



**ANNUAL REPORT  
2013 - 2014**

**CORPORATE INFORMATION****BOARD OF DIRECTORS**

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

**COMPANY SECRETARY**

Shreya A. Dhende

**AUDITORS**

M/s Motilal & Associates  
Chartered Accountants, Mumbai

**REGD. OFFICE & FACTORY**

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

**ADMINISTRATIVE OFFICE**

16, Gundecha Chambers,  
N.M. Road, Fort,  
Mumbai - 400023.  
Phone: +91-22-22633313  
Fax: +91-22-22676633  
E-mail: [admin@jik.co.in](mailto:admin@jik.co.in)  
Website: <http://www.jik.co.in/>

**REGISTRAR & TRANSFER AGENT**

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

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**NOTICE**

NOTICE is hereby given that Twenty Second Annual General Meeting of the members of the Company will be held on 20<sup>th</sup> December, 2014 at 9.30 a.m. at Know IT Hall, 305 Krupa Chambers, Near Malhar Cinema, Opp. MTNL, Gokhale Road, Naupada, Thane (West) – 400 602 to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Financial Statements of the Company comprising of the Balance Sheet as at 30<sup>th</sup> June, 2014, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date along with the Schedules forming part of the accounts and annexure thereto, Report of the Directors and the Auditors thereon.
2. To appoint a director in place of Shri. Rajendra G. Parikh who retires by rotation and being eligible, offer himself for re-appointment.
3. To re-appoint M/s. Motilal & Associates, Chartered Accountants, as statutory auditors of the Company, who retire at this Annual General Meeting, and being eligible, offer themselves for re-appointment and to fix their remuneration.

“RESOLVED THAT M/s. Motilal & Associates, Chartered Accountants, Mumbai having ICAI Registration no. 106584W be and are hereby re-appointed as Auditors of the Company, to hold office from the conclusion of this Annual General meeting until the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors to fix their remuneration.”

**SPECIAL BUSINESS:**

4. To consider and, if thought fit, to pass, with or without modifications, the following :

**AS AN ORDINARY RESOLUTION**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re- enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Manoj P. Unadkat (holding DIN 00495121), a Non-Executive Director of the Company who retires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the Office of Director, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of five consecutive years from the conclusion of this Annual General Meeting AND THAT he shall not be liable to retire by rotation.

5. To consider and, if thought fit, to pass, with or without modifications, the following :

**AS AN ORDINARY RESOLUTION**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re- enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri. Surendra C. Gurav (holding DIN 00485016), a Non-Executive Director of the Company who retires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the Office of Director, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of five consecutive years from the conclusion of this Annual General Meeting AND THAT he shall not be liable to retire by rotation.

6. To consider and, if thought fit, to pass, with or without modifications, the following :

**AS AN ORDINARY RESOLUTION**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re- enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri. Vijay P. Panikar (holding DIN 03600137), a Non-Executive Director of the Company who retires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the Office of Director, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of five consecutive years from the conclusion of this Annual General Meeting AND THAT he shall not be liable to retire by rotation.

Place: Mumbai.

Date: 31<sup>st</sup> October, 2014

**By Order of the Board**

**Shreya A. Dhende  
Company Secretary**

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**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY(S) TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE EFFECTIVE, THE PROXY FORMS DULY COMPLETED SHOULD BE LODGED WITH THE COMPANY AT ITS REGISTERED OFFICE AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The information as required to be provided under the Listing Agreement entered into with stock exchanges, regarding the Directors who are proposed to be appointed/reappointed is given.
3. The Register of Members and Share transfer Books of the company will remain closed from 11<sup>th</sup> December, 2014 to 20<sup>th</sup> December, 2014 (both days inclusive).
4. In compliance of SEBI requirements, Sharex Dynamic (India) Pvt. Ltd., has been appointed as Registrar and Share Transfer Agent of the Company who handle share transfer work in Physical as well as in Electronic Form and other related activities at the following address: M/s Sharex Dynamic (India) Private Limited [Unit: JIK Industries 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
5. Members are requested to notify changes, if any in their address to the M/s Sharex Dynamic (India) Private Limited, quoting their folio numbers/DPID/Client ID etc.
6. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
7. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. A recent amendment to the Listing Agreement with the Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their email address for the said purpose. Members are requested to support this Green Initiative by registering/updating their e-mail addresses for receiving electronic communications.

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 15th December, 2014 at 9.30 a.m. and ends on 16th December, 2014 on 6.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 07th November, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - (a) For CDSL: 16 digits beneficiary ID,
  - (b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - (c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv)</p>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant JIK Industries Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

#### **EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102(1) OF THE COMPANIES ACT, 2013.**

##### **Item No. 4**

Shri. Manoj P. Unadkat is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in January, 2011. It is proposed to appoint Shri. Manoj P. Unadkat as an Independent Director for Five consecutive years from the conclusion of this Annual General Meeting. A notice has been received from a member proposing Shri. Manoj P. Unadkat as a candidate for the office of Director of the Company. The Company has also received a declaration from Shri. Manoj P. Unadkat, Independent Director, that he meets with the criteria of Independence as prescribed, both under sub section 6 of Section 149 of the Act and under clause 49 of the Listing Agreement.

Pursuant to the coming into force of Section 149 of the Companies Act, 2013 ('the Act') from April 1, 2014, the Company has re-assessed the status of its directors with a view to determining their qualifying for classification as Independent Directors in terms of Section 149(6) of the Act. Accordingly, Shri. Manoj P. Unadkat fulfils the criteria laid out in Section 149(6) of the Act in this regard.

The Board of Directors is of the view that your Company would greatly benefit from the rich and varied experience of Shri. Manoj P. Unadkat and accordingly recommends the Ordinary Resolution set forth in Item No. 4 of the Notice for approval of the Members.

In the opinion of the Board, Shri. Manoj P. Unadkat fulfils the conditions specified in the Act and the Equity Listing Agreement and he is independent of the management. Save and except Shri. Manoj P. Unadkat, none of the Directors or Key Managerial Personnel of the Company including their relatives is, in anyway concerned or interested in the Resolution.

##### **Item No. 5**

Shri. Surendra C. Gurav is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in January, 2004. It is proposed to appoint Shri. Surendra C. Gurav as an Independent Director for Five consecutive years from the conclusion of this Annual General Meeting. A notice has been received from a member proposing Shri. Surendra C. Gurav as a candidate for the office of Director of the Company. The Company has also received a declaration from Shri. Surendra C. Gurav, Independent Director, that he meets with the criteria of Independence as prescribed, both under sub section 6 of Section 149 of the Act and under clause 49 of the Listing Agreement.

Pursuant to the coming into force of Section 149 of the Companies Act, 2013 ('the Act') from April 1, 2014, the Company has re-assessed the status of its directors with a view to determining their qualifying for classification as Independent Directors in terms of

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Section 149(6) of the Act. Accordingly, Shri. Surendra C. Gurav fulfils the criteria laid out in Section 149(6) of the Act in this regard.

The Board of Directors is of the view that your Company would greatly benefit from the rich and varied experience of Shri. Surendra C. Gurav and accordingly recommends the Ordinary Resolution set forth in Item No. 5 of the Notice for approval of the Members.

In the opinion of the Board, Shri. Surendra C. Gurav fulfils the conditions specified in the Act and the Equity Listing Agreement and he is independent of the management. Save and except Shri. Surendra C. Gurav, none of the Directors or Key Managerial Personnel of the Company including their relatives is, in anyway concerned or interested in the Resolution.

#### Item No. 6

Shri. Vijay P. Panikar is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in August, 2011. It is proposed to appoint Shri. Vijay P. Panikar as an Independent Director for Five consecutive years from the conclusion of this Annual General Meeting. A notice has been received from a member proposing Shri. Vijay P. Panikar as a candidate for the office of Director of the Company. The Company has also received a declaration from Shri. Vijay P. Panikar, Independent Director, that he meets with the criteria of Independence as prescribed, both under sub section 6 of Section 149 of the Act and under clause 49 of the Listing Agreement.

Pursuant to the coming into force of Section 149 of the Companies Act, 2013 ('the Act') from April 1, 2014, the Company has re-assessed the status of its directors with a view to determining their qualifying for classification as Independent Directors in terms of Section 149(6) of the Act. Accordingly, Shri. Vijay P. Panikar fulfils the criteria laid out in Section 149(6) of the Act in this regard.

The Board of Directors is of the view that your Company would greatly benefit from the rich and varied experience of Shri. Vijay P. Panikar and accordingly recommends the Ordinary Resolution set forth in Item No. 6 of the Notice for approval of the Members.

In the opinion of the Board, Shri. Vijay P. Panikar fulfils the conditions specified in the Act and the Equity Listing Agreement and he is independent of the management. Save and except Shri. Vijay P. Panikar, none of the Directors or Key Managerial Personnel of the Company including their relatives is, in anyway concerned or interested in the Resolution.

#### Admin. Office:

16, Gundecha Chambers,  
N.M. Road, Fort, Mumbai - 400 023.

**By order of the Board**

**Place:** Mumbai

**Date:** 31<sup>st</sup> October, 2014

**Shreya A. Dhende**  
**Company Secretary**

#### INFORMATION REGARDING DIRECTORS SEEKING RE-APPOINTMENT IN THE TWENTY SECOND ANNUAL GENERAL MEETING

As required under clause 49 of the Listing Agreement, the particulars of Director who is proposed to appointed/re-appointed are given below:

Name of the Director	Rajendra G. Parikh	Manoj P. Unadkat	Vijay P. Panikar	Surendra C. Gurav
Date of Appointment/ reappointment	10/05/1990	31/01/2011	18/08/2011	31/01/2004
Qualification	BA Hons., Diploma in Administrative and Management	B. A., LLB	B Sc	Graduate Diploma-Instrumentation
Experience	Eight years of experience in business before starting the Company as promoter and has over 24 years of experience in the industry and business operations of the Company	Since 1980 he is working as Advocate. Around 34 years of experience.	30 years of experience in Hindustan Petroleum Corporation Ltd.	20 years of experience before joining the Company
Directorships held in other public Companies	NIL	NIL	NIL	NIL
Chairmanship/ Memberships of the committees of the Board of other public Companies	NIL	NIL	NIL	NIL
No. of shares held in the Company	8900900	66	15230	NIL

### Directors' Report

The Members of JIK Industries Limited,

Your Directors are pleased to present herewith Twenty Second Annual Report together with the Audited Statements of Accounts of the Company for the Twelve months period ended 30<sup>th</sup> June, 2014.

#### **OPERATIONS**

The performance of the Company during the reporting period has been interalia affected due to slow down.

#### **FINANCIAL HIGHLIGHTS**

Company continues to be totally debt free with respect to secured creditors in the current year. Standalone Financial Information of JIK Industries Limited is as follows:

(Amount in Rupees)

Particulars	Period ended 30 <sup>th</sup> June, 2014	Period ended 30 <sup>th</sup> June, 2013
Sales & Other Income	1,22,65,895	8,43,21,341
Total Expenses	4,39,12,076	8,70,98,324
Gross Profit/ (Loss)	(3,16,46,181)	(27,76,983)
Interest and Finance Charges	--	--
Depreciation and Amortization	36,76,990	48,31,411
Profit / (Loss) before Taxes and Extra Ordinary Items	(3,53,23,171)	(76,08,394)
Provision for Taxes	--	--
Profit / (Loss) Before Extra Ordinary Items	(3,53,23,171)	(76,08,394)
Extra Ordinary Items	--	4,62,01,434
Net Profit after Tax	(3,53,23,171)	(5,38,09,828)

#### **PUBLIC DEPOSIT**

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

#### **DIRECTORS**

Shri Rajendra G. Parikh, Executive Director, retire from office by rotation and being eligible offer himself for reappointment at the forthcoming Annual General Meeting of the Company.

Pursuant to Section 149 and other applicable provisions of the Companies Act, 2013, your Directors are seeking appointment of Shri Manoj P. Unadkat, Shri S. C. Gurav, and Shri Vijay P. Panikar, as Independent Directors for 5 consecutive years from the conclusion of this Annual General Meeting. Details of the proposal for appointment of Shri Manoj P. Unadkat, Shri S. C. Gurav, and Shri Vijay P. Panikar, are mentioned in the Explanatory Statement attached to the Notice of the Annual General Meeting.

#### **AUDITORS**

M/s. Motilal & Associates., Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the forthcoming Annual General Meeting and recommended for re-appointment. The Company has received letter from them to the effect that their reappointment, if made, would be within the prescribed limits under Section 139. Under Section 139 of

the Companies Act, 2013, Statutory Auditors of every listed Company who have completed a term of 10 years or more will not be eligible for re appointment as Statutory Auditors. However, the existing companies have been allowed to comply with the new requirements of the section within 3 years from the date of commencement of the Companies Act, 2013. The existing Statutory Auditor of the Company has already completed a term 10 years.

Based on the recommendation of the Audit Committee, the Board of Directors of the Company proposes the re – appointment of M/s. Motilal & Associates, Chartered Accountant, as a Statutory Auditor of the Company for the current year.

#### **SUBSIDIARY COMPANIES**

The Ministry of Corporate Affairs vide its general Circular No.2/2011 dated 8th February, 2011, have granted permission to holding companies not to attach accounts of its subsidiary companies, with the Balance Sheet of the Company. However, these documents shall be available to any shareholder of the Company/Subsidiary Companies, interested in obtaining the same. Further, pursuant to provisions of the Accounting Standard 21 (AS-21) prescribed under the Companies (Accounting Standard) Rules – 2006, the Listing Agreement and prescribed by the Securities and Exchange Board of India, Consolidated Financial Statement presented by the Company include financial information of subsidiary companies, which forms a part of the Annual Report.

#### **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. 2013/CR 14/13/Ind-10 dated October 15, 2013 has declared the Company as "Relief Undertaking" for a period of one year from that date. The Company has applied for renewal of the same.

#### **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.

#### **DIRECTORS RESPONSIBILITY STATEMENT**

The Board of Directors of The Company confirmed that:

- i. in the preparation of the financial statements, the applicable accounting standards had been followed and there is no material departure;
- ii. 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, 2014 and of the loss of the Company for the period ended on that date;
- iii. 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;
- iv. the financial statements for 12 month ended 30<sup>th</sup> June, 2014 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, 2014 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 compulsorily traded in dematerialized form.

As on 30<sup>th</sup> June, 2014 a total of 71371456 equity shares of the Company, which form 98.25% of the equity share capital, stand dematerialized.

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 September 30, 2013; December 31, 2013; March 31, 2014 and June 30, 2014 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 2014-15 has been paid to 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 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 in a very challenging environment.

