

# JIK Industries Limited

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(L65990MH1990PLC056475)



***25<sup>th</sup> Annual Report  
2016-2017***

## BOARD OF DIRECTORS

R. G. Parikh	-	Chairman & Managing Director
S.C. Gurav	-	Executive Director & CFO
M. P. Unadkat	-	Independent Director
V. P Panikar	-	Independent Director
A.M. Shah	-	Independent Director
R.D. Patel	-	Independent Director

## CORPORATE INFORMATION

Kirti J Damle	-	Company Secretary
M/s Motilal & Associates	-	Statutory Auditors
Sharex Dynamic (India) Pvt. Ltd.	-	Registrar & Transfer Agent

### REGD. OFFICE AND FACTORY

Pada No. 3, Balkum, Thane – 400608.

Phone: +91-22-25426356 -60

Fax: +91-22-25426349

E-mail: [admin@jik.co.in](mailto:admin@jik.co.in)

Website: <http://www.jik.co.in/>



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# JIK Industries Limited

## Directors' Report

To the Members,

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

### State of the Company's Affairs:

#### FINANCIAL RESULTS

Standalone Financial Information of JIK Industries Limited is as follows:

( Rs. in lakhs)

PARTICULARS	Year Ended 31.03.2017	Year Ended 31.03.2016
Sales for the year	123.30	50.84
Other Income	0.00	0.26
<b>Total Income</b>	<b>123.30</b>	<b>51.10</b>
Profit / (Loss) before Financial Expenses, Depreciation and Tax	(89.34)	(1242.02)
Less: Financial expenses	0.00	0.00
<b>Operating Profit / (Loss) before Depreciation &amp; Tax</b>	<b>(89.34)</b>	<b>(1242.02)</b>
Less : Depreciation	10.28	11.24
<b>Profit / (Loss) before Exceptional &amp; Extraordinary items and Tax</b>	<b>(99.62)</b>	<b>(1253.26)</b>
Less : Exceptional Items	0.00	0.00
<b>Profit / (Loss) before Extraordinary items and Tax</b>	<b>(99.62)</b>	<b>(1253.26)</b>
Less : Extraordinary Items	(32.24)	0.00
<b>Profit / (Loss) before Tax</b>	<b>(131.86)</b>	<b>(1253.26)</b>
Less : Provision for Taxation		
Current Tax	0.00	0.00
Deferred Tax	0.00	0.00
<b>Profit / (Loss) after Taxation</b>	<b>(131.86)</b>	<b>(1253.26)</b>
Less : Charge pursuant to the adoption of revised Schedule II	0.00	0.00
Add : Balance brought forward	(24256.67)	(23003.41)
<b>Profit / (Loss) available for appropriation</b>	<b>(24388.53)</b>	<b>(24256.67)</b>

#### DIVIDEND

Due to loss in the year, your Directors regret their inability to recommend any dividend for financial year 2016-17.

#### DEPOSITS

The Company has not accepted any deposits, described under Chapter V of the Companies Act, 2013 from public during the period under report.

#### MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Regulation 18 (3), sub-regulation B of Schedule V of SEBI (Listing Obligation and Disclosure

Requirements) Regulations, 2015, management discussion and analysis report of financial condition and result of operations has been reviewed by the audit committee and the same is forming part of this annual report.

## **CONSOLIDATION OF FINANCIAL STATEMENTS**

The Consolidated Financial Statements have been prepared in accordance with the provisions of the Act, read with the Companies (Accounts) Rules, 2014, applicable Accounting Standards and the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and forms part of the Annual Report.

## **REVISION IN FINANCIAL STATEMENTS**

There has been no revision in the financial statements of the Company during the financial year 2016-17.

## **ACQUISITION OF NEW COMPANY AND MAKING IT AS WHOLLY OWNED SUBSIDIARY OF THE COMPANY**

The Company has acquired the shares of 'Durlabh Commodities Private Limited' in the meeting of the Board of Directors of the Company dated November 11, 2016 to expand the business in providing financial and other services and made it wholly owned subsidiary of the Company.

