



**JIK Industries Limited**

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***19th Annual Report  
2010-2011***

## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

R.G.Parikh	- Chairman & Managing Director
S.C. Gurav	- Director
M. P. Thakkar	- Director
V. P Panikar	- Director

### **COMPANY SECRETARY**

Rajit A. Kesariya

### **AUDITORS**

M/s Motilal & Associates  
Chartered Accountants, Mumbai

### **REGISTERED OFFICE**

Pada No. 3, Balkum, Thane - 400608.  
Phone: +91-22-25340063, 25426349

### **ADMINISTRATIVE OFFICE**

1,2,3 , Gundecha Chambers,  
N.M. Road, Fort,  
Mumbai- 400023.  
Phone: +91-22-22633313  
Fax: +91-22-22676633  
E-mail: admin@jik.co.in  
Website: <http://www.jik.co.in/>

### **REGISTRAR & SHARE TRANSFER AGENT**

Sharex Dynamic (India) Private Limited  
Unit No. 1, Luthra Industrial Premises,  
Andheri -Kurla Road, Safed Pool,  
Andheri (East), Mumbai- 400072.  
Phone: +91-22-2851 5606/5644  
Fax : +91-22- 2851 2885

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## DIRECTORS' REPORT

Your Directors are pleased to present herewith Nineteenth Annual Report together with the Audited Statements of Accounts of the Company for the Fifteen months period ended 30<sup>th</sup> June, 2011.

### OPERATIONS

The performance of the Company during the reporting period has been satisfactory. The sales are showing positive signs of recovery after manifold challenges that were faced in the past. We are pleased to announce that during the year under report, the Company has entered into MOU with (i) Searange Houseware Limited inter alia for outsourcing co-operation and introduction of Searange's products under JIK's brand(s) and (ii) Guangzhou Nantian Sources Company Limited inter alia for business co-operation in hospitality supplies. During the year under review, the Company has introduced semi precious jewellery / crystal jewellery.

### FINANCIAL HIGHLIGHTS

All secured creditors were settled and the Company became totally debt free with respect to secured creditors in the previous year. Standalone Financial Information of JIK Industries Limited is as follow:

Particulars	(Amount in Rupees)	
	Period ended 30th June, 2011	Period ended 31st March, 2010
Sales & Other Income	49,85,56,926	20,89,92,250
Total Expenses	44,93,63,528	20,82,07,295
Gross Profit/ (Loss)	4,91,93,398	7,84,955
Interest and Finance Charges	—	5,92,642
Depreciation and Amortization	60,54,149	58,69,296
Profit / (Loss) before Taxes and Extra - Ordinary Items	4,31,39,249	(56,76,983)
Provision for Taxes	(1,04,72,873)	5,49,897
Profit / (Loss) before Extra Ordinary Items	5,36,12,122	(62,26,880)
Extra Ordinary Items	—	3,52,45,548
Net Profit after Tax	5,36,12,122	2,90,18,668

### EXTENSION OF FINANCIAL YEAR AND CHANGE IN SUBSEQUENT FINANCIAL YEAR

The Board of Directors at its meeting held on 30<sup>th</sup> March, 2011 had extended current financial year by three months, up to 30<sup>th</sup> June 2011 and also approved the change in subsequent financial year starting from 1<sup>st</sup> July, 2011 and end on 30<sup>th</sup> June, 2012. Accordingly the attached financials have been prepared for 15 months i.e. 1<sup>st</sup> April, 2010 to 30<sup>th</sup> June, 2011.

### PUBLIC DEPOSIT

The Company has not accepted any fixed deposit from public during the period under report.

### DIRECTORS

Mr. Manoj P. Thakkar was appointed as an Additional Director of the Company w.e.f. January 31, 2011. As per provisions of section 260 of the Companies Act, 1956, Mr. Manoj P. Thakkar, in his capacity as Additional Director will cease to hold office at the forthcoming Annual General Meeting and is eligible for appointment. Notice under section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose his appointment as a Director.

Mr. Vijay P. Panikar was appointed as an Additional Director of the Company w.e.f. August 18, 2011. As per provisions of section 260 of the Companies Act, 1956, Mr. Vijay P. Panikar, in his capacity as Additional Director will cease to hold office at the forthcoming Annual General Meeting and is eligible for appointment. Notice under section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose his appointment as a Director.

Mr. Kartik K. Kotadia has resigned from the Board of the Company w.e.f. January 21, 2011.

Mr. Vithal M. Dahake has resigned from the Board of the Company w.e.f. June 29, 2011.

Further, Mr. Surendra C. Gurav retires from office by rotation and being eligible, offer himself for re-appointment at the forthcoming Annual General Meeting of the Company.

In terms of the provision of section 274(1) (g) of the Companies Act, 1956 as amended from time to time, none of the Directors are disqualified.

### AUDITORS

M/s. Motilal & Associates., Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the forthcoming Annual General Meeting. The Company has received a letter from them to the effect that their re-appointment, if made, would be within the prescribed limit under Section 224 (1B) of the Companies Act, 1956 and that they are not disqualified for reappointment within the meaning of Section 226 of the said Act.

