

BOOK - POST

19th

ANNUAL REPORT

2012-2013



CEENIK EXPORTS (INDIA) LIMITED

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

BOARD OF DIRECTORS

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

BANKERS

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

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

AUDITORS

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

REGISTRARS AND TRANSFER AGENTS

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

REGISTERED OFFICE

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

| Contents | Pg. No. |
|--------------------------------|---------|
| Board of Directors | 1 |
| Notice | 2 |
| Directors Report | 3-4 |
| Report on Corporate Governance | 5-8 |
| Auditors Report | 9-10 |
| Balance Sheet | 11-14 |
| Profit & Loss Account | 15 |
| Schedules | 16 |
| Cash Flow Statement | 17-32 |
| Balance Sheet Abstract etc. | 33 |

ANNUAL GENERAL MEETING

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

NOTE :

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

CEENIK EXPORTS (INDIA) LIMITED

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

PROXY FORM

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

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

Signed this _____ day of _____ 2013

Membership Folio No. _____

No. of Shares held _____

Witness _____

1.00 Rupee
 Revenue
 Stamp

Note :

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

CEENIK EXPORTS (INDIA) LIMITED

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

ATTENDANCE SLIP

To be handled over at the entrance of meeting Hall

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

Name of the Shareholder _____
 (in Block Letter)

Membership Folio No. _____

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

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

Signature of the shareholder / Proxy _____

Ceenik Exports (India) Limited

Cash Flow Statement for the year ended 31 March, 2013

| Particulars | For the year ended 31 March, 2013 | | For the year ended 31 March, 2012 | |
|---|--------------------------------------|-------------|--------------------------------------|-------------|
| | Rs | Rs | Rs | Rs |
| A. Cash Flow from operating activities | | | | |
| Net Profit / (Loss) before extraordinary items and tax | | 45,628,498 | | 3,180,946 |
| Adjustments for: | | | | |
| Depreciation and amortisation | 1,048,987 | | 444,210 | |
| Interest income | -308,213 | | -1,650,680 | |
| Dividend income | -15,380 | | -40,790 | |
| Net (gain) / loss on sale of investmnts | -717,618 | | -541,282 | |
| Rental income from investment properties | -77,468,885 | | -27,926,759 | |
| | | -77,461,109 | | -29,715,302 |
| Operating profit / (loss) before working capital changes | | -31,832,611 | | -26,534,356 |
| Changes in working capital: | | | | |
| Adjustments for (increase) / decrease in operating assets: | | | | |
| Inventories | | | | |
| Trade receivables | -5,565,068 | | -5,855,705 | |
| Short-term loans and advances | -3,410,774 | | 29,596,745 | |
| Long-term loans and advances | 767,828 | | 201,173 | |
| Other current assets | -8,895,722 | | -1,610,405 | |
| Other non-current assets | 216,830 | | -44,010 | |
| Other non-current assets | 31,333 | | -1,173,088 | |
| Adjustments for increase / (decrease) in operating liabilities: | | | | |
| Trade payables | -14,190,132 | | 6,082,291 | |
| Other current liabilities | 5,699,570 | | -49,169 | |
| Short-term provisions | 5,589,262 | | 645,429 | |
| | | -19,756,872 | | 27,793,261 |
| Cash generated from operations | | -51,589,484 | | 1,258,905 |
| Net income tax (paid) / refunds | | 8,500,000 | | 650,000 |
| Net cash flow from / (used in) operating activities (A) | | -60,089,484 | | 608,905 |
| B. Cash flow from investing activities | | | | |
| Capital expenditure on fixed assets, including capital advances | -10,009,773 | | -87,571 | |
| Purchase of long-term investments | -10,000,000 | | -10,000,000 | |
| - Associates | -1,420,000 | | -7,000,000 | |
| - Others | 1,245,921 | | 991,096 | |
| Proceeds from sale of long-term investments | 4,600,000 | | -13,285,000 | |
| Loans given | 308,213 | | 1,650,80 | |
| Interest received | 15,380 | | 40,790 | |
| Dividend received | 77,468,885 | | 27,926,759 | |
| Rental income from investment properties | | | | |
| | | 62,208,626 | | 236,753 |
| Net cash flow from / (used in) investing activities (B) | | 62,208,626 | | 236,753 |
| C. Cash flow from financing activities | | | | |
| Proceeds from long-term borrowings | 51,478,979 | | 25,763,085 | |
| Repayment of long-term borrowings | -51,268,968 | | -26,340,258 | |
| Repayment of other short-term borrowings | - | 210,011 | -941,630 | |
| | | | | -1,518,804 |
| Net cash flow from / (used in) financing activities (c) | | 210,011 | | -1,518,804 |
| Net increase / (decrease) in cash and cash equivalents (A+B+C) | | 2,329,153 | | -673,145 |
| Cash and cash equivalents at the beginning of the year | | 2,715,155 | | 3,388,300 |
| Cash and cash equivalents at the end of the year | | 5,044,308 | | 2,715,155 |
| Notes forming part of the financial statements | | | | |
| As per our attached Report of even date | | | For and on behalf of the Board | |
| For Udayavar Dhanesh Kumar & Associates | | | Narain N. Hingorani | |
| Chartered Accountants (FRN : 119401W) | | | Chairman & Managing Director | |
| Dhanesh Kumar Udayavar | | | Prem L. Vachhani | |
| Proprietor | | | Director | |
| Place : Mumbai | | | Place : Mumbai | |
| Date : 30/05/2013 | | | Date : 30/05/2013 | |

NOTICE

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

ORDINARY BUSINESS

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

NOTES

- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF/ HERSELF AND THAT SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- Information about Directors seeking appointment/re-appointment as required under Clause 49 of the listing agreement are furnished in Corporate Governance Report and hence, the same is not separately provided in the notice.
- Register of Members and Share Transfer Registers of the Company will remain closed from 22nd September, 2013 to 30th September, 2013 (both days inclusive).

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

Date : 13/08/2013

DIRECTORS' REPORT

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

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

DIVIDEND

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

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

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

PERFORMANCE REVIEW

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

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

OPPORTUNITIES & THREATS

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

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

RISKS AND CONCERNS

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

FINANCE

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

INTERNAL CONTROLS

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

SAFETY, HEALTH & ENVIRONMENTAL PROTECTION

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

PERSONNEL

The Company had 9 employees as on 31st March, 2013. Industrial relations continued to be cordial through out the year. None of the employees is covered by the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

Note 24.14

| | | |
|--|------------------|-----------------|
| Deferred tax (liability) / asset | | |
| Tax effect of items constituting deferred tax liability | | |
| On difference between book balance and tax balance of fixed asset | 5,21,806 | 1,70,263 |
| On expenditure deferred in the books but allowable for tax purposes | | |
| On items included in Reserves and surplus pending amortisation into the Statement of Profit and Loss | | |
| Others | | |
| Tax effect of items constituting deferred tax liability | 5,21,806 | 1,70,263 |
| Tax effect of items constituting deferred tax assets | | |
| Provision for compensated absences, gratuity and other employee benefits | | |
| Provision for doubtful debts / Advances | | |
| Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961 | | |
| On difference between book balance and tax balance of fixed assets | | |
| Unabsorbed depreciation carried forward | 18,30,762 | 10,08,855 |
| Brought forward business losses | | |
| On items included in Reserves and surplus pending amortisation into the Statement of Profit and Loss | | |
| Others | | |
| Tax effect of items constituting deferred tax assets | 18,30,762 | 10,08,855 |
| Net deferred tax (liability) / asset | 13,08,956 | 8,38,592 |

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

Note 25 Other Notes

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

Note 26 Previous year's figures

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

Note 24.12a Related party Transaction

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

Note: Related parties have been identified by the Management.

