

Fourteenth
ANNUAL REPORT
1999/2000

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JASCH INDUSTRIES LIMITED

JASCH INDUSTRIES LTD.**Fourteenth Annual Report 1999-2000****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	Director (HSIDC Nominee)
Poonam Garg (Mrs.)	Director (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
Karampura, 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	...	...	17



NOTICE OF 14th ANNUAL GENERAL MEETING

To

The Members,

NOTICE is hereby given that the 14th Annual General Meeting of Members of JASCH INDUSTRIES LIMITED will be held on Friday, the 29th day of September, 2000 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 Report of Directors and Auditors thereon for the year ended 31st March, 2000.
2. To appoint a Director in place of Shri Gian Prakash, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri S.K. Khandelwal, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors for the Financial Year 2000-2001.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification, the following resolution as Special Resolution:

"RESOLVED that the Articles of Association of the Company be and are hereby altered as mentioned hereunder :

- (a) The following Heading and Article shall be inserted as Article 63A after Article 63 of the Articles of Association of the Company :-

NOMINATION

- 63A (i) Notwithstanding anything contained in these Articles and subject to the provisions of Sections 109A and 109B of the Companies Act, 1956, every member and debentureholder of the Company may at any time nominate in the prescribed manner a person to whom his shares or debentures in the Company shall vest in the event of his death.
- (ii) In case of more than one holder, the joint holders may together nominate, in the prescribed manner a person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of all the joint holders.
- (iii) The nominee shall, on the death of the holder of shares or debentures of the Company or all the jointholders thereof as the case may be, become entitled to all the rights in such shares or debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.
- (iv) Where nominee is a minor, the holders of shares or debentures of the Company may appoint a person to become entitled to such shares or debentures, in the event of his death during the minority of nominee.
- (v) Only individual holders of shares or debentures can make nominations. Non-individuals including Society, Trust, Body Corporate, Partnership Firm, Karta of Hindu Undivided Family, Holder of Power of Attorney can neither nominate nor can any of these be appointed as a nominee.
- (vi) Transfer of shares or debentures in favour of a nominee and payment of amount of debentures on redemption to nominee shall be valid discharge by the Company against the legal heirs.

- (b) The following Heading and Article shall be inserted as Article 23A after Article 23 of the Articles of Association of the Company :

DEMATERIALISATION OF SECURITIES

- 23A (i) Definitions :

For the purpose of this Article :

"Member" means a member as defined under Section 41 of the Companies Act, 1956.

"Beneficial Owner" means a person whose name is recorded in the Register maintained by a Depository under the Depositories Act, 1996.

"SEBI" means the Securities and Exchange Board of India.

"Depository" means a company formed and registered under the Act and which has been granted a certificate of registration by SEBI under the provisions of the Securities and Exchange Board of India Act, 1992.

"Security" means such security as may be specified by SEBI from time to time.

- (ii) Dematerialisation of Securities :

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the provisions of the Depositories Act, 1996 or otherwise.

- (iii) Issue of securities and option for investors

Notwithstanding anything contained in these Articles, an issue of security by the Company may also be in the dematerialised form and the Company shall intimate the details of allotment to the depository immediately on allotment of such securities.

Investors in a new issue and the beneficial owners shall have the option to rematerialise the securities subsequent to the allotment or dematerialisation, as the case may be, in which event the Company shall issue to the investor/beneficiary the required certificates of securities subject to the provisions of applicable laws, rules, regulations or guidelines. The shares so rematerialised shall bear new distinctive numbers so as to identify them from the shares not dematerialised.

- (iv) Securities in depository mode to be in fungible form

All securities held in the depository mode with a depository shall be dematerialised and be in fungible form. To such securities held by a depository on behalf of a beneficial owner, nothing contained in Section 153, 153A, 153B, 187A, 187B and 187C of the Act shall apply.

JASCH INDUSTRIES LIMITED

- (v) **Right of Depositories and Beneficial Owners**
- (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of securities on behalf of the beneficial owner.
- (b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have other membership rights in respect of the securities held by it.
- (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the register maintained by a depository shall be deemed to be a member of the Company. The beneficial owner of securities shall alone be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities held in the depository mode of which he is the beneficial owner.
- (vi) **Service of documents**
Notwithstanding anything contained in the Act or these Articles to the contrary, where securities are held in a depository mode, the records of the beneficial owner may be served on a depository on the Company by means of electronic mode or by delivery of floppies or discs.
- (vii) **Transfer of securities**
Nothing contained in Section 108 of the Act or these Articles shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the Register maintained by a depository under the Depositories Act, 1996.
- (viii) **Distinctive numbers of securities held in the Depository mode**
Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held in the depository mode.
- (ix) **Register and Index of Beneficial Owners**
The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of members and holders of securities for the purposes of these Articles and the Act."