### SUBSIDIARY COMPANIES

Pursuant to the Rehabilitation Scheme sanctioned (2008-2017) by the Hon'ble BIFR, the Company has been exempted from the requirement to attach documents in respect of subsidiary companies. Accordingly, the Balance Sheet, Profit & Loss Account, and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. Financial information of the subsidiary companies, as required, is disclosed in the Annual Report. The Company will make available the Annual Accounts of the subsidiary companies to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company during normal office hours (10.00 A.M. to 6.00 P.M.) The Consolidated Financial Statements presented by the Company includes financial results of its subsidiary companies.

As per communication received from the Company's subsidiaries regarding the development of their land at Thane, the Board of Directors will expedite for shifting of the plant to facilitate the joint development project.

### CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard (AS-21) read with Accounting Standard (AS-23), the consolidated financial statements are attached, which form part of the Annual Report.

### BRU (Bombay Relief Undertaking)

The Government of Maharashtra vide Notification No. BRU.2010/C.R.(419/10)/Ind-10 dated September 7, 2010 has declared the Company as "Relief Undertaking" for a period of one year from that date.

### CORPORATE GOVERNANCE

The Report on Corporate Governance and Auditors Certificate regarding compliance with conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges forms part of this Annual Report.

The Management Discussion and Analysis Report for the period under review as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges have been included in this Annual Report.

### PARTICULARS OF EMPLOYEE

The Company does not have any employee falling within the scope of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of the Employees) Rules, 1975 and as such no information has been provided.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO

A statement pursuant to section 217(1)(e) of the Companies Act, 1956, giving details of measures taken toward conservation of energy, technology absorption, foreign exchange earnings and outgo in accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1998 is annexed in this report.

### RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, it is hereby confirmed that:

- in the preparation of the financial statements, the applicable accounting standards had been followed and there is no material departure;
- appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 30<sup>th</sup> June, 2011 and of the profit of the Company for the period ended on that date;
- proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding of the assets of the Company and for preventing and detecting fraud and other irregularities;
- the financial statements for 15 months period ended 30<sup>th</sup> June, 2011 have been prepared on a 'going concern basis'.

**CASH FLOW STATEMENT:**

In conformity with the provisions of Clause 32 of the Listing Agreement with the Stock Exchanges, the Cash Flow Statement for the financial period ended 30<sup>th</sup> June, 2011 is annexed herewith.

**INFORMATION UNDER LISTING AGREEMENT WITH STOCK EXCHANGES DEMATERIALISATION OF SHARES**

The Shares of the Company have been admitted in dematerialized form for trading by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) under the ISIN: INE026B01049 and they are traded in dematerialized form.

As on 30<sup>th</sup> June, 2011 a total of 55353028 equity shares of the Company, which form 88.64 % of the equity share capital, stand dematerialized. Above 55353028 equity shares includes 64,40,000 equity shares allotted on 30<sup>th</sup> June, 2011 subject to necessary approvals.

In accordance with Circular No. D&CC/FITTC/CIR-16-2002 dated December 31, 2002 of Securities and Exchange Board of India, Secretarial Audit Report for the quarters ended June 30, 2010; September 30, 2010; December 31, 2010; March 31, 2011 and June 30, 2011 have been obtained from Company Secretary in whole time practice.

**LISTING OF SECURITIES OF COMPANY**

The equity shares of your Company continue to be listed on The Bombay Stock Exchange Limited and The National Stock Exchange of India Limited. The listing fee for the year 2011-12 has been paid to both the exchanges.

**ACKNOWLEDGEMENT**

Your Directors wish to acknowledge all their stakeholders and are grateful for the excellent support received from the Shareholders, Government authorities, esteemed corporate clients, customers and other business associates. Your Directors recognise and appreciate the hard work and efforts put in by all the employees of the Company and their contribution to the growth of the Company in a very challenging environment.

**For and on behalf of the Board**

Place: Mumbai  
Dated: 29<sup>th</sup> August, 2011

**Rajendra G. Parikh**  
**Chairman & Managing Director**

**ANNEXURE I – TO DIRECTORS' REPORT**

**Statement pursuant to Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.**

**FORM – A** (see Rule 2)

**Form of Disclosure of particulars with respect to Conservation of Energy**

	<b>Period ended 30<sup>th</sup> June, 2011 (15 months)</b>	<b>Period ended 31<sup>st</sup> March, 2010 (15 months)</b>
<b>A. Power and fuel consumption</b>		
1. Electricity:		
(a) Purchased		
Units (KWH)	<b>27403</b>	24106
Total Amount (Rs)	<b>341842</b>	2,91,594
Rate per Unit (Avg.)	<b>5.25</b>	4.60
(b) Own generation		
(i) Through diesel generator:		
Units (KWH)	<b>Nil</b>	2363
Units per Ltr. of Diesel oil	<b>Nil</b>	4.25
Cost per unit (Rs.)	<b>Nil</b>	9.31
2. Coal (specify quality and where used)	<b>Nil</b>	Nil
3. Furnace Oil/Gas	<b>Nil</b>	Nil
4. Others/Internal Generation	<b>Nil</b>	Nil

**B. Consumption per unit of production:**

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

**FORM - B**

**Disclosure of particulars with respect to Technology Absorption, adoption and Innovation**

The Company has done Research & Development Activity especially in new designs, new developments and products.