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

| Note 24.12b Related party Transaction | Rs. | | | |
|---|-------------|-------------|------------------|-------------|
| | Associates | KMP | Relatives of KMP | Total |
| Rendering of services | 95,24,583 | 8,74,532 | 3,72,634 | 1,07,71,749 |
| | (39,36,621) | (5,70,000) | (1,11,270) | (46,17,891) |
| Reimbursement of Expenses / Payment on our behalf | - | 7,42,792 | 8,41,442 | 15,84,891 |
| | (89,299) | (8,32,877) | (16,31,881) | (25,54,057) |
| Finance (including loans and equity contributions in cash or in kind) | 1,72,34,000 | 1,18,45,000 | 2,85,15,000 | 5,75,94,000 |
| | (5,00,000) | (28,10,000) | (30,75,000) | (63,85,000) |
| Write off / write back made during the year | Nil | Nil | Nil | Nil |
| | (Nil) | (Nil) | (Nil) | (Nil) |
| Balances outstanding at the end of the year | | | | |
| Borrowings | 53,39,252 | 3,60,808 | 61,84,460 | 1,18,84,520 |
| | (4,734) | (31,023) | (1,10,911) | (1,46,668) |
| Receivables / Payable | 52,60,188 | Nil | 50,00,000 | 1,02,60,188 |
| | (34,97,841) | (Nil) | (Nil) | (34,97,841) |

Note: Figures in bracket relates to the previous year

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

FUTURE PROSPECTS

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

RISK MANAGEMENT

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

CAUTIONARY NOTE

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

DIRECTORS

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

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement a separate report on Corporate Governance and a certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance are annexed to the Directors' Report.

CONSERVATION OF ENERGY ETC.

Your Company is not using any specific energy, which could be conserved by exercising any device. Further, the Company is using its in-house technology and hence, question of absorbing technology does not arise. Therefore, information under Section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is not given.

During the year under the review, the Company did not earn nor spend any foreign exchange.

AUDITORS

M/s. Udayavar Dhanesh Kumar & Associates, Chartered Accountants, Auditors of the Company, shall retire at the forthcoming Annual General Meeting. They are eligible for reappointment. Members are requested to appoint Auditors and fix their remuneration.

APPRECIATION

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

Place : Mumbai

Date : 13/08/2013

For & on behalf of the Board
(Narain N. Hingorani)
Chairman & Managing Director

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 31st March, 2013, 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, six Board Meetings were held, namely on 30.05.2012, 13.08.2012, 14.09.2012, 10.11.2012, 20.12.2012, 14.02.2013. 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 31st March, 2013), is as under:

| Name of Director | Category of Directorship | No. of Board Meetings attended | Attendance at last AGM held on 29.09.2012 | 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 | 06 | Yes | 3 | 1 | 4,50,000 |
| Mr. Brijlal Bachani | Independent Non-Executive | 04 | No | 1 | 1 | 500 |
| Mr. Prem Vachhani | Non-Executive | 06 | Yes | 0 | 2 | 3,600 |
| Mr. Chandru Bakhtiani | Independent Non-Executive | 05 | Yes | 1 | 2 | Nil |

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

| | |
|--|------------------------|
| Name of Director | Mr. Prem L.Vachhani |
| Date of Birth | 06.04.1938 |
| Date of Appointment | 21.01.1999 |
| Business Experience | 46 years |
| Qualification | Diploma in Engineering |
| Directors in other Companies incorporated in India | None |
| 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 Accounts Manager apprise the Board the 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 Managers 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.

Note 24.11 Segment information

The Company has identified business segments as its primary segment, and there is no secondary segment. Business segments are primarily Garments Manufacturing and Investment in Realty & Securities, revenues and expenses directly attributable to segment are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary and secondary segments.

| Particulars | For the year ended 31 March 2013 | | Total |
|--|----------------------------------|-----------------|---------------|
| | Business segments Rs. | Garments Rs. | |
| Revenue | 4,28,01,848 | 7,85,10,326 | 121,312,174 |
| Inter-segment revenue | (1,75,74,807) | (32,108,195) | (49,683,002) |
| | 0 | 0 | - |
| | 0 | 0 | - |
| | 4,28,01,848 | 7,85,10,326 | 121,312,174 |
| | (1,75,74,807) | (32,108,821) | (49,683,002) |
| Segment result | -1,61,82,497 | 68,105,821 | 51,923,324 |
| Unallocable expenses (net) | (-89,17,872) | (18,322,354) | (94,04,482) |
| Total | | | 6,294,825 |
| Operating income | | | (6,223,536) |
| Other income (net) | | | 45,628,499 |
| Profit before taxes | | | 31,80,946 |
| Tax expenses | | | 45,628,499 |
| Net profit for the year | | | 31,80,946 |
| | | | 9,985,779 |
| | | | (503,788) |
| | | | 35,642,720 |
| | | | 26,71,158 |
| Segment assets | 115,956,982 | 237,236,641 | 353,193,623 |
| Unallocable assets | (99,793,596) | (219,265,956) | (319,059,552) |
| Total assets | | | 1,308,956 |
| | | | (838,592) |
| | | | 354,502,579 |
| Segment Liabilities | 54,222,318 | 94,263,711 | (319,898,144) |
| Unallocable Liabilities | (72,044,397) | (77,475,956) | 148,486,029 |
| Total Liabilities | | | (149,520,353) |
| | | | - |
| | | | - |
| Other Information | | | - |
| Capital expenditure (allocable) | - | - | - |
| Capital expenditure (unallocable) | - | - | - |
| Depreciation and amortisation (allocable) | - | - | - |
| Depreciation and amortisation (unallocable) | - | - | - |
| Other significant non-cash expenses(allocable)(give details) | - | - | - |
| Other significant non-cash expenses(unallocable) | - | - | - |
| | - | - | - |
| | - | - | - |

| | For the Year Ended 31 March, 2013 | For the Year Ended 31 March, 2012 |
|---|--|--------------------------------------|
| | Rs | Rs |
| Note : 24.5 Value of imports calculated on cif basis | 2,788,900 | Nil |
| Note : 24.6 Expenditure in foreign currency | 2,788,900 | Nil |
| Note : 24.7 Earnings in foreign exchange | Nil | Nil |
| Note : 24.8 Amounts remitted in foreign currency during the year on account of dividend | Nil | Nil |
| Note : 24.9 Details of Consumption of imported and indigenous items | | |
| Imported | | |
| Raw materials | Nil (Nil) | Nil% (Nil%) |
| Components | Nil (Nil) | Nil% (Nil%) |
| Spare parts | Nil (Nil) | Nil% (Nil%) |
| | Nil% (Nil%) | Nil% (Nil%) |
| Indigenous | | |
| Raw materials | 33,531,136 (12,220,468) | 100% (100%) |
| Total | 33,531,136 (12,220,468) | 100% (100%) |

Note: Figures / percentages in brackets relates to the previous year

Note : 24.10 Employee benefit plans

Note : 24.10a Defined contribution Plans

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 56,370/- (Year ended 31 March, 2012 Rs. 65,827/-) for Provident Fund contributions and Rs. 26,931/- (Year ended 31 March, 2012 Rs. 37,488/-) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Note : 24.10b Defined benefit Plans

The Company offers the following employee benefit schemes to its employees:

i. Gratuity

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

| Particulars | Year ended 31 March, 2013 | Year ended 31 March, 2012 |
|---|---------------------------|---------------------------|
| | Gratuity | Gratuity |
| Components of employer expense | | |
| Current service cost | 64,415 | 79,104.00 |
| Total expense recognized in the Statement of Profit and Loss | 64,415 | 79,104.00 |

d) Disclosures

- 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.
- 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.
- Transaction with related parties are disclosed under clause no. Note no. 24.3 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.
- 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, 2012 - March, 2013 are given below:

a) Executive Directors :

| Name of Directors | Salary and Allowances | Commission (Provision made) Rs. | Perquisites | Retirement Benefits* |
|----------------------|-----------------------|---------------------------------|-------------|----------------------|
| Mr. Narain Hingorani | Rs.6,00,000/- | 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 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.

Mr. Narain Hingorani, Managing Director, is also the Compliance Officer of the Company.

The Committee met 4 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. Universal Capital Securities Pvt. Ltd. has confirmed that they have not received any complaint during the year under review on behalf of the company. The Company has also not received any complaint from the Shareholders/ Investors.

IV. GENERAL BODY MEETINGS

The last three Annual General Meetings were held as under:

| Financial Year | Date | Time | Location |
|----------------|------------|------------|--|
| 2009-10 | 30.09.2010 | 11.00 a.m. | 10-A, Jeevan Jagruti Dr.Ambedkar Road, Bandra(w), Mumbai -50. |
| 2010-11 | 28.12.2011 | 11.00 a.m. | 10-A, Jeevan Jagruti Dr.Ambedkar Road, Bandra(w), Mumbai -50. |
| 2011-12 | 29.09.2012 | 11.00 a.m. | 14-B, Jeevan Satyakam , Dr.Ambedkar Road, Bandra(w), Mumbai -50. |

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.

