

28th
ANNUAL
REPORT
2019-2020



JIK INDUSTRIES LIMITED

JIK INDUSTRIES LIMITED
(L65990MH1990PLC056475)

CORPORATE INFORMATION

BOARD OF DIRECTORS

Rajendra G. Parikh	-	Chairman & Managing Director
Surendra C. Gurav	-	Executive Director & CFO
Manoj P. Unadkat	-	Independent Director
Vijay P. Panikar	-	Independent Director (Resigned w.e.f. 11.11.2020)
Jignesh A. Shah	-	Independent Director
Rajeshri D. Patel	-	Independent Director (Woman Director)

COMPANY SECRETARY

Akash Jain

STATUTORY AUDITORS

M/s. Dhawan & Co.
Chartered Accountants
404B, Bajrang Building, Maruti Nagar Complex,
Dahisar (East), Mumbai - 400 068.
Phone: +91- 8652,194170
Email: gupta9404@gmail.com

REGISTERED OFFICE

Pada No. 3, Balkum, Thane (West) – 400608.
Tel No.: +91-22-2542-6356
Email: admin@jik.co.in
Website: www.jik.co.in

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.
C-101, 247 Park, L. B. S. Marg,
Vikhroli (West), Mumbai - 400 083
Tel No.: +91-022-4918 6270
Fax No.: +91-22-4098 6060
Email: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

Important Communication to Members

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the Companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respects of electronics holding with the Depository through their concerned Depository Participants.

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DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present herewith Twenty Eighth Annual Report together with the Audited Statements of Accounts of the Company for the year ended 31st March, 2020.

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 31.03.2020	Year Ended 31.03.2019
Sales for the year	15.37	22.43
Other Income	64.23	1.44
Total Income	79.60	23.87
Profit/(Loss) before Financial Expenses, Depreciation & Tax	(26.61)	(103.53)
Less: Financial Expenses	0.02	0.17
Operating Profit / (Loss) before Depreciation & Tax	(26.63)	(103.70)
Less : Depreciation	0.78	0.88
Profit / (Loss) before Tax	(27.41)	(104.58)
Less : Provision for Taxation		
Current Tax	0.00	0.00
Deferred Tax	0.00	0.00
Profit/Loss for the period from continuing operations	(27.41)	(104.58)
Profit/Loss from discontinuing operations	0.00	0.50
Profit/Loss from discontinuing operations after tax	(27.41)	(104.08)
Other Comprehensive Income	20.35	1.88
Total Comprehensive Income for the year	(7.06)	(102.20)
Earnings Per Share (EPS)		
Basic	(0.01)	(0.14)
Diluted	(0.01)	(0.14)

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 31st March, 2020.

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.

JK INDUSTRIES LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In pursuant to Regulation 34 (3) read with Schedule V (B) 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.

CHANGE IN THE NATURE OF BUSINESS

There has been no change in the nature of the business of the company during the year.

REVISION IN FINANCIAL STATEMENTS

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

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BOARD OF DIRECTORS

The Board of Directors of the Company has an optimum combination of Executive, Non-Executive and Independent Directors with one woman Independent Director.

The 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 31st March, 2020.

Shri. Vijay P. Panikar (DIN: 03600137) had resigned from the position of Non- Executive Independent Director of the Company due to age related issues, with effect from 11th November, 2020.

The Board of Directors placed on record its appreciation for the effective participation and valuable contributions made by Shri. Vijay P. Panikar during his term.

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, has recommended to the members:

- (a) the re-appointment of Shri. Manoj P. Unadkat (DIN: 00495121) as an Independent Director of the Company for a second consecutive term of five years effective from 20th December, 2019;
- (b) the re-appointment of Smt. Rajeshri D. Patel (DIN: 00506097) as an Independent Director of the Company for a second consecutive term of five years effective from 01st October, 2020.

They have consented to their re-appointment and confirmed that they are not disqualified from being appointed as an Independent Director in terms of Section 164 of the Companies Act, 2013.

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

During the year, four Board Meetings were held on May 27, 2019, August 10, 2019, November 09, 2019 and February 08, 2020 in compliance with the provisions of Section 118 (10) Companies Act, 2013, the Listing Regulations and Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

Detailed information on the meetings of the Board is included in the report on Corporate Governance, which forms part of this Annual Report. Due to business exigencies, certain business decisions are taken by the Board through circulation from time to time.