**Technology Imported:**

- Technology imported from Reci Industri AB of Sweden and Lindhsammar Glasbruk AB of Sweden.
- Year of import during 1996-97 and 1997-98 respectively.
- Has Technology been fully absorbed: Yes.
- If not fully absorbed, reasons and future course of action: NA

**C. FOREIGN EXCHANGE EARNINGS & OUTGOING:**

**Total Foreign Exchange used and Earned:**

	<b>Period ended 30<sup>th</sup> June, 2011 (15 months)</b>	<b>(Rs. in Lakhs) Period ended 31<sup>st</sup> March, 2010 (15 months)</b>
i. Total foreign exchange used	<b>1.10</b>	0.09
ii. Total foreign exchange earned	<b>Nil</b>	Nil

## MANAGEMENT DISCUSSIONS AND ANALYSIS

The Company is in business of crystal, glass and allied products. This forms the basis for review of operational performance by the management for the Fifteen months period ended 30<sup>th</sup> June, 2011.

### INDUSTRY STRUCTURE:

Nevertheless, economic growth in the industrialized nations was below average compared with the performance seen after previous economic slumps, with only Asia, particularly India and China seeing above average momentum/movement. The financial year 2010-11 faced headwinds such as the Euro-zone debt crisis, political upheaval in Middle East and the twin catastrophes of earthquakes and tsunami striking Japan.

Overall, Financial Year 2010-11 was a very challenging year for the Company.

### COMPANY OVERVIEW:

JIK is in the business of manufacturing, outsourcing, marketing and trading of crystal, glass and allied products. The Company has entered into MOU with (i) Searange Houseware Limited inter alia for outsourcing co-operation and introduction of Searange's products under JIK's brand(s) and (ii) Guangzhou Nantian Sources Company Limited inter alia for business co-operation in hospitality supplies. During the year under review, the Company has introduced semi precious jewellery / crystal jewellery.

The Company has floated subsidiary of subsidiary abroad for increase its focus and capabilities in the high-end luxury product segment and export to Europe and Middle-East markets and enhance its overseas business development in these markets.

As compared to previous year, the Company has significant growth for the financial year 2010-11.

### OPPORTUNITIES AND THREATS:

Management believes that it is right time to take advantage of the global business opportunities that are being presented. The Company is in a position of advantage due to the range of products and price competitiveness. Also experience of exporting to global markets has an advantage in marketing of products. Moreover, in the domestic market, there are not many brands to compete within this segment.

As our domestic market is stable and global market is not so, Foreign Company may become aggressive in our domestic market.

### OUTLOOK:

The Company continues to focus on launching new products, strengthening its brand presence, forging new strategic alliances to continuously improve its offerings in the market place and more focus in the domestic as well as the international markets. Shifting of the plant & other relevant factor may affect the performance of the Company.

### RISK MANAGEMENT:

JIK, like any other enterprise having national as well global business interests, is exposed to business risks which may be internal as well as external. In the broadest sense, we define risk as the eventuality of not achieving our financial, operative, or strategic goals as planned. To ensure our long-term corporate success, it is therefore essential that risks be effectively identified, analyzed and then mitigated by means of appropriate control measures. We have a comprehensive risk management system in place, which enables us to recognize and analyze risks early and to take the appropriate action. This system is implemented as an integral part of our business processes and includes monitoring and controlling internal enterprise business risks and addressing them through informed and objective strategies.

Apart from normal business associated risks, there exist external risks and concerns of volatility in global economies and increase in costs of inputs as applicable to the industry. One of the key risks faced by the Company in today's scenario is the rising inflationary trend and increase of imitation products and brands can hamper the growth.

The Company is well aware of these risks and challenges and has been putting in place mechanisms to ensure that they are managed and mitigated with adequate timely actions.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The internal controls are designed to provide reasonable assurance with regard to defined roles and responsibilities down the line for all managerial position.

### HUMAN RESOURCES MANAGEMENT:

Human resources are being recognized as one of the critical area to the success of the organization. Employees are vital and most valuable assets. We have created a favourable work environment that encourages innovation. There is close interaction between the Management and employees to facilitate smooth functioning of all the organizational activities.

### CAUTION STATEMENT:

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downward trend in the domestic and international markets, rise in input costs, exchange rate fluctuations, and significant changes in political and economic environment in India, environment standards, tax laws, litigation and labour relations. Actual results could differ materially from those expressed or implied.

**CORPORATE GOVERNANCE REPORT**

(As required by Clause 49 of the Listing Agreement)

**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

Your Company believes that Corporate Governance is critical to sustaining corporate development, increasing productivity and competitiveness. Your Company's essential philosophy is shaped by the management. The Company continuously endeavors to improve on these aspects on an ongoing basis.

