

# JASCH INDUSTRIES LTD

(An ISO 9001:2008 Company)

27<sup>th</sup> ANNUAL REPORT (2012-2013)

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## BOARD OF DIRECTORS

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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

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## COMPANY SECRETARY

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**S.K. VERMA**

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## AUDITORS

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

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## BANKERS

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STATE BANK OF INDIA  
OVERSEAS BRANCH, JANPATH, NEW DELHI-110 001

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## REGISTRARS

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

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## REGISTERED OFFICE AND WORKS

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

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## CORPORATE OFFICE

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

**NOTICE OF 27<sup>th</sup> ANNUAL GENERAL MEETING**

To

The Members,

NOTICE is hereby given that the 27<sup>th</sup> Annual General Meeting of Members of JASCH INDUSTRIES LIMITED will be held on Friday, the 27<sup>th</sup> September, 2013 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 31<sup>st</sup> March, 2013, 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 Mrs. Kamlesh Garg who retires by rotation, and being eligible, offers herself for re-appointment.

**AGENDA ITEM NO. 3:** To appoint a Director in place of Shri K.L. Khetarpaul 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 statutory 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 FOLLOWING 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 Ramnik Garg as whole time Director, made by the Board for a period of three years w.e.f. 01-07-2013, 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** pursuant to provisions of Section 269, Schedule XIII and all other applicable provisions of Companies Act, 1956, re-appointment of Shri Om Prakash Garg as whole time Director, made by the Board for a period of three years w.e.f. 01-07-2013, 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."

By Order of the Board of Directors  
For JASCH INDUSTRIES LTD

S.K. VERMA  
COMPANY SECRETARY

Place : Sonapat  
25<sup>th</sup> May, 2013

## NOTES

1. Explanatory Statement relating to Agenda Item Nos. 5 & 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 M/s Alankit Assignments Ltd, Registrars & Share Transfer Agents of the Company.
6. The Register of Members and Share Transfer Registers of the company will remain closed from 16<sup>th</sup> September, 2013 to 27<sup>th</sup> September, 2013 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 (Unit : Jasch), 2E/21, Jhandewalan Extension, New Delhi 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 (Unit : Jasch, 2E/21, Jhandewalan Extension, New Delhi), 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 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 RAMNIK GARG

Shri Ramnik Garg, 42, a Graduate Polymer Engineer, started his career as Production Manager of Jasch Plastics India Ltd and later he was elevated to the post of Whole Time Director. He served in that organization for over 10 years. He was appointed Whole Time Director of Jasch Industries Ltd for a period of five years w.e.f. 1<sup>st</sup> July, 2003 and on expiry of this he was re-appointed for a further period of five years, w.e.f. 1<sup>st</sup> July, 2008. The remuneration drawn by him was Rs. 70000 per month, plus perks. This period was to come to an end on 30th June, 2013. The Board of Directors of the Company, in their Meeting held on 25<sup>th</sup> May, 2013 has re-appointed him on the same position, for a further period of three years w.e.f. 1<sup>st</sup> July, 2013 for a remuneration to be decided by the Remuneration Committee in accordance with law. The appointment and remuneration are subject to approval by the ensuing Annual General Meeting.

The Remuneration Committee, in its Meeting held on 25<sup>th</sup> May, 2013, has approved the following remuneration, perks and terms of his appointment :

Monthly Salary : Rs. 95,000 per month in the time scale of Rs. 95,000 – 10,000 – 1,15,000.

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."

Shri Ramnik Garg, Shri Navneet Garg, Shri J. K. Garg, Shri Manish Garg and Smt Kamlesh Garg being the proposed appointee/his relatives, may be deemed to be interested in the above appointment and remuneration.

## Item No. 6 : SHRI O.P. GARG

Shri O.P. Garg, 65, is a Mechanical Engineer with Post-Graduate Diploma in Computer Management. He has been associated with the Company as Executive Director (Whole Time Director) since 1993. Prior to that he has held management positions in Industrial Development Bank of India. He has vast experience in Project Finance and Industrial Management/Commerce. He is a member of Shareholder's Grievance Committee. He is also Director of Modern Electro-Power Ltd.

