



JASCH INDUSTRIES LIMITED

Annual Report 2011 - 2012



JASCH INDUSTRIES LIMITED

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Annual General Meeting

Date : August 29th, 2012 at 10. a.m.

Venue : At The Registered Office

JASCH INDUSTRIES LTD

(An ISO 9001:2008 Company)
26th ANNUAL REPORT (2011-2012)

BOARD OF DIRECTORS

J.K. GARG	CHAIRMAN & MANAGING DIRECTOR
MANISH GARG	WHOLE TIME DIRECTOR
RAMNIK GARG	WHOLE TIME DIRECTOR
NAVNEET GARG	WHOLE TIME DIRECTOR
KAMLESH GARG (MS)	DIRECTOR
O.P. GARG	EXECUTIVE DIRECTOR
S.K. KHANDELWAL (DR.)	DIRECTOR
K.C. VARSHNEY (DR.)	DIRECTOR
ASHOK MITTAL (DR.)	DIRECTOR
KULDEEP SINGAL	DIRECTOR
K.L. KHETARPAUL	DIRECTOR

COMPANY SECRETARY

S.K. VERMA

AUDITORS

Arora & Choudhary Associates
Chartered Accountants
(Registration No. 003870N)
8/28, W.E.A Abdul Aziz Road,
Karol Bagh, New Delhi 110 005.

BANKERS

STATE BANK OF INDIA
OVERSEAS BRANCH, JANPATH, NEW DELHI

REGISTRARS

Alankit Assignments Ltd.
(Unit : Jasch Industries Ltd)
2E/21, Jhandewalan Extn.,
New Delhi – 110 055

REGISTERED OFFICE AND WORKS

43/5, BAHALGARH ROAD,
P. O. BAHALGARH,
DISTT. SONPAT 131 021 (HARYANA)

CORPORATE OFFICE

502, BLOCK C, NDM-2,
NETAJI SUBHASH PLACE,
PITAMPURA, DELHI – 110 034

NOTICE OF 26th ANNUAL GENERAL MEETING

To

The Members,

NOTICE is hereby given that the 26th Annual General Meeting of Members of JASCH INDUSTRIES LIMITED will be held on Wednesday, the 29th August, 2012 at 10:00 AM at Registered Office of the Company at 43/5, Bahalgarh Road, PO, Bahalgarh, Distt. Sonapat-131021, Haryana, to transact the following business :

ORDINARY BUSINESS

AGENDA ITEM NO. 1 : To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March, 2012, the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.

AGENDA ITEM NO. 2 : To appoint a Director in place of Dr. Ashok Mittal who retires by rotation, and being eligible, offers himself for re-appointment.

AGENDA ITEM NO. 3 : To appoint a Director in place of Dr. K.C. Varshney who retires by rotation, and being eligible, offers himself for re-appointment.

AGENDA ITEM NO. 4 : To re-appoint Auditors and in this connection, to consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT the retiring auditors M/s Arora & Choudhary Associates , Chartered Accountants, being eligible for reappointment, be and are hereby re-appointed to as auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting, on a remuneration of such sum as may be fixed by the Board of Directors / any Committee of the Board of Directors, plus service tax and reimbursement of out of pocket expenses as may be incurred in the performance of their duties."

SPECIAL BUSINESS

AGENDA ITEM NO. 5 : TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATIONS, THE FOLOWING RESOLUTION AS SPECIAL RESOLUTION :

"**RESOLVED THAT** pursuant to provisions of Section 269, Schedule XIII and all other applicable provisions of Companies Act, 1956, re-appointment of Shri Manish Garg as whole time Director, made by the Board for a period of five years w.e.f. 29-07-2012, on the initial remuneration, time scale, perks, terms and conditions as have been approved by the Remuneration Committee, details of which are set out in the Explanatory Statement attached with the notice convening the Annual General Meeting, or as may be varied by the Annual General Meeting, be and is hereby approved."