V. MEANS OF COMMUNICATIONS

| | |
|---|---|
| Half yearly report sent to each household of Shareholders | No, as the Results of the Company are published in the Newspapers having wide reach. |
| Quarterly Results | -do- |
| Any Website where displayed | No |
| Whether presentations made to Institutional Investors or to the Analysts | No |
| Newspapers in which Results are normally published in | Business Standard & Dainik Sagar or Mumbai Lakshadep/ or Financial Express and Dainik Sagar |
| Whether Management Discussion and Analysis is a part of the Annual Report | Yes |

VI. GENERAL SHAREHOLDER INFORMATION

| | |
|---|--|
| AGM Date, Time and Venue | 30.09.2013 at 11.00 a.m. at B-14, Jeevan Satyakam, Dr. Ambedkar Road, Bandra (West), Mumbai - 400 050. |
| Financial Calendar | April, 2013 to March, 2014 |
| Financial Year | April to March |
| First Quarter Results | By 13th August, 2013 |
| Second Quarter Results | By 14th November, 2013 |
| Third Quarter Results | By 14th February, 2014 |
| Fourth Quarter Results | By 15th May, 2014 |
| Audited Results of the year ending 31 st March, 2014 | By 30th May, 2014 |
| Date of Book Closure | 22 th to 30 th September, 2013. |
| 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 st March, 2013 |
| 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'12 | 11.55 | 9.99 |
| May'12 | 11.55 | 11.55 |
| Jun'12 | 10.98 | 10.98 |
| Jul'12 | 11.52 | 11.52 |
| Aug'12 | 11.52 | 11.52 |
| Sep'12 | 10.95 | 10.95 |

| Month | High | Low |
|--------|-------|------|
| Oct'12 | 10.41 | 9.40 |
| Nov'12 | 9.40 | 8.94 |
| Dec'12 | 8.94 | 8.94 |
| Jan'13 | 8.94 | 8.94 |
| Feb'13 | 9.38 | 9.38 |
| Mar'13 | 8.92 | 7.66 |

Registrars & Share Transfer Agents

UNIVERSAL CAPITAL SECURITIES 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

Note 24: Additional information to the financial statements

| Particulars | As at 31 March, 2013 Rs. | As at 31 March, 2012 Rs. |
|--|-----------------------------|-----------------------------|
| Note 24.1 Contingent liabilities and commitments (to the extent not provided for) | | |
| (i) Contingent liabilities | | |
| (a) claims against the Company not acknowledged as debt | - | - |
| (b) Guarantees | - | - |
| (c) Other money for which the Company is contingently liable (give details) | - | - |
| (ii) Commitments | | |
| (a) Estimated amount of contracts remaining to be executed on capital account and not provided for | | |
| Tangible assets | | |
| Intangible assets | | |
| (b) Uncalled liability on shares and other investments partly paid | 5,000,000 | 15,000,000 |
| (c) Other commitments (specify nature) | | |
| | 5,000,000 | 15,000,000 |

Note 24.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises

Development Act, 2006

(i) Principal amount remaining unpaid to any supplier as at the end accounting year

(ii) Interest due thereon remaining unpaid to any supplier as at the accounting year

(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day

(iv) The amount of interest due and payable for the year

(v) The amount of interest accrued and remaining unpaid at the end of the accounting year

(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid

The Company has not identified parties as per definition of Micro and Small Enterprises Act.

Note 24.3 Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges

Loans and advances in the nature of loans given to subsidiaries, associates and others and others and investment in shares of the Company by such parties:

| Name of the party | Relationship | Amount outstanding as at 31 March, 2013 | Maximum balance outstanding during the year |
|---|------------------------------------|--|--|
| Investments | | | |
| Ceenik Enterprises Ltd. | Associate Company | 5,000,000 (500,000) | 5,000,000 (500,000) |
| Niktin Properties & Estates Pvt. Ltd. | Associate Company | 6,660,000 (6,660,000) | 6,660,000 (6,660,000) |
| Viking Advanced Technologies Pvt. Ltd. | Associate Company | 31,900,000 (11,900,000) | 311,900,000 (11,900,000) |
| Viking Advanced Technologies Pvt. Ltd. (Partly paid shares) | Associate Company | - (10,000,000) | - (10,000,000) |
| Advances Given | | | |
| Viking Advanced Technologies Pvt. Ltd. | Associate Company | 5,300,000 (5,000,000) | 5,300,000 (5,000,000) |
| Kavita Hingorani | Employ & Wife of Managing Director | 5,000,000 (Nil) | 5,000,000 (Nil) |

Note: Figures in bracket relate to the previous year.

Note 24.4 Details on unhedged foreign currency exposures

II. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

| As at 31 March, 2013 | | As at 31 March, 2012 | |
|---------------------------------|---|--------------------------------|---|
| Receivable/ (payable) Rs. | Receivable(payable) in Foreign currency (Indicate amount with currency) | Receivable (payable) Rs. | Receivable(payable) in Foreign currency (Indicate amount with currency) |
| Receivable | USD 12360.96 | Receivable/ | USD 12,360.96 |

Note 20b Changes in inventories of finished goods

| | As at 31 March, 2013 | As at 31 March, 2012 |
|--|----------------------|----------------------|
| <u>Inventories at the end of the year:</u> | | |
| Finished goods | 9,653,101 | 15,108,627 |
| | 9,653,101 | 15,108,627 |
| <u>Inventories at the beginning of the year:</u> | | |
| Finished goods | 15,108,627 | 15,480,954 |
| | 15,108,627 | 15,480,954 |
| Total | 54,55,526 | 372,327 |

Note 21: Employee benefits expense

| | As at 31 March, 2013 | As at 31 March, 2012 |
|---|----------------------|----------------------|
| Salaries and wages | 1,568,055 | 1,956,404 |
| Contributions to provident and other funds (Refer Note 24.11) | 148,388 | 170,783 |
| Staff welfare expenses | - | 8,900 |
| Total | 1,716,443 | 2,136,087 |

Note 22: Finance costs

| | As at 31 March, 2013 | As at 31 March, 2012 |
|-----------------------------|----------------------|----------------------|
| (a) Interest expense on: | 14,635,096 | 15,522,954 |
| (i) Borrowings | | |
| (ii) Others | | |
| - Others on Unsecured Loans | 951,459 | 125,783 |
| (b) Other borrowing costs | 270,295 | 815,220 |
| Total | 15,856,850 | 16,463,956 |

Note 23 Other expenses

| | As at 31 March, 2013 | As at 31 March, 2012 |
|---|----------------------|----------------------|
| Subcontracting Manufacturing Charges | 12,351,879 | 4,684,190 |
| Rent including lease rentals | 161,590 | 114,000 |
| Repairs and maintenance - Buildings | 853,945 | 489,064 |
| Repairs and maintenance - Machinery | 27,950 | 48,225 |
| Insurance | 165,718 | 126,614 |
| Rates and taxes | 516,879 | 991,117 |
| Communication | 55,503 | 42,208 |
| Electricity Charges | 360,499 | - |
| Travelling and conveyance | 222,250 | 26,127 |
| Printing and stationery | 62,333 | 76,138 |
| Freight and forwarding | 326,103 | 163,552 |
| Sales discount | 9,758 | 29,124 |
| Business promotion | 129,343 | 325,080 |
| Donations and contributions | 10,000 | 3,000 |
| Legal and professional | 809,637 | 542,917 |
| Motor Car Expenses | 141,297 | 138,713 |
| Photo Shoot Charges | 104,492 | - |
| Brokerage charges | 1,489,500 | 95,113 |
| Payments to auditors {refer Note (i) below} | 302,810 | 529,250 |
| Bad Debts for trade receivables (Refer Note 25 (ii)) | - | 6,167,874 |
| Prior period items (net) {Refer Note (ii) below} | 81,268 | 79,147 |
| Miscellaneous expenses | 276,697 | 1,93,553 |
| Total | 18,459,451 | 14,865,007 |