DECLARATION BY INDEPENDENT DIRECTORS

As required under Section 149(7) of the Companies Act, 2013, read with SEBI (Listing Obligations and Disclosure Requirements), (Amendment) Regulations, 2018, the Company had received necessary declaration from each independent director stating that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

MEETING OF INDEPENDENT DIRECTORS

In pursuant to the provisions of Schedule IV of the Companies Act, 2013 and the rules made there under and Regulation 25(3) 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 08, 2020 to review the performance of executive directors and the board of directors as a whole.

RE-APPOINTMENT OF DIRECTOR RETIRING BY ROTATION

Shri. Rajendra G. Parikh (DIN No: 00496747), Chairman and Managing Director of the Company, retires 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 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.

COMMITTEES OF THE BOARD

The Company has several committees which have been established as a part of the 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

COMPOSITION OF COMMITTEES

NOMINATION AND REMUNERATION COMMITTEE

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

* Smt. Rajeshri D. Patel was appointed as a member of the Nomination & Remuneration Committee on May 27, 2019. In this regard, the Nomination & Remuneration Committee was reconstituted as per Regulation 19 (1) (b) of Chapter IV of LODR Regulations, 2015.

** Shri. Vijay P. Panikar has resigned as a member of the Nomination & Remuneration Committee on November 11, 2020.

*** Shri. Jignesh A. Shah has been appointed as a member of the Nomination & Remuneration Committee with effect from November 12, 2020.

- Due to resignation of Shri. Vijay P. Panikar, the Nomination & Remuneration Committee has been reconstituted on November 12, 2020 as per Regulation 19 (1) (b) of Chapter IV of LODR Regulation 2015.

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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

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

STATUTORY AUDITORS

M/s Dhawan & Co., Chartered Accountants, (FRN: 002864N), has been appointed as the statutory auditors of the Company for a consecutive term of four years, by the members of the company in their Annual General Meeting held on September 29, 2018 till the conclusion of the 30th Annual General Meeting to be held in the year 2022.

Pursuant to the provisions of Section 139 of the Companies Act, 2013, the Board of Directors, on the recommendation of the Audit Committee, has recommended the ratification of the auditor appointment in the ensuing AGM and has empowered the Chairman & Managing Director to fix, decide and finalize the remuneration of the Auditors.

COMMENT ON AUDITOR'S REPORT

The Directors have examined the Auditors' Report on accounts for the period ended 31st March, 2020. The Auditors' Report is self-explanatory and does not contain any qualification or adverse remarks.

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 for the financial year 2019-20.

COMMENT ON SECRETARIAL AUDIT REPORT

The auditor has conducted the secretarial audit of the company for the financial year 2019-20 and has provided the report thereon. The auditor has commented on the following points:

- The auditor has noted that the Company has filed a application under section 441 of Companies Act, 2013 for seeking compounding of offence under section 110(1) read with 118(10) of the Companies Act, 2013. The Company took cognizant of inadvertent procedural gap which is followed for amendment in main object clause of Memorandum of Association. The resolution has been passed in the Annual General Meeting dated September 08, 2017. The ROC Order in the matter is still awaited.
- The auditor has also noted that the Company received the communication from National Stock Exchange of India Limited with respect to suspected shell company on August 07, 2017 and interim order was received dated on May 02, 2018 directing forensic audit of the Company & appointment of forensic auditor. The Company submitted necessary explanations and clarifications with respect to the observations made by the Forensic Auditor and thereafter the final order has been issued by NSE dated February 13, 2020 and the interim directions issued vide order dated May 02, 2018 stand vacated.

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, appointed M/s. Motilal & Associates, Chartered Accountants, Mumbai as Internal Auditor of the Company for the financial year 2020-21 & 2021-22.

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.

RISK MANAGEMENT

During the financial year under review, an exercise was carried out in connection to its 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

The Company was focusing on trading activities during the financial year. Further the COVID -19 has significantly impacted the businesses & the economy as a whole. The Company is facing tough financial crunch and is expected to stabilize in the new environment. The major 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 statements relate and the date of the report.

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, 2020.

CORPORATE SOCIAL RESPONSIBILITY

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 Companies of JIK Industries Limited within the meaning of Section 2(87) of the Companies Act, 2013 ("Act") as on 31st March, 2020.

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 contract and arrangement with related parties are stated in the Note No. 24.20 of Note 24 to the Notes to the Financial Statements for the year ended 31st March, 2020.