**For and on behalf of the Board**

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

Place: Mumbai  
Dated: 31<sup>st</sup> October, 2014

#### 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

	Period ended 30 <sup>th</sup> June, 2014	Period ended 30 <sup>th</sup> June, 2013
<b>A. Power and fuel consumption</b>		
1. Electricity:		
(a) Purchased		
Units (KWH)	22,715	22,033
Total Amount (Rs)	2,23,288	4,58,210
Rate per Unit (Avg.)	9.83	9.43
(b) Own generation		
(i) Through diesel generator:		
Units (KWH)	Nil	Nil
Units per Ltr. of Diesel oil	Nil	Nil
Cost per unit (Rs.)	Nil	Nil
2. Coal (specify quality and where used)	Nil	Nil
3. Furnace Oil/Gas	Nil	Nil
4. Others/Internal Generation	Nil	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 Development Activity in designs and developments of products.

##### Technology Imported:

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

#### C. FOREIGN EXCHANGE EARNINGS & OUTGOING: Total Foreign Exchange used and Earned:

	Period ended 30 <sup>th</sup> June, 2014	Period ended 30 <sup>th</sup> June, 2013
i. Total foreign exchange used	Nil	71,939
ii. Total foreign exchange earned	96,000	3,42,507



**MANAGEMENT & DISCUSSION AND ANALYSIS****FORWARD LOOKING STATEMENT:**

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be 'forward-looking statements'; within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could influence the Company's operations include economic developments within the country, demand and supply conditions in the industry, changes in Government regulations, tax laws and other factors such as litigation and labour relations.

The reports contains forward looking statements recognized by word 'plans', 'expects', 'will', 'estimates' and so on. All statement that deal with expectation or projection about the future, but not limited to company's strategy for growth, product development, market position, expenditure and financial results are forward looking statement. Since these are based on certain assumptions and expectation about the future events, the company cannot guarantee that these are accurate or will be realized

**INDUSTRY STRUCTURE:**

Reflecting the trends of overall economy, the year was not favourable for the growth of manufacturing sector. There have been challenges for growth in India and the worldwide this year. Therefore needless to say, the financial year 2013 – 14 has been challenging for most of businesses and too for the Company.

**COMPANY OVERVIEW:**

The company is in the business of manufacturing, outsourcing, marketing and trading of crystal, glass and allied products. Delayed policy measures, slow down in industrial production, persistently high interest rates and liquidity concerns had impacted business environment. The company continues its process to improve its product mix to cater to changing and challenging business environments and customer needs.

**OPPORTUNITIES AND THREATS:**

There are opportunities in the current business environment, as customers are looking for better price competitiveness and flexible product range. The company is well suited and is working towards the same.

**OUTLOOK:**

It will be a difficult year with every effort being made to tap existing opportunities. Company intend to diversify and its evaluating. Company to be more competitive has decided to modernised its unit.

**RISK MANAGEMENT:**

Like any other enterprise company is exposed to business risks which may be systematic as well as unsystematic to company. The Company is well aware of these risks and challenges and has put 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:**

We believe that people are the most valuable assets of the Company as they contribute to the achievement of business objectives. Human resource policies of the Company though business focused, are employee friendly, clear and concise, thereby providing employees with appropriate opportunities to grow professionally and personally. Scalable recruitment and human resource management process enables the Company to attract and retain high caliber employees.

**CORPORATE GOVERNANCE REPORT**

As required by Clause 49 of the Listing Agreements with Stock Exchanges.

**1. COMPANY'S PHILOSOPHY:**

Corporate Governance doctrine is put into practice at our company through the following four folded approach, namely,

- Governance by Stakeholders,
- Governance by Board of Directors,
- Governance by Sub-committee of Board of Directors, and
- Governance of the management process

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

The current strength of the Board of Directors of the Company is four. The Board has an optimum blend of executive and non-executive directors. The Chairman and Managing Director is executive director while other directors are non executive directors. This combination helps the Company take benefit of the experience and expertise of the directors, in their core area of competence. The Board has a Managing Director who is also a Chairman and the number of independent Directors is more than half of the total strength of the Board.

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:**

During the year four Board Meetings were held on August 29, 2013, November 13, 2013, January 29, 2014 and May 12, 2014. The Board was presented with the relevant and necessary information. The attendance at the Board Meetings during the year and at the last Annual General Meeting as also number of other directorship is given below:

Name of Director	Category	Attendance Particulars		No. of outside Directorship in public Limited Companies	No. of Membership / chairmanship in other Board Committees	No. of Shares held in the Company as at 30.06. 2014
		Board Meetings	Last AGM			
Shri. Rajendra G. Parikh	CMD	4	Yes	-	-	8900900
Shri. Surendra C. Gurav	NEID	4	Yes	-	-	Nil
Shri. Manoj P. Unadkat	NEID	4	No	-	-	66
Shri. Vijay P. Panikar	NEID	4	Yes	-	-	15230

**CMD:** Chairman and Managing Director, **NEID:** Non Executive Independent Director

**3. AUDIT COMMITTEES:**

The Companies Act, 1956 and Listing Agreement with Exchanges provide for constitution of Audit Committee.

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 under the provisions of the Companies Act, 1956. During the year four Audit Committee Meetings were held on August 29, 2013, November 13, 2013, January 29, 2014 and May 12, 2014. The Company Secretary acts as the Secretary of the Committee. The Minutes of the Audit Committee Meetings are noted at the Board Meeting

The attendance of each member of the Committee is given below:

Sr. No.	Name of Members	Category	Designation	No. of Meetings Attended
1	Shri. Surendra C. Gurav	NEID	Chairman	4
2	Shri. Manoj P. Unadkat	NEID	Member	4
3	Shri. Rajendra G. Parikh	CMD	Member	4

#### 4. NOMINATION & REMUNERATION COMMITTEE:

The terms of reference of the Nomination & Remuneration Committee are considering the matters relating to the Company's policies on remuneration packages to the Executive Director, Sitting Fees payable to the Directors and commission to be paid to the Directors in case of adequacy of profits under the provisions of law.

The aforesaid Committee did not meet during the Financial Year from 01<sup>st</sup> July, 2013 to 30<sup>th</sup> June, 2014.

The composition of the Remuneration Committee is given below:

Sr. No.	Name of the Members	Category	Designation
1	Shri. Surendra C. Gurav	NEID	Chairman
2	Shri. Manoj P. Unadkat	NEID	Member
3	Shri. Rajendra G. Parikh	CMD	Member

#### 5. STAKEHOLDER RELATIONSHIP COMMITTEE

The Committee comprises of Shri. Surendra C. Gurav Chairman, Shri. Rajendra G. Parikh and Shri. Manoj P. Unadkat as Members. Company Secretary is the Compliance Officer to the Committee. The Committee met four times during the year ended 30<sup>th</sup> June, 2014 on August 29, 2013, November 13, 2013, January 29, 2014 and May 12, 2014 which was attended by all the members.

The Stakeholders Relationship Committee deals with the matters relating to shareholders/investors grievances and its redressal. During the 12 months period ended 30<sup>th</sup> June, 2014, 1 complaint were received from the shareholders. The complaint of shareholders was resolved. There was no outstanding complaint as on 30<sup>th</sup> June, 2014

#### 6. MANAGEMENT COMMITTEE

The Company has constituted the Management Committee. The Committee comprises of Shri. Surendra C. Gurav Chairman, Shri. Rajendra G. Parikh and Shri. Manoj P. Unadkat as Members. The terms of reference of the Management committee inter-alia consists of considering the normal business and specific business delegated by the Board from time to time.

The Committee did not meet during the year ended 30<sup>th</sup> June, 2014.

#### 7. 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 Clause 49 of the Listing Agreement. Business risk evaluation and management is an ongoing process with the Company.

#### 8. ANNUAL GENERAL MEETING

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

Financial Year	Venue	Date	Time	Special Resolution Passed
2012-13	Golden Swan Country Club, Off Pokhran Road No. 1, Yeoor Hills, Thane-400 602	12.10. 2013	2.30 P. M	Yes
2011-12	-do-	24.12. 2012	3.30 P.M	No
2010-11	-do-	04.11. 2011	9.30 A.M	Yes

#### 9. DISCLOSURE

The Company has three subsidiaries, viz. M/s. I. A. & I. C. Private Limited, M/s. Shah Pratap Industries Private Limited, M/s. Glassworks Trading Private Limited

- Disclosures on materially significant related party transactions, i.e. transactions of the Company of material nature, with its promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large: None of the transactions with any of the related parties were in conflict with the interest of the Company. Transactions with the related parties are disclosed in Note No. B (7) to Schedule 25 'Notes on Accounts' annexed to the Financial Statements for the year under review.
  - Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: None
  - The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure I D to clause 49 of the Listing Agreement with Stock Exchanges. The Company has set up a Nomination & Remuneration Committee. Please refer to Para 4 above on Nomination & Remuneration Committee for details.
- #### 9. MEANS OF COMMUNICATION:
- Quarterly/half yearly /yearly results are normally published in English and local language newspapers as specified by SEBI and as required under Listing Agreement. The audited annual accounts are posted to every member of the company. Quarterly shareholding 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 email id for investors/shareholders grievances is [investorrel@jik.co.in](mailto:investorrel@jik.co.in).
  - The Stock Exchanges are notified of any important developments that may materially affect the working of the Company.

- (4) No presentations were made to any institutional investors or analysts etc.
- (5) A Management Discussion and Analysis Report, which forms a part of the Annual Report, has been given by means of a separate Annexure and attached to the Directors Report.

**10. GENERAL SHAREHOLDERS INFORMATION:**

Annual General Meeting :  
 Date and Time : 20th December, 2014 at 9.30 am  
 Venue : Know IT Hall, 305, Krupa Chamber,  
 Near Malhar Cinema, Opp. MTNL,  
 Gokhale Road, Naupada,  
 Thane (W) - 400 602.

**Reporting in the Financial calendar 2014 - 2015**

Financial Year	
1 <sup>st</sup> Quarter Results	Within 45 days from the end of the Quarter
2 <sup>nd</sup> Quarter Results	
3 <sup>rd</sup> Quarter Results	
Audited Annual Results	Within 60 days from the year end

**Book closure date**

The Book Closure is from 11th December, 2014 to 20th December, 2014 (both the days inclusive).

**Listing on stock exchange**

Name & address of the Stock Exchange:

**Bombay Stock Exchange Limited**

Phiroze Jeejeebhoy Towers,  
 Dalal Street, Mumbai – 400 001  
 Stock Code: 511618

**National Stock Exchange of India Limited**

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

The Company has paid Annual Listing Fees for the year 2014-15 to the above Stock Exchanges.

**Market price data**

High/Low during each month of the 12 months period ended 30<sup>th</sup> June, 2014, on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited

Month	JIK Share price data (BSE)		BSE Sensex		JIK Share price data (NSE)		NSE Nifty	
	High (Rs.)	Low (Rs.)	High	Low	High (Rs.)	Low (Rs.)	High	Low
2013 Jul	1.10	0.76	20351.06	19126.82	1.05	0.70	6093.35	5675.75
Aug	0.85	0.65	19569.2	17448.71	0.80	0.65	5808.50	5118.85
Sept	0.86	0.57	20739.69	18166.17	0.90	0.60	6142.50	5318.90
Oct	0.75	0.58	21205.44	19264.72	0.75	0.55	6309.05	5700.95
Nov	0.67	0.52	21321.53	20137.67	0.70	0.50	6342.95	5972.45
Dec	0.70	0.54	21483.74	20568.70	0.70	0.50	6415.25	6129.95
2014 Jan	1.17	0.67	21409.66	20343.78	1.15	0.65	6358.30	6027.25
Feb	0.97	0.77	21140.51	19963.12	1.00	0.70	6282.70	5933.30
Mar	0.94	0.79	22467.21	20920.98	1.00	0.75	6730.05	6212.25
Apr	0.91	0.73	22939.31	22197.51	0.90	0.70	6869.85	6650.40
May	1.05	0.69	25375.63	22277.04	0.95	0.70	7372.95	6638.55
Jun	1.32	0.93	25725.12	24270.2	1.30	0.95	7700.05	7239.50

**Distribution of shareholding as on 30<sup>th</sup> June, 2014**

Range	No. of holders	% of holders	Total Share	% of Shareholding
Up to 100	10145	66.47	348142	.48
101 to 200	1396	9.15	219910	.30
201 to 500	1280	8.39	473130	.65
501 to 1000	849	5.56	718952	.99
1,001 to 5,000	1065	6.98	2649390	3.65
5,001 to 10,000	224	1.47	1710239	2.35
10001 to 1,00,000	262	1.72	7853293	10.81
1,00,001 & above	41	.27	58667895	80.76
<b>Total</b>	<b>15262</b>	<b>100.00</b>	<b>72640951</b>	<b>100.00</b>

**Shareholding pattern as on 30<sup>th</sup> June, 2014**

Sr. No.	Category of Shareholder	No. of Shares	Percentage
1	Promoters & Associates	33135697	45.616
2	Financial Institutions / Banks / Insurance / Mutual Funds	883458	1.216
3	NRI/OCB	405686	0.558
4	Private Corporate Bodies	14910207	20.526
5	Indian Public	23305903	32.083
<b>Total</b>		<b>72640951</b>	<b>100.00</b>

**Pledge of Shares of Promoters & Promoter Group as on 30<sup>th</sup> June, 2014**

Sr. No	Category of Shareholder	No. of Shares	Percentage
1	Promoter & Promoters Group	25825	0.036

**Details of complaints / queries received and redressed during 1<sup>st</sup> July, 2013 to 30<sup>th</sup> June, 2014**

Number of shareholders complaints / queries received	1
Number of shareholders complaints / queries redressed	1
Number of shareholders complaints / queries pending	0

**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

**Share Transfer System**

As on 30<sup>th</sup> June, 2014, 98.25% 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).

**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 compulsorily traded in dematerialized form. As on 30<sup>th</sup> June, 2014, a total of 71371456 equity shares of the Company, which form 98.25% of the equity share capital, stand dematerialized. 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 in physical mode.

Due to non-implementation of Hon'ble BIFR Orders by ROC and others, e-form is pending and the matter is sub-judice before the Hon'ble Bombay High Court.

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

The Company has not issued any GDRs /ADRs.