AGENDA ITEM NO. 6 : TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATIONS, THE FOLOWING RESOLUTION AS SPECIAL RESOLUTION :

"RESOLVED THAT Article 119(a) of the Articles of Association of the Company be substituted with the following:

"Unless otherwise determined by the Company in General Meeting, each Director or his Alternative as the case may be, shall be entitled to received out of the funds of the Company by way of remuneration for his services a fees not exceeding such sum as may be prescribed under Section 310 of the Companies Act as amended from time for each meeting of the Board or a Committee of the Board attended by him."

By Order of the Board of Directors
For JASCH INDUSTRIES LTD

Place : Sonapat
29th June, 2012

S.K. VERMA
COMPANY SECRETARY

NOTES

1. Explanatory Statement relating to Agenda Item Nos. 5 and 6 is annexed and forms part of this Notice.
2. 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.
3. 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.
4. 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.
5. Members are requested to address all correspondence, including intimation of change in their addresses, if any, to the Registrars & Share Transfer Agents of the Company. Whose address is : Alankit Assignments Ltd, (Unit : Jasch), 2E/21 Jhandewalan Extn. New Delhi.
6. The Register of Members and Share Transfer Registers of the company will remain closed from 16th August, 2012 to 29th August, 2012 both days inclusive.
7. As the equity shares of the company are compulsorily traded in demat form, members holding equity shares physical form are requested to get the shares converted in demat form.
8. Members holding equity shares in physical form are hereby requested to promptly notify the change of address/ dividend mandate, if any, to the company's Registrar and Share Transfer Agents, Alankit Assignments Ltd, quoting their folio number and Members holding equity shares in demat form shall have to intimate to their respective Depository Participants quoting their Client ID.
9. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold shares in physical form are requested to register their e-mail addresses with Alankit Assignments Ltd, Registrar and Share Transfer Agent of the company.
10. Members are requested to make use of Nomination facility by filing Form 2B. In case of shares held in demat mode Form 2B has to be lodged with the respective DP and in case of the shares held in physical mode the same has to be lodged with the company or its Share Transfer Agents.
11. 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 as extra copies may not be supplied at the meeting.
12. Members, who hold shares in dematerialized form are requested to bring their Client ID and DP ID Nos. for easier identification of attendance at the meeting.
13. Members who have not received/claimed dividend for the year 2010-11 may do so now by writing a letter to the company.
14. **FOR SPECIAL ATTENTION OF MEMBERS : NO GIFTS/COUPONS WILL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING.**

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail id with Alankit Assignments Ltd (Registrar and Share Transfer Agents of the company) by sending a request letter duly signed by the first / sole shareholder.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF AGENDA ITEM NOS. 5 & 6

AGENDA ITEM NO. 5

Shri Manish Garg, 39, is a Post-Graduate in Electronics from the Indian Institute of Technology, Mumbai. He was initially appointed on 1st May, 1996 as an Engineer to head the Electronics Division of the Company. Later, he was appointed by the Board as Whole Time Director for a period of five years w.e.f. 29th July, 2002. The Remuneration Committee fixed his initial remuneration at ₹ 15,000 in the pay band of ₹ 15,000 – 25000, plus perks. The appointment and remuneration were subject to approval by the Annual General Meeting, which approved the same in the Meeting held on 30th September, 2002.

After end of the aforesaid tenure, the Board of Directors re-appointed him as Whole Time Director for a further period of five years with effect from 29th July, 2007. The Remuneration Committee fixed his remuneration in the time scale of ₹ 50,000 – 1,00,000 plus perks. The re-appointment and remuneration were again subject to approval by the Annual General Meeting. These were approved by the 21st Annual General Meeting held on 28th September, 2007. The present monthly salary drawn by Shri Manish Garg is ₹ 70,000 per month.

