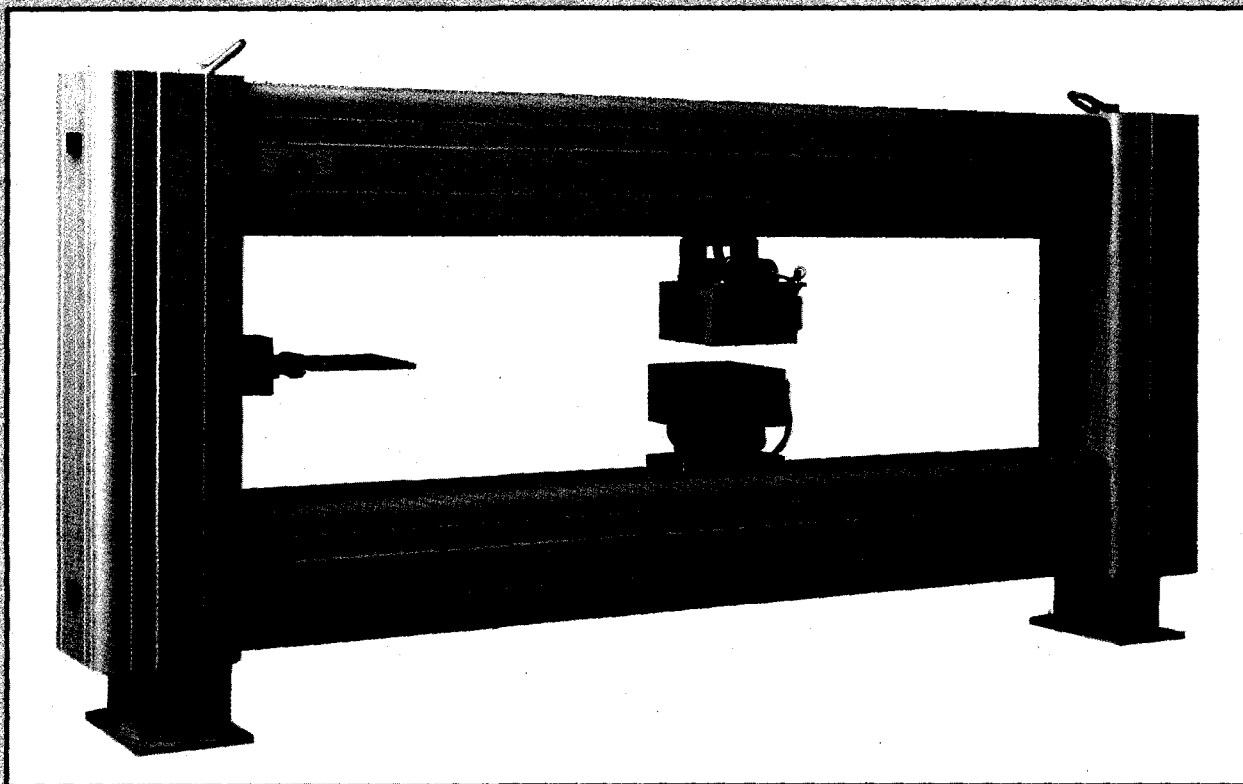




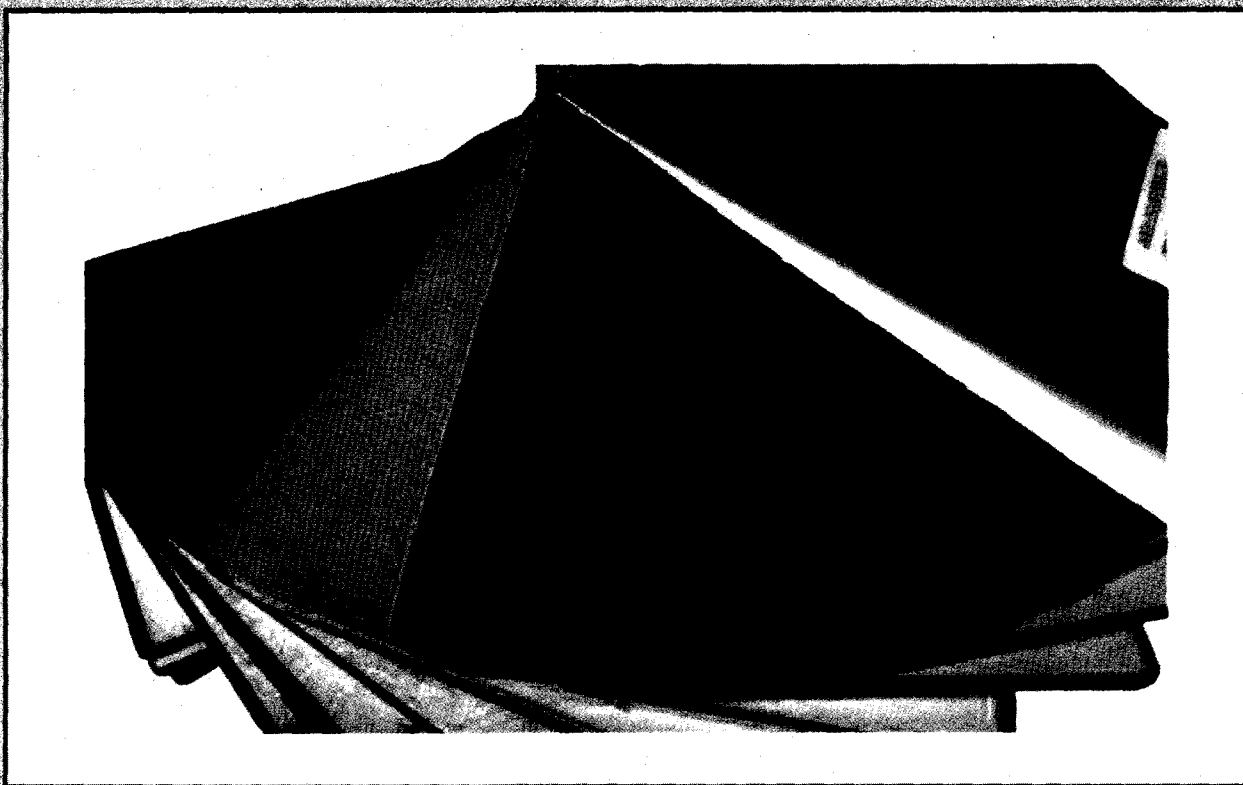
# JASCH INDUSTRIES LIMITED



**23<sup>rd</sup> ANNUAL REPORT  
2008 - 2009**



**INDUSTRIAL GAUGING SYSTEM**



**SYNTHETIC LEATHER**

# JASCH INDUSTRIES LIMITED

TWENTY THIRD ANNUAL REPORT 2008-2009

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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
A.S. GARG (RETD JUSTICE)	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 Accountant  
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

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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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JASCH HOUSE, BEHIND KHALSA COLLEGE  
5105/1, DEV NAGAR, KAROL BAGH  
NEW DELHI-110 005

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To

The Members,

NOTICE is hereby given that the 23<sup>rd</sup> Annual General Meeting of Members of JASCH INDUSTRIES LIMITED will be held on Tuesday, the 29<sup>th</sup> day of September, 2009 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 : Adoption Of Annual Accounts**

To consider and adopt the audited Balance Sheet and Profit & Loss Account of the Company and the Reports of Directors and Auditors thereon for the year ended 31<sup>st</sup> March, 2009.

**AGENDA ITEM NO. 2 : Re-appointment of Retiring Director**

To appoint a Director in place of Shri Manish Garg who retires by rotation, and being eligible, offers himself for re-appointment.