**2. BOARD OF DIRECTORS**
**2.1 Composition of the Board**

The Board of Directors of the Company represents an optimum combination of Executive and Non- Executive directors for its independent functioning. The Board comprises of four directors, of which one is Executive Director and three Non-Executive Independent Directors (NEID). Out of three NEID, one appointed on August 18, 2011. The above composition is consistent with the relevant provisions of Clause 49 of the Listing agreement entered into with Stock Exchanges.

**2.2 Board Meetings and attendance:**

Nine Board Meetings were held during 15 months period ended 30<sup>th</sup> June, 2011 and the gap between two Board meetings did not exceed 4 months. The date on which the meetings were held are as follows:

Sr. No.	Date of Meeting	Board Strength	No. of Directors Present
1	18 <sup>th</sup> June, 2010	4	3
2	22 <sup>nd</sup> June, 2010	3	3
3	12 <sup>th</sup> July, 2010	3	3
4	13 <sup>th</sup> August, 2010	4	4
5	25 <sup>th</sup> October, 2010	4	4
6	31 <sup>st</sup> January, 2011	3	3
7	30 <sup>th</sup> March, 2011	4	4
8	14 <sup>th</sup> May, 2011	4	4
9	30 <sup>th</sup> June, 2011	3	3

**2.3 Directors' attendance record at Board Meetings is as follow:**

Name	Category	No. of Board Meeting held during the period ended 30th June, 2011 when the Director was on the Board	Number of Board Meeting attended during the period ended 30th June, 2011	Attendance at the last AGM
Mr. R. G. Parikh	Promoter, CMD	9	9	Yes
Mr. S. C. Gurav	NEID	9	9	Yes
Mr. R. H. Parihar*	NEID	1	-	No
Mr. K. K. Kotadia**	NEID	5	5	Yes
Mr. V. M. Dahake***	NEID	4	4	No
Mr. M. P. Thakkar****	NEID	3	3	No
Mr. V. P. Panikar*****	NEID	-	-	-

**CMD:** Chairman and Managing Director

**NEID:** Non Executive Independent Director

\* Mr. R. H. Parihar has resigned as an Independent Director of the Company with effect from June 19, 2010.

\*\* Mr. K. K. Kotadia has resigned as an Independent Director of the Company with effect from January 21, 2011.

\*\*\* Mr. V. M. Dahake appointed as an Additional Director with effect from August 13, 2010 and has resigned w.e.f. June 29, 2011.

\*\*\*\* Mr. M. P. Thakkar appointed as an Additional Director w.e.f. January 31, 2011.

\*\*\*\*\* Mr. V. P. Panikar appointed as an Additional Director w.e.f. August 18, 2011.

**2.4 Number of other Public Companies or Committees the Director is a Director/Member/Chairman**

Name	Number of Directorships on the Board of Other Public Companies as on 30th June, 2011*	No. of Membership of Board of Committee as on 30th June, 2011#	No. of Board Committee for which Chairman as on 30th June, 2011#
Mr. R. G. Parikh	—	—	—
Mr. S. C. Gurav	—	—	—
Mr. R. H. Parihar	—	—	—
Mr. K. K. Kotadia	—	—	—
Mr. V. M. Dahake	—	—	—
Mr. M. P. Thakkar	—	—	—
Mr. V. P. Panikar	—	—	—

\* Excluding private limited companies, foreign companies and companies under section 25 of the Companies Act, 1956.

# As per Clause 49 of Listing Agreement, the disclosure includes membership/ chairperson-ship of Audit Committee and the Shareholders/ Investors Grievance Committee in other Indian Public Company (Listed and unlisted).

**3. AUDIT COMMITTEES:**
**3.1 Brief description of terms of reference**

The terms of reference of this Committee are wide enough to cover the matters specified for audit committees in Clause 49 of the Listing Agreement as well as in section 292A of the Companies Act, 1956.

**3.2 Composition of the Audit Committee and attendance of members**

Sr. No.	Name of Members	Position
1	Mr. S. C. Gurav	Chairman
2	Mr. R. G. Parikh	Member
3	Mr. K. K. Kotadia Resigned w.e.f. 21.01.2011	Member
4	Mr. V. M. Dahake w.e.f. 20.01.2011 Resigned w.e.f. 29.06.2011	Member
5	Mr. M. P. Thakkar w.e.f. 31.01.2011	Member

The Chairman of the Committee had attended the last Annual General Meeting.

The Company Secretary acts as the Secretary of the Committee. The Minutes of the Audit Committee Meetings are noted at the Board Meeting.

The Audit Committee met five times during the 15 months period ended 30<sup>th</sup> June, 2011 and the gap between two meetings did not exceed 4 months.

