000</u>
<b>Issued, Subscribed &amp; paid up</b>		
33,50,000 Equity Shares of Rs. 10 each fully paid up (Previous year 33,50,000 Equity Shares of Rs. 10 each)	<u>33,50,000</u>	<u>33,50,000</u>
<b>Schedule 2: Reserves &amp; Surplus</b>		
<b>Export Reserve</b>		
As per Last Account	460,324	460,324
<b>General Reserve</b>		
As per Last Account	8,884,058	
Set aside this year	NIL	8,884,058
Surplus as per Annexed Accounts	<u>121,058,332</u>	<u>115,780,657</u>
	<u>130,402,714</u>	<u>125,125,039</u>
<b>Schedule 3: Secured Loans</b>		
From a Bank against hypothecations of Raw Materials, Finished Goods, Stocks in Process and Book Debts and by endorsements of certain Export documents in favour of Bank and personal guarantee of the promoters. Loan from Banks is against property acquired & personal guarantees of the promoters & Corporate Guarantee of Associate Company.	42,488,815	36,833,839
	<u>122,968,393</u>	<u>128,279,160</u>
	<u>165,457,208</u>	<u>165,112,999</u>
<b>Schedule 4: UnSecured Loans</b>		
From Directors & Shareholders	1,264,176	2,924,756
Inter Corporate Deposit	11,107	332,895
	<u>1,275,283</u>	<u>3,257,651</u>

**Schedule 5 : Fixed Assets**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as on	Addition	Sales/Deduction	Total	As on	For the year	As on	W.D.V.	W.D.V.	
	01.04.2008	during the year		31.03.2009	01.04.2008	Additions	Deduction	31.03.2009	31.03.2009	31.03.2008
Factory Buildings, Commercial Premises & Flats	6,515,180	--	--	6,515,180	1,400,716	2,66,527	--	16,67,243	4,847,937	5,114,463
Plant & Machinery	5,961,670	107,000	--	6,068,670	2,553,894	476,191	--	3,032,085	3,066,585	3,427,776
Furniture & Fixtures	346,524	--	--	346,524	269,779	13,690	--	283,669	62,856	76,745
Computers	544,821	30,288	--	575,109	488,043	30,978	--	519,021	56,088	56,778
Motor Car	2,315,547	--	--	2,315,547	1,474,822	217,663	--	1,692,485	623,062	840,725
<b>Total</b>	<b>15,703,742</b>	<b>137,288</b>	<b>--</b>	<b>15,841,030</b>	<b>6,187,254</b>	<b>1,007,249</b>	<b>--</b>	<b>7,194,503</b>	<b>8,646,527</b>	<b>9,516,487</b>
<b>Previous Year</b>	<b>15,136,499</b>	<b>567,254</b>	<b>--</b>	<b>15,703,742</b>	<b>5,182,098</b>	<b>1,005,157</b>	<b>--</b>	<b>6,187,255</b>	<b>9,516,487</b>	<b>--</b>