**Location of manufacturing plant**

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

**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  
Email ID: info@sharexindia.com

**Mrs. Shreya A. Dhende****Compliance Officer  
JIK Industries Limited**

Admin. Office:  
16, Gundecha Chambers,  
Nagindas Master Road,  
Fort, Mumbai-400023

**For and on behalf of the Board**

Place: Mumbai  
Date: 31<sup>st</sup> October, 2014

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

**CEO CERTIFICATION**

I, Rajendra G. Parikh, Chairman & Managing Director of JIK Industries Limited, to the best of my knowledge and belief hereby certify that:

- a. I have reviewed the financial statements and Cash Flow Statement for the year ended 30<sup>th</sup> June, 2014 and that to the best of our knowledge and belief;
  - i. these statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs are in compliance with existing Accounting Standards, applicable laws and regulations.
- b. To the best of my knowledge and belief, no transactions entered into by the Company during the year ended 30<sup>th</sup> June, 2014 are fraudulent, illegal or violate the Company's code of conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, proper steps have been taken to rectify these deficiencies.
  - i. There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - ii. I am not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai  
Date: 28<sup>th</sup> August, 2014

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

**AUDITORS CERTIFICATE ON CLAUSE 49 COMPLIANCE**

To,  
The Members of  
JIK INDUSTRIES LIMITED,

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the Company with the Stock Exchanges, for the year ended 30th June, 2014.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review and the information and explanations given to us by the Company.

Based on such a review, in our opinion, the Company has complied with the conditions of Corporate Governance, as stipulated in Clause 49 of the said Listing Agreements.

We further state that, such compliance is neither an assurance as to the future viability of the Company, nor as to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For MOTILAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Registration No.:106584W**

Place: Mumbai  
Date : 28th August, 2014

**(M.L.JAIN)  
PROPRIETOR  
Membership No. 36811**

**INDEPENDENT AUDITORS' REPORT****To the Members of JIK INDUSTRIES LIMITED  
REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of **JIK INDUSTRIES LIMITED** (the Company), which comprise the Balance Sheet as at June 30, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at June 30, 2014;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the Balance Sheet and Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
  - e) on the basis of written representations received from the directors as on June 30, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on June 30, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

**For MOTILAL & ASSOCIATES**  
**Chartered Accountants**  
**Registration No.:106584W**

**Place: Mumbai**  
**Date : 28<sup>th</sup> August, 2014**

**(M.L.JAIN)**  
**Proprietor**  
**M. No. 36811**

**ANNEXURE TO THE AUDITORS' REPORT**

Referred to in paragraph 1 of our report of even date

- i) In respect of its fixed assets:
  - a. The company is in the process of maintaining proper records for showing full particulars including quantitative details and situation of fixed assets.
  - b. All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
  - c. The Company has not disposed of any substantial part of its fixed assets so as to affect its going concern status.
- ii) In respect of inventory of raw material, stores and operating supplies:
  - a. The inventory has been physically verified during the period by the management. In our opinion, the frequency of verification is reasonable.
  - b. The procedures of the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- iii) In respect of the loans, secured or unsecured, given/taken by the company from companies, firms or other parties covered in the register maintained u/s. 301 of the Companies Act, 1956.
  - a. At the year end, the outstanding balance of such loans aggregated Rs.1,84,46,153/- and maximum amount outstanding during the year amounted to Rs. 2,47,58,631/-.
  - b. The terms and conditions of such loans are, in our opinion, prima facie, not prejudicial to the interest of the company.
  - c. The repayment of principal amounts and interest during the year has been as per stipulation.
  - d. There are no overdue amounts outstanding at the year-end.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regards to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control.
- v) In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956;
  - a. To the best of our knowledge and belief and according to the information and explanations given to us, transactions that needed to be entered into the register have been so entered.
  - b. According to the information and explanations given to us, the transactions made in pursuance of contract or arrangements with parties during the year have been made at prices which are reasonable having regard to prevailing market prices at that time.
- vi) In our opinion and according to the information and explanations given to us the company has not accepted deposits in terms of the provisions of section 58A and 58AA or any other relevant provisions of the Act and the rules framed there under.
- vii) We are informed that the company has appointed a firm of chartered accountant to take care of internal audit.
- viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of its products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the accounts and records with a view to determine whether these are accurate or complete.

ix) (a) According to the information and explanations given to us the following undisputed statutory dues were outstanding as per books of accounts as at June 30, 2014, for a period of more than six months from the date they became payable are;

Name of the statute	Nature of the dues	Period to which Amount relates	Amount (In Lacs.)
Sales Tax Act.	Sales Tax	2002-03	0.86
Sales Tax Act.	Sales Tax	2005-06	2.17

(b) According to the records of the Company, the dues of Income Tax which have not been deposited on account of disputes are as under:

Name of the statute	Nature of dues	Amount (In Lacs)	Period which the amount relates	Forum where disputes pending
Income Tax Act	Income Tax	39.67	1995-96 (*)	Income Tax Appellate Tribunal, Mumbai.
Income Tax Act	Income Tax	656.65	2000-01 (**)	Commissioner of Income Tax, (Appeals) Mumbai.
Income Tax Act	Income Tax	372.69	2001-02	Commissioner of Income Tax, Mumbai City II.
Income Tax Act	Income Tax	9.59	2002-03 (#)	Commissioner of Income Tax, (Appeals) Mumbai.
Income Tax Act	Income Tax	48.78	2003-04 (##)	Commissioner of Income Tax, (Appeals) Mumbai.
Income Tax Act	Income Tax	313.67	2004-05 (\$)	Commissioner of Income Tax, (Appeals) Mumbai.
Income Tax Act	Income Tax	0.10	2004-05	Income Tax Appellate Tribunal, Mumbai.
Income Tax Act	Income Tax	2259.15	2005-06	Commissioner of Income Tax, (Appeals) Mumbai.
Income Tax Act	Income Tax	0.10	2005-06	Income Tax Appellate Tribunal, Mumbai.
Income Tax Act	Income Tax	0.10	2006-07	Income Tax Appellate Tribunal, Mumbai.
Income Tax Act	Income Tax	273.44	2007-08	Commissioner of Income Tax, (Appeals) Mumbai.
Income Tax Act	Income Tax	0.10	2007-08	Income Tax Appellate Tribunal, Mumbai.
Income Tax Act	Income Tax	768.16	2008-09	Commissioner of Income Tax, (Appeals) Mumbai.
Income Tax Act	Income Tax	0.10	2008-09	Income Tax Appellate Tribunal, Mumbai.
Income Tax Act	Income Tax	4005.12	2009-10	Commissioner of Income Tax, (Appeals) Mumbai.
Income Tax Act	Income Tax	0.10	2009-10	Income Tax Appellate Tribunal, Mumbai.
Income Tax Act	Income Tax	4156.14	2010-11	Commissioner of Income Tax, (Appeals) Mumbai.
Income Tax Act	Income Tax	0.10	2010-11	Income Tax Appellate Tribunal, Mumbai.

(\*) ITAT (Mumbai) vide its order dated 23.10.2012 has partly allowed the appeal. Order giving effect for the same is awaited.

(\*\*) CIT (A) – 5 (Mumbai) vide its order dated 15.03.2013 has partly allowed the appeal. Order giving effect for the same is awaited.

(#) CIT (A) – 38 (Mumbai) vide its order dated 30.04.2014 has allowed the appeal. Order giving effect for the same is passed vide order dated 22.07.2014.

(##) CIT (A) – 38 (Mumbai) vide its order dated 07.11.2013 has allowed our appeal. Order giving effect for the same is passed vide order dated 25.06.2014.

(\$) CIT (A) – 38 (Mumbai) vide its order dated 07.11.2013 has allowed our appeal. Order giving effect for the same is passed vide order dated 25.06.2014.

x) The accumulated losses of the Company as at June 30, 2014 are more than fifty percent of its net worth at the year end and the Company has incurred cash losses during the financial year and also in immediately preceding financial year.

xi) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions and banks.

xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore the provisions of clause 4(xiii) are not applicable to the company.

xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) are not applicable to the company.

xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee.

xvi) In our opinion and according to the information and explanations given to us, no term loans have been obtained during the year under review.

xvii) According to the records examined by us and the information and explanations given to us, on an overall basis, funds raised on short-term basis have, prima facie, not been used during the year for long-term investments.

xviii) During the year, the company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.

xix) The company has not issued Debentures during the year and hence the provisions of clause 4(xix) are not applicable to the company.

xx) In our opinion and according to the information and explanations given to us, the company has not raised any money by public issue during the year covered by our report.

xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For **MOTILAL & ASSOCIATES**  
Chartered Accountants  
Registration No.:106584W

Place: Mumbai  
Date : 28<sup>th</sup> August, 2014

(M.L.JAIN)  
Proprietor  
M. No. 36811

*( Rupees)*

	Note No.	As at 30.06.2014	As at 30.06.2013
<b>I</b>			
<b>I</b>			
<b><u>EQUITY AND LIABILITIES</u></b>			
(1)			
<b><u>Shareholders' funds</u></b>			
(a) Share Capital	1	726,409,510.00	726,409,510.00
(b) Reserves and Surplus	2	297,388,850.65	332,712,021.42
		<b>1,023,798,360.65</b>	1,059,121,531.42
(2)			
<b><u>Non-current liabilities</u></b>			
(a) Long-Term Borrowings	3	1,305,894.00	1,958,842.00
(b) Other Long Term Liabilities	4	-	-
(c) Long Term Provisions	5	340,410.00	349,143.00
		<b>1,646,304.00</b>	2,307,985.00
(3)			
<b><u>Current liabilities</u></b>			
(a) Short-Term Borrowings	6	23,841,726.60	29,600,590.03
(b) Trade Payables	7	337,226.32	537,276.32
(c) Other Current Liabilities	8	18,738,175.26	14,168,575.27
(d) Short Term Provisions	9	37,823.00	38,794.00
		<b>42,954,951.18</b>	44,345,235.62
		<b>1,068,399,615.83</b>	1,105,774,752.04
<b>II</b>			
<b>II</b>			
<b><u>ASSETS</u></b>			
(1)			
<b><u>Non-current assets</u></b>			
(a) Fixed Assets			
Tangible Assets	10	4,735,928.00	37,561,117.83
(b) Non-Current Investments	11	678,916,830.00	78,916,830.00
(c) Deferred Tax Assets (Net)	12	68,000,848.00	68,000,848.00
(d) Long-Term Loans and Advances	13	51,681,168.70	51,714,263.23
		<b>803,334,774.70</b>	836,193,059.06
(2)			
<b><u>Current assets</u></b>			
(a) Inventories	14	1,296,721.18	6,159,624.56
(b) Trade Receivables	15	257,278,600.70	257,287,743.70
(c) Cash and Cash Equivalents	16	252,355.75	103,192.22
(d) Short-Term Loans and Advances	17	6,237,163.50	6,031,132.50
		<b>265,064,841.13</b>	269,581,692.98
		<b>1,068,399,615.83</b>	1,105,774,752.04
Summary of Significant Accounting Policies	25		
The accompanying notes are an integral part of the financial statements.			

**AS PER OUR REPORT OF EVEN DATE**
**For MOTILAL & ASSOCIATES**
**Chartered Accountants**
**Registration No.:106584W**
**FOR AND ON BEHALF OF THE BOARD**
**M.L. JAIN**  
**Proprietor**  
**M. No. 36811**
**R.G.PARIKH**  
 Chairman & Managing Director

**S.C. GURAV**  
 Director

**S.A. DHENDE**  
 Company Secretary

 Place : Mumbai  
 Dated : 28th August, 2014

 Place : Mumbai  
 Dated : 28th August, 2014



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 30TH JUNE, 2014

( Rupees)

	Note No.	Year ended 30.06.2014	Year ended 30.06.2013
<b>I REVENUE</b>			
Revenue From Operations (Gross)		<b>12,265,895.00</b>	84,321,341.25
Other Income	<b>18</b>	-	-
<b>Total Revenue</b>		<b>12,265,895.00</b>	84,321,341.25
<b>II EXPENDITURE</b>			
Cost of Materials Consumed	<b>19</b>	<b>461,995.75</b>	263,235.00
Purchases of Stock-in-Trade	<b>20</b>	<b>1,054,795.50</b>	74,208,771.00
Changes in Inventories of Finished Goods, Work-in-Progress & Stock-in-Trade	<b>21</b>	<b>4,400,907.63</b>	921,329.88
Employee Benefits Expenses	<b>22</b>	<b>4,360,724.00</b>	5,469,810.00
Finance Cost	<b>23</b>	-	-
Depreciation and Amortization		<b>3,676,989.83</b>	4,831,411.00
Other Expenses	<b>24</b>	<b>4,485,453.06</b>	6,235,178.44
<b>Total Expenditure</b>		<b>18,440,865.77</b>	91,929,735.32
<b>III Profit/(Loss) Before Exceptional &amp; Extraordinary Items &amp; Tax</b>		<b>(6,174,970.77)</b>	(7,608,394.07)
Exceptional Items		<b>29,148,200.00</b>	-
Profit before extraordinary Items and Tax		<b>(35,323,170.77)</b>	(7,608,394.07)
Extraordinary Items		-	46,201,433.97
<b>IV Profit/(Loss) Before Tax</b>		<b>(35,323,170.77)</b>	(53,809,828.04)
Tax Expenses			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
<b>V Profit/(Loss) for the year</b>		<b>(35,323,170.77)</b>	(53,809,828.04)
Earning per equity share			
Equity Shares - (Basic & Diluted) Before Extraordinary Items		<b>(0.49)</b>	(0.10)
'A' Equity Shares - (Basic & Diluted) Before Extraordinary Items		<b>(0.69)</b>	(0.15)
Equity Shares - (Basic & Diluted) After Extraordinary Items		<b>(0.49)</b>	(0.74)
'A' Equity Shares - (Basic & Diluted) After Extraordinary Items		<b>(0.69)</b>	(1.05)
Summary of Significant Accounting Policies	<b>25</b>		
The accompanying notes are an integral part of the financial statements.			