Note 2

| | As at 31 March, 2013 | As at 31 March, 2012 |
|---|----------------------|----------------------|
| (I) Payments to the auditors comprises (net of service tax input credit, where applicable): | | |
| As auditors - statutory audit (include fees for previous year) | 224,720 | 400,775 |
| For taxation matters | 33,708 | 33,090 |
| For other services (include fees for previous year) | 44,382 | 68,938 |
| Reimbursement of expenses | - | 26,447 |
| Total | 302,810 | 529,250 |
| (ii) Details of Prior period items (net) | | |
| Prior period expenses | | |
| - Repairs & Maintenance - Building | - | 393,612 |
| - VAT paid | 81,268 | - |
| Prior period income (Interest on Post Credit Shipment) | - | 314,465 |
| Total | 81,268 | 79,147 |

Distribution of Shareholding as on 31.03.2013

| No. of Equity Shares held | No. of Shareholders | % of Shareholders | No. of Shares held | % of Shareholding |
|---------------------------|---------------------|-------------------|--------------------|-------------------|
| 1-500 | 948 | 79.865 | 1,30,698 | 3.901 |
| 500-1000 | 65 | 5.476 | 55,169 | 1.647 |
| 1001-2000 | 114 | 9.604 | 1,95,064 | 5.823 |
| 2001-3000 | 13 | 1.095 | 32,398 | 0.967 |
| 3001-4000 | 8 | 0.674 | 30,085 | 0.898 |
| 4001-5000 | 7 | 0.590 | 32,015 | 0.956 |
| 5001-10000 | 10 | 0.842 | 72,875 | 2.175 |
| 10001 And Above | 22 | 1.853 | 28,01,696 | 83.633 |
| TOTAL | 1187 | 100.00 | 33,50,000 | 100.00 |

Shareholding Pattern as on 31.03.2013

| Categories of Shareholders | Percentage % |
|--|--|
| Indian Promoters | 54.09 |
| Non Resident Indians | 0.08 |
| Private Bodies Corporate | 2.67 |
| Indian Public | 43.16 |
| Dematerialisation of Shares and Liquidity as on 31.03.2013 | Dematerialised - 18,01,775 |
| Outstanding GDRs/ ADRs/ Warrants | Not Issued |
| Factory Location | D/396/2, TTC Indi. Area MIDC, Turbhe, Navi Mumbai - 400709 |

Address for correspondence

Shareholder correspondence should be addressed to the Company's Registrars, Universal Capital Securities 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

Date : 13/08/2013

For & on behalf of the Board

(Narain N. Hingorani)

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 provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March, 2013. 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 six times namely on 30.05.2012, 13.08.2012, 14.09.2012, 10.11.2012, 20.12.2012, 14.02.2013. in respect of which meetings proper notices were given and the proceedings were properly recorded and signed. No circular resolutions was passed during the financial year.
5. The Company had closed its Register of Members from 22/09/2012 to 29/09/2012 (both days inclusive) during the financial year.
6. The Annual General Meeting for the financial year ended on 31st March, 2012 was held on 29th September, 2012 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 falling within the purview of Section 314 of the Act during the year, the Company has not obtained approval from the Board of Directors, members or Central Government.
12. 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 transfers in accordance with the provisions of the Act. 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 an Additional Director, Alternate Director and Director to fill casual vacancy 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 Govt, Company Law Board, Registrar of Companies, Regional Director 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.
19. The Company has not issued any shares or securities during the financial year ended 31st March, 2013.

Sale of products comprises :

| | | | |
|---------------------------|---|------------|------------|
| <u>Manufactured goods</u> | | | |
| Garments | | 23,518,188 | 7,872,563 |
| Fabric | | 19,192,330 | 9,164,281 |
| | Total-Sale of manufactured goods | 42,710,517 | 17,036,844 |

| | | | |
|---------------------|-----------------------------------|------------|------------|
| <u>Traded goods</u> | | | |
| | Total-Sale of traded goods | - | - |
| | Total-Sale of Products | 42,710,517 | 17,036,844 |

Sale of services comprises :

| | | | |
|----------|-------------------------------|---|---------|
| Job Work | | - | 483,345 |
| | Total-sale of services | - | 483,345 |

Other operating revenues # comprise:

| | | | |
|-------------------------------|---------------------------------------|--------|--------|
| Others (Discount - Purchases) | | 91,331 | 54,617 |
| | Total-Other operating revenues | 91,331 | 54,617 |

| Note 19 Other income | For the Year Ended 31 March, 2013 Rs | For the Year Ended 31 March, 2012 Rs |
|--|---|---|
| (a) Interest income (Refer Note (i) below) | 308,213 | 1,650,680 |
| (b) <u>Dividend income:</u> | | |
| others | 15,380 | 40,790 |
| (c) <u>Net gain on sale of:</u> | | |
| long-term investments | 717,619 | 541,282 |
| (d) Net gain on foreign currency transactions and translation (other than considered as finance cost) | 229 | 1,876,663 |
| (f) Other non-operating income (Refer Note (ii) below) | 77,853,602 | 27,998,777 |
| Total | 78,895,043 | 32,108,194 |

| Note | For the Year Ended 31 March, 2013 Rs | For the Year Ended 31 March, 2012 Rs |
|---|---|---|
| (i) Interest income comprises: | | |
| Interest from banks on: | | |
| deposits | 76,480 | 48,900 |
| Interest on loans and advances | 231,733 | 1,601,780 |
| | Total-Interest income | 1,650,680 |
| (ii) Other non-operating income comprises: | | |
| Rental income from investment properties {Refer Note 25(i)} | 77,468,885 | 27,926,759 |
| Liabilities / provisions no longer required written back | - | 72,018 |
| Sales Tax Refund | 384,717 | - |
| (ii) Details of Prior period items (net) | Total-Other non-operating income | 27,998,777 |
| Prior period income (give details) | - | - |
| Prior period expenses (give details) | - | - |
| | Total | - |

| Note 20a Cost of materials consumed | As at 31 March, 2013 | As at 31 March, 2012 |
|--|----------------------------------|-----------------------------|
| Opening stock | 28,537,203 | 22,309,171 |
| Add: Purchases | 44,551,730 | 18,448,500 |
| | 73,088,933 | 40,757,671 |
| Less: Closing stock | 39,557,797 | 28,537,203 |
| | Cost of material consumed | 12,220,468 |

| | | | |
|--|--------------|-------------------|-------------------|
| <u>Material consumed comprises:</u> | | | |
| Fabric & Yarn | | 26,806,613 | 10,151,543 |
| Dyeing, Tailoring & Packing Material | | 5,886,349 | 1,852,215 |
| Cost incidental to purchase of Raw Materials | | 838,173 | 2,16,709 |
| | Total | 33,531,136 | 12,220,468 |

Note 16 Short-term loans and advances

| | As at 31 March, 2013 Rs | As at 31 March, 2012 Rs |
|--|----------------------------|----------------------------|
| (a) Security deposits | | |
| Secured, considered good | - | 100,000 |
| Unsecured, considered good | - | - |
| Doubtful | - | - |
| | - | 100,000 |
| Less: Provision for doubtful deposits | - | - |
| | - | 100,000 |
| (b) Loans and advances to employees | | |
| Secured, considered good | - | - |
| Unsecured, considered good | - | 21,170 |
| Doubtful | - | - |
| | - | 21,170 |
| Less: Provision for doubtful loans and advances | - | - |
| | - | 21,170 |
| (c) Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, etc.) | 9,663 | 118,197 |
| (d) Balances with government authorities | | |
| Unsecured, considered good | | |
| (i) VAT credit receivable | 406,801 | 529,403 |
| | 406,801 | 529,403 |
| (e) Others (Receivable in kind) | | |
| Secured, considered good | - | - |
| Unsecured, considered good | - | 415,522 |
| Doubtful | - | - |
| | - | 415,522 |
| Less: Provision for other doubtful loans and advances | - | - |
| | - | 415,522 |
| Total | 416,464 | 1,184,292 |

Note 17 Other current assets

| | As at 31 March, 2013 Rs | As at 31 March, 2012 Rs |
|----------------------------------|----------------------------|----------------------------|
| (a) Accruals | | |
| (i) Interest accrued on deposits | 42,363 | 68,612 |
| (d) Others | | |
| (i) Duty Drawback receivable | 201,939 | 392,520 |
| Total | 244,302 | 461,132 |