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

Place : Sonapat
Dated : 31st July, 2000

(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, Bahalgah Road, P.O. Bahalgah, Distt. Sonapat 131021 (Haryana).
4. The Register of Members and share transfer book of the Company will remain closed from 16th September, 2000 to 29th September, 2000 (both days inclusive).
5. Members are requested to bring a 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.**

ANNEXURE TO THE NOTICE

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

Item No. 5

The Companies (Amendment) Act, 1999 has introduced the facility of nomination to the shareholders and debentures of Companies.

Consequent upon passing of the Depositories Act, 1996 and setting up of the Depository System, there have been significant amendments in the provisions of the Companies Act, 1956 relating to issue, holding, transfer and dealing in shares and other securities as also the issue of certificates thereof in dematerialised form.

It is, therefore, proposed to suitably amend the Articles of the Company in order to ensure that the provisions of the Articles of Association of the Company are in consonance with the provisions of the Companies Act, 1956 and Depositories Act, 1996 to enable the Company and its shareholders to inter alia transfer and deal in shares of the Company in dematerialised form.

The directors therefore recommend passing of the proposed Special Resolution in terms of Section 31 of the Companies Act, 1956.

No Director of the Company is concerned or interested in the Resolution.

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

Place : Sonapat
Dated : 31st July, 2000

(S. K. Verma)
Company Secretary



DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 14th Annual Report and Audited Accounts of the Company for the year ended 31st March 2000.

FINANCIAL RESULTS

(Rs. in Lakh)

	Current Year 2000	Previous Year 1999
Gross Sales and other Income	1951.60	1845.38
Operating Profit before interest And depreciation	226.50	287.47
Interest and Finance Charges	171.04	193.20
Gross Profit before Depreciation	55.46	94.27
Depreciation	87.00	85.67
Provision for taxation	--	0.91
Net Profit/(loss)	(31.54)	7.69
Surplus Brought forward from Previous Years	215.39	207.70
Available for Appropriations	(31.54)	7.69
Transfer to General Reserve	--	--
Surplus carried forward	183.85	215.39

DIVIDEND

In view of inadequate profits, the Board has not recommended any dividend for the year ended on 31st March, 2000.

OPERATIONS :

Your company has achieved sales of Rs.1951.60 lakh during 1999-2000 which were about 5.7% higher as compared with the sales of the previous year. However, operating profit before interest and depreciation declined to Rs.226.50 lakh during the year mainly due to higher cost of inputs as most of the raw materials used by the company are petroleum based chemicals the prices of which increased by about 20-30% consequent to sharp upsurge in the international price of crude oil. The interest and finance charges have declined due to better working capital management and repayment of term loan to the institutions. After providing for depreciation of Rs.87 Lakhs, the company has incurred net loss of Rs.31.54 lakhs during the year.

Synthetic Leather industry has been suffering due to excess supplies, stagnant demand, cut throat competition from imported materials due to inadequate tariff protection and escalating prices of inputs and the company's performance has been adversely affected during the year due to these factors.

FUTURE PROSPECTS :

During the quarter ended 30th June 2000 of the current financial year, your company achieved sales of Rs.502.04 lakhs which resulted in gross profit of Rs.53.40 lakh. After providing for interest at Rs.37.77 lakh and depreciation and preliminary expenses at Rs.23.45 lakh, there

is marginal net loss of Rs.3.82 lakh as compared with net loss of Rs.11.10 Lakh in the corresponding period of the previous year. Recently the management has negotiated a package of reliefs and concessions with ICICI Ltd. resulting in rescheduling of repayment period of the term loan and reduction in rate of interest from 18.5% to 14.5% p.a which will substantially reduce the interest burden of the company in future years. Therefore, the management is hopeful of improved performance during the current year.

INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT 1956.

INFORMATION IN ACCORDANCE WITH SECTION 217 (1) (A) OF 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 WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES 1975.

The company had no employees 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 2000 was Nil.

DIRECTORS

In accordance with the provisions of the companies act 1956 and articles of Association of the company, Shri S.K.Khandelwal and Shri Gian Prakash retire by rotation at the ensuing annual general meeting and being eligible, they offer themselves for reappointment.

AUDITORS

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

ACKNOWLEDGMENTS

Your directors are pleased to place on record their sincere gratitude to the financial institutions, Bankers and business Associates for their continued and valuable co-operation and support extended to our company during the year.

Your Directors also express their appreciation for the hard work and sincere services rendered by workers, staff and executives of the company during the year.

For and on Behalf of the Board of Directors

Place : Sonapat
Dated : 31st July, 2000

(J. K. Garg)
Chairman