**AS PER OUR REPORT OF EVEN DATE**  
**For MOTILAL & ASSOCIATES**  
**Chartered Accountants**  
**Registration No.:106584W**

FOR AND ON BEHALF OF THE BOARD

**M.L. JAIN**  
**Proprietor**  
**M. No. 36811**

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

**S.C. GURAV**  
**Director**

**S.A. DHENDE**  
**Company Secretary**

Place : Mumbai  
Dated : 28th August, 2014

Place : Mumbai  
Dated : 28th August, 2014

**Notes Forming Part of the Financial Statements**

(Rupees)

	As at 30.06.2014	As at 30.06.2013
<b>Note 1 - Share Capital</b>		
<b>Authorised</b>		
156,900,000 Equity Shares Of Rs.10/- Each	1,569,000,000.00	1,569,000,000.00
100,000 'A' Ordinary Equity Shares Of Rs. 10/- Each	1,000,000.00	1,000,000.00
	<b>1,570,000,000.00</b>	1,570,000,000.00
<b>Issued, Subscribed &amp; Paid Up :</b>		
72,635,845 Equity Shares Of Rs.10/- Each Fully Paid Up (Previous Period 72,635,845 Equity Shares Of Rs.10/- Each Fully Paid Up)	726,358,450.00	726,358,450.00
5106 'A' Ordinary Equity Shares Of Rs 10/- Each Fully Paid Up (Previous Period 5106 'A' Ordinary Equity Shares Of Rs 10/- Each Fully Paid Up)	51,060.00	51,060.00
	<b>726,409,510.00</b>	726,409,510.00

**Notes:**
**a. Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period:**

	As at 30.06.2014		As at 30.06.2013	
	No. of Shares	Amount	No. of Shares	Amount
<b>Equity Shares:</b>				
At the beginning of the period	72635845	7263,58,450.00	72635845	7263,58,450.00
Issued during the period	-	-	-	-
Outstanding at the end of the period	72635845	7263,58,450.00	72635845	7263,58,450.00
<b>'A' Ordinary Equity Shares</b>				
At the beginning of the period	5106	51,060.00	5106	51,060.00
Issued during the period	-	-	-	-
Outstanding at the end of the period	5106	51,060.00	5106	51,060.00

**b. Rights, preferences and restrictions attached to the shares**

- Equity Shares have at par value of Rs.10/- per share. Each holder of equity share is entitled to one vote per-share.
- 'A' Ordinary Equity Shares have at par value of Rs 10/- per share. These shares have differential voting rights viz. 1 vote for every 10 shares held excluding fractions, if any.

**c. Details of shareholders holding more than 5% shares in the Company**

Name of Shareholder	As at 30.06.2014		As at 30.06.2013	
	No. of Shares	% Holding	No. of Shares	% Holding
Mr. Rajendra G. Parikh	89,00,900	12.25	89,00,900	12.25
Korpus Financial Services Pvt Ltd	15,00,000	2.07	15,00,000	2.07
Jagruiti Securities Ltd	135,00,000	18.59	135,00,000	18.59
Mrs. Jagruiti R. Parikh	92,58,785	12.75	92,58,785	12.75

	As at 30.06.2014	As at 30.06.2013
<b>Note 2 - Reserves &amp; Surplus</b>		
(a) Shares/Securities Premium		
As per last Balance Sheet	<b>8206,85,087.18</b>	8206,85,087.18
Add : Received during the year	-	-
	<b>8206,85,087.18</b>	8206,85,087.18
(b) Capital Reserve	<b>49,80,910.00</b>	49,80,910.00
(c) Capital Redemption Reserve	<b>1284,56,000.00</b>	1284,56,000.00
(d) Share Forfeiture	<b>4,38,000.00</b>	4,38,000.00
(e) State Subsidy	<b>32,50,000.00</b>	32,50,000.00
(f) General Reserve	<b>82,55,859.00</b>	82,55,859.00
(g) Surplus/(Deficit) in the statement of Profit & Loss		
As per last Balance Sheet	<b>(6333,53,834.76)</b>	(5795,44,006.72)
Add : Profit for the year	<b>(353,23,170.77)</b>	(538,09,828.04)
	<b>(6686,77,005.53)</b>	(6333,53,834.76)
	<b>2973,88,850.65</b>	3327,12,021.42

<b>Note 3 - Long-Term Borrowings</b>		
<b>Unsecured Loans</b>		
Interest Free Sales Tax Loan:		
(a) Development Corporation of Kokan Ltd	<b>5,12,072.00</b>	7,68,110.00
(b) Sales Tax Deferment Loan	<b>7,93,822.00</b>	11,90,732.00
	<b>13,05,894.00</b>	19,58,842.00

**Note:**

- Interest free Sales Tax deferral / loan is availed from the Government of Maharashtra in accordance with the 1988 Package Scheme of Incentives. The said deferral / loan is repayable in 8 annual installments starting from 30th June 2010 without any interest and penalty in term of sanctioned Scheme of "BIFR".

<b>Note 4 - Other Long Term Liabilities</b>		
	-	-
	-	-
<b>Note 5 - Long Term Provisions</b>		
Gratuity Payable	<b>3,40,410.00</b>	3,49,143.00
	<b>3,40,410.00</b>	3,49,143.00
<b>Note 6 - Short Term Borrowings</b>		
Loan From Related Party	<b>184,46,152.60</b>	247,46,631.00
Loan From Subsidiary	<b>27,83,782.00</b>	28,37,831.00
Others	-	57,284.03
<b>Unsecured Loans</b>		
Interest Free Sales Tax Loan:		
(a) Development Corporation of Kokan Ltd	<b>10,24,152.00</b>	7,68,114.00
(b) Sales Tax Deferment Loan	<b>15,87,640.00</b>	11,90,730.00
	<b>238,41,726.60</b>	296,00,590.03

**Note:** The Company is yet to make payment of 3 annual installments of Interest free Sales Tax deferral/loan as stated in Note 3(1) above

	As at 30.06.2014	As at 30.06.2013
<b>Note 7 - Trade Payables</b>		
Due to Micro, Small and Medium Enterprises	-	-
Other Trade Payables	<b>3,37,226.32</b>	5,37,276.32
	<b>3,37,226.32</b>	5,37,276.32
<b>Note 8 - Other Current Liabilities</b>		
Statutory Dues	<b>29,28,289.14</b>	30,51,422.33
Advance From Trade Receivables	<b>137,49,360.00</b>	98,84,360.00
Expenses Payable	<b>20,60,526.12</b>	12,32,792.94
	<b>187,38,175.26</b>	141,68,575.27
<b>Note 9 - Short Term Provisions</b>		
Provision for Employee Benefits		
Gratuity	<b>37,823.00</b>	38,794.00
	<b>37,823.00</b>	38,794.00

**Note 10 - Fixed Assets**
*(Rupees)*

Particulars	Gross Block			Depreciation / Amortization			Impairment Loss / (Rever- sal) During The Year	Net Block	
	As at 30-06-2013	Additions	As at 30-06-2014	Up-to 30-06-2013	For The Year	As at 30-06-2014		As at 30-06-2014	As at 30-06-2013
<b>Tangible Assets</b>									
Land & Site Development	62,04,865.81	-	62,04,865.81	55,76,615.81	-	55,76,615.81	-	6,28,250.00	6,28,250.00
Factory Building	160,79,088.46	-	160,79,088.46	160,79,088.46	-	160,79,088.46	-	-	-
Plant & Machinery	1185,58,017.28	-	1185,58,017.28	886,55,984.28	24,86,646.00	911,42,630.28	244,86,488.00	29,28,899.00	299,02,033.00
Laboratory Equipment	3,81,847.10	-	3,81,847.10	2,81,247.10	12,843.00	2,94,090.10	80,247.00	7,510.00	1,00,600.00
Moulds	83,83,621.32	-	83,83,621.32	83,83,621.32	-	83,83,621.32	-	-	-
Electrical Installations	115,97,791.28	-	115,97,791.28	81,62,106.11	4,16,669.17	85,78,775.28	27,32,549.00	2,86,467.00	34,35,685.17
Air Conditioner	6,54,091.86	-	6,54,091.86	4,41,446.86	30,852.00	4,72,298.86	5,218.00	1,76,575.00	2,12,645.00
Computer	76,10,086.76	-	76,10,086.76	74,61,285.76	54,398.00	75,15,683.76	-	94,403.00	1,48,801.00
Office Equipment	13,40,687.47	-	13,40,687.47	9,05,525.47	61,185.00	9,66,710.47	30,125.00	3,43,852.00	4,35,162.00
Vehicle	20,49,843.07	-	20,49,843.07	20,49,843.07	-	20,49,843.07	-	-	-
Furniture & Fixtures	137,16,622.09	-	137,16,622.09	110,18,680.43	6,14,396.66	116,33,077.09	18,13,573.00	2,69,972.00	26,97,941.66
<b>Total</b>	<b>1865,76,562.50</b>	<b>-</b>	<b>1865,76,562.50</b>	<b>1490,15,444.67</b>	<b>36,76,989.83</b>	<b>1526,92,434.50</b>	<b>291,48,200.00</b>	<b>47,35,928.00</b>	<b>375,61,117.83</b>
Previous Year	1865,57,012.50	19,550.00	1865,76,562.50	1441,84,033.67	48,31,411.00	1490,15,444.67	-	375,61,117.83	423,72,978.83

	As at 30.06.2014	As at 30.06.2013
<b>Note 11 - Non-Current Investments</b>		
<b>Non-Trade Long Term Investments in Equity</b>		
<b>Unquoted (at cost)</b>		
The Malad Sahakari Bank Ltd 4900 (4900) Equity Shares of Rs.10/-each	49,000.00	49,000.00
Jagati Publications Ltd 2916657 (2916657) Equity Shares of Rs.10/-each (Refer Note 25(B)(17) )	4385,92,830.00	4385,92,830.00
<b>Subsidiary Companies</b>		
Shah Pratap Industries Pvt.Ltd 10210 (10210) Equity Shares of Rs.100/-each	255,25,000.00	255,25,000.00
Glassworks Trading Pvt.Ltd 100000 (100000) Equity Shares of Rs.10/-each	10,00,000.00	10,00,000.00
I.A & I.C. Pvt.Ltd 855000 (855000) Equity Shares of Rs.10/-each	2137,50,000.00	2137,50,000.00
	<b>6789,16,830.00</b>	6789,16,830.00
<b>Note 12 - Deferred Tax Assets (Net)</b>		
	<b>680,00,848.00</b>	680,00,848.00
<b>Notes:</b>		
In compliance with the Accounting Standard - 22 "Accounting for taxes on Income" issued by The Institute of Chartered Accountants of India, the Dererred tax asset/liability (net) accruing during the current year is not provided by the company.		
<b>Note 13 - Long-Term Loans and Advances</b>		
To Subsidiaries	9,68,044.00	9,62,044.00
Deposits	1,35,038.70	1,35,038.70
Advances to employees	98,073.00	1,21,073.00
Other Loans and Advances	445,05,812.00	445,05,812.00
Advance Tax	11,82,364.00	11,82,364.00
Cenvat Receivable	47,91,837.00	47,91,837.00
MVAT Receivables	-	16,094.53
	<b>516,81,168.70</b>	517,14,263.23
<b>Note 14 - Inventories</b>		
1. Raw Materials	1,85,910.00	6,47,905.75
2. Work-In-Process	17,678.41	37,564.00
3. Finished Goods	10,83,062.77	54,65,924.81
4. Stores, Spares & Consumables	10,070.00	8,230.00
	<b>12,96,721.18</b>	61,59,624.56

	As at 30.06.2014	As at 30.06.2013
<b><u>Note 15 - Trade Receivables</u></b>		
(Unsecured, Considered Good)		
Outstanding For More Than Six Months	10,391.00	1391,63,014.00
Others	-	9,143.00
(Unsecured, Considered Doubtful)		
Outstanding For More Than Six Months	2572,68,209.70	1181,15,586.70
Others	-	-
	<b>2572,78,600.70</b>	2572,87,743.70
<b><u>Note 16 - Cash and Cash Equivalents</u></b>		
Balance with banks	11,227.29	42,516.26
Cash on hand	2,41,128.46	60,675.96
	<b>2,52,355.75</b>	1,03,192.22
<b><u>Note 17 - Short-Term Loans and Advances</u></b>		
<b><u>Others</u></b>		
Prepaid Expenses	4,76,684.00	3,60,553.00
Advance to Trade Payable	55,93,812.50	54,45,912.50
Advance for Expenses	1,66,667.00	2,24,667.00
	<b>62,37,163.50</b>	60,31,132.50
<b><u>Note 18 - Other Income</u></b>		
Service Charges	-	-
<b><u>Note 19 - Cost of materials consumed</u></b>		
Inventory at the beginning of period	6,47,905.75	9,11,140.75
Add : Purchases	-	-
	<b>6,47,905.75</b>	9,11,140.75
Less : Inventory at the end of the period	1,85,910.00	6,47,905.75
Cost of Material Consumed	<b>4,61,995.75</b>	2,63,235.00
<b><u>Note 20 - Purchases of Stock-in-Trade</u></b>		
Purchases	10,54,795.50	742,08,771.00
	<b>10,54,795.50</b>	742,08,771.00
<b><u>Note 21 - Changes in inventories of Finished Goods, Work-in-Progress &amp; Stock-in-Trade</u></b>		
<b><u>Inventories at the end of the period</u></b>		
Finished Goods	10,83,062.77	54,65,924.81
Work-In-Progress	17,678.41	37,564.00
Stock-in-Trade	10,070.00	8,230.00
	<b>11,10,811.18</b>	55,11,718.81
<b><u>Inventories at the begining of the period</u></b>		
Finished Goods	54,65,924.81	60,35,576.69
Work-In-Progress	37,564.00	81,624.00
Stock-in-Trade	8,230.00	3,15,848.00
	<b>55,11,718.81</b>	64,33,048.69
<b>(Increase)/Decrease in Stock</b>	<b>44,00,907.63</b>	9,21,329.88

	As at 30.06.2014	As at 30.06.2013
<b>Note 22 - Employee Benefits Expenses</b>		
(a) Salaries and Wages	42,68,301.00	52,61,802.00
(b) Contribution to Provident & other Funds	1,00,255.00	97,398.00
(c) Gratuity	(9,704.00)	97,268.00
(d) Staff Welfare Expenses	1,872.00	13,342.00
	<b>43,60,724.00</b>	<b>54,69,810.00</b>
<b>Note 23 - Finance Costs</b>		
Interest Expenses	-	-
	-	-
<b>Note 24 - Other Expenses</b>		
Rent,Rates & Taxes	1,20,000.00	2,16,388.00
Conveyance	29,501.00	29,714.00
Printing & Stationery	2,43,005.00	2,85,180.00
Postage & Courier Service Charges	1,06,945.00	1,54,670.00
Membership,Subscription,Periodicals & Registration	10,728.00	11,526.00
Telephone,Telex & Fax Charges	1,57,656.34	2,38,140.26
Travelling Expenses	24,105.00	11,235.00
Foreign Travel Expenses	-	1,36,124.00
Advertisement & Publicity	73,610.00	79,095.00
Bank Charges	21,441.31	23,800.50
Insurance Charges	25,616.00	28,229.00
Business Promotion & Entertainment	38,808.00	51,592.00
Transportation,Clearing & Forwarding Charges	7,121.00	20,293.00
Electricity Charges	2,80,121.00	3,55,706.00
Power & Fuel Charges	5,45,880.07	4,58,210.13
Packing Materials, Stores,Spares & Consumables	63,018.00	12,948.00
Value Added Tax	1,38,642.81	1,67,150.33
Repairs,Maintenance & Operating Expenses	1,85,769.00	59,469.00
Miscellaneous Expenses	1,67,367.50	2,60,289.00
Listing Fees	3,35,325.00	2,94,945.00
Security Charges	2,58,608.00	9,37,839.00
Service/Processing Charges	2,83,740.00	2,54,583.00
Auditor's Remuneration	2,50,338.00	2,02,248.00
Computer Expenses/Software Charges	29,701.00	57,554.00
Sundry Balances Written Off/Back	(31,879.97)	38,942.22
Legal,Professional & Consultancy Charges	11,11,042.00	18,49,308.00
Prior Period Expenses	9,244.00	-
	<b>44,85,453.06</b>	<b>62,35,178.44</b>

**Note 25 - Notes for Financial Statements for the year ended 30<sup>th</sup> June 2014**

**A. Significant Accounting Policies:**

**1. Basis Of Accounting:**

The financial statements have been prepared under the historical cost convention on an accrual system based on principle of going concern and are in accordance with the generally accepted accounting principles and the accounting standards referred to in section 211(3C) of the Companies Act, 1956.