Shri O.P. Garg was last re-appointed as Executive Director of the Company for a period of five years w.e.f. 1<sup>st</sup> July, 2008. The remuneration drawn by him was Rs. 29000 per month, plus perks. This period was to come to an end on 30th June, 2013. The Board of Directors of the Company, in their Meeting held on 25<sup>th</sup> May, 2013 has re-appointed him on the same position, for a further period of three years w.e.f. 1<sup>st</sup> July, 2013 for a remuneration to be decided by the Remuneration Committee in accordance with law. The appointment and remuneration are subject to approval by the ensuing Annual General Meeting.

The Remuneration Committee, in its Meeting held on 25<sup>th</sup> May, 2013, has approved the following remuneration, perks and terms of his appointment :

Monthly Salary : Rs. 60,000 per month in the time scale of Rs. 60,000 – 6,000 - 78,000, provided that the first annual increment will be drawn w.e.f. 1<sup>st</sup> November, 2013.

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

1. House Rent Allowance on actual basis, not exceeding 15% of salary
2. Chauffeur-driven car
3. Telephone at residence
4. Gratuity as per law
5. Medical Insurance and leave/leave encashment as per policy of the Company.

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 fulfills the condition 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.

None of the Directors is interested in the aforesaid Resolution except Shri Om Prakash Garg (the proposed re-appointee).

25<sup>th</sup> May, 2013

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

## CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE DISCLOSURE PURSUANT TO CLAUSE 49  
OF THE LISTING AGREEMENT WITH STOCK EXCHANGES

Corporate Governance Report of the Company for the financial year ended on 31<sup>st</sup> March, 2013 is as follows:

**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The Company's philosophy on corporate governance is "Governance through use of collective wisdom of Directors and transparency in business dealings so as to be fair and also serve the best interests of all stakeholders e.g. shareholders, employees, customers, suppliers and society at large."

**2. BOARD OF DIRECTORS**

a) Details of directors, their attendance at Board Meetings during the financial year 2012-2013, their attendance at previous Annual General meeting and number of memberships held by them in the Board/Committees of various companies.

Name (Shri)	Category	Attendance at Board Meetings	Number of directorships/ committee member / chairmanships other than in Jasch Committee~			Whether attended last AGM
			Directorships#	Member	Chairman	
J.K. Garg	E&P	5	4	0	0	Yes
Kamlesh Garg (Ms)	P	5	0	0	0	No
S.K. Khandelwal (Dr)	NE&I	5	1	0	0	Yes
Ramnik Garg	E&P	5	1	0	0	Yes
Manish Garg	E&P	5	4	0	0	Yes
Navneet Garg	E&P	5	1	0	0	Yes
K.C. Varshney (Dr)	NE&I	5	3	1	1	Yes
Ashok Mittal (Dr)	NE&I	5	6	0	0	Yes
Kuldeep Singal	NE&I	5	1	0	0	Yes
O.P. Garg	E	5	1	0	0	Yes
K.L. Khetarpaul	N&I	4	1	0	0	Yes

E = Executive, P=Promoter, NE=Non-Executive I = Independent

# = Directorships in Indian public limited companies only.

~ = Committee means only the Audit Committee, Shareholders' Grievance Committee and Remuneration Committee.

During the year under the report, the Board met five times i.e. on 15-05-2012, 29-06-2012, 29-08-2012, 03-11-2012 and 09-02-2013. The maximum time gap between any two meetings was not more than three calendar months. As per information available with the Company, none of the Directors is a member of more than ten committees and none acts as chairman in more than five committees across all companies in which he is a director.

Disclosure in terms of Clause 49(IV)(G)(ia) of Listing Agreement : Smt. Kamlesh Garg is the spouse of Shri J.K. Garg and Shri Ramnik Garg, Shri Manish Garg and Shri Navneet Garg are their sons.

(b) Information about persons who are being appointed / re-appointed as Directors.

Shri Ramnik Garg, 42, a Graduate Polymer Engineer started his career as Production Manager of Jasch Plastics India Ltd., and later he was elevated to the post of Whole Time Director in that Company, where is served for over 10 years. He specializes in the field of production of coated fabrics. He has been associated with the Company as Whole Time Director since 1st July, 2003.

