

2018-2019  
27th Annual Report



## **CORPORATE INFORMATION**

### **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
J. A. Shah	-	Independent Director
R. D. Patel	-	Independent Director (Women Director)

### **COMPANY SECRETARY**

Akash Jain

### **STATUTORY AUDITORS**

M/s. Dhawan & Co.  
Chartered Accountants

### **REGISTERED OFFICE**

Pada No. 3, Balkum Village, Thane (West) – 400608.  
Phone: +91-22-2533-9740  
Email: [admin@jik.co.in](mailto:admin@jik.co.in)  
Website: <http://www.jik.co.in/>

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

Sharex Dynamic (India) Private Limited  
C-101, 247 Park, L. B. S. Marg,  
Vikhroli (West), Mumbai - 400 083.  
Phone: +91-22-2851 5606/5644  
Fax No. +91-22- 2851 2885  
Email : [support@sharexindia.com](mailto:support@sharexindia.com)  
Website: <http://www.sharexindia.com/>



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**DIRECTORS' REPORT**

Dear Members,

Your Directors are pleased to present herewith Twenty Seventh Annual Report together with the Audited Statements of Accounts of the Company for the year ended 31<sup>st</sup> March, 2019.

**STATE OF THE COMPANY'S AFFAIRS:****FINANCIAL RESULTS**

Standalone Financial Information of JIK Industries Limited is as follows:

PARTICULARS	Amount (Rs. In Lakhs)	
	Year Ended 31.03.2019	Year Ended 31.03.2018
Sales for the year	22.43	32.75
Other Income	1.44	0.00
<b>Total Income</b>	<b>23.87</b>	<b>32.75</b>
<b>Profit / (Loss) before Financial Expenses, Depreciation and Tax</b>	<b>(103.53)</b>	<b>(128.03)</b>
Less: Financial Expenses	0.17	0.00
<b>Operating Profit / (Loss) before Depreciation &amp; Tax</b>	<b>(103.70)</b>	<b>(128.03)</b>
Less : Depreciation	0.88	0.17
<b>Profit / (Loss) before Tax</b>	<b>(104.58)</b>	<b>(128.20)</b>
<b>Less : Provision for Taxation</b>		
Current Tax	0.00	0.00
Deferred Tax	0.00	0.00
<b>Profit/Loss for the period from continuing operations</b>	<b>(104.58)</b>	<b>(128.20)</b>
Profit/Loss from discontinuing operations	0.50	0.00
<b>Profit/Loss from discontinuing operations after tax</b>	<b>(104.08)</b>	<b>(128.20)</b>
Other Comprehensive Income	1.88	202.01
<b>Total Comprehensive Income for the year</b>	<b>(102.20)</b>	<b>73.82</b>
<b>Earnings Per Share (EPS)</b>		
Basic	(0.14)	(0.18)
Diluted	(0.14)	(0.18)

**Note:** The above figures are extracted from the standalone financial statements as per Indian Accounting Standards (IND AS).

**INDIAN ACCOUNTING STANDARDS (Ind AS)**

Pursuant to the notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, 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.

**DIVIDEND**

Due to continuous losses, your Board of Directors regrets their inability to recommend any dividend for the financial year ended 31<sup>st</sup> March, 2019.

**DEPOSITS**

The Company has not accepted any deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

# JIK INDUSTRIES LIMITED

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## 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, 2019.

Shri. Arvind M. Shah, independent director has resigned from the Board on May 29, 2018 due to his age and health issues. Shri. Jignesh A. Shah, independent director has appointed as an additional independent director on June 01, 2018 and his term is regularized as a director with effect from September 29, 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 2018-19 viz. on May 29, 2018, July 14, 2018, August 10, 2018, November 06, 2018, February 07, 2019 and March 19, 2019.

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. Smt. Rajeshri D. Patel (Women Director)
4. Shri. Jignesh A. Shah

## 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 March 19, 2019 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.

During the year under review, Shri. Arvind M. Shah, non-executive independent director has resigned from the Board on May 29, 2018. The Company has appointed Shri. Jignesh A. Shah as an independent additional director on June 01, 2018 and his term is regularized as a director with effect from September 29, 2018.

#### KEY MANAGERIAL PERSONNEL

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

During the year, Smt. Kirti J. Damle, resigned from the post of Company Secretary and Compliance Officer of the Company with effect from January 15, 2019.

Pursuant to the Section 203 and other applicable provisions of the Companies Act, 2013, Shri. Akash Jain has been appointed as Company Secretary and Compliance Officer of the Company with effect from March 19, 2019.

#### FAMILIARIZATION PROGRAMME

The Company at its various meetings held during the Financial year 2018-19 had familiarize the Independent Directors with regard to the roles, rights, responsibilities in the Company, nature of the industry in which the Company operates.

#### APPLICATION FOR STRIKING OFF THE NAME OF SUBSIDIARY COMPANY

During the year, the Board of Directors of Jagruti Consultancy Private Limited (Formerly known as Glassworks Trading Private Limited) a subsidiary company of JIK Industries Limited, has decided to remove the name of the company from the Register of Companies because the Company has been inoperative for the past two years.

Pursuant to the Section 248 and other applicable provisions of the Companies Act, 2013, the Board, subject to the approval of members of the company in their Extra Ordinary General Meeting held on 28.03.2019 had made an application to the Registrar of Companies, Mumbai for striking off the name of the Company from the Register of Companies.