The Policy for determining Material Subsidiaries, adopted by your Board, in conformity with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, can be accessed on the Company's Website, [www.jik.co.in](http://www.jik.co.in)

## **DIRECTORS**

Your Company has Six Directors consisting of Four Independent Directors and a Chairman & Managing Director and Executive Director & Chief Financial Officer as on March 31, 2017.

The composition of the Board, meetings of the Board held during the year and the attendance of the Directors has been mentioned in the Report on Corporate Governance in the Annual Report.

## **NUMBER OF MEETINGS OF THE BOARD**

Regular meetings of the Board are held to discuss and decide on various business policies, strategies and other businesses. Due to business exigencies, certain business decisions are taken by the Board through circulation from time to time.

The Board met five times during the FY 2016-17 viz. on May 30, 2016, July 01, 2016, August 12, 2016, November 11, 2016 and January 21, 2017.

Detailed information on the meetings of the Board is included in the report on Corporate Governance, which forms part of this Annual Report.

Additionally, several committee meetings were held including Audit Committee meeting, which met Four times during the year.

## **DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received necessary declaration from each independent director under section 149(6) of the Companies Act, 2013 that he/she meets the criteria of Independence laid down in Section 149 (6) of the Companies Act, 2013.

Following are the Non-Executive Independent Directors:

1. Shri. Manoj P. Unadkat
2. Shri. Vijay P. Panikar
3. Shri. Arvindkumar M. Shah
4. Smt. Rajeshri D. Patel

## **MEETING OF INDEPENDENT DIRECTORS**

Schedule IV of the Companies act, 2013 and also the Rules thereunder and even Regulation 25 of the SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015, the independent directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of the management.

In the current financial year, the independent directors met on Saturday, January 21, 2017 to review the performance of executive directors and the board of directors as a whole.

## **APPOINTMENTS/RESIGNATIONS FROM THE BOARD OF DIRECTORS**

Shri. Surendra C Gurav (DIN No: 00485016), Executive Director and Chief Financial Officer of the Company, retire from office by rotation and being eligible offer himself for reappointment at the forthcoming Annual General Meeting of the Company.

## **KEY MANAGERIAL PERSONNEL**

As required under Section 203 of the Companies Act, 2013, the Company has noted that Mr. Rajendra G Parikh, Chairman & Managing Director, Mr. Surendra C Gurav, Executive Director & Chief Financial Officer and Mrs. Kirti J Damle, Company Secretary & Compliance Officer of the Company are the Key Managerial Personnel of the Company.

## **FAMILIARIZATION PROGRAMME**

The Company at its various meetings held during the Financial year 2016-17 had familiarize the Independent Directors with regard to the roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the Business models of the Company etc. The Independent Directors have been provided with necessary documents, reports and internal policies to familiarize with the Company's policies, procedures and practices.

## **COMMENT ON AUDITORS' REPORT**

The Directors have examined the Auditors' Report on accounts for the period ended 31st March, 2017. The Auditors' Report is self-explanatory and has no qualification.

## **COMMENT ON SECRETARIAL AUDIT REPORT**

Pursuant to provisions of Section 204 of the Companies Act, 2013, the Board of Directors of the Company has appointed M/s Dhirendra Maurya & Associates, Company Secretaries as the Secretarial Auditor.

The auditor has conducted the secretarial audit for the financial year 2016-17 and has provided the Report thereon. The Company has received a communication during the year from NSE to pay fine for delay in filing shareholding pattern which belongs to the year 2014, in respect of which the Company had once again submitted the necessary clarification to NSE during the year on receipt of the said communication.

## **PARTICULAR OF LOAN AND INVESTMENT**

The Company has not taken any loan or guarantee and not done any investment in the F. Y. 31<sup>st</sup> March, 2017.

