



JASCH

**ANNUAL
REPORT** | **2022**

JASCH INDUSTRIES LIMITED

JASCH INDUSTRIES LIMITED

(CIN: L24302DL1985PLC383771)

[AN ISO 9001:2008, ISO14001:2015 & IATF 16949:2016 Certified Company]

Board of Directors

Shri Jai Kishan Garg	Chairman & Managing Director
Shri Ramnik Garg	Executive Director
Shri Manish Garg	Executive Director
Shri Navneet Garg	Executive Director
Shri Naresh Kumar	Independent Director
Shri Krishan Lall Khetarpaul	Independent Director
Shri Kuldeep Singal	Independent Director
Ms. Neetu	Independent Director

Vice President & Company Secretary

Shri Surinder Kumar Verma

Chief Financial Officer

Shri Mahender Paliwal

Auditors

Mukesh A Mittal & Co., Chartered Accountants
(Firm Registration No. 016910N)
306, IITL Twin Tower
B-9, NSP, Pitampura, Delhi – 110034

Secretarial Auditors

Mukesh Arora & Co., Company Secretaries
(Firm Registration No. 4405)
304, Nai Wala, Karol Bagh, New Delhi – 110005

Cost Auditors

Vipul Bhardwaj & Co., Cost Management Accountants
(Firm Registration No. 101200)
87-A/3, Office No. 203, Garg Complex
Opp. V3S Mall, Laxmi Nagar, Delhi – 110092

Bankers

HDFC Bank Ltd
I-203, Model Town, Sonipat – 131001

Registrars

Alankit Assignments Ltd
4E/2, Jhandewalan Extn., New Delhi – 110055

Works

43/5, Bahalgarh Road, Sonipat – 131021

Registered Office

502, Block C, NDM-2, NSP
Pitampura, New Delhi – 110034

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NOTICE OF 36TH ANNUAL GENERAL MEETING

To

The Members

NOTICE is hereby given that the 36th Annual General Meeting ("AGM") of Members of JASCH INDUSTRIES LIMITED will be held on Thursday, the 18th day of August 2022 at 10:00 AM IST through Video Conferencing/Other Audio Visual Means to transact the following business:

ORDINARY BUSINESS

ITEM NO. 1: To receive, consider and adopt the audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31st March 2022 and the Reports of the Directors and the Auditors thereon.

ITEM NO. 2 : To appoint Arora & Choudhary Associates, a firm of Chartered Accountants, as Auditors, from the conclusion of this (36th) Annual General Meeting till the conclusion of the 41st Annual General Meeting of the Company

ITEM NO. 3: To appoint a Director in place of Shri Manish Garg (DIN: 00188959), a non-independent director, who retires by rotation, and being eligible, offers himself for re-appointment as non-independent director.

SPECIAL BUSINESS

ITEM NO. 4: To re-appoint Shri Jai Kishan Garg as Managing Director and to fix his remuneration and in this regard, to consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, re-appointment of Shri Jai Kishan Garg (DIN: 00596709) as Managing Director of the Company, made by the Board for a further period of three years from 01-05-2022 to 30-04-2025 be and is hereby approved and, notwithstanding any loss or inadequacy of profit in any financial year, the fixed component of his remuneration be and is hereby approved at Rs. 10,50,000 per month, plus other monetary and non-monetary benefits and on such terms and conditions as are contained in the explanatory statement annexed with the notice."

ITEM NO. 5: To re-appoint Shri Ramnik Garg as Executive Director and to fix his remuneration and in this regard, to consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, re-appointment of Shri Ramnik Garg (DIN: 00188843) as Executive Director of the Company, made by the Board for a further period of three years from 01-07-2021 to 30-06-2025 be and is hereby approved and, notwithstanding any loss or inadequacy of profit in any financial year, the fixed component of his remuneration be and is hereby approved at Rs. 7,00,000 per month, plus other monetary and non-monetary benefits and on such terms and conditions as are contained in the explanatory statement annexed with the notice."