The aforesaid period of 5 years came to an end on 28th July, 2012 and the Board of Directors of the Company, in their Meeting held on 29th July, 2012 re-appointed him as Whole Time Director for a further period of five years, subject to approval of the Annual General Meeting. Keeping in view the significant contribution made by Shri Manish Garg in establishing Electronic Division, the Remuneration Committee, in its Meeting held on 29th July, 2012, passed the following Resolution :

"RESOLVED THAT subject to approval of the Company in the forthcoming Annual General Meeting, the remuneration and perks of Shri Manish Garg, Whole Time Director be and are hereby sanctioned as follows :

Initial Monthly Salary : ₹ 1,00,000 per month in the Scale of ₹ 1,00,000 – 1,50,000.

Perks : In addition to salary, he will be entitled to following perks :

1. Chauffeur-driven car for official use only.
2. Telephone at residence and mobile phone for official use only.
3. Special Allowance not exceeding six months' salary in a year, to cover housing, conveyance, telephone, medical, electricity, gas, water and other personal expenses.
4. Gratuity as per law

Terms & Conditions :

He will be entitled to the above remuneration and perks even in case there are no profits or if the profits are inadequate. The remuneration and perks shall be payable if the appointee and the Company fulfill the conditions of eligibility and quantum as laid down under Schedule XIII of the Companies Act, 1956. This appointment will be terminable by either side by giving three months' notice in writing."

Both the appointment and remuneration of Shri Manish Garg are subject to approval of the Annual General Meeting. The Directors recommend passing of the Resolution proposed at Agenda Item Nos. 5 as Special Resolution.

Disclosure of interest : None of the Directors is interested in the aforesaid Resolution except Shri Jai Kishan Garg, Smt. Kamlesh Garg, Shri Ramnik Garg, Shri Manish Garg and Shri Navneet Garg, who may be deemed to be interested in this Resolution, being the proposed re-appointee or his relatives.

AGENDA ITEM NO. 6

Under the existing Article 119(a) of the Articles of Association of the Company a Director is entitled to receive fees not exceeding such sum as may be prescribed under Section 310 of the Companies Act for each meeting of the Board attended by him. However, if more than one meeting is held in any month, only the above-said single fee is payable for all the meetings attended by him in that month.

The proposed amendment will entitle a Director to receive separate fee for each meeting of the Board of Directors or a Committee thereof, even if a number of meetings are attended by him within the same month.

The aforesaid fee, which is popularly known as "Sitting Fee", is payable to non-whole time Directors only when they attend any Board/Committee Meetings.

Disclosure of interest : All the non-whole time Directors i.e. Dr. Ashok Mittal, Dr. S.K. Khandelwal, Dr. K.C. Varshney, Mr. Kuldeep Singal, Mr. K.L. Khetarpaul and Mrs. Kamlesh Garg may be deemed to be interested this Resolution in a situation where more than one Board Meeting or Committee Meeting or a combination of these Meetings is held within a month.

29th June, 2012

Registered Office :
Jasch Industries Ltd.
43/5, Bahalgarh Road,
P.O. Bahalgarh, Distt Sonapat
Haryana

By Order of the Board
For Jasch Industries Ltd.

S. K. Verma
COMPANY SECRETARY

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 26th Annual report and audited accounts of the company for the year ended 31st March 2012.

FINANCIAL RESULTS

₹ lakh

Particulars	Current year 2011-12	Previous Year 2010-11
Gross Sales	8620.19	8252.74
Less Excise Duty/VAT/Service Tax	766.76	723.27
Net Sales Turnover	7853.43	7529.47
Other Income	32.70	21.98
Net sales and & other income	7886.13	7551.45
Operating Profit before Interest, Depreciation, Income Tax, Exceptional Items & Prior Periods Adjustments	907.25	842.89
Interest & Financial Charges	274.28	226.44
Gross Profit Before Depreciation	632.97	616.45
Depreciation	242.60	180.33
Less : Provision for income tax	78.28	133.41
Net profit before deferred tax	312.09	302.71
Add / (Deduct) : Provisions for deferred Tax (Assets) / Liability	23.14	26.51
Net profit available for appropriation	288.95	276.20
Surplus brought forward from previous year	993.64	879.55
transfer to general reserve	—	30.00
Provision for dividend including dividend distribution tax	—	132.11
surplus carried forward	1282.59	993.64

DIVIDEND

In view of need for augmenting working capital resources and tough economic situation in the ensuing year the Management has not proposed any dividend for the year ended on 31st March, 2012.