## 15TH ANNUAL REPORT 2008-2009

	As at 31.03.2009		As at 31.03.2008	
	Quantity	Rupees	Quantity	Rupees
<b>Schedule 6: Investments</b>				
<b>Investment in Equity &amp; Preference Shares</b>				
<b>UNQUOTED (Equity)</b>				
Ceenik Enterprises Ltd.	125,000	2,500,000	125,000	2,500,000
Ceenik Holdings Pvt. Ltd.	95,000	1,900,000	95,000	1,900,000
Niktin Properties & Estates Pvt. Ltd.	258,000	6,660,000	258,000	6,660,000
Global Ispat Ltd.	100,000	1,000,000	100,000	1,000,000
Parag Milk & Milk Products Pvt. Ltd.	-	-	15,000	30,00,000
Scorpio India Ltd.	70,000	3,500,000	70,000	3,500,000
Ankola Papar Mills Pvt Ltd	20,000	5,000,000	20,000	5,000,000
<b>Total A</b>	<b>668,000</b>	<b>20,560,000</b>	<b>683,000</b>	<b>23,560,000</b>
<b>UNQUOTED (Preference Non Cumulative)</b>				
9% Ceenik Enterprises Ltd.	500,000	5,000,000	500,000	5,000,000
9% Ceenik Holdings Pvt. Ltd.	100,000	1,000,000	100,000	1,000,000
<b>Total B</b>	<b>600,000</b>	<b>6,000,000</b>	<b>600,000</b>	<b>6,000,000</b>
<b>QUOTED</b>				
Aditya Birla Nuvo Ltd.	100	195,233	100	195,233
Alok Industries Ltd.	1,000	69,690	1,000	69,960
Arvind Mills Ltd.	1,000	49,490	1,000	49,490
Denso India Ltd.	800	10,560	800	10,560
Esab India Ltd.	100	4,110	100	4,110
Gillete India Ltd.	150	53,377	150	53,377
Glaxo Smithkline Pharma Ltd.	100	61,394	100	61,394
IDBI Ltd.	1,000	111,100	1,000	111,100
I-Flex Solutions Ltd.	100	96,758	100	96,758
India Cements Ltd.	500	100,975	500	100,975
M & M Ltd.	500	314,110	500	314,110
Morepen Laboratories Ltd.	3,600	114,490	3,600	114,490
Mysore Cements Ltd	1,000	40,200	1,000	40,200
Novartis India Ltd.	100	26,365	100	26,365
Rayben Sun Optics Ltd.	-	-	700	32,375
Tata Tea Ltd.	100	88,981	100	88,981
Tata Teleservices Maharashtra Ltd.	-	-	26,943	280,978
<i>(Market Value as on 31.03.2009 is Rs. 8,33,552)</i>				
<i>(Market Value as on 31.03.2008 is Rs. 21,99,776)</i>				
<b>Total C</b>	<b>10,150</b>	<b>1,336,832</b>	<b>37,793</b>	<b>1,650,185</b>
<b>Investment in Mutual Fund</b>				
Franklin India Opportunities Fund	30,000	300,000	30,000	300,000
Prudential ICICI Discovery Fund	4,889	50,000	4,888	50,000
HDFC Liquid Growth	31,870	500,000	31,870	500,000
<i>(NAV as on 31.03.2009 is Rs.1,005,000)</i>				
<i>(NAV as on 31.03.2008 is Rs.14,89,067)</i>				
<b>Total D</b>	<b>66,758</b>	<b>850,000</b>	<b>66,758</b>	<b>850,000</b>
<b>Investment in Commercial Properties</b>				
	---	1,80,308,451	---	1,80,288,451
<b>Total E</b>	<b>1,80,308,451</b>		<b>75,257,311</b>	
<b>Total A+B+C+D+E</b>	<b>---</b>	<b>209,055,283</b>	<b>---</b>	<b>212,348,636</b>

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		<b>For the year ended</b>	
		<b>31.03.09</b>	<b>31.03.08</b>
	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
<b>Schedule 7: Current Assets, Loans and Advances</b>			
<b>(a) Inventories</b>			
Stock in trade, at cost or market value whichever is lower			
Raw Material	9,323,039		27,859,981
Finished Goods	8,283,280		6,819,873
Tailoring Materials	273,216		208,043
Packing Materials	<u>63,250</u>		<u>166,739</u>
		17,942,785	35,054,636
<b>(b) Sundry Debtors, Unsecured considered Good</b>			
Outstanding for a period exceeding Six Months	66,469,900		39,221,732
Others	<u>54,796,648</u>		<u>37,561,648</u>
		121,266,548	76,783,380
<b>(c) Cash &amp; Bank Balances</b>			
Cash on Hand	357,984		636,841
<i>Balances with Schedule Banks:</i>			
In Fixed Deposits	1,567,611		1,567,611
In Current Accounts	(5,263,431)		(814,013)
Interest accrued on fixed deposits	<u>138,109</u>		<u>39,653</u>
		(3,199,727)	1,430,092
<b>(d) Other Current Assets</b>			
Duty Drawbacks receivable	1,593,215		5,140,255
Sale tax set off receivable	630,331		287,345
Rent Service Tax Receivable	<u>18,615</u>		<u>2,582,462</u>
		2,242,161	8,010,062
<b>(e) Loans &amp; Advances, unsecured, Good</b>			
Advances recoverable in Cash or in kind for value to be recd.	8,352,187		8,100,608
Sundry Deposits	2,769,251		6,403,391
Tax paid in Advance	<u>3,692,925</u>		<u>5,557,112</u>
		14,814,363	20,061,111
<b>(f) Share Application Money -Viking Advanced Technologies Pvt. Ltd.</b>			
		5,100,000	-
<b>(g) Deferred Tax Asset</b>			
		<u>306,545</u>	<u>382,974</u>
		<u>158,472,675</u>	<u>141,722,256</u>
<b>Schedule 8: Current Liabilities and Provisions</b>			
<b>(a) Liabilities</b>			
Sundry Creditors	28,677,191		16,574,690
Other Liabilities	<u>14,523,015</u>		<u>18,552,926</u>
		43,200,206	35,127,616
<b>(b) Provisions</b>			
Provision for Taxation	1,990,000		1,165,000
Provision for Fringe Benefit Tax	195,000		145,000
Provision for Audit Fees	154,074		154,074
		2,339,074	<u>1,464,074</u>
		<u>45,539,280</u>	<u>36,591,690</u>