ITEM NO. 6: To re-appoint Shri Navneet Garg as Executive Director and to fix his remuneration and in this regard, to consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, re-appointment of Shri Navneet Garg (DIN: 00176350) as Executive Director of the Company, made by the Board for a further period of three years from 01-05-2022 to 30-04-2025 be and is hereby approved and, notwithstanding any loss or inadequacy of profit in any financial year, the fixed component of his remuneration be and is hereby approved at Rs. 7,00,000 per month, plus other monetary and non-monetary benefits and on such terms and conditions as are contained in the explanatory statement annexed with the notice."

ITEM NO. 7: To ratify remuneration of Cost Auditors for the financial year 2022-23 and in this regard, to consider and, if thought fit, to pass withor without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT the remuneration of M/s Vipul Bhardwaj & Co, Cost & Management Accountants, who were appointed by the Board of Directors as Cost Auditors for the Financial Year 2022-23 on the recommendations of the Audit Committee for an annual remuneration of Rs. 65,000 plus GST, as applicable, and reimbursement of out of pocket expenses, be and is hereby ratified.”

By Order of the Board of Directors
For Jasch Industries Ltd

Place : Sonipat

Date : 28th May 2022

S.K.Verma
Company Secretary

A. EXPLANATORY STATEMENT UNDER REGULATION 36(5) OF LISTING REGULATIONS

Disclosure in respect of Item No 2: Appointment of Auditors

On completion of their five-year tenure, the present auditors will vacate their office at the conclusion of this Annual General Meeting. After considering the consent of M/s Arora & Choudhary Associates, Chartered Accountants to be appointed as statutory auditors and their confirmation to the effect that, if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Companies Act, 2013, the Board of Directors, on the recommendation of the Audit Committee, decided to recommend to the Annual General Meeting (AGM), their appointment as statutory Auditors of the Company for a period beginning with the conclusion of this AGM till the conclusion of the AGM for the calendar year 2027 for a fee of Rs. 3,50,000 per annum plus GST plus actual out of pocket expenses for carrying out the audit work. The recommendation is based on the fulfilment of the eligibility criteria prescribed under the Companies Act, 2013 and Rules made thereunder with regard to the fulltime partners, peer review undergone, length of statutory audit experience, capability, independence and also based on the evaluation of the quality of audit work done by them in the past. The proposed fees is based on knowledge, expertise, industry experience, time and effort required to be put in by them, which is in line with the industry benchmarks. The outgoing auditors were being paid a fee of Rs. 5,00,000 per annum plus GST plus actual out of pocket expenses for the same work. In the opinion of the Board, the proposed fee will be commensurate with the size of the Company, post the proposed demerger, an application for which has been filed with the Hon'ble National Company Law Tribunal, New Delhi Bench.

The Board of Directors recommends their appointment to the shareholders of the Company as an ordinary resolution.

None of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in their appointment.

B. EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013 RELATING TO ITEMS OF SPECIAL BUSINESS

(1) Explanatory Statement in respect of Item Nos. 4 to 6 : Re-appointment of Managing Director and Executive Directors (Whole time)

At the 32nd Annual General Meeting of the Company held on 28th September 2018, Shri Jai Kishan Garg (DIN: 00596709) & Shri Navneet Garg (DIN: 00176350) were re-appointed as Managing Director and Executive Director respectively, for a period of three years i.e. from 1st May 2019 to 30th April 2022. At the same Annual General Meeting Shri Ramnik Garg (DIN: 00188843) was re-appointed as Executive Director for a period of three years i.e. from 1st July 2019 to 30th June 2022.

