



JASCH INDUSTRIES LIMITED

(CIN : L24302HR1985PLC022758)

[An ISO 9001:2008 Company]

29TH ANNUAL REPORT 2014-2015

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This Annual Report is also available online at www.jaschindustries.com

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Annual General Meeting

Date : September 28, 2015 at 10:00 A.M.

Venue : Registered Office of the Company

JASCH INDUSTRIES LTD.

(CIN : L24302HR1985PLC022758)

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29TH ANNUAL REPORT 2014-2015

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
S.K. KHANDELWAL (DR.)	INDEPENDENT DIRECTOR
K.C. VARSHNEY (DR.)	INDEPENDENT DIRECTOR
KULDEEP SINGAL	INDEPENDENT DIRECTOR
K.L. KHETARPAUL	INDEPENDENT DIRECTOR
NARESH KUMAR, IRS (RETD)@	INDEPENDENT DIRECTOR
ASHOK MITTAL (DR.)*	INDEPENDENT DIRECTOR
O.P. GARG*	EXECUTIVE DIRECTOR

@appointed Independent Director w.e.f. 31-05-2014

*ceased to be Director w.e.f. 30-04-2014

VICE PRESIDENT & COMPANY SECRETARY

S. K. VERMA

CHIEF FINANCIAL OFFICER

M. PALIWAL

AUDITORS

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

SECRETARIAL AUDITORS

Mukesh Arora & Co.
Company Secretaries
(Registration No. 003870N)
Chamber No. 304, Nai Wala, Karol Bagh, New Delhi 110 005.
(Registration No. 4405)

BANKERS

HDFC BANK
ATLAS ROAD, MODEL TOWN, SONIPAT

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. SONIPAT 131 021 (HARYANA)

CORPORATE OFFICE

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

NOTICE OF 29th ANNUAL GENERAL MEETING

To

The Members,

NOTICE is hereby given that the 29th Annual General Meeting of Members of JASCH INDUSTRIES LIMITED will be held on Monday, the 28th September, 2015 at 10:00 AM at Registered Office of the Company at 43/5, Bahalgarh Road, PO, Bahalgarh, Distt. Sonipat-131021, Haryana, to transact the following ordinary business :

ITEM NO. 1 : To receive, consider and adopt the audited Stand-alone and Consolidated Financial Statements of the Company for the year ended 31st March, 2015, and the Reports of the Directors and the Auditors thereon.

ITEM NO. 2 : To appoint a Director in place of Shri Manish Garg (DIN No. 00188959), a non-independent director, who retires by rotation, and being eligible, offers himself for re-appointment as non-independent director.

ITEM NO. 3 : To appoint auditors and to fix their remuneration and in this regard, 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, (Firm Registration No. 003870N) being eligible for reappointment, be and are hereby re-appointed 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.".

