

**Thirteenth
ANNUAL REPORT
1998-99**

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JASCH INDUSTRIES LIMITED

JASCH INDUSTRIES LIMITED**Thirteenth Annual Report 1998-99****BOARD OF DIRECTORS**

J. K. Garg	Chairman
S. C. Garg	Managing Director
S. K. Garg	Whole Time Director
O. P. Garg	Executive Director
R. P. Gupta	HSIDC Nominee
Poonam Garg (Mrs.)	RCTC Nominee
S. K. Khandelwal	Director
Gian Prakash, IAS (Retd.)	Director

BANKERS

Bank of Baroda

AUDITORS**M/s Arora & Choudhary Associates**

Chartered Accountants

8/28, W.E.A., Abdul Aziz Road

Karol Bagh, New Delhi-110 005

COMPANY SECRETARY

S. K. Verma

REGISTERED OFFICE AND WORKS

43/5, Bahalgarh Road

P. O. Bahalgarh

Distt. Sonapat-131 021 (Haryana)

CORPORATE OFFICE

107, Shivlok House-II

Karampura Commercial Complex

New Delhi-110 015

CONTENTS

1.	Notice of Meeting	...	...	1
2.	Directors Report	...	...	3
3.	Auditors Report	...	...	5
4.	Balance Sheet	...	...	6
5.	Profit & Loss Account	...	...	7
6.	Schedules to Accounts	...	...	8
7.	Cash Flow & other Statements	...	...	15
8.	Attendance Slip & Proxy Form	...	...	16



NOTICE OF 13th ANNUAL GENERAL MEETING

To

The Members,

NOTICE is hereby given that the 13th Annual General Meeting of Members of JASCH INDUSTRIES LIMITED will be held on Monday, the 27th day of September, 1999 at 10.00 A.M. at Registered office of the Company at 43/5, Bahalgarh Road, P.O. Bahalgarh, Dist. Sonapat-131 021, Haryana, to transact the following business.

ORDINARY BUSINESS

1. To consider and adopt the audited Balance Sheet and Profit & Loss Accounts of the Company and the Reports of Directors and Auditors thereon for the year ended 31st March, 1999.
2. To appoint a Director in place of Shri S.K. Garg, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri O.P. Garg, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors for the Financial Year 1999-2000.

SPECIAL BUSINESS

5. To consider and if though fit, to pass with or without modification, the following Resolution as Ordinary Resolution :
"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 311, 314, Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), re-appointment of Shri J.K. Garg made by the Board as Chairman of the Company for a period of five years with effect from 1st October, 1999 on the terms and conditions set out in Annexure, or as may be varied in the General Meeting, be and is hereby approved."

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By Order of the Board of Directors
for JASCH INDUSTRIES LIMITED

Place : Sonapat
Dated : 30th July, 1999

(S. K. Verma)
Company Secretary

NOTES

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy and vote in his stead. The proxy need not be a member of the Company. Proxy in the order to be valid, must be lodged at the Registered office of the Company not less than 48 hours, before the commencement of Meeting.
2. Members desirous of getting any information related to the accounts of the Company for the period under reference are requested to write to the Company at least seven days before the meeting, to enable it to make the requisite details available at the Meeting.
3. Members are requested to address all correspondence, including intimation of change in their addresses, if any, to the Registered Office of the Company at 43/5, Bahalgarh Road, P.O. Bahalgarh, Distt. Sonapat 131021 (Haryana).
4. The Register of Members and Share Transfer Books of the Company will remain closed from the 1st September, 1999 to 20th September, 1999 (both days inclusive).
5. Members are requested to bring this copy of the Annual Report along with them to the Annual General Meeting since extra copies will not be supplied at the meeting.
6. SPECIAL ATTENTION OF THE MEMBERS IS DRAWN TO THE FACT THAT NO GIFTS/COUPONS OF ANY SORT WILL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING.

JASCH INDUSTRIES LIMITED**ANNEXURE TO THE NOTICE**

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(A) OF THE COMPANIES ACT, 1956.

Item No. 5

The period of appointment of Shri J.K. Garg, Chairman is due to expire on 30th September, 1999. The Board of Directors in their Meeting held on 30th July, 1999 have re-appointed him for a further period of five years with effect from 1st October, 1999, subject to approval by General Meeting, on the following terms and conditions :

1. SALARY

Monthly salary of Rs. 25,000 (Rupees Twenty Five Thousand only) in the grade of Rs. 25,000-35,000 with such annual increments effective from 1st October every year, as may be decided by a Committee of Directors."

2. MINIMUM REMUNERATION IN CASE OF INADEQUACY OF PROFITS

In the event of loss or inadequacy of profits in any financial year during his tenure he shall be entitled to receive a total remuneration including allowances, perquisites etc. not exceeding limits as may be prescribed by the Government/Companies Act, 1956 from time to time.