**AGENDA ITEM NO. 3 : Re-appointment of Retiring Director**

To appoint a Director in place of Shri Ramnik Garg who retires by rotation, and being eligible, offers himself for re-appointment.

**AGENDA ITEM NO. 4 : Re-appointment of Statutory Auditors**

To appoint M/s Arora & Choudhary Associates, Chartered Accountants, the retiring Auditors, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

**SPECIAL BUSINESS**

**AGENDA ITEM NO. 5 : Appointment of Shri K.L. Khetarpaul as Director**

To consider and, if thought fit, to pass with or without modifications, the following Resolution as Ordinary Resolution:

**"Resolved that** Shri K.L. Khetarpaul, who was appointed Additional Director in the Board meeting held on 25<sup>th</sup> October, 2008 and holds office as such upto the date of the ensuing Annual General Meeting, be and is hereby appointed as Director of the Company, his appointment being subject to retirement of directors by rotation."

**AGENDA ITEM NO. 6 : Appointment of Justice A.S. Garg (Retd) as Director**

To consider and, if thought fit, to pass with or without modifications, the following Resolution as Ordinary Resolution:

**"Resolved that** Justice A.S. Garg (Retd), who was appointed Additional Director in the Board meeting held on 18<sup>th</sup> July, 2009 and holds office as such upto the date of the ensuing Annual General Meeting, be and is hereby appointed as Director of the Company, his appointment being subject to retirement of directors by rotation."