By Order of the Board of Directors
For JASCH INDUSTRIES LTD

Place : Sonipat
Date : 31st July, 2015

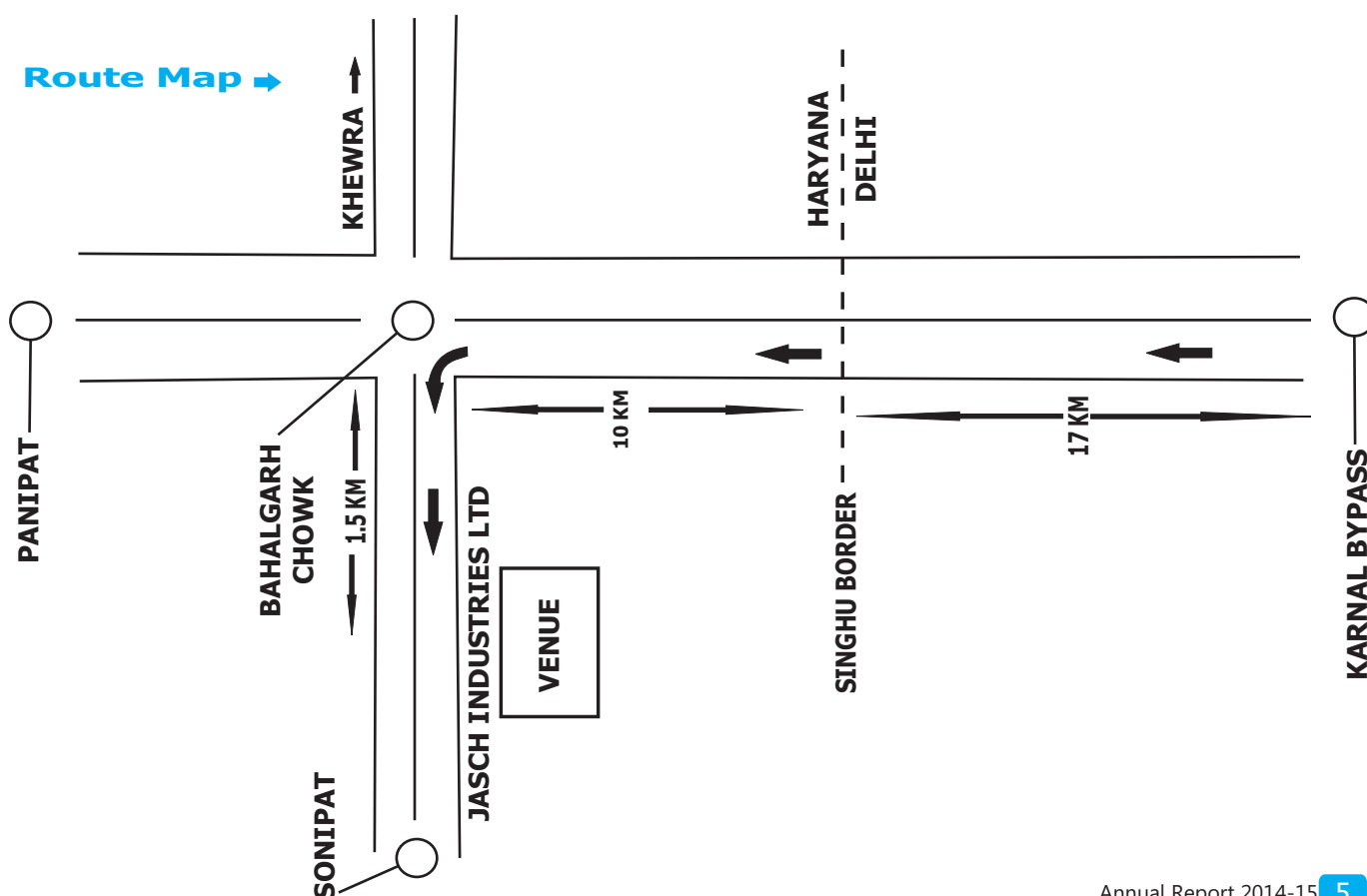
S.K. VERMA
COMPANY SECRETARY

NOTES

- In accordance with Secretarial Standard-2, proxyholders shall be required to prove their identity before entering the venue of the Meeting. Proxyholders and/or shareholders are requested to carry with them their government issued photo-identity card such as PAN Card, Voters' Id Card, Aadhar Card, Driving License, etc, without which they may not be permitted entry.**
- The business set out in the Notice will also be available for transaction through electronic voting system (e-voting) and the Company is providing the facility for e-voting. Instructions and other information relating to e-voting are attached. The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and members attending the meeting, who have not already cast their vote by remote e-voting, shall be able to exercise their right at the meeting. Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting, but shall not be entitled to cast their vote again.
- A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. A blank proxy form is attached. The instrument of proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
- A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person of shareholder.
- The company has given a public notice and has also notified the Stock Exchanges that the Register of Members and Share Transfer Books of the company will remain closed from 21st August, 2015 to 31st August, 2015 (both days inclusive) in connection with the Annual General Meeting.
- SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Transfer Agent/the Company.