**2. Fixed Assets:**

Fixed assets are stated at cost or revalued amount, as the case may be, less accumulated depreciation / amortization and impairment losses, if any. Cost comprises of purchase price inclusive of freight, duties, taxes, insurance, installation and net of cervat credit and VAT set off.

**3. Depreciation:**

Depreciation on fixed assets for own use has been provided based on straight-line method and at the rates prescribed by Schedule XIV of the Companies Act, 1956. Depreciation on assets added/dropped off during the year is provided on pro-rata basis from the date of addition or up to the date of disposal, as applicable. Depreciation on building constructed on lease hold land is provided over the lease Period. Cost of improvements to land and building taken on lease are amortized over the remaining lease period. In case of impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

**4. Impairment Of Assets:**

Impairment loss is recognized wherever the carrying amount of an asset is in excess of its recoverable amount and the same is recognized as an expense in the statement of profit and loss and carrying amount of the asset is reduced to its recoverable amount.

Reversal of impairment losses recognized in the prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased.

**5. Investments:**

Long Term Investments are stated at cost except that there is permanent diminution in value of the said investment as required by AS-13.

**6. Inventory:**

- a) Raw materials are valued at cost or net realizable value which ever is lower as per FIFO method followed.
- b) Work-in-process is valued at estimated cost (including factory over-heads and depreciation)
- c) Manufactured finished goods are valued at lower of estimated cost (including factory overheads and depreciation) or net realizable value as per FIFO method followed.
- d) Traded goods are valued at lower of cost or net realizable value as per FIFO method followed.
- e) Re-usable waste generated on conversion of

defective or damaged or obsolete stocks are valued at estimated material cost.

- f) Un-usable inventory for commercial purpose has been written-off as damaged stock.

**7. Purchases And Sales:**

- a) Purchases are recorded net of cervat credit and VAT set off.
- b) Sales are recognized at the time of dispatches and include excise duty, VAT and are net of returns. In case of export sales, revenue is recognized as on the date of bill of lading, being the effective date of dispatch.

**8. Taxation:**

Income tax expense comprises current tax, deferred tax charge or release. The deferred tax charge or credit is recognized using substantially enacted rates. In the case of unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only to the extent there is virtual certainty or realization of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Such assets are reviewed as at each Balance Sheet date to reassess realization.

**9. Retirement Benefits:**

Provisions for/contributions to retirement benefits schemes are made as follows;

- a) Provident fund on actual liability basis.
- b) Gratuity based on actuarial valuation done as at the reporting date.

**10. Provisions, Contingent Liabilities and Contingent Assets:**

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statement except where virtual certainty is there.

**11. Use Of Estimates:**

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported Period. Difference between the actual results and estimates are recognized in the Period in which the results and estimates are recognized in the Period in which the results are known or materialize.

**12. Provisioning/Write-off of Doubtful Debts:**

Unrealizable Debts and Sundry balances has been written-off to present true and fair view of the Management and as per the policy adopted by the Management of the company in the previous years.



**B. Notes On Accounts:**

1) Contingent Liabilities not provided for:

		Current Year	Previous Year
a)	Disputed Income Tax Demand	1,290,375,240	1,254,060,935
b)	Other Matters	782,500	782,500

2) The closing stock is as per the inventory taken, valued and certified by the management.

3) In the opinion of the management, the current assets, loans and advances have the values on realization in the ordinary course of business at least equal to the amounts at which they are stated in the balance sheet except the trade receivables and loans and advances which falls under management's policy for bad and doubtful debts as taken in the previous years.

4) Debit and Credit balances are subject to confirmation and reconciliation.

5) There are no dues to Micro, Small & Medium Enterprises as at Balance Sheet date and no interest has been paid to any such parties. This is based on the information on such parties having been identified on the basis of information available with the Company and relied upon by the auditors.

6) The Company has made provision for gratuity for the year under review as certified by M/s. VHV Finance & Consultancy Services.

7) Related Parties Disclosures

i) Relationships:

(a) Subsidiary Companies:

- I. A. & I. C. Pvt. Limited (IAIC)
- Shah Pratap Industries Pvt. Limited (SPIL)
- Glassworks Trading Pvt. Limited (GTPL)

(b) Key Management Personnel: (KMP)

Shri. Rajendra G. Parikh (RGP)

Note: Related party relationship is identified by the Company and relied upon by the auditors.

ii) Details of Transactions with Related Parties:  
(figures in bracket pertains to previous Year).

Sr No	Nature of transaction	Subsidiaries			KMP
		IAIC	SPIL	GTPL	RGP
1.	Rent Paid	Nil (Nil)	Nil (Nil)	Nil (Nil)	1,20,000 (1,20,000)
2.	Reimbursement of Expenses	47,049 (57,082)	5,500 (6,250)	500 (1,250)	3,26,505 (2,72,496)
3	Loans & Advances Receivable / (-) Payable by Company	54,049	5,500	500	63,00,478

iii) The amount outstanding and maximum balance outstanding at any time during the Year (figures in bracket pertains to previous Year).

Sr No	Name	Amount Due on June 30, 2014	Maximum Amount Due
1.	I. A. & I. C. Pvt. Limited	-27,83,782 (-28,37,831)	-28,37,831 (40,00,08,598)
2.	Shah Pratap Industries Pvt. Limited	74,281 (68,781)	74,281 (3,75,87,250)
3.	Glassworks Trading Pvt. Limited	8,93,763 (8,93,263)	8,93,763 (12,86,013)
4.	Rajendra G. Parikh	-1,84,46,153 (-2,47,46,631)	-2,47,58,631 (-2,97,09,697)

8) Earning per Share:

(A) Basic

	June 30,2014	June 30,2013
a. Net Profit/(Loss) After Tax before Extraordinary item	(35,323,171)	(7,608,394)
b. Weighted average Number of Equity Shares	72,635,845	72,635,845
c. Weighted average Number of 'A' Ordinary Equity Shares	5,106	5,106
d. Share of Profit/(Loss) for Equity Shares	(35,319,638)	(7,607,633)
e. Share of Profit/(Loss) for 'A' Ordinary Equity Shares	(3,532)	(761)
f. Earning Per Equity Share in Rupees (FV Rs.10/-) (d/b)	(0.49)	(0.10)
g. Earning Per 'A' Ordinary Equity Share in Rupees (FV Rs.10/-) (e/c)	(0.69)	(0.15)

(B) Basic

	June 30,2014	June 30,2013
a. Net Profit/(Loss) After Tax after Extraordinary item	(35,323,171)	(53,809,828)
b. Weighted average Number of Equity Shares	72,635,845	72,635,845
c. Weighted average Number of 'A' Ordinary Equity Shares	5,106	5,106
d. Share of Profit/(Loss) for Equity Shares	(35,319,638)	(53,804,447)
e. Share of Profit/(Loss) for 'A' Ordinary Equity Shares	(3,532)	(5,381)
f. Earning Per Equity Share in Rupees (FV Rs.10/-) (d/b)	(0.49)	(0.74)
g. Earning Per 'A' Ordinary Equity Share in Rupees (FV Rs.10/-) (e/c)	(0.69)	(1.05)

9) The Company operates in one segment i.e. crystal, glass and allied products hence no separate disclosure of segment-wise information has been made as per Accounting Standards (AS-17) Segment Reporting issued by the Institute of Chartered Accountants of India.

	Current Year (Rupees)	Previous Year (Rupees)
10) Earning in foreign currency: a) Exports (FOB)	96,000	3,42,507
11) Expenditure in foreign currency: (on payment basis) (net of tax, where applicable) a) Travelling	-	71,939
12) Value of Imported & indigenous material consumed:		
	%	%
Raw Materials:		
Indigenous	---	---
Imported	4,61,996	2,63,235
	100	100
	<u>4,61,996</u>	<u>2,63,235</u>
	<u>100</u>	<u>100</u>

13) Auditors Remunerations (including Service tax, where applicable)

	Current Year (Rupees)	Previous Year (Rupees)
a) Audit Fees	1,88,540	1,68,540
b) Tax Audit	28,090	-
c) Certification & tax matters, etc.	33,708	33,708
	2,50,338	2,02,248

14) Prior Period Expenses

	Current Year (Rupees)	Previous Year (Rupees)
a) Arrears Of Water Charges	8,192	-
b) Payment towards MVAT	1,052	-
	9,244	-

15) Board for Industrial and Financial Reconstruction (BIFR) has sanctioned the Rehabilitation Scheme of the company in terms of Section 19 (3) read with Section 18 (4) of SICA having scheme period 2008-2017.

16) The Company had filed a Miscellaneous Application (MA) with Hon'ble BIFR for implementation of clauses under Hon'ble BIFR sanctioned scheme by Directorate of Income Tax DIT(R). Hon'ble BIFR vide its order dated 21.10.2013 directed DIT(R) inter alia not to take any coercive measures of recovery of any demands during scheme period, which is valid upto 2017 against the company / guarantors / promoters.

17) The Company has received shares of M/s Jagati Publications Ltd against and in lieu of the outstanding amount from its subsidiaries viz. M/s I.A & I.C Pvt Ltd & M/s Shah Pratap Industries Pvt Ltd. At present the shares stand in the name of subsidiaries and the same are in the custody of government authorities. Both the parties have agreed for completing the necessary procedure on release of shares lying with the authorities. As per the order of Hon'ble BIFR provisions of Section 372(A) are not applicable to the Company.

18) The Company has made an application and part paid as required under VCES Scheme of Service Tax as per the terms of the scheme.

19) 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.

20) The networth of the subsidiaries M/s I.A & I.C Pvt Ltd & M/s Shah Pratap Industries Pvt Ltd. as at the Balance Sheet date has been completely eroded. However, the management is of the view that since the Investments is long term in nature no provision is required to be made.

21) Exceptional items of Rs. 291.48 Lakhs represents loss on impairment of assets which is based on assessment by external valuer. The recoverable amount was estimated with reference to the net selling price on 31<sup>st</sup> March, 2014. The carrying amount of the impaired assets was determined to be higher than its recoverable amount and therefore an impairment loss to this extent has been recognized.

22) In view of the revision to the Schedule VI as per notification issued by the Central Government, the financial statement for the year ended 30<sup>th</sup> June, 2014 have been prepared as per the requirement of the Revised Schedule VI to the Companies Act, 1956. The previous years figures have been accordingly regrouped/classified to confirm to the year's classification.

23) Pursuant to General Circular No. 08/2014 dated 04.04.2014, issued by the Ministry of Corporate Affairs, the Company has prepared its financial statements for the year ended 30<sup>th</sup> June, 2014 as per the provisions/schedules/rules governed by Companies Act, 1956.

The accompanying notes are an integral part of the financial statements

For and on behalf of Board

**FOR MOTILAL & ASSOCIATES**  
Chartered Accountants  
Registration No.: 106584W

**R. G. PARIKH** Chairman &  
Managing Director  
**S. C. GURAV** Director

**(M.L. JAIN)**  
Proprietor  
M. No. 36811

**S. A. DHENDE** Company Secretary

Place: Mumbai  
Dated: 28th August, 2014

**Cash Flow statement for the year ended June 30, 2014 pursuant to clause 32 of the listing agreement.**

	Year Ended 30.06.2014	Year Ended 30.06.2013
<b><u>A.CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
Net Profit/(Loss) Before Tax and Extra-ordinary Items	(353,23,171)	(76,08,394)
Adjustment for :		
Interest & Finance Charges (Net)	-	-
Depreciation	36,76,990	48,31,411
Impairment Losses	291,48,200	-
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>(24,97,981)</b>	<b>(27,76,983)</b>
Adjustments for:		
Trade Receivables,Loans & Advances	(1,63,793)	4781,37,396
Inventories	48,62,903	11,84,565
Trade Payables & Other Liabilities	(13,99,017)	82,93,741
<b>CASH USED FOR OPERATING ACTIVITIES</b>	<b>8,02,112</b>	<b>4848,38,719</b>
Extra-ordinary Item	-	(462,01,434)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>8,02,112</b>	<b>4386,37,285</b>
<b><u>B.CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
Purchase of Fixed Assets (Net)	-	(19,550)
Purchase of Investments	-	(4385,92,830)
<b>NET CASH FROM /(USED) IN INVESTING ACTIVITIES</b>	<b>-</b>	<b>(4386,12,380)</b>
<b><u>C.CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
Secured/Unsecured Loans	(6,52,948)	(13,05,896)
Interest & Financing Charges (Net)	-	-
<b>NET CASH FROM/(USED) IN FINANCING ACTIVITIES</b>	<b>(6,52,948)</b>	<b>(13,05,896)</b>
<b>NET INCREASE/(DECREASE) IN CASH OR CASH EQUIVALENTS</b>	<b>1,49,164</b>	<b>(12,80,991)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINING OF THE YEAR</b>	<b>1,03,192</b>	<b>13,84,184</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>2,52,356</b>	<b>1,03,192</b>

Note : Figures for the previous year are regrouped wherever considered necessary.

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai  
Dated : 28th August, 2014

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

**S. C. GURAV**  
Director

**S.A.DHENDE**  
Company Secretary

**AUDITORS CERTIFICATE**

We have examined the attached cash flow statement of JIK Industries Limited for the year ended June 30, 2014. The statement has been prepared by the Company in accordance with the requirements of clause 32 of the Listing agreement with The Stock Exchanges and is based on and in agreement with the corresponding profit & loss account and balance sheet of the Company covered by our report of even date to the members of the Company.