By Order of the Board of Directors  
For **JASCH INDUSTRIES LTD**

Place : Sonapat  
Dated : 18<sup>th</sup> July, 2009

**S.K. VERMA**  
COMPANY SECRETARY

## NOTES

1. Explanatory Statement relating to Agenda Item No. 5 and 6 is annexed and forms part of this Notice.
2. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy and vote in his stead. The proxy need not be a member of the Company. Proxy in the order to be valid, must be lodged at the Registered office of the Company not less than 48 hours, before the commencement of Meeting.
3. A Member or his Proxy is requested to produce at the entrance of the Registered Office, Attendance Slip forwarded to them along with this Annual Report, to facilitate their attendance at the AGM.
4. Members desirous of getting any information related to the accounts of the Company for the period under reference are requested to write to the Company at least ten days before the meeting, to enable it to make the requisite details available at the Meeting.
5. Members are requested to address all correspondence, including intimation of change in their addresses, if any, to M/s Alankit Assignments Ltd, who are Registrars & Share Transfer Agents of the Company and whose address is given in Corporate Governance Report.
6. The Register of Members and share transfer book of the Company will remain closed from 1<sup>st</sup> September, 2009 to 28<sup>th</sup> September, 2009 (both days inclusive).
7. 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 will not be supplied at the meeting.
8. Members, who hold shares in dematerialised form are requested to bring their Client ID and DP ID Nos. for easier identification of attendance at the meeting.
9. **FOR SPECIAL ATTENTION OF MEMBERS : NO GIFTS/COUPONS WILL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING.**

## ANNEXURE TO NOTICE

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF AGENDA ITEM NO. 5 AND 6**

#### **Item Nos. 5 and 6**

Shri K.L. Khetarpaul ( 66) is a retired Executive Director of Reserve Bank of India. He was appointed Additional Director in the Board Meeting held on 25-10-2008. Justice A.S. Garg ( 69) is a retired judge of Punjab & Haryana High Court. He was appointed Additional Director in the Board Meeting held on 18-07-09. Both these appointments come to an end at the end of the forthcoming Annual General Meeting.

Notices under Section 257 of the Companies Act, 1956 have been received from two members, signifying their intention to propose these Directors as candidates for the office of Directors of the Company. The Board recommends passing of the respective Resolutions as Ordinary Resolutions.

None of the Director of the Company is (except the proposed appointees themselves), in any way, concerned or interested in the said resolutions.

18<sup>th</sup> July, 2009

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

By Order of the Board  
For **Jasch Industries Ltd.**

**S. K. Verma**  
COMPANY SECRETARY



## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 23<sup>rd</sup> Annual Report and Audited Accounts of your Company for the year ended 31<sup>st</sup> March, 2009.

### FINANCIAL RESULTS

(Rs. in lakh)

Particulars	Current Year	Previous Year
Gross Sales & Other Income	5626.17	4614.83
Less Excise Duty/VAT/Service Tax	458.22	462.84
Net Turn Over	5167.95	4151.99
Other Income	27.50	14.46
Net Sale & Other Income	5195.45	4166.45
Operating Profit before Interest, Dep., Income Tax exceptional items and prior period adjustments	573.59	534.66
Interest & Financial Charges	199.81	174.03
Gross Profit before Depreciation	373.78	360.63
Depreciation	163.35	142.63
Less : Provision for Income Tax & F.B.T.	59.94	67.48
Net Profit before Deferred Tax	150.49	150.52
Add / (Deduct) Provision for Deferred Tax (Assets) / Liability	(25.84)	2.82
Net Profit available for appropriation	124.65	153.34
Surplus brought forward from previous year	627.86	474.52
Transfer to General Reserve	—	—
Surplus carried forward	694.33	627.86

### DIVIDEND

In view of your Company's need to conserve resources for modernization of Plant & Machinery with a view to meeting tough competition in both local & International market due to recessionary trend all over the world and requirement of fund for augmentation of long term resources for working capital, the Board has not recommended any dividend for the year ended on 31<sup>st</sup> March, 2009.

### OPERATIONS & PERFORMANCE

Your company has achieved gross sales of Rs. 5626.17 lakh during 2008-2009 which were 21.90% higher as compared with the sales of previous year. The sales of Synthetic Leather Division at Rs. 3863.80 lakh during 2008-2009 were higher by 24.20% as compared with the sales of Rs. 3110.60 lakh in the previous year. The sales of Electronic Gauge Division also increased by 17.20% to Rs. 1762.37 lakh during 2008-09 as compared with sales of Rs. 1504.23 lakh in the previous year.

The exports of Electronic Gauge Division increased to Rs. 783.4 lakh during 2008-09, which were 44.40% of total sales of this Division during the year & were 23.50% higher as compared with export of Rs. 607 lakh in the previous year.

The increase in the sales of Synthetic Leather division is due to installation of New PU Coating Line and modernization of existing PU Wet Process & PVC Dry Process Coating Lines in the last two years. The performance of Electronic Gauge Division was also satisfactory due to increase in Number of orders. The company has executed several prestigious orders for supply of Gauges to South Africa, China, USA etc. to the complete satisfaction of customers.