NOTES

7. Under Section 124 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven consecutive years is required to be transferred, along with relevant shares, to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. Those shareholders in respect of whose shares dividend for the year 2010-11 still remains unpaid, are called upon to claim it from the company at the earliest.
8. Details in respect of the Director(s) seeking appointment/re-appointment at the Annual General Meeting are contained in the Corporate Governance Report (under Clause 49 of the Listing Agreement with the Stock Exchanges) and the same form part of the notice. The Director(s) have furnished the requisite declarations for their appointment/re-appointment.
9. Electronic copy of the notice and the Annual Report 2015 are being sent to the members whose email Ids are registered with the Company/Depository Participant(s) for communication purposes, unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Annual Report 2015 are being sent in the permitted mode. For members who have not registered their email address, physical copies of the Annual Report 2015 are being sent in the permitted mode. Process and manner of e-voting, attendance slips, route map showing prominent landmark of the venue of the meeting and Proxy Form are attached.
10. Positive consent letter is also attached for giving consent to receive documents in electronic mode.
11. Members may also note that the Notice of this Annual General Meeting and the Annual Report 2015 will also be available on the Company's website www.jaschindustries.com for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's email id: skverma@jasch.biz.
12. The members are informed that Notice of Postal Ballot being sent together with Annual Report does not form a part of the Annual Report. The business mentioned therein shall be transacted only by means of Postal Ballot/e-voting.
13. All documents referred to in the accompanying Notice and the Explanatory statement shall be open for inspection at the Registered office of the Company during normal business hours (9:30 am to 5:00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.



INSTRUCTIONS FOR E-VOTING

The instructions for Shareholders voting electronically (e-voting) are as under:

- (i) The e-voting period begins at 10:00 hours on 25th September, 2015 and ends at 17:00 hours on 27th September, 2015. During this period Shareholders of the Company (hereinafter referred to as "You" or "Your"), holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21st September, 2015 may cast your vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Once you have voted electronically, you would not be entitled to vote again either at the Meeting venue or, (in case of Postal Ballot items) through Postal Ballot.
- (iii) For e-voting, you should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL : 16 digits beneficiary ID,
 - b. For NSDL : 8 Character DP ID followed by 8 Digits Client ID,
 - c. If you are holding shares in Physical Form, you should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user, follow the steps given below:

PAN	<p>Enter your 10 digit alpha -numeric PAN issued by Income Tax Department (Applicable whether you are holding shares in physical form or in demat form)</p> <ul style="list-style-type: none"> If you have not updated by your PAN with the Company/Depository Participant please use the first two letters of your name and the 8 digits of the sequence number in the PAN field. Sequence Number is given on the address label. In case the sequence number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) If you are holding shares in physical form, you will then directly reach the Company selection screen. However, if you are holding shares in demat form, you will now reach 'Password Creation' menu wherein you are required to mandatorily enter your login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) If you are holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN No. 150824004 for Jasch Industries Ltd.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

INSTRUCTIONS FOR E-VOTING

- (xix) Note for Non - Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com with a copy to the Scrutinizer whose email id is contact@vipulbhardwaj.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) Your voting rights shall be in proportion to your shares in the paid up equity share capital of the Company as on the cut-off date mentioned overleaf.
- (xxi) Shri Vipul Bhardwaj (Membership No. 30834), independent practicing Cost Accountant has been appointed as the Scrutinizer to scrutinize the e - voting process in a fair and transparent manner.
- (xxii) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (xxiii) The result of Resolutions taken up at the Annual General Meeting will be declared within two working days of the AGM. Immediately after declaration, the result, along with the Scrutinizer's Report, shall be placed on the Company's website www.jaschindustries.com and also on the website of CDSL.
- (xxiv) In case you have any queries or issues regarding e-voting, they may refer to the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 29th Annual report and audited accounts of the company for the year ended 31st March 2015.

1. FINANCIAL HIGHLIGHTS (STANDALONE)

The performance of the Company during the financial year ended 31st March, 2015 has been as under:

(₹ in lakhs)

Particulars	Current year 2014-15	Previous Year 2013-14
Gross Income	10565.80	9755.99
Profit Before Interest and Depreciation	934.26	838.04
Finance Charges	216.38	241.54
Gross Profit	717.88	596.50
Provision for Depreciation	246.38	267.76
Net Profit Before Tax	471.50	328.74
Provision for Tax (Net)	162.41	137.72
Net Profit After Tax	309.09	191.02
Balance of Profit brought forward	1684.91	1493.89
Balance available for appropriation	1993.99	1684.91
Tax on proposed Dividend	---	---
Transfer from General Reserve	---	---
Surplus carried to Balance Sheet	1993.99	1684.91