Sr. No.	Date of Meeting	Committee Strength Present	No. of Members
1	18 <sup>th</sup> June, 2010	3	3
2	13 <sup>th</sup> August, 2010	3	3
3	25 <sup>th</sup> October, 2010	3	3
4	31 <sup>st</sup> January, 2011	3	3
5	14 <sup>th</sup> May, 2011	4	4

The attendance of the Members is as under:—

Sr. No	Name of Members	No. of Committee Meeting held during the period when the Director was on the Committee	No. of Meeting attended
1	Mr. S. C. Gurav	5	5
2	Mr. R. G. Parikh	5	5
3	Mr. K. K. Kotadia	3	3
4	Mr. V. M. Dahake	2	2
5	Mr. M. P. Thakkar	1	1

#### 4. SUBSIDIARY COMPANIES:

The Company has four subsidiaries, viz. M/s. I. A. & I. C. Private Limited, M/s. Shah Pratap Industries Private Limited, M/s. Glassworks Trading Private Limited and M/s. IRIS Trading FZE, UAE. M/s. IRIS Trading FZE is a subsidiary of M/s. Glassworks Trading Private Limited.

#### 5. DISCLOSURE

##### A. Related Party Transactions

In terms of the Accounting Standard (AS) 18, "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, the Company has identified the related parties covered therein and details of transactions with such related parties have been disclosed in the Note No. B(9) to Schedule N – Notes to Accounts of the Annual Report for the 15 months period ended 30<sup>th</sup> June, 2011.

During the period, there were no transactions of material nature of the Company with the promoters, directors, management or their relatives, subsidiaries and other related parties covered under AS 18 that had potential conflict with the interests of the Company.

##### B. Disclosure of Accounting Treatment

The financial statements have been prepared in accordance with applicable Accounting Standards and relevant presentational requirement of the Companies Act, 1956 and are based on the historical cost convention.

##### C. Board Disclosures- Risk Management

The Company follows adequate procedures for risk management and minimization of procedures.

##### D. Proceeds from public issues, rights issues, preferential issues etc.

Preferential Issues during the period are as per the orders of Hon'ble BIFR.

##### E. Remuneration Committee:

The Company has constituted remuneration committee to recommend/review remuneration of executive director(s) based on performance and assessment criteria.

The composition of the Remuneration Committee is given below:

Sr. No.	Name of the Members	Designation
1	Mr. R. G. Parikh	Chairman
2	Mr. S. C. Gurav	Member
3	Mr. K. K. Kartik resigned w.e.f. 21.01.2011	Member
4	Mr. M. P. Thakkar w.e.f. 31.01.2011	Member

The Chairman of the Committee, Mr. R. G. Parikh, was present at the last Annual General meeting of the Company.

Details of remuneration paid to Mr. R. G. Parikh during the period ended 30<sup>th</sup> June, 2011 is as follows:

Name of Director	Sitting Fees	Remuneration	Total
Mr. R. G. Parikh Chairman & MD	—	15,00,000/-	15,00,000/-

The Non- Executive Independent Directors do not draw remuneration from the Company. Also no sitting fee is being paid for attending meetings of the Board /Committee.

##### F. Management:

As a part of the Directors' Report or as an addition thereto, a Management Discussion and Analysis Report form part of the Annual Report to the shareholders.

The Management Discussion and Analysis form part of the Annual Report and is in accordance with the requirement laid out in Clause 49 of the Listing Agreement. The same is published with this Annual Report.

No material transaction has been entered into by the company with Promoters, Directors or the Senior Management, their subsidiaries or relatives etc. that may have potential conflict with interest of the Company.

##### G. Shareholders:

- The Company has provided with all the details of the Directors seeking reappointment in the AGM Notice attached with the Annual Report.
- Quarterly results are put on the website and also sent in such a form as to enable the Stock Exchanges on which the company is listed to put it on its own website.

##### H. Share Transfer & Investors Grievance Committee

###### • Brief description of terms of reference

The Board of Directors of the Company has constituted the Share Transfer & Investors Grievance Committee. The Committee specifically redresses the grievances of the shareholders. The term of reference of Share Transfer & Investors Grievance Committee inter-alia considers the following matters:-

To approve transfer, transmission, sub-division and issue of duplicate/re-materialization of shares and for redressal of investors complaints.

Company Secretary is the Compliance Officer nominated for this purpose under Clause 47(a) of the Listing Agreement.

###### • Composition of Share Transfer & Investors Grievance Committee and attendance of members

The Chairman of the Committee is a Non-Executive Independent Director. The committee was re-constituted on January 31, 2011. The composition of the Committee and their attendance at the Committee meetings held during the 15 months period ended 30<sup>th</sup> June, 2011 are as under:

Name	Category	Position	No. of Committee Meeting held during the period when the Director was on the Committee	No. of Meeting attended
1	Mr. S. C. Gurav	Chairman	30	30
2	Mr. R. G. Parikh	Member	30	30
3	Mr. K. K. Kotadia resigned w.e.f. 21.01.2011	Member	22	22
4	Mr. M. P. Thakkar w.e.f. 31.01.2011	Member	8	8

During the 15 months period ended 30<sup>th</sup> June, 2011, 10 complaints were received from the shareholders. All complaints of shareholders were resolved. There was no outstanding complaint as on 30<sup>th</sup> June, 2011.