PERFORMANCE DURING THE YEAR

Your company had achieved gross sales of 8620.19 lakh during 2011-2012 which were 4.4% higher as compare with the sales of previous year. The sales of Synthetic Leather Division at ₹ 6251.83 lakh during 2011-12 were 4.5 % lower as compared with the sales of previous year. However the sales of Electronic Gauge Division at ₹ 2368.36 lakh during the year were 39% higher as compare with the previous year. The Electronic Gauge Division has achieved the export of ₹ 777 lakh during the year despite acute recessionary conditions and slowdown of capital investment in international market.

The company's operating profit before interest, depreciation, income tax and deferred tax has increased by 7.6% to ₹ 907.25 lakh during 2011-12 as compared with ₹ 842.89 lakh during the previous year. The improvement in the operating profit has been achieved despite sharp increase in the prices of raw material on account of inflationary pressure in the economy. The interest and finance charges have sharply increased from ₹ 226.44 lakh during 2010-11 to ₹ 274.28 lakh during 2011-12 due to capitalization of loan for DMF Recovery Plant and loss of ₹ 44 lakh during the year due to exchange fluctuation.

The gross profit before interest and depreciation has also increased to ₹ 632.97 lakh during the year 2011-12 which is marginal 2.6% higher than the previous year. After providing depreciation of ₹ 242.60 lakh and provision of income tax of ₹ 78.28 lakh the company has achieved net profit (before deferred tax) of ₹ 312.09 lakh, which was marginally higher as compared with net profit of ₹ 302.71 lakh in the previous year. After providing deferred income tax of ₹ 23.14 lakh consequent to capitalization of fixed assets the company has achieved net profit of ₹ 288.95 lakh as compared with ₹ 276.20 lakh in the previous year. The cash profit of the company without taking in to account notional

deferred tax was ₹ 554.69 lakh during the year 2011-12 as compared with ₹ 483 lakh in the previous year. Keeping in view recessionary conditions prevailing in the local and international market, sharp increase in the prices of main raw materials and exchange fluctuation losses the management considers overall performance of the company during the year under review quite satisfactory.

CREDIT RATING AND ISO 9001 CERTIFICATION

The company's performance and financial position was rated by CRISIL Ltd, the Premier credit rating agency in the country. CRISIL has assigned BBB Stable rating to fund based long term bank loans and P-3 to non-fund based facilities from State Bank of India. Our rating reflects moderate safety to timely payment of financial obligations and comes under Investment Grade rating. The Company has obtained ISO 9001:2008 and ISO 9001:2000 Quality Certificates for its Synthetic Leather and Electronic Gauge Division respectively.

INSURANCE CLAIM

The company's insurance claim of ₹ 48.96 lakhs regarding fire accident in November, 2001 continues to be pending in Delhi High Court. Necessary provisions would be made after the case is settled by the court. The company has taken adequate insurance cover for the building, Plant & Machinery and inventory.

FUTURE PROSPECTS

The company has achieved consistent increase in production and sales in the last few years due to the Management's focus on continuous up-gradation and modernization of plant and machinery. However in view of recessionary conditions in local and international market and almost 25% depreciation in the value of ₹ against dollar resulting in sharp increase in the prices of raw material, the Management is cautious about Performance of the company in current year. The Management is focusing its efforts to reduce the cost of production and optimizing existing resources of the company during the year.