Note 18 Revenue from operations

| | As at 31 March, 2013 Rs | As at 31 March, 2012 Rs |
|---|----------------------------|----------------------------|
| (a) Sale of products (Refer Note (i) below) | 42,710,517 | 17,036,844 |
| (b) Sale of services (Refer Note (ii) below) | - | 483,345 |
| (c) Other operating revenues (Refer Note (iii) below) | 91,331 | 54,617 |
| | 42,801,848 | 17,574,807 |
| <u>Less:</u> | | |
| (d) Excise duty | - | - |
| | 42,801,848 | 17,574,807 |

20. The Company has not bought back any shares during the financial year ending 31st March, 2013.
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 31st March, 2013 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.
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. 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 : 13/08/2013

(UPENDRA C. 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 31st March, 2013

- 1) Compliance Report for the year ended 31/03/2012 filed u/s 383A on 26/10/2012;
- 2) Annual Return as on 29/09/2012 filed u/s 159 on 28/11/2012.
- 3) Annual Accounts for the year ended 31.03.2012 filed u/s 220 on 01/04/2013.
- 4) Form No 25C filed u/s 269 on 22/05/2012.
- 5) Form No 23 for special resolution passed in AGM pertaining to re-appointment of Mr. Narain N. Hingorain filed u/s 192 on 22/05/2012.
- 6) Form No. 8 – registration of Charge created on 01/10/2012 for Rs. 100 lacs in favour of Karnataka Bank Ltd., filed u/s 125 on 27/10/2012.

Place: Mumbai
Date : 13/08/2013

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

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 31st March, 2013, 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 31st March, 2013 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

Place : Mumbai
Date : 13.8.2013

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, 2013 and also the Statement of 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, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.

| Particulars | As at 31 March, 2013 Rs. | As at 31 March, 2012 Rs. |
|---|-----------------------------|-----------------------------|
| Note 12: Other non-Current Assets | | |
| (A) Accruals | | |
| (i) Interest accrued on deposits | 1,141,755 | 1,173,088 |
| (ii) Interest accrued on investments | - | - |
| (iii) Interest accrued on trade receivables | - | - |
| Total | 1,141,755 | 1,173,088 |

| Particulars | As at 31 March, 2013 Rs. | As at 31 March, 2012 Rs. |
|--|-----------------------------|-----------------------------|
| Note 13: Inventories (At lower of cost and net realisable value) | | |
| (A) Raw materials | 39,557,797 | 28,537,203 |
| (b) Finished goods (other than those acquired for trading) | 9,653,101 | 15,108,627 |
| Total | 49,210,898 | 43,645,830 |

| Particulars | As at 31 March, 2013 Rs. | As at 31 March, 2012 Rs. |
|---|-----------------------------|-----------------------------|
| Note 14: Trade receivables | | |
| Trade receivables outstanding for a period exceeding six months from the date they were due for payment | | |
| Secured, considered good | 830,306 | 575,548 |
| Unsecured, considered good {Refer Note 25 (iii)} | 3,057,725 | 1,406,383 |
| Doubtful | - | - |
| | 3,888,031 | 1,981,931 |
| Less: Provision for doubtful trade receivables | - | - |
| | 3,888,031 | 1,981,931 |
| Other Trade receivables | | |
| Secured, considered good | 6,471,024 | 4,966,349 |
| Unsecured, considered good | - | - |
| Doubtful | - | - |
| Less: Provision for doubtful trade receivables | 6,471,024 | 4,966,349 |
| | - | - |
| | 6,471,024 | 4,966,349 |
| Total | 10,359,055 | 6,948,281 |

| Particulars | As at 31 March, 2013 Rs | As at 31 March, 2012 Rs |
|--|----------------------------|----------------------------|
| Note 15: Cash and cash equivalents | | |
| (a) Cash on hand | 2,920,549 | 327,824 |
| (b) Balances with banks | | |
| (i) In current accounts | 1,422,519 | 1,646,008 |
| (ii) In EEFC accounts | - | 3,349 |
| (iii) In deposit accounts (Refer Note (i) below) | 701,241 | 631,743 |
| (iv) In earmarked accounts | | |
| - Share application money received for allotment of securities and due for refund | - | - |
| (c) Other (Stamp Paper) | | |
| Total | 5,044,309 | 61,230 |
| Of the above, the balances that meet the definition of Cash and cash equivalents as per As 3 Cash Flow Statements is | 5,044,309 | 2,715,155 |

Note 11 Long-term loans and advances

| | As at 31 March, 2013 Rs | As at 31 March, 2012 Rs |
|---|----------------------------|----------------------------|
| (a) Security deposits | | |
| Secured, considered good | - | - |
| Unsecured, considered good | 10,656,191 | 5,495,791 |
| Doubtful | - | - |
| | <u>10,656,191</u> | <u>5,495,791</u> |
| Less: Provision for doubtful deposits | - | - |
| | <u>10,656,191</u> | <u>5,495,791</u> |
| (b) Advance income tax # (net of provisions Rs. Nil (As at 31 March, 2011 Rs. Nil) - Unsecured, considered good | 9,735,115 | 65,60,867 |
| (c) Other loans and advances (specify nature) | | |
| Secured, considered good | - | - |
| Unsecured, considered good | 17,553,075 | 21,592,000 |
| Doubtful | - | - |
| | <u>17,553,075</u> | <u>21,592,000</u> |
| Less: Provision for other doubtful loans and advances | - | - |
| | <u>17,553,075</u> | <u>21,592,000</u> |
| | <u>37,944,381</u> | <u>33,648,658</u> |

Note: Long-term loans and advances include amounts due from:

| | As at 31 March, 2013 Rs | As at 31 March, 2012 Rs |
|---|----------------------------|----------------------------|
| Directors * | - | - |
| Other officers of the Company * | - | - |
| Firms in which any director is a partner (given details per firm) | - | - |
| Private companies in which any director is a director or member | | |
| Kavita Hirparam | 5,000,000 | - |
| Viking Advanced Technologies Pvt.Ltd. | 5,300,000 | 5,000,000 |
| | <u>10,300,000</u> | <u>5,000,000</u> |
| Total | <u>10,300,000</u> | <u>5,000,000</u> |

- iv. In our opinion the Balance Sheet statement of 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 31st March 2013 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2013 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956. statement
- 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 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 31st March 2013;
 - b. In the case of the Statement of Profit and Loss 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

Firm Registration No. : 119401W

DHANESH KUMAR UDAYAVAR

Proprietor

Membership No. 102031

Place: Mumbai
Date: 30/05/2013**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.

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 | 1,18,45,000 | Proprietor is Managing Director & Shareholder | 3,60,808 |
| 2. | International Exports Corporation | 2,31,35,000 | Proprietor is Shareholder & Promoter | 60,15,201 |
| 3. | September Fashion | 2,30,000 | Proprietor is Shareholder & employee | 1,69,259 |
| 4. | Niktin Properties & Estates Pvt. Ltd. | 18,00,000 | Company under sam management | 11,662 |
| 5. | Ceenik Enterprise | 51,34,000 | Associate | 53,27,590 |
| 6. | June Fashion | 50,000 | Director is Member of HUF | Nil |
| 7. | Narain Hingorani HUF | 1,00,000 | Director is Karta of HUF | 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 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 procedure commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and 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 are the transactions entered for an amount exceeding Rs. 5 lacs:

| Sr. No. | Name of the Party | Nature of Transaction | Amount (in Rs.) |
|---------|--|-----------------------|-----------------|
| 1. | Viking Advanced Technologies Pvt. Ltd. | Labour Charges Paid | 91,02,080 |
| 2. | Viking Advanced Technologies Pvt. Ltd. | Investment made | 1,00,00,000 |

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.