The company's Operating profit before interest, depreciation, Income Tax, Fringe Benefit Tax and Deferred Tax has increased to Rs. 573.59 lakh which is 07.60% higher as compared with that of the previous

year, mainly due to higher production and sales of synthetic leather. The interest & Finance charges have increased to Rs. 199.81 lakhs during 2008-09 i.e. an increase of 14.80% as compared with interest charges of Rs. 174.03 lakh in the previous year due to increase in the interest rate charged by the bankers consequent to general increase in the interest rate in the economy, higher banking service charges & partly due to availment of higher term loan and working capital borrowings from the Banks for Modernization of plant and machinery and for sustaining higher production and sales during the year.

The Gross Profit before interest, depreciation & income tax increased to Rs. 373.78 lakh during the year 2008-09 which represent an increase of 07.30% over previous year. After providing depreciation of Rs. 163.35 lakh and provision of Income Tax and Fringe Benefit Tax of Rs. 59.94 lakh, the company has earned net profit of Rs. 150.49 lakh which is comparable with the net profit of Rs. 150.52 lakh achieved in the previous year. After providing deferred income tax of Rs. 25.84 lakh the net profit was Rs. 124.65 lakh during 2008-09. The cash profit of the company after ignoring deferred tax provision has increased from Rs. 293.15 lakhs during 2007-08 to Rs. 313.84 during 2008-09. In view of recessionary trend in domestic & International economics during 2008-09 particularly during second half of the year, the Management considers performance of the company during the year under review as satisfactory. It is noteworthy that the Management has pursued very conservative and prudent policies throughout the year, resulting in stable performance, despite volatility and economic turmoil in the economy.

The Company had proposed preferential issue of equity shares/warrants to non-promoters in the last Annual General Meeting. However, due to recessionary trends in economy, the management decided to drop the proposal.

### CREDIT RAITING AND ISO 9001 CERTIFICATION

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

### MODERNIZATION AND TECHNICAL COLLABORATION

The Company has modernized its PU wet Processing Line & PVC Dry Process Line during 2007-09 which has resulted in higher productivity, reduced energy consumption & inputs with better quality of products. The Company has also installed 3 Nos. of computerized Numerically Controlled Machining Centre in its Electronic Gauge Division for improving productivity and finish of the Gauges.

The company's Technical Collaboration agreement with Duksung Company Ltd, KOREA is continuing, which has enabled the Company to Develop & Market several new products which were earlier imported in the country.

### INSURANCE CLAIM

The companies insurance claim regarding fire accident in November, 2001 is 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

In view of continuing investment in modernization & upgradation of facilities in both Synthetic Leather Division and Electronic Gauge

Division, the company's sales are expected to increase by about 10% during the current year with better profitability. However there are recessionary trends in the international market which may adversely impact receipt of orders in Electronic Gauge Division and volatility in raw material prices of Synthetic Leather Division which may adversely affect margin.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT :**

Please refer to Annexure A to this Report.

#### **INFORMATION PURSUANT TO SECTION 217(1)(a) OF THE COMPANIES ACT, 1956**

Information in accordance with section 217 (1) (a) of Companies Act, 1956 read with rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and Particulars Relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is at Annexure B to this Report.

#### **CORPORATE GOVERNANCE**

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

#### **INFORMATION IN ACCORDANCE WITH SECTION 217 (2A) OF THE Companies ACT 1956 WITH Companies (PARTICULARS OF EMPLOYEES) RULES 1975.**

The Company had no employees drawing remuneration of Rs. 24 lakhs or more per annum or, if employed for a part of the year, Rs. two lakh or more per month during the year under report.

#### **FIXED DEPOSITS**

The Company did not accept/renew any fixed deposits during the year under report. The deposit outstanding as on 31st March 2009 was Nil.

#### **DIRECTORS**

Shri Manish Garg and Shri Ramnik Garg, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Shri K.L. Khetarpaul and Justice A.S. Garg (Retd), were appointed as Additional Directors in the Board Meetings held on 25-10-08 and 18-07-09 respectively. They vacate their office at the ensuing Annual General Meeting. A notice along with a deposit of Rs. 500 each has been received from members, signifying their intention to propose them as candidates for office of Director. A brief resume of the aforesaid appointees/re-appointees is given in the Corporate Governance Report. The Directors recommend these appointments/re-appointments.

These appointments/reappointments are subject to approval of this Annual General Meeting by way of ordinary Resolution. The directors recommend these appointments/reappointments.

#### **AUDITORS & THEIR REPORT**

M/s Arora and Choudhary Associates, Chartered Accountant retire as Auditors of the Company at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The company has received 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 recommends their re-appointment. Auditors' Report is self-explanatory and requires no comments by the Directors.