3. PERQUISITES

In addition to the above salary, he will also be entitled to the following perquisites :

- (1) Free furnished accommodation or house rent allowance including furnishings, gas, electricity and water, medical reimbursements, leave travel concessions for self and family, club fees, medical insurance etc. as per rules of the Company. The annual value of these perquisites shall be restricted to an amount equal his respective annual salary.
- (2) For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules, whenever applicable. In the absence of any such Rule, perquisites shall be evaluated at actual cost. Provision for use of Company car for duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.
- (3) Company's contribution to Provident Fund and Superannuation Fund not exceeding 27% of the remuneration as per rules of the Company. This shall, however, not be included in the computation of limits on perquisites as aforesaid.
- (4) Gratuity as per Rules of the Company. However, this will also not be included in the computation of limits on perquisites as aforesaid.

None of the Directors, other than the proposed appointee-Director is interested in the proposed Resolution.

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By Order of the Board of Directors
for **JASCH INDUSTRIES LIMITED**

Place : Sonapat
Dated : 30th July, 1999

(S. K. Verma)
Company Secretary



DIRECTORS' REPORT

Dear Shareholders,
Your Directors have pleasure in presenting the 13th Annual Report and Audited Accounts of the Company for the year ended 31st March 1999.

FINANCIAL RESULTS

(Rs. in Lakh)

	Current Year 1999	Previous Year 1998
Gross Sales and other Income	1845.38	2216.79
Operating Profit before Interest and Depreciation	287.47	316.43
Interest & Finance charges	193.20	188.87
Gross Profit before Depreciation	94.27	127.56
Depreciation	85.67	80.84
Provision for Taxation	0.91	4.95
Net Profit	7.69	41.77
Surplus Brought forward from Previous years	207.70	165.93
Available for Appropriations	7.69	41.77
Transfer to General Reserve	-	-
Surplus carried forward	215.39	207.70

DIVIDEND

In view of inadequate profits, the Board has not recommended any dividend for the year ended on 31st March, 99.

OPERATIONS :

Your Company has achieved sales of Rs. 1845.38 lakh during 1998-99 which were lower by 20.13% as compared to the figures of the previous year. Operating Profit before interest and depreciation also correspondingly decreased by 10.07% to Rs. 287.47 Lakh during 1998-99. The interest and finance charges at Rs 193.20 Lakhs went up marginally during the year. After providing for higher depreciation of Rs. 86.67 lakhs and Income tax under the minimum alternate tax, net profit of the Company declined marginally to Rs. 7.69 lakhs compared to 41.77 Lakh during the previous year.

Synthetic leather industry, like many other industry, has borne the brunt of excess supplies, demand shrinkage, cut throat competition, higher prices of inputs partly due to depreciation of Rupee and overall recessionary conditions in the Indian economy. The management is striving hard to overcome the pressure of depressed market conditions through better management of inventory, enhancing value addition and upgradation and enlargement of product mix which is expected to bear fruit in the ensuing year.

FUTURE PROSPECTS

During the first quarter ended 30th June, 99 of the current Financial Year your Company achieved sales of Rs. 392.87 lakhs which resulted in a gross profit of Rs. 77.25 lakhs. After providing for interest at Rs. 42.95 lakhs and depreciation & preliminary expenses at Rs. 23.20 lakhs, there

has been a marginal loss of Rs. 11.10 lakhs. The low sales is attributed to prevailing recessionary conditions in the market. The Management is hopeful of improved performance during the remaining part of the year particularly on account of marginal reduction in excise duty on the products and restoration of 100% MODVAT benefits on inputs in the Union Budget for 1999-2000.

The Company has taken up further improvements in the Beta/Gamma Thickness Gauge developed by it in-house. Management is hopeful that very soon this product will be ready for commercial marketing.

INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT 1956.

INFORMATION IN ACCORDANCE WITH SECTION 217 (1)(A) OF THE COMPANIES ACT, 1956 READ WITH RULE 2 OF THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

Please refer to Annexure

INFORMATION IN ACCORDANCE WITH SECTION 217(2A) OF THE COMPANIES ACT 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES 1975.

The Company had no Employee drawing more than Rs. 6 Lakh per annum or Rs. 50000 per month during the year under Report.

FIXED DEPOSITS

The Company did not accept/renew any fixed deposits during the year under report. The deposit outstanding as on 31st March, 99 was NIL.

DIRECTORS

In accordance with the provisions of the Companies Act 1956 and Articles of Association of the Company, Shri S.Y. Garg and Shri O.P. Garg retire by rotation at the ensuing Annual General Meeting and being eligible, they offer themselves for reappointment.

Smt. Poonam Garg was nominated on the Board of Directors of the Company by Risk Capital & Technology Finance Corporation Ltd as Director and her appointment was taken note of in the Board Meeting held on 15th January, 1999.

AUDITORS

M/s Arora and Choudhary Associates, Chartered Accountant retire as Auditors of the Company at the ensuing Annual General Meeting and being, eligible, offer themselves for re-appointment.

ACKNOWLEDGMENTS

Your Directors wish to place on record their appreciation of the support and cooperation received from the Central & State Govt, the financial Institutions and the Company's Bankers. Your Directors also commend the contribution made by the Employees at all levels and also the investors for their unstinted support and assistance.

For and on Behalf of the Board of Directors

Place : Sonapat
Dated : 30th July, 1999

(J. K. Garg)
Chairman