Details of investment in Quoted Equity (Fully paid up)

| Sl. No. | Name | As at 31 March, 2013 | | | As at 31 March, 2012 | | |
|---------|-----------------------------|----------------------|----------------------|---------|----------------------|----------------------|-----------|
| | | Qty | Face value per share | Cost | Qty | Face value per share | Cost |
| 1 | Aditya Birla Nova Ltd. | - | - | - | 100 | 10 | 195,233 |
| 2 | Alok Industries Ltd. | 3,500 | 10 | 97,190 | 3,500 | 10 | 97,190 |
| 3 | Crompton Greaves Ltd. | 150 | 2 | - | 150 | 2 | - |
| 4 | Denso India Ltd. | 800 | 10 | 10,560 | 800 | 10 | 10,560 |
| 5 | Gillette India Ltd. | 75 | 10 | 26,688 | 100 | 10 | 35,685 |
| 6 | Glaxo Smithline Pharma Ltd. | 100 | 10 | 61,394 | 100 | 10 | 61,394 |
| 7 | IDBI Ltd. | 500 | 10 | 55,550 | 1,000 | 10 | 111,100 |
| 8 | M & M Ltd. | - | - | - | 400 | 5 | 125,644 |
| 9 | Morepan Laboratories Ltd. | 3,600 | 2 | 114,490 | 3,600 | 2 | 114,490 |
| 10 | Novartis India Ltd. | 75 | 2 | 19,773 | 100 | 2 | 26,365 |
| 11 | Pidlite Industries Ltd. | - | - | - | 3,000 | 1 | - |
| 12 | Shree Renuka Sugar Ltd. | 2,000 | 1 | 3,880 | 2,000 | 1 | 3,880 |
| 13 | Sterite Technologies Ltd. | 5,750 | 2 | - | 6,250 | 2 | - |
| | | 16,550 | | 389,527 | 21,100 | | 781,441 |
| | | | | 721,201 | | | 2,023,731 |

Details of investment in Unquoted Equity Shares (Fully paid up)

| Sl. No. | Name | As at 31 March, 2013 | | | As at 31 March, 2012 | | |
|---------|---|----------------------|----------------------|------------|----------------------|----------------------|------------|
| | | Qty | Face value per share | Cost | Qty | Face value per share | Cost |
| | Others | 100,000 | 10.00 | 1,000,000 | 100,000 | 10.00 | 1,000,000 |
| | Global Ispat Ltd. | 70,000 | 10.00 | 3,500,000 | 70,000 | 10.00 | 3,500,000 |
| | Scopio India Ltd. | 10,000 | 10.00 | 2,000,000 | 10,000 | 10.00 | 2,000,000 |
| | Singhnia Goli Pvt. Ltd. | 5,000 | 10.00 | 1,000,000 | 5,000 | 10.00 | 1,000,000 |
| | Shilpa Ispat Pvt. Ltd. | 185,000 | 10.00 | 7,500,000 | 185,000 | 10.00 | 7,500,000 |
| | Associate Companies | 259,000 | 10.00 | 6,660,000 | 259,000 | 10.00 | 6,660,000 |
| | Niktin Properties & Estates Pvt. Ltd. | 270,000 | 10.00 | 31,900,000 | 70,000 | 10.00 | 11,900,000 |
| | Viking Advanced Technologies Pvt. Ltd. | 528,000 | 10.00 | 38,580,000 | 328,000 | 10.00 | 18,580,000 |
| | Details of investment in Unquoted Equity Shares (Partly paid up) | | | | | | |
| | Others | 50,000 | 10.00 | 5,000,000 | 50,000 | 10.00 | 5,000,000 |
| | Ankola Paper Mills Pvt. Ltd. | 50,000 | 10.00 | 5,000,000 | 50,000 | 10.00 | 5,000,000 |
| | Associate Companies | | | | | | |
| | Viking Advanced Technologies Pvt. Ltd. | | | | | | |
| | Details of investment in Unquoted Preference Shares (Fully paid up) | | | | | | |
| | Associate Companies | 500,000 | 10.00 | 5,000,000 | 500,000 | 10.00 | 5,000,000 |
| | Ceenik Enterprises Ltd. (9% Pref shares) | 500,000 | 10.00 | 5,000,000 | 500,000 | 10.00 | 5,000,000 |

Note 9 Fixed assets

| Tangible assets | Gross block | | | | Depreciation | | | | Net Block As at 31 March, 2013 | |
|----------------------------|-----------------------------|------------|-----------|----------------------|------------------------------|------------------------|-----------|-----------|--------------------------------------|----------------------|
| | Cost as at 1 April, 2012 | Additions | Disposals | Other adjustments | Cost as at 31 March, 2013 | As at 1 April, 2012 | Additions | Disposals | | Other adjustments |
| (a) Buildings | - | - | - | -719,920 | - | -562,388 | - | - | -562,388 | - |
| (b) Plant and Equipment | 6,142,670 | 4,230,046 | - | - | 10,372,716 | 4,156,237 | 577,775 | - | 4,734,012 | 5,638,704 |
| (c) Furniture and Fixtures | -6,142,670 | - | - | - | -6,142,670 | -3,835,281 | -320,956 | - | -4,156,237 | -1,986,433 |
| (d) Vehicles | 346,524 | - | - | - | 346,524 | 311,995 | 6,248 | - | 318,243 | 28,281 |
| (e) Office equipment | -346,524 | - | - | - | -346,524 | -304,364 | -7,631 | - | -311,995 | -34,529 |
| | 2,315,547 | 5,777,394 | - | - | 8,092,941 | 2,061,939 | 422,184 | - | 2,484,123 | 5,608,818 |
| | -2,315,547 | - | - | - | -2,315,547 | -1,973,343 | -88,596 | - | -2,061,939 | -253,608 |
| | 695,682 | 2,333 | - | - | 697,985 | 594,532 | 42,780 | - | 637,312 | 60,673 |
| | -608,080 | -87,572 | - | - | -695,652 | -567,505 | -27,027 | - | -594,532 | -101,120 |
| Total | 9,500,393 | 10,009,773 | - | -719,920 | 19,510,166 | 7,124,703 | 1,048,987 | - | 8,173,690 | 11,336,476 |
| Previous year | -10,132,741 | -87,572 | - | - | -9,500,393 | -7,242,881 | -444,210 | - | -562,388 | -7,124,703 |

Note 10 Non-current investments

| Particulars | As at 31 March, 2013 | | As at 31 March, 2012 | | Total Rs. |
|---|----------------------|-----------------|----------------------|-----------------|--------------|
| | Quoted Rs. | Unquoted Rs. | Quoted Rs. | Unquoted Rs. | |
| Investments (At cost): | | | | | |
| A. Trade | | | | | |
| (a) Investment in equity instruments (give details separately for fully / partly paid up instruments) | | | | | |
| (i) of associates | 389,527 | 38,560,000 | 781,442 | 28,560,000 | 28,560,000 |
| (ii) of other entities (Refer note blow) | 389,527 | 12,500,000 | 781,442 | 12,500,000 | 13,281,442 |
| (b) Investment in preference shares (give details separately for fully / partly paid up shares) | | | | | |
| (i) of associates | | 5,000,000 | | 5,000,000 | 5,000,000 |
| B. Other investments | | | | | |
| (a) Investment property | | | | | |
| Commercial Properties (Rented) - At Cost | | 5,000,000 | | 5,000,000 | 5,000,000 |
| Total - Other investments (B) | | 56,060,000 | | 46,060,000 | 46,841,442 |
| Less: Provision for diminution in value of investments | | | | | |
| Total (A+B) | 389,527 | 56,060,000 | 781,442 | 46,060,000 | 226,907,425 |
| Aggregate amount of quoted investments | | | | | |
| Aggregate market value of listed and quoted investments | | 181,485,983 | | 180,065,983 | 180,065,983 |
| Aggregate value of listed but not quoted investments | | 181,485,983 | | 180,065,983 | 180,065,983 |
| Aggregate amount of unquoted investments | | 237,545,983 | 781,442 | 226,125,983 | 226,907,425 |
| Total | | 237,935,510 | | 226,907,425 | 781,442 |
| | | 389,527 | | 721,201 | 2,023,731 |
| | | 721,201 | | 51,060,000 | 41,060,000 |
| | | 51,060,000 | | 56,060,000 | 46,060,000 |

- 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 31st. March, 2013 for a period of more than six months from the date they became payable except for service tax for earlier years
- 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, and the accumulated losses are not more than fifty percent of its net worth. 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 repaid Long term loans, and short term loans and long term sources. The long term sources are from borrowings, sale of investments and internal accruals,
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
Firm Registration No. 119401W
DHANESH KUMAR UDAYAVAR
Proprietor
Membership No. 102031