## 15TH ANNUAL REPORT 2008-2009

	<b>For the year ended</b>	
	<b>31.03.09</b>	<b>31.03.08</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>Schedule 9: Other Income</b>		
Export Incentive	6,813,875	8,685,796
Profit on Sale of Properties & Investments(Loss)	(23,99,861)	402,656
Rent Income	23,697,242	19,804,441
Interest on Loan	131,377	1,417,609
Discount Recd.	11,880	1,531
Dividend Income	57,150	8,185
Exchange / (Loss) Difference (Net)	21,388,588	(3,665,759)
Interest on Fixed Deposit	124,001	90,314
Interest on IT Refund	271,960	-
Sundry Balancss written back	67,949	-
	<u>50,164,161</u>	<u>26,744,772</u>
<b>Schedule 10: (Increase) / Decrease in Stock</b>		
Stock at Close (Finished Goods)	8,283,280	6,819,873
Less: Stock at Commencement	6,819,873	8,116,620
	<u>(1,463,407)</u>	<u>1,296,747</u>
<b>Schedule 11: Materials</b>		
<b>Raw Materials Consumed &amp; Traded</b>		
Stock at Commencement	27,859,981	35,012,663
Purchases	75,338,355	38,953,420
	<u>103,329,756</u>	<u>73,966,083</u>
Less: Stock at Close	9,323,039	27,859,981
	<u>93,875,297</u>	<u>46,196,102</u>
<b>Schedule 12: Other Expenses</b>		
Manufacturing Charges	29,894,783	24,732,108
Packing Material	1,554,062	3,223,720
Freight	3,326,609	2,182,750
Repairs	289,214	503,747
Transportation Expenses	209,419	72,166
	<u>35,274,087</u>	
<b>Employees Emoluments</b>		
Salary, Wages, Bonus	1,403,961	1,681,322
Contribution to Provident and other funds	87,143	138,597
Welfare Expenses	26,718	59,708
Managing Directors Remuneration	480,000	480,000
	<u>1,997,822</u>	<u>-</u>
Insurance of Key Personnel - Managing Director	219,412	-
Rent, Rates & Taxes	1,648,016	2,005,075
Insurance	192,816	251,948
Telephone Charges	157,748	190,853
<b>Auditors Remuneration</b>		
As Auditors	84,270	84,270
For VAT Audit	28,090	28,090
For Tax Audit	28,090	28,090
Advertisements	22501	42,924
Travelling	-	295,650
<b>Donations</b>		
- to Political party	2,500	2,500
- to Others	17,000	30,000
Debtors W/off	-	427,256
Miscellaneous Expenses	1,655,790	3,124,351
Bank Charges	469,811	1,104,520
	<u>41,798,452</u>	<u>40,689,649</u>
<b>Schedule 13: Interest Paid</b>		
Bank Interest	19,090,331	13,640,330
Interest on unsecured loan	293,559	1,081,382
	<u>19,383,890</u>	<u>14,721,712</u>

**Schedule 14:****NOTES FORMING PART OF THE ACCOUNTS****1. Accounting Policies:****a) Accounting Concepts:**

The financial statements are prepared under the historical cost convention on an accrual basis and in accordance with the mandatory Accounting Standards prescribed by the Institute of Chartered Accountants of India and in accordance with relevant presentational requirements of the Companies Act, 1956.