ACQUISITION OF INDEV GAUGING SYSTEM INC, USA

The company's sales in Electronic Gauging Division has been stagnant in the last 3-4 years mainly due to saturation of local market and recession in the economy. Electronic Gauging System being capital goods item the fortune of Electronic Gauge System is linked with investment in plant and machinery in user industries i.e. Steel, Paper, Aluminum etc. With a view to increase its presence in the international market, particularly in the USA, which is the largest market of Electronic Gauges in the world, the company has identified a small manufacturing and marketing company Indev Gauging System Inc in USA. The company has purchased 100% share holding of Indev Gauging System Inc, USA through a wholly owned subsidiary company named Jasch North America Company incorporated in USA. The total cost of acquisition was USD 1 million equivalent to ₹ 517 lakh, financed through unsecured loan of ₹ 275 lakh brought in the company by the Private Promoters and balance through internal cash accruals of the company. The company has also incurred expenditure of ₹ 87 lakh for due diligence for the acquisition which is being amortized during 2011-12 and next 2 years.

CONSOLIDATED ACCOUNTS :

In accordance with the requirements of Accounting Standard (AS) 21 prescribed by The Institute of Chartered Accountants of India, the Consolidated Accounts of the Company and its Subsidiary is annexed to this Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT :

Please refer to Annexure A to this Report.

INFORMATION PURSUANT TO SECTION 217(1)(a) 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 is at Annexure B to this Report.

CORPORATE GOVERNANCE

Corporate Governance Report is contained as a separate Section in the Annual Report.

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 ₹ 60 lakhs or more per annum or, if employed for a part of the year, ₹ 5 lakhs 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 2012 was Nil.

LISTING

The Shares of the Company are listed at Mumbai Stock Exchange and Kolkata Stock Exchange.

DIRECTORS

Dr. Ashok Mittal and Dr. K.C. Varshney, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The directors recommend their reappointments. A brief resume of these proposed re-appointees is given in the Corporate Governance Report.

AUDITORS & THEIR REPORT

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. The company has received a letter from them that their reappointment, if made would be within the prescribed limit under section 224(1B) of Companies Act, 1956 and that they are not disqualified from being reappointed as Auditor U/s 226. The Directors and the Audit Committee recommend their re-appointment. Auditors' Report is self-explanatory and requires no comments by the Directors.

AUDIT COMMITTEE

The Audit Committee constituted by the Board in compliance with

Section 292A of the Companies Act, 1956 and under the Listing agreement, comprised of Dr. K.C. Varshney, Shri Kuldeep Singal and Shri S.K. Khandelwal all of whom are non-executive Directors. Dr. Varshney, who is the Chairman of the Audit Committee, is a retired executive director of Industrial Development Bank of India with more than 40 years' experience in the field of corporate finance, and as such has sound knowledge of financial matters. The finance executives and statutory auditors of the Company are permanent invitees to the Audit Committee Meetings. Shri S.K. Verma, Company Secretary is the Secretary of the Audit Committee.

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 judgments and estimates made 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, 2012 and of the profits of the Company for the year ended 31st March, 2012.
- (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 Bankers and business associates of the company 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 & on behalf of the Board

Place : Sonapat

Date : 29th June, 2012

(J. K. GARG)
Chairman

ANNEXURE A TO DIRECTORS' REPORT

MANAGEMENT DISCUSSION & ANALYSIS REPORT (PURSUANT TO CLAUSE-49 OF THE LISTING AGREEMENT WITH STOCK EXCHANGES)

PRODUCT INTRODUCTION

Jasch Industries Ltd. manufactures PVC/PU Coated Fabrics (also known as Synthetic Leather or Artificial Leather) and Allied Products & Nucleonic & X-Ray Source based Thickness Gauging Systems in Electronic Gauge Division. The major business segment & their product applications are as follows :-

Business Segment	Product Application
- PU/PVC Coated Fabric & Allied product	Used in Footwear, Garment, Upholstery, Automobile, Luggage & sports Goods
- Electronic Gauges	Used for online measurement of thickness, grammage, moisture & ash contents in Paper Making Industry, on line measurement of thickness & coating weight in Plastics, Steel Sheet Rolling, Galvanizing Sheet, Aluminum foil & Non Ferrous Metal Rolling Industry

Business Distribution	₹ in Lakh			
	2011-12 Value	2010-11 Value		
- PU/PC Coated Fabrics	6251.83	6548.22	72.5%	79.4 %
- Electronic Gauges	2368.36	1704.51	27.5%	20.6 %
	8620.19	8252.73	100 %	100 %

As may be seen from above, the business of Synthetic Leather has shown decline while that of Electronic Gauge increased substantially during the year.