## **RISK MANAGEMENT**

During the Financial Year under review, a detailed exercise on Business Risk Management was carried out covering the entire spectrum of business operations and the Board has been informed about the risk assessment and minimization procedures as required under section 134 (n) of the Companies Act, 2013. Business risk evaluation and management is an ongoing process with the Company.

## **MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

No material changes and commitments affecting the Financial Position of the Company which have occurred between the end of the Financial year of the Company to which the Financial Statement relate and the date of this report.

## **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. As and when required, corrective actions are undertaken in the respective areas and thereby strengthen the controls. Significant audit observations, if any and corrective actions thereon are presented to the Audit Committee

of the Board.

During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within the purview of Section 135(1) of the Companies Act, 2013 and hence it is not required to formulate policy on corporate social responsibility.

## **CONTRACT AND ARRANGEMENT WITH RELATED PARTIES**

The particulars of related party transactions are stated in the note no 7 of part B of Note No.23 of Notes to the financial statements of this report.

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business of the Company. There are no materially significant related party transactions made by the Company with its Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large and hence, disclosure in form AOC-2 is not required.

The Related Party Transactions Policy of the Company approved by the Board of Directors of the Company (the "Board") is displayed on website of the Company at [www.jik.co.in](http://www.jik.co.in).

## **COMMITTEES OF THE BOARD**

The Company has several committees which have been established as a part of the good corporate governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

### **Company has following Committees of the Board**

Audit Committee

Nomination and Remuneration Committee

Stakeholder Relationship Committee

Committee of Independent Directors

## **BOARD EVALUATION**

In Compliance with the provisions of the Act, the Board evaluated its own performance during the year under report along with that of its various Committees and its individual Directors. The Independent Directors also reviewed the performance of the Non-Independent Directors of the Company.

## **REMUNERATION POLICY**

The Board of Directors of the Company has adopted a Remuneration Policy for determining qualifications, positive attributes and independence of a Director and criteria for Director's appointment and remuneration. The same is available on the website of the Company [www.jik.co.in](http://www.jik.co.in).

## **REMUNERATION FOR THE CEO AND MANAGING DIRECTOR**

Mr. Rajendra G Parikh, Chairman and Managing Director of the Company have not drawn any remuneration during the period ended March 31, 2017.

## **CORPORATE GOVERNANCE**

As required by Schedule V(C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a detailed report on Corporate Governance is given as a part of the Annual Report. The Company is in compliance with the requirements and disclosures that have to be made in this regard. The Auditors' Certificate of the compliance with Corporate Governance requirements by the Company is attached to the Report on Corporate Governance.

## **WHISTLEBLOWER POLICY**

The Company's Whistleblower Policy encourages Directors and employees to bring to the Company's attention, instances of unethical behavior, actual or suspected incidents of fraud or violation of the JIK Code of Conduct that

could adversely impact the Company's operations, business performance and / or reputation. The Policy provides that the Company investigates such incidents, when reported, in an impartial manner and takes appropriate action to ensure that the requisite standards of professional and ethical conduct are always upheld. It is the Company's Policy to ensure that no employee is victimized or harassed for bringing such incidents to the attention of the Company. The practice of the Whistleblower Policy is overseen by the Audit Committee of the Board and no employee has been denied access to the Committee. The Whistleblower Policy is available on the Company's corporate website [www.jik.co.in](http://www.jik.co.in).

## **SEXUAL HARRASEMENT POLICY**

The Company is an equal employment opportunity company and is committed to create a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The Company also believes that all employees of the Company have the right to be treated with dignity. The Company has in place a policy on prevention of sexual harassment of its employees at the workplace. The Sexual Harassment Policy is available on the Company's website [www.jik.co.in](http://www.jik.co.in).

## **CODE OF CONDUCT**

The Board had laid down a code of conduct for all Board members and senior management of the Company. The Code of Conduct anchors ethical and legal behaviour within the Company. The Code of Conduct has been hosted on the website [www.jik.co.in](http://www.jik.co.in) of the Company. The Board members and senior management personnel have affirmed compliance with the Code of Conduct of the Company in the year under review.