#### **AUDIT COMMITTEE**

The Audit Committee constituted by the Board in compliance with Section 292A of the Companies Act, 1956 and under the Listing agreement, comprised of Dr. K.C. Varshney, Shri Kuldeep Singal and Shri S.K. Khandelwal all of whom are non-executive Directors. Dr. Varshney, who is the Chairman of the Audit Committee, is a retired executive director of Industrial Development Bank of India with more than 37 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) A 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, 2009 and of the profits of the Company for the year ended 31st March, 2009.
- (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 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 : 18<sup>th</sup> July, 2009

**(J.K.GARG)**  
Chairman



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

**PRODUCT INTRODUCTION**

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

Business Segment	Product Application
- PU/PVC Coated Fabric & Allied products (Non-Woven Fabric, Needle Punched Felt, Laminated Products etc.)	Used in Footwear, Garment, Upholstery, Automobile, Luggage & sports Goods
- Electronic Gauges	Used for on line measurement of thickness, grammage, moisture & ash contents in Paper Making Industry, on line measurement of thickness & coating weight in Plastics, Steel Sheet Rolling, Galvanising Sheet, Aluminium foil & Non Ferrous Metal Rolling Industry

(Rs. in Lakh)

Business Distribution	<b>2008-2009</b>		<b>2007-2008</b>	
	<b>Value</b>	<b>%</b>	<b>Value</b>	<b>%</b>
- PU/PVC Coated Fabrics	<b>3863.80</b>	<b>68.68</b>	3110.60	67.40 %
- Electronic Gauges	<b>1762.37</b>	<b>31.32</b>	1504.23	32.60 %
	<b>5626.17</b>	<b>100 %</b>	4614.83	100.00 %

As may be seen from above, the business of Synthetic Leather has shown higher rate of growth than Electronic Gauge due to higher productivity consequent to modernization in Synthetic Leather Division and slightly slackening of orders for Electronic Gauge due to recession.

**INDUSTRY STRUCTURE AND DEVELOPMENT**

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

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

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

	<b>2008-2009</b>	2007-2008 (Rs. Lakhs)
Production lakh meter	<b>27.01</b>	24.65
Segment Revenue	<b>3863.80</b>	3110.60
Segment Profits/(Loss) before interest & other common unallocable expenditure	<b>159.29</b>	134.30
Capital Employed	<b>3068.96</b>	2949.81

**B. ELECTRONIC GAUGE AUTOMATION DIVISION**

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

	<b>2008-2009</b>	2007-08 (Rs. Lakhs)
Production (in Nos.) (Gauges + Parts)	<b>66+229</b>	46+270
Segment Revenue	<b>1762.37</b>	1504.23
Segment Profits before interest & other common unallocable expenditure	<b>254.89</b>	258.99
Capital Employed	<b>560.19</b>	514.59

The company has domestic and export orders of more than Rs. 200 Lakh on hand for execution in the next 4-5 months. There is very little competition to the company for this segment of business but still the business growth is limited as it is a capital goods items & hence can grow only in line with expansion & modernization of user Industries, which are facing acute recession due to slow down in capital expenditures all over the world. The company is continuously updating its manufacturing & product technology in line with international trends.

**RESOURCE UTILISATION**

**(i) Fixed Assets**

The gross fixed assets including capital work in progress of Rs. 16.12 lakh were Rs. 3240.39 lakhs as on 31<sup>st</sup> March 2009. The net addition of fixed assets of Rs. 219.04 lakh was due to ongoing modernization of PU Wet Process Line and PVC Dry Process Line during the year.

**(ii) Current Assets**

The net current assets as on 31<sup>st</sup> March, 2009 were Rs. 1674.38 lakhs as compared with Rs. 1571.39 lakh in the previous year resulting in increase of Rs. 102.99 lakh for sustaining higher level of production and sales.

**(iii) Working Capital and Borrowings**

The working capital borrowing from Bank increased by about Rs. 34.44 lakhs during the year, for financing higher level of production and sales. Overall secured debt of the company increased from Rs. 1517.89 lakh as on 31-03-2008 to Rs. 1532.14 lakhs against net worth of Rs. 1827.32 lakh indicating overall debt equity ratio at 0.84 : 1 as on 31<sup>st</sup> March, 2009.

## **RISK MANAGEMENT**

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

### **1. Business Segment Risk**

#### **a. User Industry Concentration**

PVC/PU Synthetic Leather is used across a wide spectrum of Industries. However Company's products are mostly (upto 80% of total) used in Footwear Industry. Therefore, the fortunes of the company are invariably inter linked with that of Footwear Industry. Any downward trend in Footwear Industry will have significant impact on the company. The company is making efforts to increase usage of its products in other Industries such as Automobile & General purpose Up-holstery, Sports Goods and Garment Industries & it is hoped that over the next few years the share of Footwear Industry may come down to 70%.