**b) Fixed Assets:**

Fixed Assets are stated at historical cost. Cost is inclusive of freight, installation, duties and other incidental expenses.

**c) Investments:**

Investments are classified as long term. They are valued at cost. Diminution in market value is not considered as permanent.

**d) Inventories:**

Raw Materials, Packing Material and Tailoring Material are valued at the lower of cost and net realisable value except waste/scrap which is valued at net realisable value.

Finished goods include cost of conversion and other manufacturing costs. Obsolete, defective and unserviceable stocks are duly provided for.

**e) Revenue:**

i) Export Sales represents invoiced value of goods sold.

ii) Incomes from shares and Mutual funds are recognised on receipt basis.

iii) Income from Bank FDR's is accounted on accrual basis, inclusive of related tax deducted at source, except interest on FDR's which are not renewed.

iv) Profit on sale of Investments is net of Profit / Loss on sale of individual shares and mutual funds and also includes gains / (loss) on shares.

v) Incomes from Commercial Premises and flats rented are recognised on accrual basis.

vi) Other Interest Incomes are accounted on accrual basis, inclusive of related tax deducted at Source.

vii) Refund/ Dues from Government Authorities are accounted on receipt of order.

**f) Depreciation:**

Depreciation is charged on assets on written down value method applying the rates of Schedule XIV of the Companies Act, 1956.

**g) Retirement Benefits:**

The Company makes regular contribution of provident fund and these contributions are charged to Profit and Loss Account.

Gratuity is recognised on cash basis and charged to Profit & Loss Account.

**h) Foreign Currency Translations:**

Transactions in foreign currencies are recorded at exchange rates existing at the time of transactions and exchange differences arising from the foreign currency transaction are dealt with in Profit and Loss Account separately.

Current Assets at the year-end are being converted at closing rates and exchange differences are dealt with in the Profit and Loss Account.

**i) Taxes on Income:**

Provisions for Current Tax are made on the basis of estimated taxable income for the current accounting period and in accordance with the provisions as per the Income Tax Act, 1961.

**15TH ANNUAL REPORT 2008-2009**

	As at 31.03.2009	As at 31.03.2008
(2) Value of Imports on C.I.F. basis		
Purchase of Tailoring Material	15,13,333	14,13,422
(3) Expenditure in Foreign Currencies		
Travelling Expenses	NIL	2,09,600
(4) Earning in Foreign Currencies		
FOB Value of Exports	6,73,37,324	8,08,74,991
(5) Managerial Remuneration		
The Profit & Loss Account Includes Payment made to Managing Director as Salary	480,000	480,000
(6) Details of Raw Material Consumption Qty. (Metres) Rupees		
(a) Raw Material Consumed	11,86,557 56,018,408	7,07,865 4,61,96,102
(b) Imported & Indigeneous		
Raw Material Consumption-Fabric		
Imported	---	---
Indigeneous	100.00% 56,018,408	100.00% 4,61,96,102

Note: Packing material and Tailoring material do not exceed 10 % of Turnover

**(7) Details of Licenced & Installed Capacity, Production Stocks & Turnover**

**(1) Garments (Knited & Woven)**

(i) Licensed Capacity	N.A.	N.A.
(ii) Installed Capacity	N.A.	N.A.
(iii) Production/ Purchase	3,53,798	5,65,103
(iv) Stock at Commencement	1,49,788 68,19,873	170,312 8,116,620
(v) Stock at Closure	1,04,528 8,283,280	1,49,788 68,19,873
(vi) Turnover	3,99,058 73,637,039	5,85,627 8,28,47,917
(2) Trading - Fabrics	312,667 24,579,393	