Shri O.P. Garg, 65, a Mechanical Engineer with Post-Graduate Diploma in Computer Management, has held management positions in Industrial Development Bank of India. He has been associated with the Company as Executive Director since 1993. He has vast experience in Project Finance and Industrial Management/Commerce. He is a member of Shareholder's Grievance Committee. He is also Director of Modern Electro-Power Ltd.

Smt. Kamlesh Garg, 65, is a Graduate. She has been associated with the Company as promoter-shareholder since 1993 and has administrative experience as partner in a firm manufacturing coated fabrics.

Shri K.L. Khetarpaul, 70, is a retired Executive Director of Reserve Bank of India. He specializes in economics, finance and banking operations. He is also a Director of Almonds Global Securities Ltd.

**3. AUDIT COMMITTEE**

The Audit Committee constituted by the Board of Directors consists of three independent directors namely Dr. K.C. Varshney (Chairman), Shri

Kuldeep Singal and Dr. S.K. Khandelwal which constitution is in accordance with Section 292A of the Companies Act, 1956 and the Listing Agreement. Dr. K.C. Varshney has vast experience in Corporate Finance. The Audit Committee has powers similar to those stated in Section 292A and Listing Agreement. Statutory Auditors and executives responsible for finance and accounts are permanent invitees to the Audit Committee Meetings. Shri S.K. Verma, Company Secretary is Secretary of the Audit Committee.

During the Financial Year under Report, the Audit Committee held its meetings on 15-05-2012, 29-08-2012, 03-11-2012 and 09-02-2013.

#### **4. REMUNERATION COMMITTEE**

The Remuneration Committee constituted by the Board of Directors comprises of three independent directors namely Dr. K.C. Varshney (Chairman), Shri Kuldeep Singal and Dr. S.K. Khandelwal which constitution is in accordance with law/listing agreement. Shri S.K. Verma, Company Secretary is the Secretary of the this Committee. During the year under report, one Remuneration Committee meeting was held on 29-06-2012.

The remuneration paid to Directors during the year under review is as under :

Name	Designation	Salary (₹)	Perks (₹)
Shri J.K. Garg	Chairman & Mg. Director	12,00,000	34,274
Shri O.P. Garg	Executive Director	3,48,000	99,891
Shri Manish Garg	Whole Time Director	8,40,000	1,28,938
Shri Ramnik Garg	Whole Time Director	6,88,788	1,63,665
Shri Navneet Garg	Whole Time Director	8,40,000	1,28,390

The entire remuneration is fixed. There are no performance linked incentives payable to any of the Directors. No Stock Option Scheme is operational in the Company.

As regards remuneration to non-executive Directors, besides payment of sitting fees for Board/Committee Meeting attended by them, no other remuneration is being paid to them. Accordingly, Sitting Fees paid to non-executive Directors for attending Board Meetings and Committee Meetings are as follows :

Dr S.K. Khandelwal	₹ 40,000	Dr K.C. Varshney	₹ 40,000
Dr. Ashok Mittal	₹ 25,000	Shri Kuldeep Singal	₹ 40,000
Shri K.L. Khetarpaul	₹ 20,000		

#### **5. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE**

Dr. S.K. Khandelwal is the Chairman of this Committee. Other members of the Committee are Shri O.P. Garg, Executive Director and Shri S.K. Verma, Company Secretary. The functions of the Committee are overseeing redressal of complaints received from shareholders. Shri S.K. Verma, Company Secretary is the Compliance Officer under the Listing Agreement with Stock Exchanges. During the year under report, the company received only four complaints, three of which were satisfactorily resolved. One complaint was pending as on 31st March, 2013, which was also resolved subsequently.

No requests for transfer / transmission / dematerialization of shares were pending as on 31st March, 2013, except those, if any, which were required to be disposed by the Company within thirty days of receipt and this period of thirty days had not expired by 31st March, 2013 or which have been received late. These requests, were subsequently approved/dealt with by the Company.

#### **6. GENERAL BODY MEETINGS**

The last three Annual General Meetings of the Company were held as follows :

Year	Date	Time	No. of Special Resolutions passed
2009-10	12-08-2010	10 AM	0
2010-11	30-09-2011	10 AM	3
2011-12	29-08-2012	10 AM	2

All the above Meetings were held at the Registered Office & Works of the Company at 43/5, Bahalgarh Road, Sonipat. No postal ballots were involved.

