

JIK Industries Limited

(L65990MH1990PLC056475)



***26th Annual Report
2017-2018***

JIK Industries Limited

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 (Resigned w.e.f. May 29, 2018)
J. A. Shah	-	Independent Director (Appointed w.e.f. June 01, 2018)
R.D. Patel	-	Independent Director (Women Director)
Kirti J. Damle	-	Company Secretary
Dhawan & Co	-	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

E-mail: admin@jik.co.in

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



JIK Industries Limited

OFFICE BUILDING, THANE



PLOT AT MIDC DAPOLI



FACTORY SHOW ROOM



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Directors' Report

Dear Members,

Your Directors are pleased to present herewith Twenty Sixth Annual Report together with the Audited Statements of Accounts of the Company for the year ended 31st March, 2018.

State of the Company's Affairs:

FINANCIAL RESULTS

Standalone Financial Information of JIK Industries Limited is as follows:

(₹ in lakhs)

PARTICULARS	Year Ended 31.03.2018	Year Ended 31.03.2017
Sales for the year	32.75	123.30
Other Income	0.00	0.00
Total Income	32.75	123.30
Profit / (Loss) before Financial Expenses, Depreciation and Tax	(128.03)	(116.55)
Less: Financial expenses	0.00	0.00
Operating Profit / (Loss) before Depreciation & Tax	(128.03)	(116.55)
Less : Depreciation	0.17	10.28
Profit / (Loss) before Tax	(128.20)	(126.83)
Less : Provision for Taxation		
Current Tax	0.00	0.00
Deferred Tax	0.00	0.00
Profit / (Loss) after Taxation	(128.20)	(126.83)
Other Comprehensive Income	202.01	124.29
Total Comprehensive Income for the year	73.82	(2.54)
Earnings Per Share (EPS)		
Basic	(0.18)	(0.17)
Diluted	(0.18)	(0.17)

Note: The above figures are extracted from the standalone financial statements as per Indian Accounting Standards (IND AS). For the purposes for transition to IND AS, the Company has followed the guidance prescribed in Ind AS 101, First- Time Adoption of Indian Accounting Standards, with effect from April 01, 2016.

INDIAN ACCOUNTING STANDARDS (Ind AS)

Pursuant to the notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, the Company has, for the first time, adopted the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, beginning 1st April, 2017, with a transition date of 1st April, 2016. Accordingly, the financial statements have been prepared in compliance with Ind AS as notified by the Ministry of Corporate Affairs and prescribed under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with relevant rules made thereunder and other accounting pronouncements generally accepted in India. Accordingly, the figures for the corresponding year ended 31st March, 2017 have also been presented after incorporating the applicable Ind AS adjustments. Note 24 to the standalone financial statement provides further explanations on the transition to Ind AS.

DIVIDEND

Your Directors regret their inability to recommend any dividend for financial year 2017-18.

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.

DIRECTORS

Your Company has Six Directors consisting of Four Independent Directors (Including one Woman director) and a Chairman & Managing Director and Executive Director & Chief Financial Officer as on March 31, 2018.

Mr. Arvind Shah, independent director has resigned from the Board on May 29, 2018 due to his age and health issues. The Company has appointed Mr. Jignesh A Shah as an additional director with effect from June 01, 2018.

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 six times during the FY 2017-18 viz. on May 16, 2017, August 04, 2017, November 10, 2017, December 12, 2017, January 20, 2018 and February 04, 2018.

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

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 (Resigned w.e.f.29.05.2018)
4. Smt. Rajeshri D. Patel (woman Director)
5. Shri. Jignesh A Shah (Appointed w.e.f.01.06.2018)

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 February 04, 2018 to review the performance of executive directors and the board of directors as a whole.

APPOINTMENTS/RESIGNATIONS FROM THE BOARD OF DIRECTORS

Shri. Rajendra G Parikh (DIN No: 00496747), Chairman and Managing Director of the Company, retire from office by rotation and being eligible offer himself for reappointment at the forthcoming Annual General Meeting of the Company.