**FOR MOTILAL & ASSOCIATES**  
Chartered Accountants  
Registration No.: 106584W

Place : Mumbai  
Dated : 28th August, 2014

**(M.L. JAIN)**  
Proprietor  
M. No. 36811

**Statement pursuant to Section 212 of the Companies Act 1956 relating to Subsidiary Companies**

(Rupees in Lacs)

	Name of the subsidiary company	I.A. & I.C Pvt. Limited	Shah Pratap Industries Pvt. Limited	Glass Works Trading Pvt. Limited
1	Financial period of the subsidiary company ended on	31.03.2014	31.03.2014	31.03.2014
2	Holding Company's Interest			
	a) Number of Shares fully paid	855000	10210	100000
	b) Extent of holding	98.07%	94.54%	100.00%
3	Net aggregate of profit / (loss) of the subsidiary, so far as they concern members of the JIK Industries Limited			
	(1) for the financial period of the subsidiary			
	(a) dealt with in the accounts of the holding company	-	-	-
	(b) not dealt with in the accounts of the holding company	(1.45)	(0.33)	(0.20)
	(2) for the previous financial years of the subsidiary since it became the holding company subsidiary			
	(a) dealt with in the accounts of the holding company	-	-	-
	(b) not dealt with in the accounts of the holding company	(2777.04)	(776.25)	(18.74)*
4	Changes in the interest of JIK Industries Limited between the end of the subsidiaries financial year and June 30, 2014.			
	No. of Shares acquired	-	-	-
5	Material changes between the end of the subsidiaries Financial Year and June 30, 2014.			
	- Fixed Assets (net additions)	-	-	-
	- Investments	-	-	-
	- Moneys lend by the subsidiary	0.18	-	-
	- Moneys borrowed by the subsidiary company other than for meeting current liabilities	-	0.04	-

(\*) Includes figures of IRIS Trading FZE, a wholly owned Subsidiary of Glassworks Trading Pvt.Ltd

FOR AND ON BEHALF OF THE BOARD

 Place : Mumbai  
 Dated : 28th August, 2014

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

**S. C. GURAV**  
 Director

**S.A.DHENDE**  
 Company Secretary

**INDEPENDENT AUDITORS' REPORT**

**To the Board of Directors of JIK INDUSTRIES LIMITED  
REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying consolidated financial statements of **JIK INDUSTRIES LIMITED** ("the Company") and its subsidiaries (together referred to as 'the Group') which comprise the Consolidated Balance Sheet as at June 30, 2014, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall

presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**OPINION**

In our opinion and to the best of our information and according to the explanations given to us, based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at June 30, 2014;
- b) in the case of the Consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

**OTHER MATTER**

We did not audit the financial statements of three subsidiaries I.A. & I. C. Pvt. Ltd., Shah Pratap Industries Pvt. Ltd. & Glassworks Trading Pvt. Ltd. included in the consolidated financial statements. These financial statements are audited by other auditor as per the requirement of The Companies Act, 1956 and whose reports have been furnished to us and that our opinion is based solely on the reports of the other auditor. The financial statements of these entities reflect total assets of Rs.599.80 Lakhs as at 31<sup>st</sup> March,2014 and total revenue of Rs. 0.20 Lakhs and net cash outflow amounting to Rs.0.14 Lakhs for the year then ended.

For **MOTILAL & ASSOCIATES**  
**Chartered Accountants**  
**Registration No.:106584W**

**Place: Mumbai**  
**Date : 28<sup>th</sup> August, 2014**

**(M.L.JAIN)**  
**Proprietor**  
**M. No. 36811**

**CONSOLIDATED BALANCE SHEET AS AT 30TH JUNE, 2014**

(Rupees)

	Note No.	As at 30.06.2014	As at 30.06.2013
<b>I</b>			
<b>(1) EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share Capital	1	7264,09,510.00	7264,09,510.00
(b) Reserves and Surplus	2	(326,13,268.26)	28,98,053.68
		6937,96,241.74	7293,07,563.68
<b>(2) Minority Interest</b>		(1,80,000.00)	(1,80,000.00)
<b>(3) Non-current liabilities</b>			
(a) Long-Term Borrowings	3	13,05,894.00	19,58,842.00
(b) Other Long Term Liabilities	4	2311,00,000.00	2311,00,000.00
(c) Long Term Provisions	5	3,40,410.00	3,49,143.00
		2327,46,304.00	2334,07,985.00
<b>(4) Current liabilities</b>			
(a) Short-Term Borrowings	6	210,57,944.60	268,19,051.80
(b) Trade Payables	7	3,37,226.32	5,37,276.32
(c) Other Current Liabilities	8	188,20,015.26	142,19,815.27
(d) Short Term Provisions	9	37,823.00	38,794.00
		402,53,009.18	416,14,937.39
		9666,15,554.92	10041,50,486.07
<b>II ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed Assets			
Tangible Assets	10	54,84,813.83	383,75,346.66
(b) Goodwill on Consolidation		967,62,580.15	967,62,580.15
(c) Non-Current Investments	11	4386,66,830.00	4386,66,830.00
(d) Deferred Tax Assets (Net)	12	680,00,848.00	680,00,848.00
(e) Long-Term Loans and Advances	13	925,34,868.70	925,73,963.23
		7014,49,940.68	7343,79,568.04
<b>(2) Current assets</b>			
(a) Inventories	14	12,96,721.18	61,59,624.56
(b) Trade Receivables	15	2572,78,600.70	2572,87,743.70
(c) Cash and Cash Equivalents	16	3,27,274.86	2,67,563.27
(d) Short-Term Loans and Advances	17	62,63,017.50	60,55,986.50
		2651,65,614.24	2697,70,918.03
		9666,15,554.92	10041,50,486.07
Summary of Significant Accounting Policies	25		
The accompanying notes are an integral part of the financial statements.			

**AS PER OUR REPORT OF EVEN DATE**
**For MOTILAL & ASSOCIATES**
**Chartered Accountants**
**Registration No.:106584W**
**FOR AND ON BEHALF OF THE BOARD**
**M.L. JAIN**  
**Proprietor**  
**M. No. 36811**
**R.G.PARIKH**  
 Chairman & Managing Director

**S.C. GURAV**  
 Director

**S.A. DHENDE**  
 Company Secretary

 Place : Mumbai  
 Dated : 28th August, 2014

 Place : Mumbai  
 Dated : 28th August, 2014

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 30TH JUNE, 2014** (Rupees)

	Note No.	Year ended 30.06.2014	Year ended 30.06.2013
<b>I REVENUE</b>			
Revenue From Operations (Gross)		<b>122,65,895.00</b>	843,21,341.25
Other Income	18	<b>19,860.00</b>	48,888.00
<b>Total Revenue</b>		<b>122,85,755.00</b>	843,70,229.25
<b>II EXPENDITURE</b>			
Cost of Materials Consumed	19	<b>4,61,995.75</b>	2,63,235.00
Purchases of Stock-in-Trade	20	<b>10,54,795.50</b>	742,08,771.00
Changes in Inventories of Finished Goods, Work-in-Progress & Stock-in-Trade	21	<b>44,00,907.63</b>	9,21,329.88
Employee Benefits Expenses	22	<b>43,60,724.00</b>	54,69,810.00
Finance Cost	23	-	-
Depreciation and Amortization		<b>37,42,332.83</b>	49,04,014.00
Other Expenses	24	<b>46,28,121.23</b>	2525,44,117.22
<b>Total Expenditure</b>		<b>186,48,876.94</b>	3383,11,277.10
<b>III Profit/(Loss) before exceptional &amp; extraordinary items &amp; tax</b>		<b>(63,63,121.94)</b>	(2539,41,047.85)
Exceptional Items		<b>291,48,200.00</b>	-
Profit before extraordinary Items and tax		<b>(355,11,321.94)</b>	(2539,41,047.85)
Extraordinary Items		-	462,01,433.97
<b>IV Profit before tax</b>		<b>(355,11,321.94)</b>	(3001,42,481.82)
Tax expenses			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
<b>V Profit for the year(before adjustment of Minority Interest)</b>		<b>(355,11,321.94)</b>	(3001,42,481.82)
Minority Interest in Profit / (Loss)		<b>(3,151.50)</b>	(41,27,449.56)
<b>VI Profit for the year</b>		<b>(355,08,170.44)</b>	(2960,15,032.26)
Earning per equity share			
Equity Shares - (Basic & Diluted) Before Extra Ordinary Items		<b>(0.49)</b>	(3.44)
'A' Equity Shares - (Basic & Diluted) Before Extra Ordinary Items		<b>(0.70)</b>	(4.89)
Equity Shares - (Basic & Diluted) After Extra Ordinary Items		<b>(0.49)</b>	(4.07)
'A' Equity Shares - (Basic & Diluted) After Extra Ordinary Items		<b>(0.70)</b>	(5.80)
Summary of Significant Accounting Policies	25		
The accompanying notes are an integral part of the financial statements.			

**AS PER OUR REPORT OF EVEN DATE**  
**For MOTILAL & ASSOCIATES**  
**Chartered Accountants**  
**Registration No.:106584W**

FOR AND ON BEHALF OF THE BOARD

**M.L. JAIN**  
**Proprietor**  
**M. No. 36811**

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

**S.C. GURAV**  
Director

**S.A. DHENDE**  
Company Secretary

Place : Mumbai  
Dated : 28th August, 2014

Place : Mumbai  
Dated : 28th August, 2014

**Notes Forming Part of the Financial Statements**

(Rupees)

	<b>As at 30.06.2014</b>	As at 30.06.2013
<b>Note 1 - Share Capital</b>		
<b>Authorised</b>		
156,900,000 Equity Shares Of Rs.10/- Each	<b>1,569,000,000.00</b>	1,569,000,000.00
100,000 'A' Ordinary Equity Shares Of Rs. 10/- Each	<b>1,000,000.00</b>	1,000,000.00
	<b>1,570,000,000.00</b>	1,570,000,000.00
<b>Issued, Subscribed &amp; Paid Up :</b>		
72,635,845 Equity Shares Of Rs.10/- Each Fully Paid Up (Previous Period 72,635,845 Equity Shares Of Rs.10/- Each Fully Paid Up)	<b>726,358,450.00</b>	726,358,450.00
5106 'A' Ordinary Equity Shares Of Rs 10/- Each Fully Paid Up (Previous Period 5106 'A' Ordinary Equity Shares Of Rs 10/- Each Fully Paid Up)	<b>51,060.00</b>	51,060.00
	<b>726,409,510.00</b>	726,409,510.00

**Notes:**
**a. Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period:**

	As at 30.06.2014		As at 30.06.2013	
	No. of Shares	Amount	No. of Shares	Amount
<b>Equity Shares:</b>				
At the beginning of the period	<b>72635845</b>	<b>7263,58,450.00</b>	72635845	7263,58,450.00
Issued during the period	-	-	-	-
Outstanding at the end of the period	<b>72635845</b>	<b>7263,58,450.00</b>	72635845	7263,58,450.00
<b>'A' Ordinary Equity Shares</b>				
At the beginning of the period	<b>5106</b>	<b>51,060.00</b>	5106	51,060.00
Issued during the period	-	-	-	-
Outstanding at the end of the period	<b>5106</b>	<b>51,060.00</b>	5106	51,060.00

**b. Rights, preferences and restrictions attached to the shares**

- Equity Shares have at par value of Rs.10/- per share. Each holder of equity share is entitled to one vote per-share.
- 'A' Ordinary Equity Shares have at par value of Rs 10/- per share. These shares have differential voting rights viz. 1 vote for every 10 shares held excluding fractions, if any.

**c. Details of shareholders holding more than 5% shares in the Company**

Name of Shareholder	As at 30.06.2014		As at 30.06.2013	
	No. of Shares	% Holding	No. of Shares	% Holding
Mr. Rajendra G. Parikh	<b>89,00,900</b>	<b>12.25</b>	89,00,900	12.25
Korpus Financial Services Pvt Ltd	<b>15,00,000</b>	<b>2.07</b>	15,00,000	2.07
Jagruti Securities Ltd	<b>135,00,000</b>	<b>18.59</b>	135,00,000	18.59
Mrs. Jagruti R. Parikh	<b>92,58,785</b>	<b>12.75</b>	92,58,785	12.75



	As at 30.06.2014	As at 30.06.2013
<b>Note 2 - Reserves &amp; Surplus</b>		
(a) Shares/Securities Premium		
As per last Balance Sheet	8477,25,361.58	8477,25,361.58
Add : Received during the year	-	-
	<b>8477,25,361.58</b>	8477,25,361.58
(b) Capital Reserve	49,80,910.00	49,80,910.00
(c) Capital Redemption Reserve	1284,56,000.00	1284,56,000.00
(d) Share Forfeiture	4,38,000.00	4,38,000.00
(e) State Subsidy	32,50,000.00	32,50,000.00
(f) General Reserve	82,55,859.00	82,55,859.00
(g) Translation Reserve on Consolidation	-	-
(h) Surplus/(Deficit) in the statement of Profit & Loss		
As per last Balance Sheet	(9902,08,076.90)	(6922,69,248.84)
Add : Profit for the year	(355,08,170.44)	(2960,15,032.26)
Less : Loss of Sub-subsidiary Closed Down	-	(10,03,267.05)
Add : Losses of Minority to be absorbed	(3,151.50)	(29,15,514.95)
Less: Miscellaneous Expenditure not written off	-	11,547.90
	<b>(10257,19,398.84)</b>	(9902,08,076.90)
	<b>(326,13,268.26)</b>	28,98,053.68
<b>Note 3 - Long-Term Borrowings</b>		
<b>Unsecured Loans</b>		
From Subsidiaries	-	-
Interest Free Sales Tax Loan:		
(a) Development Corporation of Kokan Ltd	5,12,072.00	7,68,110.00
(b) Sales Tax Deferment Loan	7,93,822.00	11,90,732.00
	<b>13,05,894.00</b>	19,58,842.00
<b>Note:</b>		
1. Interest free Sales Tax deferral / loan is availed from the Government of Maharashtra in accordance with the 1988 Package Scheme of Incentives. The said deferral / loan is repayable in 8 annual installment starting from 30th June 2010 without any interest and penalty in term of sanctioned Scheme of "BIFR".		
<b>Note 4 - Other Long Term Liabilities</b>		
From Others	2311,00,000.00	2311,00,000.00
	<b>2311,00,000.00</b>	2311,00,000.00
<b>Note 5 - Long Term Provisions</b>		
Gratuity Payable	3,40,410.00	3,49,143.00
	<b>3,40,410.00</b>	3,49,143.00