Performance evaluation of these Directors was done by the Nomination & Remuneration Committee (NRC). NRC in its meeting held on 30th April 2022 recommended to the Board re-appointment of these Directors in the same capacity for a further period of three years for a remuneration mentioned in the proposed resolution. Accepting these recommendations, the Board of Directors of the Company in their Meeting held on 30th April 2022 had re-appointed (subject to the shareholders' approval by Special Resolutions) Shri Jai Kishan Garg as Managing Director; Shri Navneet Garg, as Executive Director and Shri Ramnik Garg as Executive Director, for further period of three years commencing from the day immediately following the last day of their aforesaid term [i.e. from 1st May, 2022 to 30th April, 2025 in case of Shri Jai Kishan Garg and Shri Navneet Garg; and from 1st July, 2022 to 30th June, 2025 in case of Shri Ramnik Garg], for a remuneration as mentioned in the proposed Special Resolutions.

Additional information pursuant to Part II Section II of Schedule V of the Companies Act, 2013 and applicable Secretarial Standard is as follows:

I. General Information:	
(a) Nature of Industry	Technical Textiles & Electronic Gauges
(b) Date or expected date of commencement of commercial production	Not Applicable as the Company was already into commercial production at the beginning of the financial year
(c) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable as the Company was already in existence at the beginning of the financial year
(d) Financial performance based on given indicators	Financial Year 2021-2022 Gross Revenue: Rs. 21607.46 lakh Operating Profit: Rs. 2780.06 lakh Profit after tax: Rs. 2024.41 lakh Earnings per share of face value of Rs. 17.87
(e) Foreign investment or collaborations, if any	Towards the end of the financial year 2021-22, the Company entered into a royalty-based technical licensing know-how agreement with a foreign Company for production of PU resins and PU Tapes for fastener and seam tape application. Royalty is based on revenue generated from these products.
II. Information about the appointees:	
1. Name : Shri Jai Kishan Garg	
(a) Fixed Component* of Remuneration : Rs. 10,50,000	
(b) Background details, job profile, suitability & past remuneration:	Shri Jai Kishan Garg, aged 76 years, is a Mechanical Engineer with over four decades of experience in the field of Production of Synthetic Leather and management function. He has been associated with the Company as non-rotational director (Chairman and Whole Time Director) since its inception i.e. 11 th December 1985 and has thorough knowledge about the affairs of the Company and the industry in which it operates. Hence, it

is proposed to continue to keep him in-charge of the affairs of the Company, even beyond the age of seventy years. His last re-appointment as Managing Director for a period of three years w.e.f. 1st May, 2019 came to an end on 30th April, 2022. Subject to approval of the shareholders by a special resolution, the Board, in its meeting held on 30th April 2022, has appointed him as Managing Director for a further period of three years. As Managing Director, he is the Chief Executive Officer of the Company and overall in charge of the affairs of the Company. He is also the Chairman of the Company and is on the Board of Jasch Gauging Technologies Ltd, the wholly owned subsidiary of the Company. He is the Chairman of the Finance Committee, Re-organization Committee & Corporate Social Responsibility Committee of the Company. His immediate past annual remuneration was Rs. 9,40,100 per month plus incentive pay and perks*. He has attended all (seven) Board Meetings held in the Financial Year 2021-2022.

2. **Name : Shri Navneet Garg**

(a) **Fixed Component* of Remuneration : Rs. 7,00,000**

(b) **Background details, job profile, suitability & past remuneration:** **Shri Navneet Garg, aged 47 years, is a Mechanical Engineer with more than 25 years' of experience in the field of production and management. He specializes in the field of production of synthetic leathers and synthetic adhesives. He has been associated with the Company as its Whole Time Director/Executive Director since 1st May 2006. His last re-appointment for a period of three years w.e.f. 1st May, 2019 came to an end on 30th April, 2022. Subject to approval of the shareholders by a special resolution, the Board, in its meeting held on 30th April 2022, has re-appointed him as Executive Director for a further period of three years. He is the functional head of the PU Coated Fabrics Division of the Company, looking after production, maintenance, and purchase functions of that Division. He is also a member of Stakeholders' Relationship Committee. His immediate past annual remuneration was Rs. 6,28,260 per month plus incentive pay and perks*. He has attended all (seven) Board Meetings held in Financial Year 2021-22.