2. Performance during the Financial Year under Report**2.1 State of Company's Affairs**

Your Company has achieved Gross Sales of ₹ 105.66 crore during 2014-2015 which were 8.30% higher as compared with the sales of previous year. The sales of Synthetic Leather Division at ₹ 83.93 crore during 2014-2015 were 17.34% higher as compared with the sales of previous year. The sales of Electronic Gauging Division at ₹ 21.73 crore during the year were 16.52% lower as compared with the previous year, due to recessionary conditions in user industry, both domestic and international. The Company Operating Profit Before Interest, Depreciation, Deferred Tax increased by 11.48% to ₹ 9.34 crore during 2014-2015 as compared with ₹ 8.38 crore during the previous year despite higher cost of Power, Salary/ Wages and Freight costs. The Interest and Finance Charges decreased to ₹ 02.16 crore (previous year ₹ 02.42 crore) despite higher sales, due to effective working capital management. The Net profit after Interest, Depreciation & Taxes has increased to ₹ 03.09 crore during the year which is 61.81% higher as compared with the Net profit of ₹ 01.91 crore in the previous year. Keeping in the view weak economy resulting in stagnant sales realization and all around increase in the cost of inputs due to inflationary conditions, the management considers overall performance to be satisfactory in a difficult year. The Board has not proposed carrying of any amounts to reserves. During the year, there has not been any change in nature of business of the company. No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future. The Financial Statements of the Company have been audited by Independent Statutory Auditors, who have previously subjected themselves to peer review. Their Audit Report, which is annexed, is self-explanatory and does not contain any qualification, reservation, adverse remark or disclaimer calling for comments by the Board.

2.2 Material Changes and commitments, if any, affecting the Financial Position of the Company

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which the financial statements relate and the date of this Directors' Report.

3 Future Prospects

The Company is continuously upgrading its technology and modernizing plant & machinery to maintain competitive edge in the market. Despite tough competition in the market, its sales are growing every year.

For some time now, the Company has been concentrating on PU resin where completion is somewhat less. Taking a cue from the "Make in India" campaign of Government of India, the Company explored the opportunities of developing high quality, breathable and import substitution products. The Company has been successful in developing breathable PU resin using high quality resins. These products, which offer higher margins, have been well accepted by market. The Company is also in the process of modifying its production line, which promises better products and significant energy saving. These measures are expected to give some measurable boost to Company's margins.

4 Dividend

To conserve working capital, the Management has not proposed any dividend for the year ended on 31st March, 2015

5 Directors & Key Managerial Personnel

The Board of Directors is the apex body constituted by shareholders for overseeing the Company's overall functioning. The Board provides and evaluates the Company's strategic direction, management policies and their effectiveness, and ensures that shareholders' long-term interests are being served. The decision making process at the Company is institutionalized. Stakeholder's interests are taken into account, before making any business decision. The Chairman and Managing Director (CMD) provides overall direction and guidance to the Board. The Board has constituted three Committees, namely Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and is empowered to constitute additional functional Committees from time to time, depending on business needs.

For statements on composition of the Board, Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and their Meetings held during the Financial Year under Report, Independent Directors, their brief resume, the declarations of Independence given them and appointment of Key Managerial Personnel, please refer to Annexure A. (Corporate Governance Report) which forms an integral part of this Report. Terms and conditions of appointment of Independent Directors can be accessed from the website of the Company at the following web link: www.jaschindustries.com/Filings & Disclosures/ Appointment & Training of IDs.

During the year under report, Shri Om Prakash Garg, Executive Director resigned w.e.f. 30-04-2014 citing his personal commitments. Dr. Ashok Kumar Mittal, Director also resigned w.e.f. 30-04-2014 stating that he is not qualified for appointment as independent director under the Companies Act, 2013. The management would like to place on record the rich contribution made by them on the Board of Directors of the Company. Shri Naresh Kumar was appointed non-executive Additional Director (Independent) w.e.f. 30-05-2014 and the members of the Company in their meeting held on 29th September, 2014 appointed him as Director. Shri Manish Garg, Director retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment. On the recommendations of the Nomination & Remuneration Committee, the Board of Directors proposes to re-appoint Shri Manish Garg as Director (subject to retirement by rotation) and also re-appoints or take on record afresh the appointments of Dr. SK Khandelwal, Dr. KC Varshney, Shri Kuldeep Singal and Shri KL Khetarpaul as Independent Directors for a period of five years under the new Act (without being liable to retire by rotation). The Board recommends their (re) appointments.