## **POLICY FOR DETERMINING MATERIALITY FOR DISCLOSURES**

As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the policy on determination on materiality of event has been approved by the Board of Directors in its meeting and same is available on the website of the Company: [www.jik.co.in](http://www.jik.co.in).

## **STATUTORY AUDITORS**

Under section 139 of the Companies Act, 2013 and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the said section. The audit committee of the Company has proposed and the Board of Directors has recommended the appointment of M/s Dhawan & Co., Chartered Accountants, Mumbai (FRN : 002864N) as the statutory auditors of the Company. Dhawan & Co. will hold office for a period of one year from the conclusion of the 25<sup>th</sup> Annual General Meeting to be held on Friday, September 8, 2017, till the conclusion of the next Annual General Meeting to be held in the year 2018, subject to the approval of the shareholder of the Company. The first year of audit will be of the financial statements for the year ending March 31, 2018 which will include the audit of the quarterly financial statements for the year.

## **SECRETARIAL AUDIT REPORT**

As a measure of corporate governance practice, the Board of Directors of the Company appointed M/s Dhirendra Maurya & Associates, Practicing Company Secretary, to conduct the Secretarial Audit. The Secretarial Audit Report for the financial year ended March 31, 2017, is provided as Annexure B to the Directors' Report.

## **EXTRACT OF ANNUAL RETURN**

The information required under Section 134 of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, is annexed as Annexure A.

## **REVIVAL AND REHABILITATION**

The necessary steps have been initiated for diversifying its business activities and is looking at new business models. Company has made an application for renewal of Relief Undertaking (BRU) to Government of Maharashtra and also requested to reschedule the outstanding dues, response is awaited.

## **PARTICULARS OF EMPLOYEE**

The information required under Section 197(12) of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as under:

A Statement showing the details of every employee of the Company who was in receipt of remuneration in excess of Rs. 60 Lakhs, if employed throughout the year – N.A.

Percentage increase in remuneration of each director, KMP and of % increase in median of remuneration of employees – N.A.

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

Particulars as required under Section 134 of the Companies Act, 2013 relating to Conservation of Energy and Technology Absorption are also provided in the Annexure to this Report as Annexure C.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

As required under Section 134 of the Companies Act, 2013, your Directors confirm having:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had 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 and loss of the company for that period;
- (c) the directors had 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 and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors, had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **CASH FLOW STATEMENT**

In conformity with the Regulation 53 (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Cash Flow Statement for the financial year ended 31st March, 2017 is annexed herewith.

## **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: INE026B01049 and they are compulsorily traded in dematerialized form.

As on 31st March, 2017 a total of equity shares of the Company, which form 99.20% of the equity share capital, stand dematerialized.

## **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 Annual Listing Fees are paid.

## **ACKNOWLEDGEMENT**

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

**For and on behalf of the Board**

Place: Thane  
Date: August 4, 2017

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

**Form No. MGT-9  
EXTRACT OF ANNUAL RETURN  
as on the financial year ended on 31.03.2017**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

CIN No	L65990MH1990PLC056475
Registration Date	10/05/1990
Name of the Company	JIK INDUSTRIES LIMITED
Category / Sub-Category of the Company	Company limited by shares
Address of the registered office and contact details	Pada No.3 Balkum Village, Thane (West) – 400 608. Phone: +91-22-25426356 - 60 Fax: +91-22-25426349
E-mail	admin@jik.co.in
Website	http://www.jik.co.in
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Sharex Dynamic (India) Pvt. Ltd.: 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

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr.No.	Name and Description of main products / services	NIC Code of Products / Services	% to total turnover of the company
1	Manufacturing, Sales of Crystal, Glass & allied products	3038	90.48

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY ASSOCIATE	% of shares held	Applicable Section
1	Shah Pratap Industries Private Limited. 16, Gundecha Chambers, Nagindas Master Road, Fort, Mumbai -	U29290MH1963PTC012561	SUBSIDIARY	94.54	2(87)