#### **7. DISCLOSURES**

- (a) 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 interests of the Company.

- (b) Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchanges or SEBI or any statutory authority, on any matters related to capital markets, during the last three years.

There were no such instances.

## **8. MEANS OF COMMUNICATION**

- (a) The company has published its quarterly results in the Business Standard/Financial Express and also uploaded the same at its website [www.jaschindustries.com](http://www.jaschindustries.com).
- (b) Management Discussion and Analysis forms part of the annual report.

## **9. GENERAL SHAREHOLDER INFORMATION**

### **9.1 Annual General Meeting :**

- Date and Time : 27<sup>th</sup> September, 2013 at 10:00 AM - Venue : Registered Office of the Company at : 43/5, Bahalgarh Road, Sonipat, Haryana

### **9.2 Financial Calendar 2012-13**

Annual General Meeting : 27<sup>th</sup> September, 2013 at 10:00 AM

Results for Quarter ending Published during

- 30th June, 2012 (unaudited) Aug, 2012 - 30th Sept, 2012 (unaudited) Nov, 2012  
- 31st Dec, 2012 (unaudited) Feb, 2013 - 31st March, 2013 (unaudited) May, 2013

### **9.3 Book Closure Date: 16<sup>th</sup> September, 2013 to 27<sup>th</sup> September, 2013 (both days inclusive)**

### **9.4 Dividend Payment date : Not applicable**

### **9.5 Listing of Equity Shares : Mumbai Stock Exchange and Kolkata Stock Exchange**

### **9.6 Stock Code :**

(a) Trading Symbol at : Mumbai Stock Exchange : 500220; Calcutta Stock Exchange : 20053

(b) Demat ISIN Nos in NSDL and CDSL : INE711C01010

Note : There has been no or insignificant trading in company's shares at CSE during the year under report. Annual Listing fees has been paid to both the Stock Exchanges.

### **9.7 Stock Market Data and Share Price Performance in comparison to Broad based indices**

Stock Market data in respect of equity shares (of ₹10 each fully paid up, as traded at Mumbai Stock Exchange) of the Company.

All Prices in ₹

Month	Open	High	Low	Close	No. of Shares	No. of Trades	Total Turnover	Deliverable Quantity	% Deli. Qty to Traded Qty	* Spread	
										H-L	C-O
Apr 12	13.25	14.20	12.01	13.00	59,110	242	7,65,614	53,713	90.87	2.19	-0.25
May 12	13.00	14.34	12.50	13.25	71,119	175	9,25,487	71,063	99.92	1.84	0.25
Jun 12	13.60	13.80	11.15	13.25	41,735	288	5,19,098	39,796	95.35	2.65	-0.35
Jul 12	13.50	15.45	12.50	13.00	46,604	303	6,48,568	43,861	94.11	2.95	-0.50
Aug 12	13.01	13.50	11.39	11.98	23,490	193	2,95,303	20,678	88.03	2.11	-1.03
Sep 12	12.50	13.20	11.20	12.00	15,476	187	1,82,613	13,411	86.66	2.00	-0.50
Oct 12	12.85	14.40	11.35	12.51	31,384	195	3,94,222	30,953	98.63	3.05	-0.34
Nov 12	12.95	13.05	11.26	12.00	18,127	253	2,16,285	17,313	95.51	1.79	-0.95
Dec 12	12.05	12.69	10.80	11.19	8,540	219	97,835	7,535	88.23	1.89	-0.86
Jan 13	11.64	11.96	9.91	10.33	32,682	513	3,55,294	29,441	90.08	2.05	-1.31
Feb 13	10.30	11.98	9.50	11.04	9,946	165	1,03,977	8,863	89.11	2.48	0.74
Mar 13	10.55	11.00	7.10	7.75	18,965	321	1,71,465	15,869	83.68	3.90	-2.80
Apr 13	7.97	10.25	7.97	9.98	1,606	21	14,146	1,602	99.75	2.28	2.01
May 13	10.95	10.95	8.99	9.74	669	7	6,111	663	99.10	1.96	-1.21

\* Spread

H-L : High-Low

C-O : Close-Open

Note : The above figures have been obtained from "Archives" Section of the official website of the Mumbai Stock Exchange. The shares of the company have shown no or very little sensitivity to share price index.



