

Fifteenth Annual Report 2000-2001



JASCH INDUSTRIES LIMITED

JASCH INDUSTRIES LTD.

Fifteenth Annual Report 2000 -2001

BOARD OF DIRECTORS

J. K. Garg	Chairman
S. C. Garg	Managing Director
S. K. Garg	Whole Time Director
O. P. Garg	Executive Director
Rajesh Devlal	Director (HSIDC Nominee)
S. K. Khandelwal	Director
Gian Prakash, IAS (Retd.)	Director

COMPANY SECRETARY

S. K. Verma

AUDITORS

M/s Arora & Choudhary Associates
Chartered Accountants
8/28, W.E.A., Abdul Aziz Road
Karol Bagh, New Delhi-110 005

BANKERS

Bank of Baroda

REGISTERED OFFICE AND WORKS

43/5, Bahalgarh Road
P. O. Bahalgarh
Distt. Sonapat-131 021 (Haryana)

CORPORATE OFFICE

JASCH House (Behind Khalsa College)
5105/1, Dev Nagar
Karol Bagh, New Delhi-110 005

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NOTICE OF 15th ANNUAL GENERAL MEETING

To

The Members,

NOTICE is hereby given that the 15th Annual General Meeting of Members of JASCH INDUSTRIES LIMITED will be held on Friday, the 28th day of September, 2001 at 10.00 A.M. at Registered office of the Company at 43/5, Bahalgarh Road, P.O. Bahalgarh, Distt. Sonapat-131 021 (Haryana), to transact the following 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, 2001.
2. To appoint a Director in place of Shri O.P. Garg, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri S.K. Garg, who retires by rotation, and being eligible, offers himself for re appointment.
4. To appoint Statutory Auditors for the Financial Year 2001-2002.

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

Place : Sonapat
Dated : 28th August, 2001

(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. A Member or his Proxy is requested to produce at the entrance of the Registered Office, Attendance Slip forwarded to them along with this Annual Report, to facilitate their attendance at the AGM.
3. 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 ten days before the meeting, to enable it to make the requisite details available at the Meeting.
4. 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-131 021 (Haryana).
5. The Register of Members and share transfer book of the Company will remain closed from the 17th September, 2001 to 28th September, 2001 (both days inclusive).
6. Members are requested to bring a copy of the Annual Report along with them to the Annual General Meeting since as a measure of economy extra copies will not be supplied at the meeting.
7. Members, who hold shares in dematerialised form are requested to bring their Client ID and DP ID Nos. for easier identification of attendance at the meeting.
8. **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.**

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 15th Annual Report and Audited Accounts of the Company for the year ended 31st March 2001.

FINANCIAL RESULTS

(Rs. in Lakh)

	Current Year	Previous Year
Gross Sales and other Income	2132.07	1951.60
Operating Profit before interest And depreciation	247.51	226.50
Interest and Finance Charges	143.96	171.04
Gross Profit before Depreciation	103.54	55.46
Depreciation	88.07	87.00
Provision for taxation	1.31	—
Net Profit/(loss)	14.16	(31.54)
Surplus Brought forward from Previous Years	183.85	215.39
Available for Appropriations	14.16	(31.54)
Transfer to General Reserve	--	--
Surplus carried forward	198.01	183.85

DIVIDEND

In view of inadequate profits, the Board has not recommended any dividend for the year ended on 31st March 2001.

OPERATIONS :

Your Company has achieved sales of Rs. 2132.06 lakhs during 2000-2001 which were 9.2% higher as compared with the sales of the previous year. Operating profit before interest, depreciation and Income Tax also correspondingly increased to Rs. 247.5 lakhs showing an increase of about 9.3% over previous year's profit of Rs. 226.5 lakh. The operating profit would have been higher but for the increase in the prices of petro-based raw material and fuel oil during the year. The interest and finance charges have declined sharply by about 16% to Rs. 143.96 lakh during the year under review due to full impact of reduction in interest rate from 18.5% to 14.5% on term loan of the financial institutions, repayment of term loans and better inventory and working capital management. The Gross profit before depreciation improved by 87% to Rs. 103.54 lakhs during the year. After providing for depreciation of Rs. 88.07 lakhs and provision for Income Tax under Minimum Alternate Tax of Rs. 1.31 lakhs, the Company has achieved a net profit of Rs. 14.16 lakhs during 2000-2001 as compared with net loss of Rs. 31.54 lakhs in the previous year.

DIRECTORS' REPORT

As reported last year, synthetic leather industry is facing tough competition from imports, particularly from China, Taiwan and Korea due to anomaly in customs tariff structure where custom duty on raw material is higher at 35% as compared with only 25% on synthetic leather, resulting in pressure on domestic prices.

FUTURE PROSPECTS :

The Company has achieved sales of Rs. 425 lakhs during the first quarter of the current financial year ended on 30th June, 2001 and has incurred a loss of Rs. 12 lakh after providing interest and depreciation. The Company's business is somewhat seasonal in nature and normally it achieves much higher production and sales during July-December due to festival season. In view of this, it is expected that the Company would be able to at least maintain, if not improve upon, previous year's performance.

INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT 1956.

INFORMATION IN ACCORDANCE WITH SECTION 217 (1) (E) 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 remuneration of Rs. 12 lakhs or more per annum or, if employed for a part of the year, Rs. one lakh or more 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. Garg and Shri O.P. Garg retire by rotation at the ensuing annual general meeting and being eligible, they offer themselves for reappointment.

Since the close of the Financial Year under Report, Haryana State Industrial Development Corporation Ltd. nominated Shri Rajesh Devlal as Director of the Company with effect from 30.4.2001 in place of Shri R.K. Gupta, the earlier nominee. IFCI Venture Capital Funds Ltd. (formerly Risk Capital & Technology Finance Corpn. Ltd.) withdrew nomination of Smt Poonam Garg on the Board of the Company with effect from 07-06-2001. The Board places on record its appreciation of services rendered by Shri R.P. Gupta and Smt. Poonam Garg during their tenure as Directors on the Board.

DEPOSITORY SERVICES

Trading in Equity Shares of the Company has been made compulsory by the Securities & Exchange Board of India (SEBI) in dematerialised form with effect from March, 2001. The shares of the Company are available for dematerialisation with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services India Ltd. (CDSL).

AUDITORS & THEIR REPORT

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. Auditors' Report is self-explanatory and requires no comments.

AUDIT COMMITTEE

In compliance with Section 292A the Company has already constituted Audit Committee of the Board of Directors comprising of Shri J.K. Garg, Shri S.K. Khandelwal and Shri Gian Prakash as Members.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, as introduced by Companies (Amendment) Act, 2000, the Directors confirm that :

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (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 31st March, 2001 and of the profits of the Company for the year ended 31st March, 2001.
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) the annual accounts have been prepared on a going concern basis.

ACKNOWLEDGMENTS

Your directors are pleased to place on record their sincere thanks to the financial institutions, Bankers and business Associates for their continued and valuable co-operation and support to the Company.

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

(J. K. Garg)

Dated : 28th August, 2001

Chairman



ANNEXURE TO DIRECTORS' REPORT

INFORMATION PURSUANT TO SECTION 217(1)(E) OF COMPANIES ACT 1956 READ WITH COMPANIES (DISCLOSURES OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

A. CONSERVATION OF ENERGY

Areas of possible energy conservation are identified on continuous basis and necessary measures taken so as to improve energy efficiency in all the plants.

FORM 'A' (SEE RULE - 2)

a) Power and Fuel Consumption		Year Ended
		31.03.2001
1) ELECTRICITY		
PURCHASE	KWH UNITS IN LAKH	2.03
TOTAL AMOUNT	RS. IN LAKH	8.44
RATE	RS. PER UNIT	4.16
2) DIESEL FOR DG SET (HSD)		
QUANTITY (LTRS)	LAKH	2.99
TOTAL COST	RS. IN LAKH	45.32
RATE	RS. PER LTR.	15.15
3) FUEL FOR THERMIC FLUID HEATING SYSTEM		
QUANTITY (LTRS)	LAKH	4.53
TOTAL COST	RS. IN LAKH	69.76
RATE	RS. PER LTR.	15.40
4) OWN GENERATION		
THROUGH DIESEL GENERATORS	UNITS IN LAKH	8.97
UNIT PER LTR. OF DIESEL		3.00
COST	RS. PER UNIT	5.05

b) Consumption per unit of Production :

Since the company is producing a number of products with common utility facilities, it is not feasible to estimate energy consumption separately for each of the product manufactured by the company.

B. TECHNOLOGY ABSORPTION**FORM 'B'****A. RESEARCH AND DEVELOPMENT (R & D)****1. Specific areas in which R & D carried out by the company**

Research and Development is part of production process so as to improve quality of products and develop new products to keep pace with changing markets.

2. Benefits derived as a result of the R&D

The company has been continuously improving the quality of its products and has been able to reduce the cost of its production.

3. Future plan of action

Management is committed to strengthen R&D efforts to improve competitiveness in times to come.

4. R & D Expenditure

R & D Expenditure is not accounted for separately and the expenses are included in respective heads of accounts.

B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION :**i) Efforts made towards absorption, adoption and innovation :**

Efforts are continuously made for further developing, improving and upgrading of processes and products to suit Indian tropical environmental conditions after receiving feed back from the customers.

ii) Information regarding technology imported during the last 5 years.

The Company has not imported any technology during the last five years.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO**i) Activities relating to exports**

—

ii) Earnings by way of Exports

—

iii) Outgo by way of foreign exchange (CIF)

(Rs. in Lakhs)

Raw material & Consumables	258.84
Capital Goods	—
Foreign Travels	1.01

259.85

For and on behalf of the Board of Directors

Place : Sonapat
Dated : 28th August, 2001

(J. K. Garg)
Chairman