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 a Related Party Transactions Policy. The Revised Related Party Transactions Policy of the Company has been approved and adopted by the Board of Directors in its meeting held on August 10, 2019 and the same is available on the website of the Company at www.jik.co.in.

PERFORMANCE OF BOARD EVALUATION

In pursuant to the provisions of the Companies Act, 2013 as amended from time to time and Regulations 17 and 25 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Board evaluated its own performance, of individual Directors as well as the evaluation of the working of its various Committees.

The Independent Directors also reviewed the performance of the Non-Independent Directors of the Company.

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FAMILIARIZATION PROGRAMME

The Company provides suitable familiarization programme to Independent Directors to help them familiarize themselves with the nature of the industry in which the company operates and the business model of the company.

The details of familiarization programs imparted to Independent directors is available on the website of the Company www.jik.co.in.

REMUNERATION POLICY

The Company has a Remuneration Policy for its Directors, Key Managerial Personnel and other employees. The Policy lays down the factors for determining the criteria of independence of a director, evaluation of performance of Independent Directors & Board of Directors, appointment and remuneration of directors, key managerial personnel and other employees. The policy is available on the website of the Company www.jik.co.in.

REMUNERATION FOR THE CEO AND MANAGING DIRECTOR

Shri. Rajendra G. Parikh, Chairman and Managing Director of the Company have drawn Rs. 6,00,000/- per annum towards remuneration during the Financial Year 2019-2020.

Shri. Rajendra G. Parikh is entitled to a remuneration of Rs. 2,00,000/- per month in terms of the resolution passed at the 24th AGM dated August 12, 2016. However, in the interests of the Company, he has waived the balance during the year 2019-20.

CORPORATE GOVERNANCE

As required by Schedule V(C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate 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.

MATERIAL SUBSIDIARY

As per Regulation 16(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the policy on determination on material subsidiary has been approved by the Board of Directors in its meeting and the same is available on the website of the Company at www.jik.co.in.

The Company does not have any material subsidiary company.

VIGIL MECHANISM AND WHISTLEBLOWER POLICY

The Company established a vigil mechanism for directors and employees to report genuine concerns pursuant to Section 177 of the Act. The vigil mechanism provided for adequate safeguards against victimization of employees who use such mechanism and for direct access to the chairperson of the Audit Committee.

The Whistle Blower Policy lays down the mechanism for making enquiry into whistle blower complaint received by the Company. Employees who may become aware of any alleged wrongful conduct are encouraged to make a disclosure to the Audit committee.

The details of the policy has been communicated to the all the directors and employees. The policy is available on the website of the Company at www.jik.co.in.

SEXUAL HARASSMENT 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 no reported instances towards sexual harassment at the workplace. The details of sexual harassment complaints as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder are as follows:

Number of Complaints Received	NIL
Number of Complaints Disposed Off	NA

The Company has Sexual Harassment Policy is available on the website of the Company www.jik.co.in.

CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The Board had laid down a Code of Conduct for Board of Directors and Senior Management (the Code). The Code of Conduct anchors ethical and legal behaviour within the Company. The Code is available on the website of the Company at www.jik.co.in.

CODE OF PRACTICES & PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

The Company has a Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information (the Code) in compliance with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018. The Code is available on the website of the Company at www.jik.co.in.

POLICY ON PRESERVATION AND ARCHIVAL OF DOCUMENTS

As per Regulation 9 & 30(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the policy on determination on preservation and archival of documents has been approved by the Board of Directors in its meeting held on February 13, 2016 and the same is available on the website of the Company at www.jik.co.in.

POLICY FOR DETERMINING MATERIALITY FOR DISCLOSURES

As per Regulation 9 & 30(4) 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 held on February 13, 2016 and the same is available on the website of the Company at www.jik.co.in.

EXTRACT OF ANNUAL RETURN

The information required under Section 92(3) & 134 (3) (a) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of annual return is annexed as “Annexure C” in Form MGT-9 and the same forms part of this report.

ANNUAL 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 of the Company. The Secretarial Audit Report for the financial year ended March 31, 2020, is provided as “Annexure D” to the Directors' Report.

PARTICULARS OF EMPLOYEE

The information required under Section 197(12) of the Companies Act, 2013 and read with Rule 5 (1) of 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

In accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013, the required information relating to Conservation of Energy and Technology Absorption are provided in the “Annexure E” and it is attached to this Report.

As the Company has not carried out any activities relating to the export and import during the financial year and Company has not used or earned any foreign exchange expenses and foreign income during the financial year and it is annexed as “Annexure F” to this Report.