Shri. Arvind M Shah, Independent Director has resigned from the Board due to his age and health issues. The Company has appointed Mr. Jignesh A Shah as an additional director with effect from June 01, 2018 subject to approval of shareholders.

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.

FAMILARIZATION PROGRAMME

The Company at its meetings held during the Financial year 2017-18 had familiarize the Independent Directors with regard to the roles, rights, responsibilities in the Company, nature of the industry in which the Company operates.

RECONSTITUTION OF COMMITTEES

Due to resignation of Mr. Arvind M. Shah, it was necessary to change the composition of the Board Committees.

Audit Committee

Sr. No.	Name of Members	Nature of Directorship	Designation in Committee
1	Mrs. Rajeshri Patel	Independent Director	Chairman
2	Mr. Manoj Unadkat	Independent Director	Member
3	Mr. Rajendra Parikh	Chairman and Managing Director	Member

Stakeholder Relationship Committee

Sr. No.	Name of Members	Nature of Directorship	Designation in Committee
1	Mr. Jignesh Shah	Independent Director	Chairman
2	Mrs. Rajeshri Patel	Independent Director	Member
3	Mr. Rajendra Parikh	Chairman and Managing Director	Member

Nomination and Remuneration Committee

Sr. No.	Name of Members	Nature of Directorship	Designation in Committee
1	Mr. Vijay Panikar	Independent Director	Member
2	Mr. Manoj Unadkat	Independent Director	Chairman
3	Mr. Rajendra Parikh	Chairman and Managing Director	Member

COMMENT ON AUDITOR'S REPORT

The Directors have examined the Auditors' Report on accounts for the period ended 31st March, 2018. 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 Dharendra Maurya & Associates, Company Secretaries as the Secretarial Auditor.

The auditor has conducted the secretarial audit for the financial year 2017-18 and has provided Report thereon. Auditor has commented on following points:

- The Company filed an application with Hon'ble Securities Appellate Tribunal (SAT) with respect to delay in filing of shareholding pattern for the quarter ended December 2014 of in which Hon'ble SAT has directed National Stock Exchange of India Limited (NSE) to re-consider the matter and communicate the decision to the Company within two weeks time. The Company has received the waiver of fine letter from the National Stock exchange for the above matter on 13.07.2018.
- The auditor has also noted down about compounding application which is to be filed by the Company as the Company took cognizant of inadvertent procedural gap which is followed for amendment in main object clause of memorandum of association. The ROC order in the matter is awaited.
- The Company is following procedure with respect to suspected shell companies and started submitting the documents/information to the forensic auditor.

PARTICULAR OF LOAN AND INVESTMENT

The Company has not taken any loan or guarantee and not done any investment in the F. Y. 31st March, 2018.

RISK MANAGEMENT

During the Financial Year under review, an exercise was carried out covering the spectrum of business operations and the same has been mentioned in the Management Discussion and Analysis section. 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. Significant audit observations, if any and corrective actions thereon are presented to the Audit Committee of the Board.

The Board and the audit committee has noted down the suggestions given by the internal auditor in their report and decided to reduce the litigation costs and implement the procedure to strengthen the company's financial position and improve the cash flow etc.

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.

COMMITTEES OF THE BOARD

The Company has several committees which have been established as a part of the good corporate governance practice 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.

REMUNERATION FOR THE CEO AND MANAGING DIRECTOR

Mr. Rajendra G Parikh, Chairman and Managing Director of the Company have drawn Rs. 50,000 p.m. remuneration during the period ended March 31, 2018.

Shri Rajendra G. Parikh is entitled to a monthly remuneration of Rs. 2,00,000/- in terms of the resolution passed at the 24th AGM dated August 12, 2016. However, in the interests of the Company, he has elected to draw remuneration of only Rs. 50,000 p.m. and waive the balance during the year 2017-18.