

JIK INDUSTRIES LIMITED



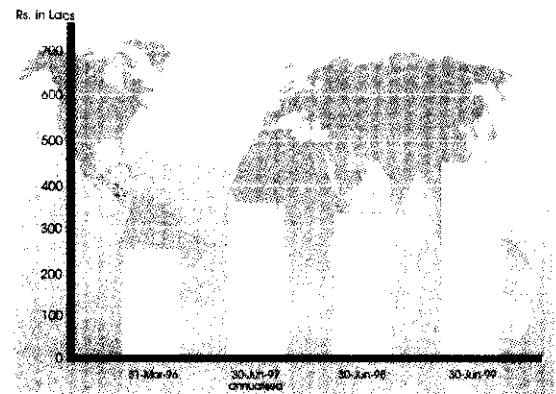
ANNUAL REPORT
1998-99

JRP
Joint Reporting Project
Affiliate

TOTAL INCOME



NET PROFIT AFTER TAX



STOCK PRICES (CLOSING)



DIVIDEND



NETWORTH



BOARD OF DIRECTORS

Shri. M. A. PAI	Chairman
Shri. R. G. PARIKH	Vice Chairman
Shri. M. V. SHAH	
Shri. N. GANGA RAM	
Smt. J. R. PARIKH	
Shri. M. P. THAKKER	
Shri. P. V. SHAH	
Shri. M. M. PARIKH	Executive Director
Shri. C. H. GOSALIA	Executive Director
Shri. G. S. SALIAN	Executive Director

COMPANY SECRETARY

Shri. S. D. BHURKE

BANKERS

BANK OF INDIA
KARNATAKA BANK LTD.
MANDVI CO-OP. BANK LTD.
UNITED BANK OF INDIA

SOLICITORS

K. G. UNDERKAT & CO.

AUDITORS

BHARAT BAKSHI AND ASSOCIATES

REGD. OFFICE & SHARE DEPT.

16, GUNDECHA CHAMBERS,
NAGINDAS MASTER ROAD, FORT,
MUMBAI - 400 023.

FACTORIES

LEAD - FREE CRYSTAL PLANT
PADA NO. 3, BALKUM, THANE - 400 608

CHEMICAL WASTE RECYCLING PLANT
VIJAYGAD, TALUKA WADA, DIST. THANE

Company Information	.....	2
Financial Summary	.....	3
Directors' Report	.....	4
Auditors' Report	.....	7
Balance Sheet	.....	10
Profit and Loss Account	.....	11
Schedules to Accounts	.....	12
Cash Flow	.....	26
Balance Sheet Abstract and Company's General Profile	.....	28

Company Information



LISTING

The Stock Exchange, Mumbai
National Stock Exchange of India Limited
The Stock Exchange, Ahmedabad

TELEPHONE NO.

+91-22-267 6632

FAX NO.

+91-22-267 6633

E-MAIL ADDRESS

jrp@vsnl.com

WEBSITE

www.ariacrystal.com

SHARE TRANSFER SYSTEM

All shares have been transferred and returned within 30 days from the date of lodgement, provided the necessary documents were in order.

INVESTOR CORRESPONDENCE

In case of any queries, investors are requested to contact the Company Secretary.

ACTIVITIES

a) ARIA -LEAD FREE CRYSTAL & TABLEWARE

The Company is manufacturing and marketing crystal glassware products under its **Aria** brand name. Major portion of its production is exported to Europe, Middle - East and Far East. The Company's crystal exports are ranked amongst the top in the country. Domestic clients include major hotel chains & corporates in India. Retail sales are made through its various showrooms in Mumbai. More showrooms are being planned in other parts of the country in the near future.

Aria is also undergoing a change in concept from a crystal brand to a crystal and tableware brand with the introduction of porcelain sets, designer table mats/napkins, high quality cutlery items.

b) CHEMICAL WASTE RECYCLING

The Company recycles industrial solvent waste at its chemical waste recycling plant at Vijaygad, Dist. Thane, located about 40 kms from the crystal glass unit. The Company has expanded the capacity of its plant in the current year.

c) COMPREHENSIVE WASTE MANAGEMENT PROGRAMME

The Company has been allotted two sites for Comprehensive Waste Management & Treatment Programme undertaken by Maharashtra Industrial Development Corporation (M.I.D.C.). The project involves treating and recycling of industrial waste.

d) MONEY CHANGING AND MONEY TRANSFER

The Company is a Reserve Bank of India (RBI) approved Full Fledged Money Changer, having its branches in various parts of India. The Company is ranked amongst the leading money changers in the country.