**(8) Related Party Disclosure**

Name of the Party	September Fashion	Ceenik Fashions	Narain Hingorani	Kavita Hingorani	Nikitin Properties & Estates Pvt. Ltd.	Viking Advance Tech. Pvt. Ltd.	Ceenik Enterprise Ltd.	International Export Corporation
Relationship	Proprietor is Employee, Promoter Shareholder wife of Managing Director	Proprietor is Managing Director	Promoter Shareholder Managing Director	Promoter Shareholder	Associate Company	Associate Company	Associate Company	Proprietor is Shareholder/Promoter of the Company.
Nature	a) Loan Taken	Loan Taken	Remuneration	Salary Paid	Loan Taken	Share Application Money Given	Loan Taken	Loan Taken
	b) Loan Repaid	Loan Repaid			Loan Repaid	Refund of -do-	Loan Repaid	Loan Repaid
	c) Interest Paid	Interest Paid			Interest Paid	Labour Charges Paid	Interest Paid	Interest Paid
Amount (Volume)a)	22,60,000	37,64,800	480,000	80,120	0	51,00,000	1,60,000	1,00,000
b)	20,79,661	37,69,697			3,32,895		1,60,000	21,88,597
c)	34,955	1,27,025			13,988	1,63,92,790	NIL	117,591
Outstanding (Loan Amount)	3,33,536	6,58,741	NA	NA	11,107	7,93,686	NIL	3,71,889
Maximum Outstanding	a) align="right">16,84,635	38,14,697		NA	332,895	NA	1,60,000	23,53,017
b)						NA		
c)						NA		
Amount written off	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Note: Only current year transactions are disclosed.

## 15 TH ANNUAL REPORT 2008-2009

### (9) Deferred Tax

Deferred tax is recognised subject to the condition prudence in respect of deferred tax assets on timing differences being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent period. The classification of Deferred Tax Expense.

a) Under the head Business Income : Rs 76,429/-

### (10) Segment Information for the year ended 31.03.2009

The Company is exclusively in the business of exports of Garments.

#### Segment Disclosure

		(Rs. In lacs)	
		Garment/Textile	Realty & Investments
Sales Revenue	– Current Year	1402.03	214.86
	– Previous Year	909.67	202.15
Assets	– Current Year	1540.27	2218.41
	– Previous Year	1429.57	2202.47
Liabilities	– Current Year	966.49	1156.22
	– Previous Year	831.58	1218.03
Results	– Current Year	115.29	66.58
	– Previous Year	93.49	111.64

- 11) Basic & diluted earning per share has been calculated by dividing net profit available for appropriations for the year by 33,50,000 Equity Shares of Nominal Value of Rs. 10/- each.
- 12) Unpaid overdue amount due on 31.03.2009 to small scale and/or ancillary Industrial supplies on account of principal amount is NIL (Previous Year Rs. Nil). This disclosure is based on the information available with the Company regarding status of the suppliers as defined under the "Interest on delayed payments to Small Scale and Ancillary Industrial Undertakings Act, 1993."
- 13) Contingent Liabilities as on 31.03.2009
  - a) Liabilities in respect of bills discounted with Bank Rs. 2,49,70,000/- (Previous Year Rs. 2,17,50,000/-)
  - b) Claims against the Company not acknowledge as debt : Rs. Nil (Previous Year Rs. Nil)
  - c) Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs. Nil (Previous Year Rs. Nil)
  - d) Guarantees and Counter guarantees issued by the company Rs. Nil (Previous Year Rs. Nil)
- 14) Computation of profit u/s 349 of the Companies Act, 1956 is not done since no commission is paid to the Managing Director.
- 15) Previous year figures have been regrouped wherever necessary.