	As at 30.06.2014	As at 30.06.2013
<b>Note 6 - Short Term Borrowings</b>		
Loan From Related Party	184,46,152.60	247,46,631.00
Others	-	1,13,576.80
<b>Unsecured Loans</b>		
Interest Free Sales Tax Loan:		
(a) Development Corporation of Kokan Ltd	10,24,152.00	7,68,114.00
(b) Sales Tax Deferment Loan	15,87,640.00	11,90,730.00
	<b>210,57,944.60</b>	268,19,051.80
Note: The Company is yet to make payment of 3 annual installments of Interest free Sales Tax deferral/loan as stated in Note 3(1) above		
<b>Note 7 - Trade Payables</b>		
Due to Micro, Small and Medium Enterprises	-	-
Other Trade Payables	3,37,226.32	5,37,276.32
	<b>3,37,226.32</b>	5,37,276.32
<b>Note 8 - Other Current Liabilities</b>		
Statutory Dues	29,28,289.14	30,51,422.33
Advance From Trade Receivables	137,49,360.00	98,84,360.00
Expenses Payable	21,42,366.12	12,84,032.94
	<b>188,20,015.26</b>	142,19,815.27
<b>Note 9 - Short Term Provisions</b>		
Provision for Employee Benefits		
Gratuity	37,823.00	38,794.00
	<b>37,823.00</b>	38,794.00

**Note 10 - Fixed Assets**
*(Rupees)*

Particulars	Gross Block			Depreciation / Amortization			Impairment Loss / (Reversal) During the Year	Net Block	
	As at 30-06-2013	Additions	As at 30-06-2014	Up-to 30-06-2013	For The Year	As at 30-06-2014		As at 30-06-2014	As at 30-06-2013
<b>Tangible Assets</b>									
Land & Site Development	63,60,825.64	-	63,60,825.64	55,76,615.81	-	55,76,615.81	-	7,84,209.83	7,84,209.83
Factory Building	196,25,603.46	-	196,25,603.46	189,67,465.46	65,291.00	190,32,756.46	-	5,92,847.00	6,58,138.00
Plant & Machinery	1185,58,017.28	-	1185,58,017.28	886,55,984.28	24,86,646.00	911,42,630.28	244,86,488.00	29,28,899.00	299,02,033.00
Laboratory Equipment	3,81,847.10	-	3,81,847.10	2,81,247.10	12,843.00	2,94,090.10	80,247.00	7,510.00	1,00,600.00
Moulds	83,83,621.32	-	83,83,621.32	83,83,621.32	-	83,83,621.32	-	-	-
Electrical Installations	115,97,791.28	-	115,97,791.28	81,62,106.11	4,16,669.17	85,78,775.28	27,32,549.00	2,86,467.00	34,35,685.17
Air Conditioner	6,54,091.86	-	6,54,091.86	4,41,446.86	30,852.00	4,72,298.86	5,218.00	1,76,575.00	2,12,645.00
Computer	76,62,586.76	-	76,62,586.76	75,13,654.76	54,450.00	75,68,104.76	-	94,482.00	1,48,932.00
Office Equipment	13,40,688.47	-	13,40,688.47	9,05,525.47	61,185.00	9,66,710.47	30,125.00	3,43,853.00	4,35,163.00
Vehicle	20,49,843.07	-	20,49,843.07	20,49,843.07	-	20,49,843.07	-	-	-
Furniture & Fixtures	137,16,621.09	-	137,16,621.09	110,18,680.43	6,14,396.66	116,33,077.09	18,13,573.00	2,69,971.00	26,97,940.66
<b>Total</b>	<b>1903,31,537.33</b>	<b>-</b>	<b>1903,31,537.33</b>	<b>1519,56,190.67</b>	<b>37,42,332.83</b>	<b>1556,98,523.50</b>	<b>291,48,200.00</b>	<b>54,84,813.83</b>	<b>383,75,346.66</b>
<b>Previous Year</b>	<b>1903,11,987.33</b>	<b>19,550.00</b>	<b>1903,31,537.33</b>	<b>1470,51,889.67</b>	<b>49,04,028</b>	<b>1519,55,917.67</b>	<b>-</b>	<b>383,75,619.66</b>	<b>432,60,399.66</b>

	As at 30.06.2014	As at 30.06.2013
<b>Note 11 - Non-Current Investments</b>		
<b>Non-Trade Long Term Investments in Equity</b>		
<b>Unquoted (at cost)</b>		
The Malad Sahakari Bank Ltd 4900 (4900) Equity Shares of Rs.10/-each	49,000.00	49,000.00
The Saraswat Co-Op. Bank Ltd 2500 (2500) Equity Shares of Rs.10/-each	25,000.00	25,000.00
Jagati Publication Ltd 2916657(2916657) Equity Shares of Rs.10/-each	4385,92,830.00	4385,92,830.00
	<b>4386,66,830.00</b>	4386,66,830.00
<b>Note 12 - Deferred Tax Assets (Net)</b>		
Deferred tax assets		
Unabsorbed losses / depreciation	737,77,153.00	737,77,153.00
Disallowances	9,98,111.00	9,98,111.00
<b>Total (A)</b>	<b>747,75,264.00</b>	<b>747,75,264.00</b>
Deferred tax liabilities		
Difference between book and tax depreciation	67,74,416.00	67,74,416.00
<b>Total (B)</b>	<b>67,74,416.00</b>	<b>67,74,416.00</b>
<b>(A-B)</b>	<b>680,00,848.00</b>	<b>680,00,848.00</b>
<b>Notes:</b>		
In compliance with the Accounting Standard - 22 "Accounting for taxes on Income" issued by The Institute of Chartered Accountants of India, the Dererred tax asset/liability (net) accruing during the current year is not provided by the company (Previous year Rs 6,22,957/-) has been shown in the statement of Profit and Loss.		
<b>Note 13 - Long-Term Loans and Advances</b>		
Capital Advances	-	-
Deposits	3,73,838.70	3,73,838.70
Advances to employees	98,073.00	1,21,073.00
Other Loans and Advances	860,88,756.00	860,88,756.00
Balance with Statutory / Government Authorities	59,74,201.00	59,90,295.53
	<b>925,34,868.70</b>	925,73,963.23
<b>Note 14 - Inventories</b>		
1. Raw Materials	1,85,910.00	6,47,905.75
2. Work-In-Process	17,678.41	37,564.00
3. Finished Goods	10,83,062.77	54,65,924.81
4. Stores,Spares & Consumables	10,070.00	8,230.00
	<b>12,96,721.18</b>	61,59,624.56
<b>Note 15 - Trade Receivables</b>		
<b>(Unsecured)</b>		
Outstanding For More Than Six Months	10,391.00	1387,60,914.00
Others		9,143.00
<b>(Unsecured, Considered Doubtful)</b>		
Outstanding For More Than Six Months	2572,68,209.70	1185,17,686.70
Others	-	-
	<b>2572,78,600.70</b>	2572,87,743.70

	As at 30.06.2014	As at 30.06.2013
<b>Note 16 - Cash and Cash Equivalents</b>		
Cash on hand	3,15,485.66	1,30,009.16
Balance with banks	11,789.20	1,37,554.11
	<b>3,27,274.86</b>	2,67,563.27
<b>Note 17 - Short-Term Loans and Advances</b>		
Prepaid Expenses	4,77,426.00	3,62,281.00
Advance Income Tax/TDS	-	-
Others	1,91,779.00	2,47,793.00
Advance to Supplier	55,93,812.50	54,45,912.50
	<b>62,63,017.50</b>	60,55,986.50
<b>Note 18 - Other Income</b>		
Dividend	-	-
Interest Received	19,860.00	18,888.00
Commission / Service Charges	-	30,000.00
	<b>19,860.00</b>	48,888.00
<b>Note 19 - Cost of materials consumed</b>		
Inventory at the beginning of period	6,47,905.75	9,11,140.75
Add : Purchases	-	-
	<b>6,47,905.75</b>	9,11,140.75
Less : Inventory at the end of the period	1,85,910.00	6,47,905.75
Cost of Material Consumed	<b>4,61,995.75</b>	2,63,235.00
<b>Note 20 - Purchases of Stock-in-Trade</b>		
Purchases	10,54,795.50	742,08,771.00
	<b>10,54,795.50</b>	742,08,771.00
<b>Note 21 - Changes in inventories of Finished Goods, Work-in-Progress &amp; Stock-in-Trade</b>		
<b>Inventories at the end of the period</b>		
Finished Goods	10,83,062.77	54,65,924.81
Work-In-Progress	17,678.41	37,564.00
Stock-in-Trade	10,070.00	8,230.00
	<b>11,10,811.18</b>	55,11,718.81
<b>Inventories at the beginning of the period</b>		
Finished Goods	54,65,924.81	60,35,576.69
Work-In-Progress	37,564.00	81,624.00
Stock-in-Trade	8,230.00	3,15,848.00
	<b>55,11,718.81</b>	64,33,048.69
<b>(Increase)/Decrease in Stock</b>	<b>44,00,907.63</b>	9,21,329.88

	As at 30.06.2014	As at 30.06.2013
<b>Note 22 - Employee Benefits Expenses</b>		
(a) Salaries & Wages and Bonus	42,68,301.00	52,61,802.00
(b) Contribution to Provident & other Funds	1,00,255.00	97,398.00
(c) Gratuity	(9,704.00)	97,268.00
(d) Staff welfare Expenses	1,872.00	13,342.00
	<b>43,60,724.00</b>	<b>54,69,810.00</b>
<b>Note 23 - Finance Costs</b>		
Interest Paid	-	-
	-	-
<b>Note 24 - Other Expenses</b>		
Rent,Rates & Taxes	2,11,391.00	3,41,064.00
Conveyance	29,501.00	29,714.00
Printing & Stationery	2,43,005.00	2,85,180.00
Postage & Courier Service Charges	1,06,945.00	1,54,670.00
Membership,Subscription,Periodicals & Registration	10,728.00	11,526.00
Telephone,Telex & Fax Charges	1,57,656.34	2,38,140.26
Travelling Expenses	24,105.00	11,235.00
Foreign Travel Expenses	-	1,36,124.00
Advertisement & Publicity	73,610.00	79,095.00
Bank Charges	31,203.32	30,401.86
Insurance Charges	25,616.00	28,229.00
Business Promotion & Entertainment	38,808.00	51,592.00
Transportation,Clearing & Forwarding Charges	7,121.00	20,293.00
Electricity Charges	2,80,121.00	3,55,706.00
Power & Fuel Charges	5,45,880.07	4,58,210.13
Packing Materials, Stores,Spares & Consumables	63,018.00	12,948.00
Value Added Tax	1,38,642.81	1,67,150.33
Repairs,Maintenance & Operating Expenses	1,85,769.00	59,469.00
Miscellaneous Expenses	1,77,326.66	4,83,270.45
Listing Fees	3,35,325.00	2,94,945.00
Service/Processing Charges	2,83,740.00	2,54,583.00
Security Charges	2,58,608.00	9,37,839.00
Auditor's Remuneration	2,80,338.00	2,32,248.00
Loss on sale of Investments	-	4,50,971.00
Computer Expenses/Software Charges	29,701.00	57,554.00
Sundry Balances Written Off/Back	(31,879.97)	2452,55,098.22
Miscellaneous Expenses written-off	-	6,598.80
Legal,Professional & Consultancy Charges	11,12,598.00	21,00,262.17
Prior Period Expenses	9,244.00	-
	<b>46,28,121.23</b>	<b>2525,44,117.22</b>

**Note 25 - Notes for Consolidated Financial Statements.****A. Significant Accounting Policies:****1. Basis Of Accounting:**

The Consolidated financial statements of JIK INDUSTRIES LIMITED and its subsidiary companies have been prepared under the historical cost convention on an accrual system based on principle of going concern and are in accordance with the generally accepted accounting principles and the accounting standards referred to in section 211(3C) of the Companies Act, 1956.

**2. Basis Of Consolidation:**

The Consolidated financial statements are prepared in accordance with the principles and procedure for the preparation and presentation of consolidated financial statement as laid down under Accounting Standard (AS-21) "Consolidated Financial Statement" issued by The Institute of Chartered Accountant (ICAI).

Consolidated financial statements are prepared by using uniform accounting policies. The financial statements of the parent company and subsidiaries have been combined on a line-by-line basis by adding together book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions. The difference between the cost of investment in the subsidiary over the company's portion of Equity of the subsidiary is recognized in the financial statements as Goodwill or Capital Reserves.

On consolidation the accounting difference due to translation of subsidiary transaction in Indian Rupees is shown as Translation Reserve on consolidation.

**3. Fixed Assets:**

Fixed assets are stated at cost or revalued amount, as the case may be, less accumulated depreciation / amortization and impairment losses, if any. Cost comprises of purchase price inclusive of freight, duties, taxes, insurance, installation and net of cenvat credit and VAT set off.

**4. Depreciation:**

Depreciation on fixed assets for own use has been provided based on straight-line method and at the rates prescribed by Schedule XIV of the Companies Act, 1956. Depreciation on assets added/disposed off during the year is provided on pro-rata basis from the date of addition or up to the date of disposal, as applicable. Depreciation on building constructed on lease hold land is provided over the lease Period. Cost of improvements to land and building taken on lease are amortized over the remaining lease period. In case of impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

**5. Impairment Of Assets:**

Impairment loss is recognized wherever the carrying amount of an asset is in excess of its recoverable amount and the same is recognized as an expense in the statement of profit and loss and carrying amount of the asset is reduced to its recoverable amount.

Reversal of impairment losses recognized in the prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased.

**6. Investments:**

Long Term Investments are stated at cost except that there is permanent diminution in value of the said investment as required by AS-13.

**7. Inventory:**

- a) Raw materials are valued at cost or net realizable value which ever is lower as per FIFO method followed.
- b) Work-in-process is valued at estimated cost (including factory over-heads and depreciation)
- c) Manufactured finished goods are valued at lower of estimated cost (including factory overheads and depreciation) or net realizable value as per FIFO method followed.
- d) Traded goods are valued at lower of cost or net realizable value as per FIFO method followed.
- e) Re-usable waste generated on conversion of defective or damaged or obsolete stocks are valued at estimated material cost.
- f) Un-usable inventory for commercial purposes has been written-off as damaged stock

**8. Purchases And Sales:**

- a) Purchases are recorded net of VAT set off and cenvat credit.
- b) Sales are recognized at the time of dispatches and include excise duty, VAT and are net of returns. In case of export sales, revenue is recognized as on the date of bill of lading, being the effective date of dispatch.

**9. Taxation:**

Income tax expense comprises current tax, deferred tax charge or release. The deferred tax charge or credit is recognized using substantially enacted rates. In the case of unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only to the extent there is virtual certainty or realization of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Such assets are reviewed as at each Balance Sheet date to reassess realization.

**10. Retirement Benefits:**

Provisions for/contributions to retirement benefits schemes are made as follows;

- a) Provident fund on actual liability basis.
- b) Gratuity based on actuarial valuation done as at the reporting date.

**11. Provisions, Contingent Liabilities and Contingent Assets:**

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statement except where virtual certainty is there.

**12. Use Of Estimates:**

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported Period. Difference between the actual results and estimates are recognized in the Period in which the results and estimates are recognized in the period in which the results are known or materialize.