The Company has entered into an agreement with Western Union Financial Services International, the worlds largest money transfer company having more than 70,000 locations in over 170 countries. This is an RBI approved business of inward remittances/money transfer into India.

e) DISTRIBUTION

The Company is a distributor of Fast Moving Consumer Goods such as confectioneries and also of lighting products & fixtures.

Financial Summary

Asia

	98-99	Rs. In Lacs 97-98	96-97 (15 Months)
Sales/Income from operations	10527.24	9295.53	10898.27
Total Income	10528.64	9335.81	10901.19
Profit Before Depreciation, Interest & Tax (PBDIT)	1032.99	608.83	650.32
Depreciation	258.16	102.30	71.23
Interest	274.46	134.22	51.94
Profit Before Tax (PBT)	500.37	372.31	527.15
Tax	57.80	39.10	64.12
Profit After Tax (PAT)	442.57	333.21	463.03
Dividend Amount-Equity Shares	89.72	83.07	83.07
-Preference Shares	118.72	70.12	2.02
Reserves & Surplus	1293.70	1081.98	918.66
Net Worth	2843.09	2122.57	1706.58
Gross Fixed Assets	2831.35	1383.53	553.95
Net Fixed Assets	2339.26	1147.94	419.51

Directors' Report

Area

To,
The Members,
Your Directors have pleasure in presenting the Ninth Annual Report, together with the audited accounts of the Company, for the year ended 30th June, 1999.

1. FINANCIAL RESULTS

	(Rs. in lacs)	
	1998-99	1997-98
Sales/Income from operations	10527.24	9295.53
Other Income	1.40	40.28
Profit before Depreciation & Tax	758.53	474.61
Less : Depreciation	258.16	102.30
Profit before Tax	500.37	372.31
Less : Provision for Taxation	57.80	39.10
Profit after Tax	442.57	333.21
Balance brought forward	664.56	541.23
	0.51	(1.37)
Prior period adjustment		
Profit available for appropriation	1107.64	873.07
APPROPRIATION :		
Proposed Dividend	208.44	153.19
Tax on Dividend	22.93	15.32
Transfer to General Reserve	45.00	40.00
Surplus carried to Balance Sheet	831.27	664.56

2. DIVIDEND

Your Directors are pleased to recommend a dividend of 27 % on equity shares, tax free in the hands of the shareholders, for the year ended 30th June, 1999.

3. PERFORMANCE

During the year, your Company made steady progress and achieved a turnover of Rs 10527.24 lacs for the year ended 30th June, 1999.

The net profit of the Company increased by 32.82%. The cash profit & net worth of the Company increased by 62.04% and 33.95% respectively.

As per Business Today-500, the Company's ranking in terms of market capitalisation has improved from 403 in 1998 to 338 in 1999 and as per The Economic Times-500, from 400 to 367.

The lead-free crystal glass products are well accepted by domestic as well as overseas markets.

During the year, the Company has opened more showrooms at premium locations in Mumbai.

The Company recycles industrial solvent waste at its chemical waste recycling plant at Vijaygad, Dist. Thane with an increased capacity.

The Company is a Reserve Bank of India approved full fledged money changer and Western Union money transfer agent.

The Company is a distributor of Fast Moving Consumer Goods.

4. ISSUE OF PREFERENCE SHARES.

During the year, the Company issued 14% 34,560 Non-Convertible Redeemable Cumulative Preference Shares of Rs. 100 each aggregating Rs. 34.56 lacs and 1% 5,00,000 Optionally Convertible Redeemable Cumulative Preference Shares of Rs. 100 each aggregating Rs. 500 lacs.