#### CLOSE DOWN THE MANUFACTURING ACTIVITY OF THE COMPANY

The Board of Directors of the Company has decided in their Board Meeting held on 27<sup>th</sup> May, 2019 to close down its manufacturing facilities at Thane and will continue the business operations with focus on the trading activities.

#### CHANGE IN REGISTERED OFFICE OF SUBSIDIARY COMPANY

Pursuant to the provisions of Section 12 of Companies Act, 2013 read with Rule 27 of the Companies (Incorporation) Rules, 2014, the situation of registered office of I. A. And I.C. Private Limited & Shah Pratap Industries Private Limited (a subsidiary companies of JIK Industries Limited) has shifted to Pada No. 3, Balkum Village, Thane West, Maharashtra – 400608 with effect from 20th March, 2019.

#### RECONSTITUTION OF COMMITTEES

Due to resignation of Shri. Arvind M. Shah on May 29, 2018, the Audit Committee and the Stakeholder Relationship Committee has been reconstituted on July 14, 2018 as per the requirements of the Companies Act, 2013 and guidelines set out in LODR Regulations, 2015.

#### AUDIT COMMITTEE

Sr. No.	Name of Members	Nature of Directorship	Designation in Committee
1	Smt. Rajeshri D. Patel	Independent Director	Chairman
2	Shri. Manoj P. Unadkat	Independent Director	Member
3	Shri. Rajendra G. Parikh	Chairman & Managing Director	Member



# JK INDUSTRIES LIMITED

## STAKEHOLDER RELATIONSHIP COMMITTEE

Sr. No.	Name of Members	Nature of Directorship	Designation in Committee
1	Shri. Jignesh A. Shah	Independent Director	Chairman
2	Smt. Rajeshri D. Patel	Independent Director	Member
3	Shri. Rajendra G. Parikh	Chairman & Managing Director	Member

Due to appointment of Smt. Rajeshri D. Patel on May 27, 2019 as a Member of Nomination & Remuneration Committee in place of Shri. Rajendra G. Parikh, the Nomination & Remuneration Committee has been reconstituted on May 27, 2019 as per regulation 19 (1) (b) of Chapter IV of LODR Regulation 2015.

## NOMINATION AND REMUNERATION COMMITTEE

Sr. No.	Name of Members	Nature of Directorship	Designation in Committee
1	Shri. Manoj P. Unadkat	Independent Director	Chairman
2	Shri. Vijay P. Panikar	Independent Director	Member
3	Smt. Rajeshri D. Patel	Independent Director	Member

## COMMENT ON AUDITOR'S REPORT

The Directors have examined the Auditors' Report on accounts for the period ended 31st March, 2019. The Auditors' Report is self-explanatory and has no qualification.

## SECRETARIAL AUDITOR

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, Practising Company Secretaries as a Secretarial Auditor of the Company.

## COMMENT ON SECRETARIAL AUDIT REPORT

The auditor has conducted the secretarial audit of the company for the financial year 2018-19 and has provided the report thereon. The auditor has commented on the following points:

- The auditor has noted down about compounding application which is 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 auditor has also noted that about the order received from Hon'ble SAT dated March 16, 2018 with respect to delay in filing of shareholding pattern for the quarter ended December 2014 in which after the directions of Hon'ble SAT, National Stock Exchange of India Limited (NSE) vide letter dated July 3, 2018 has examined and accepted the request for waiver of fine by Company.
- The auditor has reported that as directed by SEBI, National Stock Exchange India Limited (NSE) has conducted forensic audit with respect to suspected shell companies. The forensic auditor has submitted its report to the exchange and it is observed that they have made observations in its report. The exchange vide its letter in April, 2019 had asked the company to provide clarification against the audit observation. The Company vide its letter in May, 2019 has submitted its reply to the observations raised in the forensic audit report.

## 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, 2019.

## 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**

As on the date of this report, the Company has closed down its manufacturing operation at Thane. The Company sees that there will be no major material changes and commitments, if any, affecting the Financial Position of the Company due to closing of manufacturing activity as the scale of manufacturing operation were very low over last few years.

## **INTERNAL AUDITOR**

Pursuant to the provisions of Section 138 of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014, the Board on recommendation of the Audit Committee, re-appointed M/s. Motilal & Associates, Chartered Accountants, Mumbai as Internal Auditor of the Company.

## **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.

## **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.

## **SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES**

I. A. And I.C. Private Limited, Shah Pratap Industries Private Limited & Durlabh Commodities Private Limited are a Subsidiary Company of JIK Industries Limited within the meaning of Section 2(87) of the Companies Act, 2013 ("Act") as on 31st March, 2019.

The Company does not have any joint venture or associate company.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of the Financial Statements of the Subsidiary Companies in **Form AOC-1** is furnished in "**Annexure A**" and is attached to this Report.

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

The particulars of related party transactions are stated in the Note No 24.18 of Note 24 of Notes to the financial statements of this report.

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. There have been no materially significant related party transactions between the company and the directors, the management or the relatives except for those disclosed in the financial statement.

Information on transaction with related parties pursuant to Section 134 (3) (h) of the Act read with Rule 8 (2) of the Companies (Accounts) Rules, 2014 are in "**Annexure B**" in **Form AOC-2** and the same forms part of this report.

The Company has updated a Related Party Transactions Policy. The Revised 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 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