6 Particulars of Employees

The Company does not have any employees whose particulars are required to be disclosed in the Directors' Report pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

7 Board & Board Committee Meetings

Details of Board and Committee Meetings are given in the Corporate Governance Report, which is annexed as Annexure A ibid which forms integral part of this Report.

8 Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as its Committees. This was done in accordance with the criteria suggested by the Nomination & Remuneration Committee, which includes attendance and participation at Board, Committee and General Meetings; quality of individual director's contribution to Board, relationship of an individual director with other Board members; ability to follow up the views expressed by him/her earlier; ability to contribute to and monitor the corporate governance practices; ability to restrict litigation to the minimum; ability to take unanimous decisions; ability to adopt international best practices; ability to actively participate in long-term strategic planning, ability to fulfill directors' legal obligations and fiduciary responsibilities; self-appraisal of Key Result Areas (in case of whole time directors), etc.

The Board and the Independent Directors were of the unanimous view that performance of the Board as a whole was satisfactory.

9 Remuneration Policy, Remuneration of Directors & Appointment Of Directors

For a policy on Directors' appointment, remuneration and criteria of evaluation required to be disclosed under Section 178(3) of the Companies Act, 2014 and under Clause 49 of the Listing Agreement please refer to Annexure B, which forms part of this Report.

10 Disclosure under Section 197(12) of the Act and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The requisite details relating to ratio of remuneration, percentage increase in remuneration, etc. of managerial personnel, as stipulated under the above Section/Rules are annexed as Annexure C to this Report, which forms part of this report.

11 Subsidiaries, Consolidated Accounts and materiality

Indev Gauging Systems Inc (INDEV), is a wholly owned subsidiary of Jasch North America Ltd (JNAC) (the latter in turn being the wholly owned subsidiary of Jasch Industries Ltd). Incorporated in the United States both these entities existed as subsidiaries of the Company at the beginning and at the end of the Financial Year under Report, during which no other entity became or ceased to become subsidiary or joint venture entity or associate company of the Company. A subsidiary company is considered as material if the holding Company's investment in the subsidiary company exceeds twenty per cent of consolidated net worth of holding company as per holding company's audited balance sheet of the previous financial year or if the subsidiary company has generated twenty per cent of the consolidated income of the holding company during the previous financial year.

Performance and financial position: JNAC does not perform any business, except supporting INDEV by way of providing share capital or investment or guarantee. Calendar year is the financial year of both these subsidiaries. Due to slump in US economy INDEV could earn a net profit of only INR 40,673 on a gross sales and other income of USD equivalent of INR 9,63,28,293. 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, which include those of its wholly owned subsidiaries, are annexed to

this report.

12. Financial Audit & Financial Auditors' Report

M/s Arora and Choudhary Associates, Chartered Accountants, who have subjected themselves to peer review, have carried out statutory audit of Company's financial accounts during the financial year 2014-15. They hold office till the conclusion of the ensuing Annual General Meeting and have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limit under Companies Act, 2013 and that they are not disqualified for re-appointment. The Directors and the Audit Committee recommend their re-appointment. Auditors' Report is self-explanatory and does not contain any qualification, reservation, adverse remark or disclaimer.

13. Secretarial Audit & Secretarial Auditors' report

During the financial year under Report, the Company subjected itself to Secretarial Audit by Independent Secretarial Auditors, M/s Mukesh Arora & Co, Company Secretaries and their report in Form MR-3 is at Annexure D, which forms part of this Report.

14. Cost Audit & Cost Record

In compliance with an order issued by the 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 31st May, 2014 had re-appointed M/s Vipul Bhardwaj & Co as Cost Auditors (subject to approval of Central Government and Members in the Annual General Meeting) for the Financial Year 2014-15 under the aforesaid notification which was still in force at that time. Thereafter, the law changed and the Company was no longer required to appoint Cost Auditors. Therefore, their re-appointment for the Financial Year 2014-15 was not being put up to the Members for their approval. However, the Company was required to maintain, and maintained, cost records for the financial year under Report. For the financial year 2015-16, Audit of Cost Records has again become mandatory for the Company.