9.8 Registrar and Share Transfer Agents and Share Transfer System

Pursuant to SEBI directions regarding handling of Share Transfer/demat work at one point, the Company has appointed M/s Alankit Assignments Ltd as the Registrars, whose complete address is given elsewhere in this Report.

9.9 Distribution of Shareholding as on 31st March, 2013

(Equity shares of face value of ₹10 each, fully paid up)

Category of Share Holders	Number of Share Holders	Total Number of Shares	Number of Shares Held in Dematerialized form	Total Shareholding as a Percentage of total number of shares	Shares Pledged or otherwise encumbered	
					No.	%
Indian Promoters (Individuals / HUF)	11	6198655	6198655	54.71	2000000	32.27
Mutual Funds/UTI	1	1100	0	0.01		0.00
Bodies Corporate	112	357291	319291	3.15		0.00
i. Individual shareholders holding nominal share capital up to ₹1 Lac	9038	2839529	1541989	25.06	-	0.00
ii. Individual shareholders holding nominal share capital in excess of ₹1 Lac	46	1788244	1670544	15.78		0.00
NRIs	311	145181	26481	1.29		0.00
<b>TOTAL</b>	<b>9519</b>	<b>11330000</b>	<b>9756960</b>	<b>100.00</b>	<b>2000000</b>	<b>17.65</b>

Note : None of the non-executive Directors has reported that he is holding any shares in the Company.

9.10 Dematerialisation of Shares and Liquidity

86.12% of the paid up share capital of the Company is represented in dematerialized form as on 31st March, 2013.

9.11 Outstanding GDRS/ADRS/WARRANTS or any Convertible Instruments, Conversion Date and Likely Impact on Equity: The Company does not have any such outstanding instruments.

9.12 Plant Location

The only plant of the Company is located at 43/5, Bahalgarh Road, (Village Jat Joshi), Distt. Sonipat, Haryana.

9.13 Address for Shareholder Correspondence

Consequent upon appointment of M/s Alankit Assignments Ltd as Registrars and Share Transfer Agents with effect from 31st January, 2003, all requests for transfer/transmission/transposition of names/issue of duplicate share certificates/Demat/ remat/Change of address and other work related to shareholder service/correspondence should be addressed to :

Alankit Assignments Ltd  
(Unit : Jasch Industries Ltd)  
2E/21, Jhandewalan Extension, New Delhi 110055

In the unlikely event of a long pending unattended request, shareholders may write to :

The Company Secretary,  
Jasch Industries Ltd,  
43/5, Bahalgarh Road, Sonapat 131021, Haryana.

His contact phone numbers are : 0130-3053600, E-mail address is skverma@jasch.biz Website : www.jaschindustries.com

9.14 Declaration by CEO of the Company on Code of Conduct

In terms of Clause 49(D), of the Listing Agreement the Managing Director declares and certifies that all the Board Members and senior management personnel have affirmed compliance with the Code of Conduct laid down by the Board of Directors of the Company.

9.15 CEO/CFO Certification

In terms of Clause 49(V), the Managing Director and the Executive Director have given the required certificate to the Board of Directors.

Sonapat  
25<sup>th</sup> May, 2013

For Jasch Industries Ltd.

J. K. Garg  
Chairman & Managing Director



**DIRECTORS' REPORT**

Your Directors have pleasure in presenting the 27<sup>th</sup> Annual report and audited accounts of the company for the year ended 31<sup>st</sup> March 2013.

**FINANCIAL RESULTS**

₹ lakh

Particulars	Current year 2012-13	Previous Year 2011-12
Gross Sales	8950.75	8601.49
Less Excise Duty/VAT/Service Tax	912.61	764.81
Net Sales Turnover	8038.14	7836.68
Other Income	25.90	49.45
Net sales and & other income	8064.04	7886.13
Operating Profit before Interest, Depreciation, Income Tax, Exceptional Items & Prior Periods Adjustments	798.90	907.25
Interest & Financial Charges	277.60	274.28
Gross Profit Before Depreciation	521.30	632.97
Depreciation	247.80	242.60
Less : Provision for income tax	103.66	78.28
Net profit before deferred tax	169.84	312.09
Add / (Deduct) : Provisions for deferred Tax (Assets) / Liability	11.46	23.14
Net profit available for appropriation	181.30	288.95
Surplus brought forward from previous year	1282.59	993.64
Transfer to general reserve	—	—
Provision for dividend including dividend distribution tax	—	—
surplus carried forward	1463.89	1282.59

**Dividend**

In view of marginal profit, tough economic situation and need for augmenting working capital resources the Management has not proposed any dividend for the year ended on 31st March, 2013.