#### **b. Customer & Geographical concentration**

Excessive exposure to a few large clients has the potential to adversely affect the sales and profitability in view of failure/shift of clients to other manufacturers. Fortunately, the company's customers and dealers are fairly spread out across the country both for Coated Fabrics & Electronic Gauges.

#### **c. Technological Obsolescence**

Right from the beginning, the company carried out its own Research & Development with a view to improve upon/modify the process and product to suit Indian tropical conditions and usage practices. Over the years, the company has been able to develop many new products/applications. Further, the Company has entered into technical collaboration agreement with DUKSUNG COMPANY LTD., Korea in September, 2006 for developing new products & updating its technology as per International Standards.

The Company has developed the technology in-house for the design and manufacture of Nucleonic and X-ray Thickness Gauging System which is being further upgraded continuously. Hence, there is no threat of obsolescence in near future. Also the customers of Electronic Gauges are spread all over India and abroad and there is no Geographical or user concentration.

## **FINANCIAL RISK**

### **(a) Currency Risk**

The currency risk emerges from the potential upward or downward fluctuations in foreign currency. The Company's foreign exchange spending by way of import of raw materials and consumables currently constitutes about 36% of total cost of raw material and consumables. The Thickness Gauging System has large export potential, which will provide cushion by way of natural hedge on foreign exchange transactions. The company incurred foreign currency expenditure of Rs. 1378.90 lakhs during the year (including capital goods of Rs. 101.67 lakh) and traveling of Rs. 19.91 lakh, against exports in foreign currency were of Rs. 783.4 lakh (excluding deemed export), which provides hedge against adverse fluctuation

in foreign currency to a certain extent. The company's foreign currency transactions are on current account basis and there is no deferred liabilities in terms of foreign exchange except small amount due in respect of raw material imported on deferred payment basis due for payment after 31<sup>st</sup> March, 2009.

### **(b) Interest and Leverage Risk**

The interest rate in the Indian economy has sharply risen by over 2.5% in the last 24 months due to monetary policies of the Reserve Bank of India but there has been declining trend in the last 6 months. In view of this, the Management is confident of maintaining interest cost at current level in near future.

## **HUMAN RESOURCES**

The Company did not have any labour problem during 2008-2009. Relation with worker & Staff were cordial.

## **INTERNAL CONTROL**

The 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 also introduced Internal Audit System so as to have proper check and control on every department. Further the report of Internal Auditor is placed before Audit Committee of the Board for review and corrective action to be taken, if any.

## **CAUTIONARY STATEMENT**

In this annual report the Board has disclosed forward looking information to enable investors to fully appreciate Company's prospects and take informed investment decisions. This report and other statements – written and oral – are periodically made by the Board or management, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. The Board has tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expect' and words of similar substance, in connection with any discussion of future performance.

It cannot, of course, be guaranteed that these forward-looking statements will be realized, although the Board believes that it has been prudent in its assumptions. The achievement of results is subject to risk, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Therefore, the investors should bear in mind that due to unforeseen circumstances, the actual performance may vary from estimated projection.

On behalf of the Board

Sonepat  
18<sup>th</sup> July, 2009

**J.K. GARG**  
CHAIRMAN

# ANNEXURE B TO DIRECTORS' REPORT

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

### FORM A (See Rule - 2)

#### 1. CONSERVATION OF ENERGY :

With a view to save electricity, the Company has installed fans on the ceiling of factory building for proper ventilation. These fans are powered by wind and result in substantial saving of electricity. The company has installed capacitor bank to improve power factor, resulting in lower power cost/consumption. The company has also replaced LDO by pet-coke, so as to reduce the cost of fuel for heating of ovens. The Company has replaced old and obsolete heating ovens of PU Wet Process and PVC Dry Process Lines which has improved heat transfer efficiency of ovens, resulting in substantial saving in the cost of heating fuel.

### FORM A (See Rule - 2)

#### A) POWER AND FUEL CONSUMPTION DURING THE YEAR ENDED 31.03.2009

1) ELECTRICITY PURCHASES	KWH UNITS IN LAKH	16.30
TOTAL AMOUNT	RS. IN LAKH	75.05
AVERAGE RATE	RS. PER UNIT	04.61
2) FUEL FOR DG SET QUANTITY(LTRS)	LAKH	02.93
TOTAL COST	RS. IN LAKH	93.83
AVERAGE RATE	RS. PER LTR	32.02
3) FUEL FOR BOILER (PETRO COKE & FIRE WOOD)	LAKH KGS	22.03
TOTAL COST	RS. IN LAKH	129.24
AVERAGE RATE	RS. PER KG	05.87
4) OWN GENERATION THROUGH DIESEL GENERATORS	UNITS IN LAKH	10.29
UNIT PER LTR. OF DIESEL		03.51
COST	RS. PER UNIT	09.12

#### 1. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

##### i) Efforts, in brief, made towards technology absorption, adaptation and innovation

The Company has entered into Technical Collaboration Agreement with Duksung Company Ltd, South Korea for developing advance technology for the manufacture of Premium quality PU Coated fabrics in September, 2006 for a period of three years. The Company has almost fully absorbed and adopted the technology and successfully

marketed Premium quality PU Coated Fabrics to reputed shoe manufacturers such as Reebok, Nike, Bata, etc.