3. **Name : Shri Ramnik Garg**

(a) **Fixed Component* of Remuneration : Rs. 7,00,000**

(b) **Background details, job profile, suitability & past remuneration:** Shri Ramnik Garg, aged 51 years, a Graduate Polymer Engineer started his career as Production Manager of the Jasch Plastics India Ltd, and later he was elevated to the post of Whole Time Director in that Company, where he served for over 10 years. He specializes in the field of PVC Coated Fabrics division and looks after the production, maintenance, and purchase functions of that Division. He has been associated with the Company as Whole Time Director/Executive since 1st July 2003. His last re-appointment for a period of three years w.e.f. 1st July, 2019 came to an end on 30th June, 2022. Subject to approval of the shareholders by a special resolution, the Board, in its meeting held on 30th April 2022, has re-appointed him as Executive Director for a further period of three years after that date. He is the functional head of the PVC Coated Fabrics Division of the Company looking after functions mentioned above. He is also on the Board of Jasch Gauging Technologies Ltd, the wholly owned subsidiary of the Company. He is a Member of the Finance Committee and Stakeholders' Relationship Committee of the Company. His immediate past annual remuneration was Rs. 6,28,260 per month plus incentive pay and perks. He has attended all (seven) Board Meetings held in Financial Year 2021-2022.

Notes (applicable to all the above appointees):

1. Disclosure about pecuniary relationship with the Company and inter se relationship with managerial personnel: Shri Jai Kishan Garg, Shri Navneet Garg, Shri Ramnik Garg and Shri Manish Garg held 6,60,401; 9,66,449; 11,17,309 and 12,96,759 equity shares in the Company as on 31st March 2022. Shri Jai Kishan Garg is the father of Shri Ramnik Garg, Shri Manish Garg and Shri Navneet Garg.
2. The proposed remuneration profile of the above directors is at par with the industry to which the company belongs, size of the company, profile of the person/position.
3. None of these directors has received any awards or recognitions.
4. All the above appointments are on whole-time basis.

III: OTHER INFORMATION:

- (a) **Reasons for loss or inadequate profits:** During the year under report, the Company earned a profit of Rs. 3172.35 lakh as calculated under Section 197 of the Companies Act, 2013. The whole time directors were paid a remuneration of Rs. 3,99,17,640 during that year, which works out to 12.58% of the profit. Since it exceeds 10%, it has been termed as inadequacy of profit. In order to ensure continuity and sense of belongingness, which is the crux of the Remuneration Policy recommended by the Nominations & Remuneration Committee and adopted by the Board, the Company makes appointment of functional heads at director level. Due to this reason only, their remuneration falls within the definition of managerial remuneration and inadequacy of profit. Had these functional heads been non-directors and paid at the same level of remuneration, then it would not have been a case of 'inadequacy of profit', at the same level of profit.
- (b) **Steps taken or proposed to be taken for improvement:** The Company is gradually carrying out new product development and innovations which is expected to enable the Company to produce quality products at higher speed, low cost and higher profit margin.
- (c) **Expected increase in productivity and profits in measurable terms:** The management has budgeted a sales figure of Rs. 240 crore plus GST in the financial year 2022-23 against the sales of Rs. 216 crores including GST during the financial year under report. Profits before tax has been budgeted at Rs. 28 crore.

***IV: Disclosures:** As required by law, all elements of remuneration package (i.e. monetary and non-monetary benefits, as referred to in the proposed Resolutions) such as fixed component, performance linked incentives and other benefits along with performance criteria, notice period, severance fee, etc are given in the Board of Directors' Report under the heading "Corporate Governance" which forms an integral part of this Explanatory Statement.

The Board of Directors recommends the resolutions set out at item no. 4 to 6 in relation to the re-appointment of and payment of remuneration to Shri Jai Kishan Garg as Managing Director, Shri Navneet Garg as Executive Director and Shri Ramnik Garg as Executive Director for the approval of the shareholders of the Company as special resolutions.