As per our attached Report of even date

**For Udayavar Dhanesh Kumar & Associates**  
Chartered Accountants

For and on behalf of the Board

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

**Dhanesh Kumar Udayavar**  
Proprietor  
Membership No. 102031

**Prem L. Vachhani**  
Director

Place: Mumbai  
Date: 30th June, 2009

Place: Mumbai  
Date: 30th June, 2009



## 15TH ANNUAL REPORT 2008-2009

### Cash flow statement for the financial year 2008-2009

	2008-2009 <i>Rupees</i>	2007-2008 <i>Rupees</i>
<b>I. Cash from Operations</b>		
(a) Profit before Taxation	70,90,717	73,46,704
(b) Add / (Less): Adjustment		
Depreciation	10,07,249	10,05,157
Foreign Exchange Gain/Loss	(2,13,88,588)	36,65,759
Interest Income	(1,24,001)	(90,314)
Dividend Income	(57,150)	(8,158)
Profit/Loss on Sale of Investments & Properties	23,99,861	(4,02,656)
Deferred Tax Income	-	-
Provision for Fringe Benefit Tax	(50,000)	(60,000)
Prior Period Expenses	-	(1,86,154)
Short Provision for Income Tax Written Back	(6,36,615)	-
Sundry Balances Written Back	-	-
	<u>(18849244)</u>	<u>(17,049)</u>
	<u>(11758527)</u>	<u>(1,12,87,360)</u>
Less :Deferred Tax Expense	76,429	8,75,016
Less :Taxes paid	10,50,000	5,50,000
	<u>1126429</u>	<u>5,50,000</u>
	<u>(12884955)</u>	<u>98,62,344</u>
(c) Increase/ (Decrease) in Current Assets		
(i) Inventories	(1,71,11,851)	(1,10,24,490)
(ii) Sundry Debtors	4,44,83,167	1,79,07,079
(iii) Other Current Assets, Loans and Advances	(59,14,648)	1,76,93,015
(iv) Deferred Tax Assets	(76,429)	(8,75,016)
	<u>(2,13,80,239)</u>	<u>(1,16,85,442)</u>
(Increase) / Decrease in Current Liabilities		
(i) Liabilities	(8,947,590)	(20,532,754)
(d) Increase in Miscellaneous Expenditure	-	-
	<u>12,432,650</u>	<u>(32,218,195)</u>
<b>Net Cash from Operations</b>	<b>(25,317,604)</b>	<b>(42,080,539)</b>
<b>II. Investment Activities</b>		
(i) (Purchase) / Sale of Investment	3,293,353	(111,223,518)
(ii) Interest & Dividend recd.	181,151	98,499
(iii) Profit (Loss) on Sale of Properties & Investment	(2,399,861)	402,656
(iv) Purchase/Sale of Fixed Assets	(137,288)	(567,254)
<b>Net Cash from Investment Activities</b>	<b>937,355</b>	<b>(111,289,617)</b>
Carried Forward	(24,380,249)	(69,209,078)
<b>III. Financing Activities</b>		
(i) Increase/ (Decrease) in Loans	(1,638,159)	73,651,816
<b>Net Cash from Financing Activities</b>	<b>(1,638,159)</b>	<b>(73,651,816)</b>
<b>IV. Effects of Exchange Differences on Foreign Exchange translation on cash &amp; cash equivalent</b>	<b>(21,388,588)</b>	<b>3,665,759</b>
<b>Net Change in Cash &amp; Cash Equivalents</b>	<b>4,629,819</b>	<b>776,979</b>
<b>NET CASH AND CASH EQUIVALENTS AS ON 01.04.2008</b>	<b>1,430,092</b>	<b>653,113</b>
<b>NET CASH AND CASH EQUIVALENTS AS ON 31.03.2009</b>	<b>(3,199,727)</b>	<b>1,430,092</b>
	<b>4,629,819</b>	<b>776,979</b>

Previous year's figures have been regrouped to confirm to the current year's presentation.

Place : Mumbai  
Date : 30.06.09

For and on behalf of the Board  
**Narain N. Hingorani,**  
*Chairman & Managing Director*

#### AUDITOR'S CERTIFICATE

We have verified the above Cash Flow statement with the books and records maintained by **CEENIK EXPORTS (INDIA) LTD.** The Statement has been prepared in accordance with the requirements of Clause 32 of the listing agreement with the Mumbai Stock Exchange and is based on and in agreement with the corresponding Profit & Loss Account and the Balance Sheet of the Company covered by our Report of 30th June, 2009 to the Members of the Company.