##### ii) Benefits derived as a result of the above efforts e.g. product improvement, cost reduction import substitution etc.

The technology has contributed to substantial saving in foreign exchange for the country, as many products developed by the company were imported earlier.

##### iii) Imported Technology, (imported during the last 5 years reckoned from the beginning of the financial year)

Technology imported	Technology for manufacture of PU Coated Fabrics from Duksung Company Ltd., Korea
Year of import	2006-07
Has technology been fully absorbed	Yes.
If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action	Not applicable

#### 2. Outgo by way of foreign exchange (CIF) during 2008-09

(Rs in Lakh)

a. Foreign exchange outgo	1378.90
b. Foreign exchange earnings	
	US\$ 1107903 516.39
	Euro 410173 267.05
	<u>783.44</u>

4. Since the Company produces a number of different products with common utility services, it is not feasible to work out product wise energy consumption per unit of production.

5. The cost of Research & Development is included in respective heads of accounts and not kept separately.

For and on behalf of Board of Directors

Sonepat  
18<sup>th</sup> July, 2009

(J.K.Garg)  
Chairman

## 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, 2009 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 2008-2009, 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 including that in Jasch	Committee~ Member Chairman		Whether attended last AGM
			Directorships#			
J.K. Garg	E&P	6	2	0	0	Yes
Kamlesh Garg (Ms) <sup>1</sup>	P	3	1	0	0	No
A.S. Garg (Justice) <sup>2</sup>	NE&I	0	1	0	0	NA
S.K. Khandelwal (Dr)	NE&I	6	2	3	1	Yes
Ramnik Garg	E&P	6	2	0	0	Yes
Manish Garg	E&P	6	2	0	0	No
Navneet Garg	E&P	5	1	0	0	Yes
K.C. Varshney (Dr)	NE&I	4	5	2	2	Yes
Ashok Mittal (Dr)	NE&I	5	5	0	0	Yes
Kuldeep Singal	NE&I	5	4	2	0	Yes
O.P. Garg	E	5	2	1	0	Yes
Shri K.L. Khetarpaul <sup>3</sup>	NE&I	2	4	0	0	NA

<sup>1</sup> = appointed w.e.f. 01-05-08    <sup>2</sup> = ceased w.e.f. 01-05-08 and reappointed w.e.f. 18-07-09    <sup>3</sup> = appointed w.e.f. 25-10-08

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 six times i.e. on 24-04-2008, 12-07-08, 01-09-2008, 08-09-08, 25-10-08 and 24-01-09. 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.

#### (b) Information about persons who are being appointed / reappointed as Directors.

##### NAME OF DIRECTOR, BRIEF RESUME, FIELD OF SPECIALISATION AND DIRECTORSHIP / COMMITTEE MEMBERSHIP HELD BY HIM :

##### i. Shri K.L. Khetarpaul

Shri K.L. Khetarpaul (66) is a retired Officer from Reserve Bank of India as Executive Director. He specializes in economics, finance and banking operations. Besides the Company, he is a Director of Almonds Global Securities Ltd, Jain Studios Ltd and Parameshwari Fabrics Pvt. Ltd.

##### ii. Justice A.S. Garg

Justice A.S. Garg ( 69 ) is a retired judge of Punjab & Haryana High Court. He specializes in law and corporate affairs.

##### iii. Shri Manish Garg

Shri Manish Garg (35), a whole time Director of the Company, specializes in industrial gauging and plant automation functions. He is heading the Electronics Gauging Division of the Company for the last seven years.

##### iv. Shri Ramnik Garg

Shri Ramnik Garg (38) is a whole time Director of the Company. He specializes in manufacture and quality control of coated fabrics. He has experience of over 15 years in the line.

### 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 24-04-2007, 12-07-2007, 25-10-2008 and 24-01-2009.

### 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, the committee held its meetings on 24-04-2008 & 12-07-2008.

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

Name	Designation	Salary (Rs.)	Perks (Rs)
Shri J.K. Garg	Chairman & Mg. Director	12,00,000	—
Shri O.P. Garg	Executive Director	2,79,000	55,800
Shri Manish Garg	Whole Time Director	6,00,000	51,984
Shri Ramnik Garg	Whole Time Director	6,00,000	32,112
Shri Navneet Garg	Whole Time Director	6,00,000	51,984

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	Rs. 30,000	Dr K.C. Varshney	Rs. 20,000
Dr. Ashok Mittal	Rs. 25,000	Shri Kuldeep Singal	Rs. 25,000
Shri K.L. Khetarpaul	Rs. 10,000		

## 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 Mumbai Stock Exchange. During the year under report, the company received only four complaints, which were satisfactorily resolved. No complaint was pending as on 31st March, 2009.