Place : Mumbai
Date : 30/05/2013

| BALANCE SHEET as at 31st March, 2013 | | As at 31 March, 2013 | As at 31 March, 2012 |
|--|----|----------------------|----------------------|
| EQUITY AND LIABILITIES | | | |
| 1 Shareholders' funds | | | |
| | Rs | Rs | |
| (a) Share capital | 2 | 33,500,000 | 33,500,000 |
| (b) Reserves and surplus | 3 | 172,516,550 | 136,873,830 |
| (c) Money received against share warrants | | - | - |
| | | 206,016,550 | 170,373,830 |
| 2 Share application money pending allotment | | | |
| 3 Non-current liabilities | | | |
| (a) Long-term borrowings | 4 | 86,779,472 | 102,677,166 |
| | | 86,779,472 | 102,677,166 |
| 4 Current liabilities | | | |
| (a) Short-term borrowings | 5 | 11,028,218 | - |
| (b) Trade payables | 6 | 2,825,722 | 9,843,836 |
| (c) Other current liabilities | 7 | 39,114,055 | 33,414,484 |
| (d) Short-term provisions | 8 | 9,178,090 | 3,588,828 |
| | | 62,146,084 | 46,847,148 |
| ASSETS | | TOTAL | TOTAL |
| 1 Non-current assets | | | |
| (a) Fixed assets/ | | | |
| (i) Tangible assets | | | |
| | 9 | 11,336,476 | 2,375,690 |
| (b) Non-current investments | 10 | 237,935,510 | 226,907,425 |
| (c) Deferred tax assets (net) | | 1,308,956 | 838,592 |
| (d) Long-term loans and advances | 11 | 37,944,381 | 33,648,658 |
| (e) Other non-current assets | 12 | 1,141,755 | 1,173,088 |
| | | 278,330,602 | 262,567,763 |
| 2 Current assets | | | |
| (a) Inventories | 13 | 49,210,898 | 43,645,830 |
| (b) Trade receivables | 14 | 10,359,055 | 6,948,280 |
| (c) Cash and cash equivalents | 15 | 5,044,309 | 2,715,155 |
| (d) Short-term loans and advances | 16 | 416,464 | 1,184,292 |
| (e) Other current assets | 17 | 244,302 | 461,132 |
| | | 65,275,028 | 54,954,691 |
| TOTAL | | 354,942,107 | 319,898,144 |

Notes forming part of the financial statements

Notes forming part of Accounts

As per our attached report of Even Date
For Udayavar Dhanesh Kumar & Associates
Chartered AccountantsFirm Registration No 119401W
Dhanesh Kumar Udayavar
Proprietor
Membership No. 102031Place : Mumbai
Date : 30/05/2013

For and on behalf of the Board

Narain N. Hingorani
Chairman & Managing DirectorPrem L. Vachhani
DirectorPlace : Mumbai
Date : 30/05/2013

| Note 4 Long-term borrowings | | As at 31 March, 2013 Rs. | As at 31 March, 2012 Rs. |
|---|--|--|--|
| (b) Term loans | | | |
| From banks | | | |
| Secured | | 86,779,472 | 102,677,166 |
| Unsecured | | - | - |
| Total | | 86,779,472 | 102,677,166 |
| (a) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings: | | | |
| Security | | As at 31 March, 2013 Secured Rs | As at 31 March, 2012 Secured Rs |
| Term loans from banks: Loans are secured against immovable property of the Company & against assignment of receivable. The promoters of the Company has given personal guarantee. | | | |
| HDFC Bank Ltd. | | 13,762,198 | 20,651,384 |
| ICICI Bank Ltd. | | 71,333,779 | 82,025,781 |
| Karnataka Bank | loan are secured against hypothecation of Stock book debts and machinery | 1,683,495 | - |
| Total - Term loans from banks | | 86,779,472 | 102,677,166 |
| Note 5 Short-term borrowings | | | |
| Loans and advances from related | | | |
| Unsecured | | | |
| | | 11,028,218 | - |
| | | 11,028,218 | - |
| Total | | 11,028,218 | - |
| Note 6 Trade payables | | | |
| Trade payables: | | | |
| Acceptances | | | |
| | | - | - |
| Other than Acceptances | | | |
| | | 2,825,722 | 9,843,837 |
| Total | | 2,825,722 | 9,843,837 |
| Note 7 Other current liabilities | | | |
| | | As at 31 March, 2013 Rs | As at 31 March, 2012 Rs |
| (a) Current maturities of long-term debt (Refer Note (I) below) | | 22,718,375 | 17,525,978 |
| (b) Interest accrued but not due on borrowings | | 744,423 | 929,750 |
| (c) Interest accrued and due on borrowings (unsecured) | | 856,302 | 146,666 |
| (d) Other payables | | | |
| (i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.) | | 796,562 | 273,360 |
| (ii) Trade / security deposits received | | 13,139,758 | 13,955,190 |
| (iii) Advances from customers | | 439,528 | 119,528 |
| (iv) Others - Expenses | | 419,106 | 464,010 |
| Total | | 39,114,055 | 33,414,483 |
| Note (i): Current maturities of long-term debt (Refer Note 4 - Long-term borrowings for details of security and guarantee): | | | |
| (b) Term loans | | | |
| From banks | | | |
| Secured | | | |
| | | 22,718,375 | 17,525,978 |
| Unsecured | | | |
| | | - | - |
| Total | | 22,718,375 | 17,525,978 |
| Note 8 Short-term provisions | | | |
| (a) Provision for employee benefits: | | | |
| (i) Provision for bonus | | | |
| | | 22,700 | 40,041 |
| (ii) Provision for compensated absences | | | |
| | | 5,390 | 38,787 |
| | | 28,090 | 78,828 |
| (b) Provision - Others: | | | |
| (i) Provision for tax (net of advance tax Rs. Nil (As at 31 March, 2012 Rs. Nil)) | | | |
| | | 9,150,000 | 3,510,000 |
| | | - | - |
| | | 9,150,000 | 3,510,000 |
| Total | | 9,178,090 | 3,588,828 |

19TH ANNUAL REPORT 2012-2013

Note 2 : Share Capital

| Particulars | As at 31 March, 2013 | | As at 31 March, 2012 | |
|--|----------------------|-------------------|----------------------|-------------------|
| | No. of Shares | Rs. | No. of Shares | Rs. |
| (a) Authorised | | | | |
| Equity shares of Rs.10 each with voting rights | 7,500,000 | 75,000,000 | 7,500,000 | 75,000,000 |
| | 7,500,000 | 75,000,000 | 7,500,000 | 75,000,000 |
| (b) Issued,Subscribed but fully paid up | | | | |
| Equity shares of Rs.10 each with voting rights | 3,350,000 | 33,500,000 | 3,350,000 | 33,500,000 |
| Total | 3,350,000 | 33,500,000 | 3,350,000 | 33,500,000 |

(c) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

| | Opening Balance | Fresh issue | Bonus | ESOP Conversion Buy back | Closing Balance |
|---|-----------------|-------------|-------|--------------------------|-----------------|
| Equity shares with voting rights | | | | | |
| Year ended 31 March, 2012 | | | | | |
| Number of shares | 33,50,000 | - | - | - | 33,50,000 |
| Amount (Rs. 10) | 33,50,000 | - | - | - | 33,50,000 |
| Year ended 31 March, 2011 | | | | | |
| Number of shares | 3,350,000 | - | - | - | 3,350,000 |
| Amount (Rs. 10) | 33,50,000 | - | - | - | 33,50,000 |

(d) Details of shares held by each shareholder holding more than 5% shares:

| Class of shares / Name of shareholder | As at 31 March, 2013 | | As at 31 March, 2012 | |
|---|----------------------|-----------------------------------|----------------------|-----------------------------------|
| | Number of sharesheld | % holding in that class of shares | Number of sharesheld | % holding in that class of shares |
| Equity shares with voting rights | | | | |
| Mrs. Chandra Hingorani | 109,100 | 3.26% | 796,200 | 23.77% |
| Mrs. Kavita Hingorani | 1,050,500 | 31.36% | 1,050,500 | 31.36% |
| Mr. Narain Hingorani | 450,000 | 13.43% | 450,000 | 13.43% |

(e) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date: Rs. Nil

| Equity shares with voting rights | Aggregate number of shares | |
|--|----------------------------|----------------------|
| | As at 31 March, 2013 | As at 31 March, 2012 |
| Fully paid up pursuant to contract(s) without payment being received in cash | Nil | Nil |
| Fully paid up by way of bonus shares | Nil | Nil |
| Shares bought back | Nil | Nil |