For **Udayavar Dhanesh Kumar & Associates**  
**Chartered Accountants**  
**Dhanesh Kumar Udayavar**  
Proprietor  
Membership No.102031

Place : Mumbai  
Date : 30th June, 2009

**15TH ANNUAL REPORT 2008-2009**

**Balance Sheet Abstract and Company's General Business Profile (Part IV)**

<b>I. Registration Details</b>		
Registration No.		85,007
State Code.		11
Balance Sheet Date		31.03.2009
<b>II. Capital Raised during the year ended 31st March, 2009</b>		
Public Issue		Nil
Rights Issue		Nil
Bonus Issue		Nil
Private Placement		Nil
Others		Nil
<b>III. Position of Mobilisation and Deployment of funds as at 31st March, 2009</b>		<b>Rupees</b>
Total Liabilities		330,635,205
Total Assets		330,635,205
<b>Sources of funds</b>		
Paid up Capital		33,500,000
Reserves & Surplus		130,402,174
Secured Loans		165,457,208
Unsecured Loans		1,275,283
		<u>330,635,205</u>
<b>Application of Funds</b>		
Net Fixed Assets		8,646,527
Investments		209,055,283
Net Current Assets		<u>112,933,395</u>
		<u>330,635,205</u>
<b>IV. Performance of the Company for year Ended 31st March, 2007</b>		
(i) Turnover (Sale of products and other income)		161,692,197
(ii) Total Expenditure		154,601,481
(iii) Profit before Tax		7,090,717
(iv) Profit after Tax and Extraordinary Item		5,277,673
(v) Earning per Share		1.58
(vi) Dividend Rate%		---
<b>V. Products of the Company</b>		
Item Code No.(ITC Code)		071
Product Description		<b>Readymade Garments</b>

**Notes :**

- (1) The above particulars should be read alongwith the Balance Sheet as at 31st March, 2009 the Profit & Loss Account for the year on that date and the Schedules forming part thereof.

As per our attached Report of even date

**For Udayavar Dhanesh Kumar & Associates**  
Chartered Accountants

**Dhanesh Kumar Udayavar**  
Proprietor

Place : Mumbai  
Date : 30.06.2009

For and on behalf of the Board

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

**Prem L Vachhani**  
Director

Place : Mumbai  
Date : 30.06.2009

## CEENIK EXPORTS (INDIA) LIMITED

Registered Office : 129/A-1, Shah and Nahar Indl. Estate, Lower Parel (W), Mumbai - 400 013.

### PROXY FORM

I/We \_\_\_\_\_  
of \_\_\_\_\_  
in the district of \_\_\_\_\_ being a member / members  
of the above named Company, hereby appoint \_\_\_\_\_  
of \_\_\_\_\_ in the  
district of \_\_\_\_\_ or failing him / her  
\_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_ in the district of \_\_\_\_\_

as my/our Proxy to vote me/us on my/our behalf at the Fourteenth Annual General Meeting of the Company to be held on Wednesday 30th September, 2009 at 11 a.m. 129/A-1, Shah and Nahar Indl. Estate, Lower Parel (W), Mumbai - 400 013.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2009

Membership Folio No. \_\_\_\_\_

No. of Shares held \_\_\_\_\_

Witness \_\_\_\_\_

1.00 Rupee  
Revenue  
Stamp

Note :

- Revenue stamp of 1.00 rupee is to be affixed on this form.
- The form should be signed across the stamp as per specimen signature registered with the Company.
- 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.
- A Proxy need not be the member.

## CEENIK EXPORTS (INDIA) LIMITED

Registered Office : 129/A-1, Shah and Nahar Indl. Estate, Lower Parel (W), Mumbai - 400 013.

### ATTENDANCE SLIP

To be handled over at the entrance of meeting Hall

FOURTEENTH ANNUAL GENERAL MEETING of the Shareholders held on Wednesday 30th September, 2009 at 11.00 a.m. at 129/A-1, Shah & Nahar Indl. Estate, Sitaram Jadhav Marg, Lower Parel (W), Mumbai - 400 013.

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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Unit : CEENIK EXPORTS (INDIA) LIMITED

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