5. DEPOSITS

49 deposits totalling Rs. 6.87 lacs due for repayment on or before 30th June, 1999 remained unclaimed by the depositors as on that date. However, as on the date of this report, 9 deposits totalling Rs. 1.61 lacs remained unclaimed.

6. DIRECTORS

In accordance with the requirement of the Companies Act, 1956 and the Company's Articles of Association, Shri M. A. Pai, Shri M. V. Shah and Shri. M.P. Thakker are due to retire by rotation at the forthcoming Annual General Meeting and being eligible, they offer themselves for re-appointment.

7. AUDITORS

At the Annual General Meeting, the Members will be requested to appoint Auditors for the current year and fix their remuneration. The present auditors M/s Bharat Bakshi & Associates, Chartered Accountants, have, pursuant to Section 224 (1B) of the Companies Act, 1956, furnished to the Company a certificate regarding their eligibility for re-appointment as the Company's auditors for the current year 1999-2000.

Directors' Report

Area

8. Y2K COMPLIANCE

The Company has prepared a detailed schedule for addressing the issues arising from Year 2000 compliance. The schedule covers study of existing hardware, software and electronic instruments in the Company. The Company has already taken necessary action and does not expect any adverse impact on its process/business due to Year 2000 issue.

9. CORPORATE ETHICS

The Company believes that its business should be conducted in a manner that is dignified, transparent and accountable. In order to achieve this, the Company is preparing a detailed Corporate Ethics Policy which will encompass all of the company's relationships.

10. INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956

No employee, employed by the Company throughout the financial year 1998-99 or part of the year draw remuneration of Rs. 6,00,000 or more per annum or Rs. 50,000 or more per month. Accordingly the Company has no information to give under Section 217(2A) of the Companies Act, 1956 read with the Company's (Particulars of Employees) Rules, 1975.

11. ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

Information required to be given pursuant to Section 217(1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is annexed hereto and forms part of the Report.

12. ACKNOWLEDGEMENT

Your Directors wish to thank and place on record their appreciation for the support and co-operation received from the Company's bankers, financial institutions, foreign collaborators and Government authorities, and employees at all levels. The Directors also wish to express their gratitude to the shareholders for the faith reposed in the Company.

By Order of the
Board of Directors

Place : Mumbai
Date : 30th August, 1999

M. A. PAI
CHAIRMAN

ANNEXURE - TO DIRECTORS' REPORT

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

A. CONSERVATION OF ENERGY

(a) Energy conservation measures taken :

The Company is in the process of finding better measures to save energy.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy : N. A.

(c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods: N. A.

(d) Total Energy Consumption and Energy Consumption per unit of production as per Form A in respect of industries specified in the Schedule:

FORM A

(Disclosure of particulars with respect to Conservation of Energy)

A. POWER AND FUEL CONSUMPTION

	1998 - 99 Current Year	1997 - 98 Previous Year
1. Electricity :		
(a) Purchased		
Units (KWH)	2,73,021	1,25,795
Total Amount (Rs)	14,36,167.36	8,09,584.02
Rate per unit (Avg) (including amount capitalised)	5.26	6.44
(b) Own generation		
(i) Through diesel generator :		
Units (KWH)	64,771	4000
Units per Ltr. of Diesel oil	4.35	4
Cost per unit (Rs.)	2.55	1.92
(ii) Through steam turbine/generator :		
Units		
Units per Ltr. of fuel Oil/Gas	Nil	Nil
Cost/Units		

Directors' Report



2. Coal :

Quantity (Tonnes)		
Total Cost	Nil	Nil
Average Cost		

3. Furnace Oil/Gas :

Propane gas/LPG		
Qty. (M.T.)	357.39	85.81
Total Cost (Rs.)	46,19,858.82	11,06,087.73
Average Rate (Rs.)/Kg	12.93	12.89

4. Others/Internal

Generation :

Distillate residue		
Quantity in M.T	Nil	Nil
Total Cost (not ascertained)		
Rate per unit	Nil	14.5

B. CONSUMPTION PER UNIT OF PRODUCTION

It is not feasible to maintain product-wise energy consumption data, since a large range of products having different energy requirements, is being manufactured.