**13. Provisioning/Write-off of Doubtful Debts:**

Unrealizable Debts and Sundry balances has been written-off to present true and fair view of the Management and as per the policy adopted by the Management of the company in the previous years.

**B. Notes On Accounts:**

1. The List of Subsidiaries included in the Consolidated Financial Statements are as under:

Name of the Subsidiary Company	Country of Incorporation	% Holding
I.A. & I.C. Pvt. Ltd	India	98.07
Shah Pratap Industries Pvt. Ltd.	India	94.54
Glassworks Trading Pvt. Limited	India	100.00

The Consolidated Financial statement for the period ended June 30, 2014 includes audited financial statements of subsidiaries viz. I.A. & I.C. Pvt. Ltd, Shah Pratap Industries Pvt. Ltd and Glassworks Trading Pvt. Ltd for the year ended March 31, 2014.

2. Goodwill represents the difference between the Group's share in the net worth of the subsidiaries, and cost of acquisition at each point of time of making the investment in the subsidiaries. For this purpose, the Group's share of net worth is determined on the basis of the latest financial statements prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition.

3. Contingent Liabilities not provided for:

		Current Year	Previous Year
a)	Disputed Income Tax Demand	1,562,895,215	1,526,230,910
b)	Other Matters	782,500	782,500

4. The closing stock is as per the inventory taken, valued and certified by the management.
5. In the opinion of the management, the current assets, loans and advances have the values on realization in the ordinary course of business at least equal to the amounts at which they are stated in the balance sheet except the trade receivables and loans and advances which falls under management's policy for bad and doubtful debts as taken in the previous years.
6. Debit and Credit balances are subject to confirmation and reconciliation.
7. There are no dues to Micro, Small & Medium Enterprises

as at Balance Sheet date and no interest has been paid to any such parties. This is based on the information on such parties having been identified on the basis of information available with the Company and relied upon by the auditors.

8. The Company has made provision for gratuity for the year under review as certified by M/s. VHV Finance & Consultancy Services.

**9. Related Parties Disclosures****i) Relationships:****(a) Subsidiary Companies:**

- I. A. & I. C. Pvt. Limited (IAIC)
- Shah Pratap Industries Pvt. Limited (SPIL)
- Glassworks Trading Pvt. Limited (GTPL)

**(b) Key Management Personnel: (KMP)**

Shri. Rajendra G. Parikh (RGP)

**(c) Relatives of Key Management Personnel and entities in which key Management Personnel are interested, where transactions have taken place:**

M/s. Share Bazar House. (SBH)

Note: Related party relationship is identified by the Company and relied upon by the auditors.

**ii) Details of Transactions with Related Parties:**

(figures in bracket pertains to previous year).

Sr. No.	Nature of transaction	KMP	Relatives of KMP
		RGP	SBH
1.	Rent Paid	1,44,000 (1,44,000)	4,274 (1,26,388)
2.	Loans & Advances Receivable / (-) Payable by Company	63,00,478	-

**10. Earning per Share:****(A) Basic & Diluted**

	June 30,2014	June 30,2013
a. Net Profit/(Loss) After Tax before Extraordinary item	(35,508,170)	(249,813,598)
b. Weighted average Number of Equity Shares	72,635,845	72,635,845
c. Weighted average Number of 'A' Ordinary Equity Shares	5,106	5,106
d. Share of Profit/(Loss) for Equity Shares	(35,504,620)	(249,788,617)
e. Share of Profit/(Loss) for 'A' Ordinary Equity Shares	(3,551)	(24,981)
f. Earning Per Equity Share in Rupees (FV Rs.10/-) (d/b)	(0.49)	(3.44)
g. Earning Per 'A' Ordinary Equity Share in Rupees (FV Rs.10/-) (e/c)	(0.70)	(4.89)

**(B) Basic & Diluted**

	June 30, 2014	June 30, 2013
a. Net Profit/(Loss) After Tax after Extraordinary item	<b>(35,508,170)</b>	(296,015,032)
b. Weighted average Number of Equity Shares	<b>72,635,845</b>	72,635,845
c. Weighted average Number of 'A' Ordinary Equity Shares	<b>5,106</b>	5,106
d. Share of Profit/(Loss) for Equity Shares	<b>(35,504,620)</b>	(295,985,431)
e. Share of Profit/(Loss) for 'A' Ordinary Equity Shares	<b>(3,551)</b>	(29,602)
f. Earning Per Equity Share in Rupees (FV Rs.10/-) (d/b)	<b>(0.49)</b>	(4.07)
g. Earning Per 'A' Ordinary Equity Share in Rupees (FV Rs.10/-) (e/c)	<b>(0.70)</b>	(5.80)

11. The Company operates in one segment i.e. crystal, glass and allied products hence no separate disclosure of segment-wise information has been made as per Accounting Standards (AS-17) Segment Reporting issued by the Institute of Chartered Accountants of India.

	Current Year (Rupees)	Previous Year (Rupees)		
12. Earning in foreign currency: Exports (FOB)	<b>96,000</b>	3,42,507		
13. Expenditure in foreign currency: (on payment basis) (net of tax, where applicable) Travelling	-	71,939		
14. Value of Imported & indigenous material consumed:			%	%
Raw Materials:				
Indigenous	---	---	---	---
Imported	<u><b>4,61,996</b></u>	<u>2,63,235</u>	<u>100</u>	<u>100</u>
	<b>4,61,996</b>	2,63,235	100	100

15. Auditors Remunerations (including Service tax, where applicable)

	Current Year (Rupees)	Previous Year (Rupees)
a) Audit Fees	<b>2,18,540</b>	1,98,540
b) Tax Audit	<b>28,090</b>	-
c) Certification & tax matters, etc.	<b>33,708</b>	33,708
	<u><b>2,80,338</b></u>	<u>2,32,248</u>

16. Prior Period Expenses

	Current Year (Rupees)	Previous Year (Rupees)
a) Arrears Of Water Charges	<b>8,192</b>	-
b) Payment towards MVAT	<b>1,052</b>	-
	<u><b>9,244</b></u>	-

17. Board for Industrial and Financial Reconstruction (BIFR) has sanctioned the Rehabilitation Scheme of the company in terms of Section 19 (3) read with Section 18 (4) of SICA having scheme period 2008-2017.

18. In view of the revision to the Schedule VI as per notification issued by the Central Government, the financial statement for the year ended 30<sup>th</sup> June, 2014 have been prepared as per the requirement of the Revised Schedule VI to the Companies Act, 1956. The previous years figures have been accordingly regrouped/classified to confirm to the year's classification.

The accompanying notes are an integral part of the financial statements.

<b>FOR MOTILAL &amp; ASSOCIATES</b>	For and on behalf of Board	
<b>Chartered Accountants</b>	<b>R. G. PARIKH</b>	Chairman &
<b>Registration No.: 106584W</b>		Managing Director
<b>(M.L. JAIN)</b>	<b>S. C. GURAV</b>	Director
<b>Proprietor</b>		
<b>M. No. 36811</b>	<b>S. A. DHENDE</b>	Company Secretary

Place: Mumbai

Dated: 28th August, 2014



## Consolidated Cash Flow statement for the year ended June 30, 2014

	Year Ended 30.06.2014	Year Ended 30.06.2013
<b><u>A.CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
Net Profit/(Loss) Before Tax and Extra-ordinary Items	(355,11,322)	(2539,41,048)
Adjustment for :		
Interest & Finance Charges (Net)	-	-
Depreciation	37,42,333	49,04,014
Impairment Losses	291,48,200	-
Miscellaneous Expenditure written off	-	6,599
Loss on closure of Sub-subidiary	-	8,71,627
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>(26,20,789)</b>	<b>(2481,58,808)</b>
Adjustments for:		
Trade Receivables,Loans & Advances	(1,58,793)	2352,00,450
Inventories	48,62,903	11,84,565
Trade Payables & Other Liabilities	(13,70,661)	54,81,124
<b>CASH USED FOR OPERATING ACTIVITIES</b>	<b>7,12,660</b>	<b>(62,92,669)</b>
<b><u>Extra-ordinary Item</u></b>	<b>-</b>	<b>(462,01,434)</b>
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>7,12,660</b>	<b>(524,94,103)</b>
<b><u>B.CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
Capital W.I.P./Advance for Capital items & Pre-operative Expenses	-	516,45,246
Purchase of Fixed Assets (Net)	-	(19,550)
Purchase of Investments	-	-
<b>NET CASH FROM /(USED) IN INVESTING ACTIVITIES</b>	<b>-</b>	<b>516,25,696</b>
<b><u>C.CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
Issue of Equity share capital/Share Application Money	-	-
Addition to Shares Premium	-	-
Secured/Unsecured Loans	(6,52,948)	(21,33,806)
Interest & Financing Charges (Net)	-	-
<b>NET CASH FROM/(USED) IN FINANCING ACTIVITIES</b>	<b>(6,52,948)</b>	<b>(21,33,806)</b>
<b>NET INCREASE/(DECREASE) IN CASH OR CASH EQUIVALENTS</b>	<b>59,712</b>	<b>(30,02,213)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINING OF THE YEAR</b>	<b>2,67,563</b>	<b>32,69,776</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>3,27,275</b>	<b>2,67,563</b>

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai  
Dated : 28th August, 2014**R.G.PARIKH**  
Chairman & Managing Director**S. C. GURAV**  
Director**S.A.DHENDE**  
Company Secretary**AUDITORS CERTIFICATE**

We have examined the attached cash flow statement of JIK Industries Limited for the year ended June 30, 2014. The statement has been prepared by the Company in accordance with the requirements of clause 32 of the Listing agreement with The Stock Exchanges and is based on and in agreement with the corresponding profit & loss account and balance sheet of the Company covered by our report of even date to the members of the Company.

**FOR MOTILAL & ASSOCIATES**  
Chartered Accountants  
Registration No.: 106584W

Place : Mumbai  
Dated : 28th August, 2014

**(M.L. JAIN)**  
Proprietor  
M. No. 36811



**NOTES**

**JIK INDUSTRIES LIMITED**

Registered Office: Pada No. 3, Balkum, Thane (West) – 400 608  
 Admin Off. Tel: 022-22633313 • Fax: 22676633 • E mail : admin@jik.co.in  
 CIN : L65990MH1990PLC056475 • WEBSITE: www.jik.co.in

**PROXY FORM**

(Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

**22<sup>ND</sup> ANNUAL GENERAL MEETING**

Name of the Member(s): Registered address:

Email ID:

Folio No. / DP ID / Client ID No. :

I/We, being the member(s) of JIK Industries Limited, holding....., shares of the above named company, hereby appoint

1. Name:..... Address:.....  
 E-mail Id:..... Signature:.....or failing him/her
2. Name:..... Address:.....  
 E-mail Id:..... Signature:.....or failing him/her
3. Name:..... Address:.....  
 E-mail Id:..... Signature:.....or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22<sup>nd</sup> Annual General Meeting of the Company, to be held on Saturday, 20<sup>th</sup> December, 2014 at 9.30 AM. at Know IT Hall, 305 Krupa Chambers, Near Malhar Cinema, Opp. MTNL Gokhale Road, Naupada, Thane (West) – 400 602 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolution
<b>ORDINARY BUSINESS</b>	
1	Adoption of Financial Statements for the year ended 30 <sup>th</sup> June, 2014.
2	Re-appointment of Shri Rajendra G. Parikh, who retires by rotation.
3	Appointment of M/s. Motilal & Associates, Chartered Accountants as the auditors of the Company.
<b>SPECIAL BUSINESS</b>	
4	Appointment of Shri. Manoj P. Unadkat as an Independent Director
5	Appointment of Shri. Surendra C. Gurav as an Independent Director
6	Appointment of Shri. Vijay P. Panikar as an Independent Director

Signed this .....day of..... 2014.

Affix Revenue Stamp
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Signature of the member

Signature of the proxy holder(s)

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 22<sup>nd</sup> Annual General Meeting.
3. A proxy need not be a Member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other Member.



JIK INDUSTRIES LIMITED

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**JIK INDUSTRIES LIMITED**

Registered Office: Pada No. 3, Balkum, Thane (West) – 400 608  
Admin Off. Tel: 022-22633313 • Fax: 22676633 • E mail : admin@jik.co.in  
CIN : L65990MH1990PLC056475 • WEBSITE: www.jik.co.in

**ATTENDANCE SLIP  
22<sup>ND</sup> ANNUAL GENERAL MEETING**

DP ID - Client ID / Folio No. :	
Name & Address of sole : Member	
No. of shares held :	

I certify that I am a member / proxy of the Company.

I hereby record my presence at the 22<sup>nd</sup> Annual General Meeting of the Company, to be held on Saturday, 20<sup>th</sup> December, 2014 at 9.30 A.M. at Know IT Hall, 305 Krupa Chambers, Near Malhar Cinema, Opp. MTNL Gokhale Road, Naupada, Thane (West) – 400 602.

\_\_\_\_\_  
Member's / Proxy's Signature

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**ELECTRONIC VOTING PARTICULARS**

EVSN (Electronic Voting Sequence Number)	User ID	Password / PIN

**NOTE:** Please read the complete instructions given under the Note (The instructions for shareholders voting electronically) to the Notice of Annual General Meeting. The voting time starts from Monday, December 15, 2014 from 9.30 A.M. and ends on Tuesday, December 16, 2014 at 6.00 p.m. The voting module shall be disabled by CDSL for voting thereafter.





**Registered Office & Factory**

**JIK INDUSTRIES LTD.**

Administrative Office :

16, Gundecha Chambers,

N. M. Road, Fort, Mumbai - 400 023.



**FORM A**

**(Pursuant to Clause 31 (a) of the listing agreement)**

Sr. No.	Particular	Details
1.	Name of the Company	JIK Industries Limited
2.	Annual financial statements for the year ended	30 <sup>th</sup> June, 2014
3.	Type of Audit observation Un-qualified / Matter of Emphasis	Un - qualified
4.	Frequency of observation	Not Applicable

**For JIK Industries Limited**

*Rajendra*  
**Rajendra G. Parikh**  
Managing Director

*S. Gurav*  
**Surendra C. Gurav**  
Chairman of Audit  
Committee

**For MOTILAL & ASSOCIATES**  
Chartered Accountants

*M. L. Jain*  
**(M. L. JAIN)**  
Proprietor  
Membership No. 36811



**CIN: L65990MH1990PLC056475**

Admn. Off. : 16, Gundecha Chambers, N. M. Road, Fort, Mumbai - 400 023 (India)

Tel: 91-22-2263 3313 Fax: 91-22-2267 6633 Email: admin@jik.co.in Website : www.jik.co.in

Regd. Off. : Pada No. 3, Balkum, Thane (West) - 400 608, Tel.: 022-2538 0241