The proposed appointees may be deemed to be concerned or interested in all these resolutions as these pertain to themselves and their relatives. No other Director or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in resolutions set out at item no. 4 to 6.

(2) Explanatory Statement in respect of Item No. 7 relating to ratification of Remuneration of Cost Auditors

The Company is required to appoint Cost Auditors for the financial year 2022-2023. On the recommendations of the Audit Committee, the Board re-appointed M/s. Vipul Bhardwaj & Co., Cost & Management Accountants as the Cost Auditors of the Company for the Financial Year 2022-23 for a remuneration of Rs. 65,000 plus applicable GST. For the previous financial year, they were paid a remuneration of Rs. 55,000 plus applicable GST. Under provisions of Rule 14 of Companies (Audit & Auditors) Rules, 2014. This remuneration is subject to ratification by the shareholders.

The Board of Directors recommends the resolution set out at item no. 7 for the ratification of the shareholders of the Company as an ordinary resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item no. 7.

NOTES TO NOTICE OF AGM

1. Ministry of Corporate Affairs ("MCA") general circular Nos. 17/2020 dated 13th April 2020; no. 20/2020 dated 5th May 2020; No. 21/2021 dated 14th December 2021 and 2/2022 dated 5th May 2022 and SEBI circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May 2022 (collectively referred to as "Circulars") permit holding of the Annual General Meeting ("AGM") through Video Conferencing/Other Audio Visual Means ("VC/OAVM") and sending of soft copies of notices and Annual Reports to the registered email id of the members. Accordingly, the AGM will be held through VC/OAVM, without the physical presence of the Members at a common venue. However, for legal purposes, registered office of the Company will be deemed to be the venue of the AGM. Instructions for attending the meeting through VC/OAVM and remote e-voting are attached.
2. In line with the aforesaid Circulars, Notice of the AGM, along with the Annual Report, 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Public notices were released by the Company, requesting all the members to intimate/update their email ids with their DPs/Registrars of the Company. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.jaschindustries.com, website of BSE Limited (www.bseindia.com) and website of Central Depositories Services India Ltd (www.evotingindia.com).
3. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act. Since physical attendance of Members has been dispensed with, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. Likewise, the Route Map is also not annexed with this Notice.
4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) desiring to attend the meeting, are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to cs.goelaakash@gmail.com with a copy marked to evoting@csdl.co.in well before the cut-off date for remote evoting.
5. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to item of Special Business and pursuant to Regulation 36(5) relating to appointment of Auditors is attached and forms part of this notice.
6. The Company has given a public notice and has also notified BSE Ltd. that the Register of Members and Share Transfer Books of the Company will remain closed from 16-07-2022 to 18-07-2022 (both days inclusive) in connection with the AGM.
7. 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 Share Transfer Agent/the Company.
8. 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 AGM of the Company.
9. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations & Disclosure Requirements, 2015 ("Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment or re-appointment at this AGM are contained in the Corporate Governance Report and the said details form part of this notice. The Director(s) have furnished the requisite declarations for their appointment/re-appointment.
10. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.
11. Members who have not yet registered their email addresses are requested to register the same with their Depository Participants in case the shares are held by them in electronic form and with Company's Registrars in case the shares are held by them in physical form. Positive consent letter is also attached for giving consent to receive all future documents in electronic mode.
12. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFS Code, etc., to their DPs in case the shares are held by them in electronic form and to Company's Registrars in case the shares are held by them in physical form.
13. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13 to their DP (in case the shares are held by them in electronic form) or to Company's Registrars (in case the shares are held in physical form).
14. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company's Registrars, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
15. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members

of the Company will be entitled to vote at the AGM.

16. In case any members attending the AGM desires to seek any information with regard to any matter forming part of the business to be transacted thereat, he/she may send an email to skverma@jasch.biz on or before 10-08-2022 detailing the information to be sought, so that the Company is ready to supply the same.
17. The Members, whose unclaimed dividends for the year 2011 and the relevant shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in. For details, please visit website of the Company www.jaschindustries.com.