B. TECHNOLOGY ABSORPTION :

e) Efforts made in technology absorption as per Form B :

FORM B

(Disclosure of particulars with respect to Technology Absorption)

(ii) Benefit derived as a result of the above efforts :
The above innovations has enabled the Company to increase sales.

(iii) Technology Imported :

a) Technology imported from Reci Industri AB of Sweden and Lindshammar Glasbruk AB of Sweden.

b) Year of import during 1996-97 and 1997-98 respectively.

c) Has Technology been fully absorbed : Yes

d) If not fully absorbed, reasons and future course of action : NA

C. FOREIGN EXCHANGE EARNINGS & OUTGO:

Disclosure relating to export, initiatives taken to increase export, development of new export markets for products and services and export plans :

The Company is continuously exploring avenues to increase exports.

TOTAL FOREIGN EXCHANGE USED AND EARNED :

	(Rs. in Lacs)	
	1998 - 99	1997 - 98
i) Total foreign exchange used	64.79	83.23
ii) Total foreign exchange earned	579.67	4.75

RESEARCH AND DEVELOPMENT (R & D) :

1. Specific area in which R & D is carried out by the Company :

The Company is continuously doing survey and recovery study of industrial effluents.

2. Benefits derived as a result of the above R&D :

The Company is able to classify right type of crude.

3. Future Plan of Action :

The Company will continue the above activities to achieve perfection.

4. Expenditure on R & D :

The Company has modern laboratory equipments, hence expenses are very negligible.

By Order of the
Board of Directors

Place : Mumbai
Dated : 30th August, 1999

M. A. PAI
CHAIRMAN

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

(i) The Company's innovation in its design department has enabled it to bring about a blend of Swedish technology with Indian designs for its lead-free crystal glass.

Auditors' Report

Asia

AUDITORS' REPORT TO THE MEMBERS OF JIK INDUSTRIES LIMITED

We have audited the attached Balance Sheet of **JIK INDUSTRIES LIMITED** as at 30th June, 1999 and the Profit and Loss Account of the Company for the year ended on that date annexed thereto and report that :

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of section 227(4A) of the Companies Act, 1956, and according to the information and explanations given to us and on the basis of such checks as we considered appropriate, we enclose in the Annexure our comments on the matter specified in paragraphs 4 & 5 of the said Order to the extent applicable to the Company.

2. Further to our comments in the Annexure referred to in paragraph (1) above :

a) 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.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books. However, accounting for incentives on money changing/distribution transactions have been done on receipt basis.

c) The Balance Sheet and Profit and Loss Account dealt with by this Report are in agreement with the books of account of the Company.

d) In our opinion, the Balance Sheet and Profit & Loss account comply with the Accounting Standards referred to in Sub-Section (3c) of Section 211 of the Companies Act, 1956.

e) Subject to our observations in para 2 (b) above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in the case of :

- i) the Balance Sheet, of the state of affairs of the Company as at 30th June, 1999 and

- ii) the Profit and Loss Account, of the profit of the Company for the year ended on that date.

FOR BHARAT BAKSHI & ASSOCIATES
CHARTERED ACCOUNTANTS

BHARAT V. BAKSHI
PROPRIETOR

PLACE : Mumbai

DATED : 30th August, 1999

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of our Report of even date on the Accounts of **JIK INDUSTRIES LIMITED** for the year ended 30th June, 1999)

1. The Company is in process of maintaining proper records showing full particulars including quantitative details and situation of its fixed assets. The management has physically verified the fixed assets during the year and we are informed that no material discrepancies were found between book records and physical existence of such assets.
2. None of the fixed assets has been revalued during the year.
3. According to the information given to us, physical verification has been conducted by the management at reasonable intervals in respect of finished goods, stores, spares and raw materials.
4. In our opinion and according to the information given to us, the procedure of physical verification of stock followed by the management is reasonable and adequate considering the size of the Company and the nature of its business.
5. No material discrepancies have been noticed on physical verification of stocks as compared to book balances in so far as appears from our examination of the books.
6. On the basis of our examination of stock records, we are of the opinion that the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles. There has been no change in the basis of valuation of stocks as compared to the preceding period.