##### I. Management Committee

###### • Brief description of terms of reference

The Board of Directors of the Company has constituted the Management Committee. The terms of reference of the Management committee inter-alia consists of considering the urgent normal business and specific business delegated by the Board from time to time.

###### • Composition of Management Committee and attendance of members

The Management Committee comprises of two Non-executive Independent Directors i.e. Mr. S. C. Gurav, Mr. K. K. Kotadia (resigned w.e.f. 21.01.2011) and Mr. M. P. Thakkar (w.e.f. 31.01.2011) and Mr. R. G. Parikh, Chairman and Managing Director of the Company. The Committee has met once during the 15 months period ended 30<sup>th</sup> June, 2011 and Mr. S. C. Gurav, and Mr. R. G. Parikh had attended the meeting.

##### 6. CEO/CFO CERTIFICATION:

The CEO has certified to the Board with regard to the financial statement and other matters as required by Clause 49 of the Listing Agreement. The certificate is contained in this report.

## 7. REPORT ON CORPORATE GOVERNANCE:

A separate section on Corporate Governance form part of the Annual Report. A Certificate from Statutory Auditors confirming compliance with all the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with Stock Exchange is annexed in this Report.

i. There were no instances of non-compliance by the Company, penalties, strictures imposed on the company by Stock Exchanges or SEBI or any statutory authority on any matter related to the capital market during the last three years.

ii. The Company is regularly complying with all the mandatory requirements of Clause 49 of the Listing Agreement regarding Board Composition, Code of Conduct, Audit Committee, quarterly and annual disclosures etc.

iii. The Company does not have a Whistle Blower Policy. However, no personnel of the company has been prevented from reporting to the Management any misconduct observed by her/ him.

iv. Non mandatory Clauses:

The Company has not adopted any of the non-mandatory requirements as mentioned in clause 2 of Annexure-1D of Clause 49 of the Listing Agreement but voluntarily constituted the Management Committee.

## 8. INFORMATION ON GENERAL MEETINGS

### 8.1 Annual General Meeting

The last 3 Annual General Meetings of the Company were held as under:

Financial Year	Venue	Date	Time	Special Resolution Passed
2009-10	Pada No. 3, Balkum, Thane (West), Thane – 400 608	6.8.2010	9.30am	Yes
2007-08	Pada No. 3, Balkum, Thane (West), Thane – 400 608	13.6.2009	9.30am	Yes
2006-07	Pada No. 3, Balkum, Thane (West), Thane – 400 608	10.11.2007	9.30am	None

### 8.2 Extra Ordinary General Meeting

In addition to Annual General Meeting, the Company holds Extra Ordinary General Meetings of the Shareholders as and when need arises.

The last 3 Extra Ordinary General Meetings of the Company were held as under:

Date	Venue	Whether any special resolution passed
10 <sup>th</sup> June, 2006 9.30 am	Pada No. 3, Balkum, Thane (West), Thane – 400 608	Yes
18 <sup>th</sup> November, 2004, 9.30 am	"Conference Hall", Oriten Service Apartment, Chandivali Studio Road, D. P. Road No. 2, Andheri (East), Mumbai – 400 072	Yes
10 <sup>th</sup> June, 2004 9.30 am	"Cultural Hall", Y.B. Chavan Centre, General J. Bhosale Marg, Sachivalaya Gymkhana, Nariman Point, Mumbai – 400 021	Yes

### 8.3 Postal ballot

During the 15 months period ended 30<sup>th</sup> June, 2011, no resolution was put through postal ballot nor any resolution proposed to be passed through postal ballot at the ensuing Annual General Meeting.

## 9. CODE OF CONDUCT:

In line with the amended Clause 49 of the listing agreement, the Company adopted a Code of Conduct and ethics for its Directors and Senior Executives. All the Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for the 15 months period ended 30<sup>th</sup> June, 2011.

## 10. MEANS OF COMMUNICATION:

- Quarterly/half yearly /yearly results are normally published in Free Press Journal and Navshakti. The audited annual accounts are posted to every members of the company. Quarterly shareholding distribution and quarterly/half yearly/yearly results submitted to the stock exchanges are posted on the website of the company <http://www.jik.co.in>.
- The company has created an email id investorrel@jik.co.in to facilitate redressal of investors/shareholders grievances.
- The Stock Exchanges are notified of any important developments that may materially affect the working of the Company.
- No presentations were made to any institutional investors or analysts etc.
- A Management Discussion and Analysis Report, which forms a part of the Annual Report, had been given by means of a separate Annexure and attached to the Directors Report.

## 11. GENERAL SHAREHOLDERS INFORMATION:

Detailed information in this regard provided in the shareholder information section forms part of this Annual Report.

### 11.1 Annual General Meeting

Date and Time: Friday, November 4, 2011, at 9.30 a.m.  
Venue: Golden Swan Country Club, Off. Pokhran Road No. 1, Yeoor Hills, Thane (W) 400 602.