INDUSTRY STRUCTURE AND DEVELOPMENT

PU/PVC Coated Fabric also known as Synthetic Leather is mostly used in Footwear Industry as raw material for Shoe-Upper, Lining, Insole, Chappal & Sandal Straps etc. It is also used in Garments as Lining Material, as Automobile seat cover & Furniture upholstery material, in Ladies and Gents Purses and Bags and in the manufacture of sports goods & Accessories.

Synthetic Leather Industry in India is badly fragmented & somewhat concentrated in Northern India & Western India. Most of the units are in small scale and unorganized sector manufacturing cheap quality products for small & unorganized sector. The Industry has not been able to achieve its full potential due to tough competition from imported material from China, Taiwan, Hong Kong & Korea, where there are very large units enjoying benefits of economies of scale. The competition has become more acute in the last 2-3 years due to declining custom tariff barrier. However, the company has been able to withstand competition both domestic and from abroad, as it is an integrated player with in-house manufacturing facility for PU Resin, which is main raw materials for PU coated Fabrics. Further, the company is continuously upgrading its technology and modernizing plant & machinery to maintain competitive edge in the market and hence despite tough competition in the market, its sales are growing every year except the last year. The company is now concentrating on PU Synthetic Leather where competition is somewhat less.

Key performance parameters of Synthetic Leather Segment are as under :-

	2011-12	2010-11
Production lakh meter	31.81	37.51
Segment Revenue	6251.84	6548.23
Segment Profits/(Loss) before interest & other common unallocable expenditure	315.07	387.91
Capital Employed	5914.75	5715.88

B. ELECTRONIC GAUGE AUTOMATION DIVISION

Electronic Gauging Systems has been developed by in-house research & development. This division's performance has been satisfactory as may be evident from the following results.

	2011-12	2010-11
Production (in Nos.) (Gauges + Parts)	91+389	59+448
Segment Revenue	2368.36	1704.51
Segment Profits before interest & other common unallocable expenditure	349.60	387.91
Capital Employed	886.10	671.99

The electronic Gauges depends upon investment in users industries. However despite recessionary trends particularly in international market the company has been able to increase production and sales of Electronic Gauges. The export of Electronic Gauges was foreign currency equivalent of ₹ 777 lakh during the year under review.

(i) Fixed Assets

The gross fixed assets including capital work in progress of ₹ 2187 lakh were ₹ 4143.71 lakhs as on 31st March 2012 as compared with fixed assets including work in progress of ₹ 4155.74 lakh as on 31.03.2011. The work in progress of ₹ 608.48 lakh as on 31.03.2011 was capitalized during the year after commissioning of DMF Recovery Plant.

(ii) Working Capital and Borrowings

The working capital borrowing from the Bank increased by ₹ 174.33 lakh to ₹ 1181.69 lakh as on 31.03.2012 to finance higher production and sales during the year.

RISK MANAGEMENT

Risk is an integral part of any business, more so in India. A brief evaluation of business risk of Jasch Industries Ltd. as perceived by the Management is as under:-

1. Business Segment Risk
 - a. User Industry Concentration

PVC/PU Synthetic Leather is used across a wide spectrum of Industries. However Company's products are mostly (upto 75% of total) used in Footwear Industry. Therefore, the fortunes of the company are invariably inter linked with that of Footwear Industry. Any downward trend in Footwear Industry will have significant impact on the company. The company is making efforts to increase usage of its products in other Industries such as Automobile &