(f) Details of calls unpaid

| Equity shares with voting rights | As at 31 March, 2013 | | As at 31 March, 2012 | |
|----------------------------------|----------------------|-----|----------------------|-----|
| | No. of Shares | Rs. | No. of Shares | Rs. |
| Aggregate of calls unpaid | | | | |
| - by directors | Nil | Nil | Nil | Nil |
| - by officers | Nil | Nil | Nil | Nil |
| - by others | Nil | Nil | Nil | Nil |

(g) Details of forfeited shares

| Equity shares with voting rights | As at 31 March, 2013 | | As at 31 March, 2012 | |
|----------------------------------|----------------------|-----------------------------|----------------------|-----------------------------|
| | No. of Shares | Amt. Originally paid up Rs. | No. of Shares | Amt. Originally paid up Rs. |
| | Nil | Nil | Nil | Nil |

Note 3 Reserves and surplus

| | As at 31 March, 2013 | As at 31 March, 2012 |
|--|----------------------|----------------------|
| | Rs. | Rs. |
| (a) Capital reserve | | |
| Opening balance | 9,344,382 | 8,884,058 |
| Add: Additions during the year (give details) | - | 460,324 |
| Less: Utilised / transferred during the year (give details) | - | - |
| Closing balance | 9,344,382 | 9,344,382 |
| (b) Export Reserve | | |
| Opening balance | - | 460,324 |
| Add: Additions / transfers during the year | - | - |
| Less: Utilisations / transfers during the year | - | 460,324 |
| Closing balance | - | - |
| (k) Surplus / (Deficit) in Statement of Profit and Loss | | |
| Opening balance | 127,529,448 | 124,852,290 |
| Add: Profit / (Loss) for the year | 35,642,720 | 2677,158 |
| Closing balance | 163,172,168 | 127,529,448 |
| | 172,516,550 | 136,873,830 |

19TH ANNUAL REPORT 2012-2013

PROFIT AND LOSS ACCOUNT
for the year ended 31st March, 2013

| | | For the year ended 31 March, 2013 | For the year ended 31 March, 2012 |
|---|------|-----------------------------------|-----------------------------------|
| | | Rs | Rs |
| CONTINUING OPERATIONS | | | |
| Revenue from operations (gross) | 18 | 42,801,848 | 17,574,807 |
| Less: Excise duty | | - | - |
| Revenue from operations (net) | | 42,801,848 | 17,574,807 |
| Other income | 19 | 78,895,043 | 32,108,194 |
| Total revenue (1+2) | | 121,696,891 | 49,683,002 |
| Expenses | | | |
| (a) Cost of materials consumed | 20.a | 33,531,136 | 12,220,468 |
| (b) Purchases of stock-in-trade | | - | - |
| (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 20.b | 5,455,526 | 372,327 |
| (d) Employee benefits expense | 21 | 1,716,443 | 2,136,087 |
| (e) Finance costs | 22 | 15,856,850 | 16,463,957 |
| (f) Depreciation and amortisation expense | 9 | 1,048,987 | 444,210 |
| (g) Other expenses | 23 | 18,459,451 | 14,865,007 |
| Total expenses | | 76,068,393 | 46,502,056 |
| Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4) | | 45,628,499 | 3,180,946 |
| Exceptional items | | - | - |
| Profit / (Loss) before extraordinary items and tax (5 + 6) | | 45,628,499 | 3,180,946 |
| Extraordinary items | | - | - |
| Profit / (Loss) before tax (7 + 8) | | 45,628,499 | 3,180,946 |
| Tax expense: | | | |
| (a) Current tax expense for current year | | 8,500,000 | 650,000 |
| (b) Current tax expense for previous year | | 1,956,143 | - |
| (c) Net current tax expense | | 10,456,143 | 650,000 |
| (e) Deferred tax Asset | | 470,364 | (146,212) |
| | | 9,985,779 | 503,788 |
| Profit / (Loss) from continuing operations (9 +10) | | 35,642,720 | 2,677,158 |
| Earnings per share (of Rs. 10/- each): | | | |
| (a) Basic | | 10.64 | 0.80 |
| (b) Diluted | | 10.64 | 0.80 |

Notes forming part of the financial statements

Notes forming part of Accounts
As per our attached report of Even Date

For Udayavar Dhanesh Kumar & Associates
Chartered Accountants
Firm Registration No 119401W
Dhanesh Kumar Udayavar
Proprietor
Membership No. 102031

Place : Mumbai
Date : 30/05/2013

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

Prem L Vachhani
Director

Place : Mumbai
Date : 30/05/2013

Note Fanning Part of the Finial Statements

(1) Significant accounting policies

(a) Basis of accounting and preparation of financial statements

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the generally accounting principles. Accounting Standards notified under section 211 (3C) of the Companies Act, 1956 and the relevant provisions thereof.

(b) Use of estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of these financial liabilities and the reported amounts of revenues and expenses for the year under review. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable and in conformity with Indian GAAP. Actual results may differ from these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known or materialised. Estimates and underlying assumptions are reviewed on an ongoing basis.

(c) Inventories

Inventories of raw material are valued at the lower of cost and the net realisable value on FIFO basis after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of manufacturing facility, including octroi and other levies. Inventories of finished goods are valued at the lower of cost and net realisable value after providing for obsolescence. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies. Net realisable value is estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses.

(d) Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value

(e) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(f) Depreciation and amortization

Depreciation has been provided on written down method as per the rates prescribed in Schedule XIV to the Companies Act, 1956.

(g) Revenue recognition

Sale of goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude sales tax and value added tax.

Income from Rented Properties

Income from Commercial properties rented are recognised on accrual basis and for invoices raised. Rental income is inclusive of related deducted at source but excluding service tax.

(h) Other income

Interest income from Bank Fixed Deposit and other interest is accounted on accrual basis, inclusive of related tax deducted at source. Dividend income is accounted on receipt basis.

(i) Fixed assets

Fixed Assets are stated at cost of acquisition less accumulated depreciation / amortisation. Cost includes purchase price, taxes and duties and other direct costs incurred upto the date the asset is ready for its intended use.

(j) Foreign currency transactions and translations

Initial recognition

Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date

Foreign currency monetary items (other than derivative contracts) of the Company and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates. Exchange differences arising out of these translations are recognised in the Statement of Profit and Loss.

(k) Investments

Long-term investments (including investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

(l) Impairment

At each Balance Sheet date, the Company assesses whether there is any indication that the fixed assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where it is not possible to estimate the recoverable amount of the individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

As per the assessment conducted by the company at March 31st., 2013, there were no indication that the fixed assets have suffered an impairment loss.

(m) Employee benefits

Employee benefits include provident fund, superannuation fund, gratuity and leave encashment.

Defined contribution plans

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

Defined benefit plans

For defined benefit plans in the form of gratuity fund are accounted on cash basis.

(n) Business Segments

The Company is engaged mainly in the business of manufacturing of garments and renting of properties. These, in context of Accounting Standard 17 on Segment Reporting, as specified in the Companies (Accounting Standard) Rules, 2006, are considered to two primary segments. Further, there is no reportable secondary segment i.e. Geographical Segment.

(o) Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(p) Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax is net of credit for entitlement for Minimum Alternate Tax (MAT).

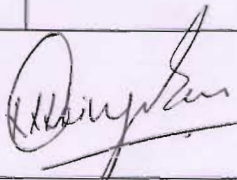
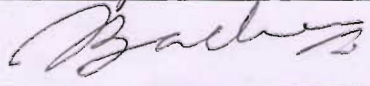
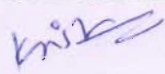
Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

(q) Provisions and contingencies

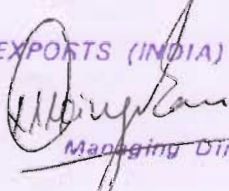
The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For losses that are possible (but not probable), the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The Manager
Corporate Relationship Dept.
BSE Ltd.
Dalal Street
MUMBAI

FORM A

| | | |
|----|---|--|
| 1. | Name of the Company: | CEENIK EXPORTS (INDIA) LIMITED |
| 2. | Annual financial statements for the year ended | 31st March, 2013 |
| 3. | Type of Audit observation | Un-qualified |
| 4. | Frequency of observation | Not Applicable |
| 5. | Signed by- Managing Director (NARAIN HINGORANI) |  |
| | Audit Committee Chairman (BRIJLAL BACHANI) |  |
| | Auditor of the company (DHANESH KUMAR UDAYAVAR) |  |

CEENIK EXPORTS (INDIA) LTD.


Managing Director