15. Internal Audit, Internal Control Systems & Their Adequacy

The Company has engaged CMA Jyoti Gandhi as its Internal Auditor. The scope of their work includes review of processes for safeguarding the assets of Company, effectiveness of systems and processes and assessing the internal control strengths in all areas. Management is having tight control on all the operations of the Company. All expenses are scrutinized and approved by the top management. The Company has adequate system so as to have proper check and control on every department. Deviation from established system, if any are placed before Audit Committee of the Board for review and corrective action to be taken, if any.

16. Vigil Mechanism :

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at www.jaschindustries.com under the link Filings and Disclosures / RPT, Vigil & other policies.

17. Risk management policy

A statement indicating business risks and the management policy to manage the risks, forms part of Management Discussion & Analysis Report attached with Directors' Report.

18. Extract of Annual Return

Extract of Annual Return is attached at Annexure E.

19. Deposits

The Company did not accept any deposits during the year under report. No deposits remained unpaid or unclaimed as at the end of the year. There has been no default in repayment of deposits or payment of interest thereon. All the unsecured loans from relatives of

Directors which existed at the beginning of the financial year and which, by a change in law, came to be included in the definition of "deposits", were suitably dealt with and at the end of the year there were no deposits which were not in compliance with the requirements of Chapter V of the Act.

20. Loans & Advances

During the year under Report, the Company did not give any reportable loans or advances.

21. Related Parties Transactions

On the recommendation of the Audit Committee, the Board of Directors of the Company has adopted a policy to regulate transactions between the Company and parties related to it. This Policy has been uploaded on the website of the Company at www.jaschindustries.com under the link Filings & Disclosures /RPT, Vigil and other policies.

All the related party transactions that were entered into during the financial year, were on arm's length basis and were in the ordinary course of the business. Transactions with related parties by the Company in the normal course of business were placed before the Audit Committee for its approval and the particulars of contracts entered during the year as per Form AOC-2 are enclosed as Annexure – F. There were no material significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company.

22. Corporate Governance Report And Certificate

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. Corporate Governance Report, together with requisite certificate from the Independent Statutory Auditors of the Company, confirming compliance with the conditions of corporate governance as stipulated under the Listing Agreement is attached at Annexure - A ibid and forms an integral part of this Report.

23. Management Discussion And Analysis Report

For Management Discussion & Analysis Report, please refer to Annexure - G, which forms a part of this Report.

24. Disclosure Pursuant To Section 22 of Sexual Harassment of Women At Workplace (Prevention, Prohibition & Redressal) Act, 2013

In order to prevent sexual harassment of women at work place a new Act "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" has been notified on 9th December, 2013. Under the said Act every company is required to disclose in its Annual Report, the complaints received by it relating to sexual harassment at work place of any women employee. During the Financial Year under report, no cases were filed or disposed of under that Act.

25. Conservation Of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo

Information required under section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is given in the Annexure H to this report.

26. Credit Rating & ISO Certification

The company's performance and financial position was rated by CRISIL Ltd, the premier credit rating agency in the country, which has assigned BBB Stable rating to fund based long term bank loans and P3

rating to non-fund based facilities from HDFC Bank. 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.

27. Listing

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

28. Corporate Social Responsibility

Provisions relating to Corporate Social Responsibility were not applicable to the Company during the Financial Year under Report.

29. Directors' Responsibility Statement

Pursuant to Section 134 of the Companies Act, 2013, the Directors affirm that:

- (I) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation, if any, relating to material departures;
- (ii) Appropriate accounting policies had been selected and applied consistently, and judgments and estimates made were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the profits of the Company for the year ended 31st March, 2014.
- (iii) Proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The annual accounts had been prepared on a going concern basis.
- (v) Internal financial controls were laid down to be followed by the Company and such internal financial controls were adequate and were operating efficiently.
- (vi) Proper systems had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

30. Appreciation

Your directors wish to place on record their appreciation of the devoted services rendered by the workers, the staff and the executives of the Company and for the continued support from the shareholders, the lenders and other associates.