**Performance during the year**

Your Company has achieved gross sales of 8950.75 lakh during 2012-2013 which were 4% higher as compared with the sales of previous year. The sales of Synthetic Leather Division at ₹ 6809.74 lakh during 2012-13 were 8.9 % higher as compared with the sales of previous year. However the sales of Electronic gauge Division at ₹ 2141.02 lakh during the year were 8.8% lower as compared with the previous year. The Electronic gauge Division has achieved export of ₹ 860 lakh during the year as compared with export of ₹ 777 lakh during the previous year despite recessionary conditions in user industries such as Steel in international market.

The Company operating profit before interest, depreciation, income tax and deferred tax has declined by 11.9% to ₹ 798.90 lakh during 2012-13 as compared with ₹907.25 lakh during the previous year. The decline in the operating profit was due to higher cost of power & fuel, salary and wages and loss due to exchange fluctuation, which could not be offset fully due to almost stagnant sales and selling price. The interest and finance charges at ₹ 277.60 lakh were almost at the previous year level.

The gross profit before interest and depreciation has also decreased to ₹ 521.30 lakh which is 17.64% lower as compared to the previous year. After providing depreciation of ₹ 247.80 lakh and provision of income tax of ₹ 103.66 lakh and writing back of deferred tax of ₹11.46 lakh the company has earned net profit of ₹181.30 lakh, which is 37.4% lower as compared with the net profit of ₹ 288.95 lakh in the previous year. Keeping in the view weak scenario in the economy resulting in stagnant sale and all around increase in the cost of inputs due to inflationary

condition, the management considers overall performance to be satisfactory in a difficult year.

**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 (outlook negative) 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**

Market conditions for both PU/PVC Synthetic Leather and Electronic Gauge Division are tough due to difficult economic condition in both domestic and international market. Despite this the management has been able to maintain sales due to continuous modernization and development of innovative products. The Company has further widened its product range and geographical market reach and hence is hopeful of better sales and profit in the current year.

**PERFORMANCE OF JASCH NORTH AMERICA COMPANY / INDEV GAUGING SYSTEM INC, USA**

As reported last year, your Company has acquired a Company manufacturing and marketing Nucleonic Gauges in USA in 2011-12. This Company commenced operation under new management from January, 2012. It has achieved gross sales and other income of USD 1.6279 million with net profit of USD 13562 during the first year of takeover ended on 31st December, 2012.

**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 wholly owned subsidiary are 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.

During the year under report 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.

## FIXED DEPOSITS

The Company did not accept/renew any fixed deposits during the year under report. The deposit outstanding as on 31st March 2013 was Nil.

## LISTING

The Shares of the Company are listed at Mumbai & Kolkata Stock Exchanges.

## DIRECTORS

Smt. Kamlesh Garg and Shri K.L. Khetarpaul, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Shri Ramnik Garg, whole time Director and Shri Om Prakash Garg, Executive Director retiring on 30th June, 2013, are being reappointed for further three year term w.e.f. 1st July, 2013 on revised remuneration as given in the notice of AGM. 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.

## COST AUDIT

In compliance with an order issued by the Cost Audit Branch of Ministry of Corporate Affairs, Government of India, vide F. No. 52/26/CAB-2010 dated 24th January, 2012, the Board, in its meeting held on 29th June, 2012 appointed M/s Vipul Bhardwaj & Co, Cost & Management Accountants, Sonipat, as Cost Auditors of the Company for the Financial Year 2012-13. The scope of their audit is the same as defined or prescribed under Section 233B of Companies Act, 1956, the Order ibid and any other directions, guidelines or orders that may be issued by the Government, any professional Institute and the Audit Committee of the Company.

## 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, 2013 and of the profits of the Company for the year ended 31st March, 2013.
- (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: 25<sup>th</sup> May, 2013

(J.K.GARG)  
Chairman