### 11.2 Financial calendar (tentative) for the year 1<sup>st</sup> July, 2011 to 30<sup>th</sup> June, 2012

Financial Year	1 <sup>st</sup> July, 2011 to 30 <sup>th</sup> June, 2012
1 <sup>st</sup> Quarter Results	on or before November 14, 2011
2 <sup>nd</sup> Quarter Results	on or before February 14, 2012
3 <sup>rd</sup> Quarter Results	on or before May 15, 2012
Audited Annual Results	on or before August 29, 2012

### 11.3 Book closure date

The Book Closure is from Monday, 31<sup>st</sup> October, 2011 to Friday, 4<sup>th</sup> November, 2011 (both the days inclusive).

### 11.4 Listing on stock exchange

Name & address of the Stock Exchange:

#### Bombay Stock Exchange Limited

Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400 001

#### National Stock Exchange of India Limited

Exchange Plaza, Plot No. C/1,  
G. Block, Bandra – Kurla Complex,  
Bandra (East), Mumbai – 400 051

The Company has paid Annual Listing Fees for the year 2011-12 to the above Stock Exchanges.

### 11.5 Stock code

Bombay Stock Exchange Limited:	511618
National Stock Exchange of India Limited:	JKIND



**11.6 Market price data**

High/Low during each month of the 15 months period ended 30<sup>th</sup> June, 2011, on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited

Month	JIK Share price data [BSE]		BSE Sensex	
	High (Rs.)	Low (Rs.)	High	Low
2010 Apr	17.55	14.65	18047.86	17276.80
May	17.25	13.10	17536.86	15960.15
Jun	17.43	12.60	17919.62	16318.39
Jul	20.25	14.00	18237.56	17395.58
Aug	20.40	15.10	18475.27	17819.99
Sept	18.65	14.35	20267.98	18027.12
Oct	18.51	14.25	20854.55	19768.96
Nov	18.40	11.05	21108.64	18954.82
Dec	15.28	9.40	20552.03	19074.57
2011 Jan	12.60	9.01	20664.80	18038.48
Feb	10.90	6.82	18690.97	17295.62
Mar	10.00	6.90	19575.16	17792.17
Apr	13.83	7.65	19811.14	18976.19
May	9.75	6.55	19253.87	17786.13
Jun	8.97	7.20	18873.39	17314.38

Month	JIK Share price data [NSE]		NSE Nifty	
	High (Rs.)	Low (Rs.)	High	Low
2010 Apr	17.95	14.50	5399.65	5160.90
May	17.50	13.40	5278.70	4786.45
Jun	17.90	13.15	5366.75	4961.05
Jul	20.20	13.05	5477.50	5225.60
Aug	19.40	14.05	5549.80	5348.90
Sept	16.40	14.05	6073.50	5403.05
Oct	17.00	14.05	6284.10	5937.10
Nov	16.00	10.80	6338.50	5690.35
Dec	13.70	9.50	6147.30	5721.15
2011 Jan	11.90	9.00	6181.05	5416.65
Feb	10.70	6.20	5599.25	5177.70
Mar	9.950	7.05	5872.00	5348.20
Apr	12.20	8.05	5944.45	5693.25
May	9.50	7.65	5775.25	5328.70
Jun	9.50	6.50	5,657.90	5,195.90

**11.7 Share Price History**

Source: BSE

Year	High	Low
1995	63.00	30.00
1996	107.75	45.00
1997	180.00	101.25
1998	230.00	150.00
1999	320.00	223.00
2000 November (F.V. Rs. 10/-)	412.00	-
2000 December (F.V. Rs. 1/-)	-	35.00
2001 (F.V. Rs. 1/-)	41.80	29.70
2002	44.95	21.30
2003	37.60	12.34
2004	14.99	1.80
2005	5.16	1.98
2006	3.06	1.90
2007 January (F.V. 1/-)	-	1.22
2007 March (F.V. 10/-)	20.95	-
2008	19.60	2.79
2009	26.30	6.41
2010	22.40	9.40

**Volume of Share Traded**

Month	BSE	NSE
2010 Apr	106760	52739
May	90523	47528
Jun	235612	146630
Jul	2707662	2636405
Aug	4678472	2062857
Sept	1370524	647956
Oct	1954994	880528
Nov	1021324	548348
Dec	499288	461742
2011 Jan	224318	163395
Feb	198676	166835
Mar	396221	182930
Apr	1247147	808154
May	171080	127682
Jun	133504	74219

Note on share price history :

- Face Value of the Equity Share of the Company was Rs. 10/- up to 28<sup>th</sup> November, 2000. As on Record Date 29<sup>th</sup> November, 2000, Share Capital of the Company was sub-divided viz. One Equity Share of face value of Rs. 10/- each sub-divided in Ten Equity Shares of Rs. 1/- each.
- As on Record Date 14<sup>th</sup> February, 2007, Share Capital of the Company was consolidated viz. Ten Equity Shares of face value of Rs. 1/- each became One Equity Share of Rs. 10/- each.
- Pursuant to Hon'ble BIFR Orders, Paid up share Capital of the Company reduced in the ratio 10:1 as on Record Date 10<sup>th</sup> October, 2008.