For & on behalf of the Board

(J. K. Garg)
Chairman

Place : Sonipat
Date : 31st July, 2015

ANNEXURE A TO DIRECTORS' REPORT (CORPORATE GOVERNANCE REPORT)

CORPORATE GOVERNANCE REPORT
(Forms integral part of Directors' Report)

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

Corporate Governance comprises of a set of systems and practices to ensure that the affairs of the Company are managed in a manner which ensures accountability, transparency and fairness in all transactions. Over the years, we have strengthened governance practices. These practices define the way business is conducted, value is generated and stakeholder's interests are taken into account, before making any business decision.

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."

1.1 Ethics and Governance Policies

In line with the Company's philosophy on Code of Governance, the Company strives to conduct its business and strengthen its relationships in a manner that is dignified, distinctive and responsible. The Company adheres to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. It has adopted various codes and policies to carry out its duties in an ethical manner. Some of these codes and policies are:

- ❖ Code of Conduct
- ❖ Code of Conduct for Prohibition of Insider Trading
- ❖ Health, Safety and Environment (HSE) Policy
- ❖ Vigil Mechanism/Whistle Blower Policy
- ❖ Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions
- ❖ Policy for Selection of Directors and determining Directors Independence
- ❖ Remuneration Policy for Directors, Key Managerial Personnel and other Employees

1.2 Institutionalized decision making

The Board of Directors is the apex body constituted by shareholders for overseeing the Company's overall functioning. The Board provides and evaluates the Company's strategic direction, management policies and their effectiveness and ensures that shareholders' long-term interests are being served. The decision making process at the Company is institutionalized. Stakeholder's interests are taken into account, before making any business decision. The Chairman and Managing Director (CMD) provides overall direction and guidance to the Board. The Board has constituted three Committees, namely Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and is empowered to constitute additional functional Committees from time to time, depending on business needs.

1.3 Audits and internal checks and balances

A firm of experienced Chartered Accountants, who has subjected itself to peer review, audits the accounts of the Company as Independent Auditor. An Independent Internal Auditor, who is a Member of Institute of Cost Accountants of India, reviews internal controls, operating systems and procedures in the Company besides reporting on the

status of compliance with various statutes, such as industrial and labor laws, taxation laws, corporate and securities laws and health, safety and environment regulations. Besides this, an Independent Company Secretary in Practice, conducts secretarial audit of Company. Continuous checks are also made by the key managerial personnel to ensure that the Company conducts its businesses with high standards of legal, statutory and regulatory compliances.

1.4 Role of the Company Secretary in overall governance process

The Company Secretary being the Chief Corporate Governance Officer, interfaces between the management and regulatory authorities for governance matters. He plays a key role in ensuring that the Board (including committees thereof) procedures are followed and regularly reviewed. He ensures that all relevant information, details and documents are made available to the Directors for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings.

1.5 Code of Conduct for Prohibition of Insider Trading

With a view to regulate trading in securities by the directors and designated employees, the Company has adopted a Code of Conduct for Prohibition of Insider Trading.

1.6 Directors' familiarization program: To familiarize the directors with their rights and responsibilities, the nature of industry in which the Company operates, the Company periodically conducts familiarization programs. Details of these programs are available at the Company's website [www.jaschindustries.com/Filings & Disclosures/Appointment & Training of IDs](http://www.jaschindustries.com/Filings%20&%20Disclosures/Appointment%20&%20Training%20of%20IDs).

1.7 Meeting of independent directors: The Company recognizes that the Independent Directors are a key constituents of the Board. They play a vital role in dispassionately reviewing the performance of non-independent directors, the Chairman and the Board as a whole, besides assessing the quality, quantity and timeliness of flow of information between the company management and the Board. During the year under report, a Meeting of Independent Directors was held on 29th September, 2014.

2. BOARD OF DIRECTORS
2.1 Board Leadership

The Board of Directors of the Company is composed of ten Directors, half of whom are Independent Directors. The Company believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. The Board's actions and decisions are aligned with the Company's best interests. It is committed to the goal of sustainably elevating the Company's value creation. The company has defined guidelines and an established framework for the meetings of the Board and Board Committees. These guidelines seek to systematize the decision-making process at the meeting of the Board and Board Committees in an informed and efficient manner.

The Company's internal guidelines for Board/Board Committee meetings facilitate the decision making process at its meeting in an informed and efficient manner. Minimum four Board meetings are held annually. Additional Board meetings are convened by giving appropriate notice to address the Company's specific needs. In case