**11.8 Distribution of shareholding as on 30<sup>th</sup> June, 2011**

No. of Range	No. of holders	% of holders	Total Share	% of Shareholding
Up to 100	11387	70.36	392723	0.63
101 to 200	1552	9.59	246480	0.39
201 to 500	1438	8.89	527864	0.85
501 to 1000	787	4.86	661153	1.06
1,001 to 5,000	785	4.85	1787771	2.86
5,001 to 10,000	106	0.66	745969	1.19
10001 to 1,00,000	95	0.59	2372597	3.80
1,00,001 & above	33	0.20	55710494	89.22
<b>Total</b>	<b>16183</b>	<b>100.00</b>	<b>62445051</b>	<b>100.00</b>

**11.9 Shareholding pattern as on 30<sup>th</sup> June, 2011**

Sr. No.	Category of Share Holding	No. of Shares	Percentage
1	Promoters & Associates	29464797	47.19
2	Financial Institutions / Banks / Insurance / Mutual Funds	858458	1.37
3	NRI/OCB	157731	0.25
4	Private Corporate Bodies	23164292	37.10
5	Indian Public	8799773	14.09
<b>Total</b>		<b>62445051</b>	<b>100.00</b>

**11.10 Pledge of Shares of Promoters & Associates as on 30<sup>th</sup> June, 2011**

Sr. No	Category of Share Holders	No. of Shares	Percentage
1	Promoter & Associate	32385	0.05

**12.1 Details of complaints / queries received and redressed during 1<sup>st</sup> April, 2010 to 30<sup>th</sup> June, 2011**

Number of shareholders complaints / queries received	10
Number of shareholders complaints / queries redressed	10
Number of shareholders complaints / queries pending	NIL

**12.2 Registrars and transfer agents**

In compliance of SEBI requirements, Sharex Dynamic (India) Private Limited has been appointed the Registrar and Share Transfer Agent of the Company who handles share transfer work in Physical as well as Electronic Form and other related activities at the following address:

**Sharex Dynamic (India) Private Limited**

Unit No. 1, Luthra Industrial Premises,  
Andheri –Kurla Road, Safed Pool,  
Andheri (East), Mumbai- 400072.  
Tel. Nos. 022-2851 5606/5644 Fax No.022-2851 2885

**12.3 Share Transfer System**

As on 30<sup>th</sup> June, 2011, 88.64% of the equity shares of the Company are in dematerialised form. Transfer of these shares is effected through depositories without involvement of the Company. As regards transfer of shares in physical form, the same are processed and approved on a regular basis and the certificates are returned to the shareholders within 30 days from the date of receipt (subject to the documents being valid and complete in all respects).

**12.4 Dematerialization of shares**

The Shares of the Company have been admitted in dematerialized form for trading by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) under the ISIN: **INE 026B01049** and they are traded in dematerialized form.

As on 30<sup>th</sup> June, 2011, a total of 55353028 equity shares of the Company, which form 88.64 % of the equity share capital, stand dematerialized. Above 55353028 equity shares includes 64,40,000 equity shares allotted on 30<sup>th</sup> June, 2011 subject to necessary approvals.

Respective e-forms with ROC are pending due to pending litigation of non implementation of Hon'ble BIFR orders by Ministry of Corporate Affairs & others.

The Company has issued 5106 equity shares with differential voting right. Such equity shares are not listed on both the stock exchanges (NSE & BSE) and are in physical mode.

**12.5 Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity**

The Company has not issued any GDRs /ADRs but issued Fully Convertible Bonds as per Hon'ble BIFR Orders and as decided by the Board of Directors of the Company. The said Bonds shall be converted into equity shares subject to terms of issue. The outstanding of the said bonds are as under:

<b>Date of Conversion</b>	<b>No of bonds</b>
on or before September 25, 2011	1,48,48,800
on or before August 12, 2011	5,96,200*
<b>Total</b>	<b>1,54,45,000</b>

\*The Board of Directors at its meeting held on August 12, 2011 has converted 5,96,200 bonds.

If above bonds are converted then the issued and paid up capital of the Company will go up by 2,12,95,000 equity shares of face value of Rs. 10/- each.

**12.6 Location of manufacturing plant**

Pada No. 3, Balkum,  
Thane (West),  
Thane – 400 608

**12.7 Investors' correspondence may be address to:**

**Sharex Dynamic (India) Pvt. Ltd.**  
Unit No. 1, Luthra Industrial Premises,  
Andheri –Kurla Road, Safed Pool,  
Andheri (East), Mumbai- 400072.  
Tel. Nos. 022-2851 5606/5644  
Fax No. 022- 2851 2885

**For further assistance:**

**Mr. Rajit Kesariya**

**Compliance Officer**

**JIK Industries Limited**

Admin. Office: 1, 2 & 3, Gundecha Chambers,  
Nagindas Master Road,  
Fort, Mumbai-400023

**For and on behalf of the Board**

Place: Mumbai  
Date: 29<sup>th</sup> August, 2011

**R.G. Parikh**  
**Chairman & Managing Director**