No requests for transfer / transmission / dematerialisation of shares were pending as on 31st March, 2009, 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, 2009 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	Dat	Time	No. of Special Resolutions passed
2005-2006	15-09-2006	10 AM	0
2006-2007	28-09-2007	10 AM	5
2007-2008	08-09-2008	10 AM	6

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. These results are have also been posted at SEBI website [sebidifar.nic.in](http://sebidifar.nic.in)

(b) Management Discussion and Analysis forms part of the annual report which is posted to the shareholders of the Company.

## 9. GENERAL SHAREHOLDER INFORMATION

### 9.1 Annual General Meeting :

- Date and Time : 29<sup>th</sup> September, 2009 at 10:00 AM
- Venue : Registered Office of the Company at : 43/5, Bahalgarh Road, Sonapat, Haryana

### 9.2 Financial Calendar 2009-10

Annual General Meeting	: 29 <sup>th</sup> September, 2009
Results for Quarter ending	
- 30th June, 2009 (unaudited)	Second Half of July, 2009
- 30th Sept, 2009 (unaudited)	Second Half of Oct, 2009
- 31st Dec, 2009 (unaudited)	Second Half of Jan, 2009
- 31st March, 2010 (unaudited)	Second Half of Apr, 2010

**9.3 Book Closure Date** : 01<sup>st</sup> Sep, 2009 to 28<sup>th</sup> September (both days inclusive)

**9.4 Dividend Payment date** : Not applicable

**9.5 Listing of Equity Shares** : Stock Exchanges at Mumbai\*

### 9.6 Stock Code :

- (a) Trading Symbol at : Mumbai Stock Exchange : 500220
- (b) Demat ISIN Nos in NSDL and CDSL : INE711C01010

The company has applied for delisting from Kolkata and Ahmedabad Stock Exchanges. The Company's shares continue to be listed at Mumbai Stock Exchange, which has nationwide trading terminals. Annual Listing fees has been paid upto date to Mumbai Stock Exchange only.

### 9.7 STOCK MARKET DATA SHARE PRICE PERFORMANCE IN COMPARISON TO BROAD BASED INDICES

Stock Market data in respect of equity shares (of Rs. 10 each fully paid up) of the Company i.e. high/low/closing price, number of shares traded and number of trades during the financial year 2008-2009 on the Mumbai Stock Exchange was as under:

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover (Rs.)
April 2008	9.25	14.00	9.20	11.93	147642	539	1,745,101.00
May 2008	12.10	12.10	9.38	9.50	96718	378	1,021,317.00
June 2008	9.97	9.97	8.34	8.50	42909	211	379,848.00
July 2008	8.08	11.00	7.72	10.56	90700	372	850,967.00
August 2008	9.81	11.20	8.04	9.33	44560	200	432,922.00
September 2008	8.81	11.39	7.07	7.53	40473	196	343,399.00
October 2008	7.77	8.80	4.74	5.86	56343	305	375,257.00
November 2008	6.00	7.38	5.98	6.15	70433	141	438,641.00
December 2008	5.76	6.90	5.54	6.05	39938	124	251,281.00
January 2009	6.25	6.65	5.00	5.25	40124	76	227,754.00
February 2009	5.23	5.50	4.75	5.21	23826	62	122,780.00
March 2009	5.21	6.68	4.34	5.90	19985	97	114,197.00

Note : The above figures have been obtained from the official website of the Mumbai Stock Exchange. The shares of the company have shown very little sensitivity to share price index.

### 9.8 REGISTRAR AND 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 31<sup>ST</sup> March, 2009

(Equity shares of face value of Rs. 10 each)

Category Code	Category of shareholder	No. of share holders	Total no. of shares	No. of shares held in dematerialized form	Total shareholding as a percentage of total number of shares	
					Total shareholding as a % of (A+B) <sup>1</sup>	Total shareholding as a % of (A+B+C)
(A)	<b>Shareholding of Promoter and Promoter Group <sup>2</sup></b>					
(1)	<b>Indian</b>					
(a)	Individuals/Hindu Undivided Family	13	6083473	6031573	53.69	53.69
(b)	Central Government/State Government(s)	0	0	0	0	0
(c)	Bodies Corporate	0	0	0	0	0
(d)	Financial Institutions/Banks	0	0	0	0	0
(e)	Any Other (specify)	0	0	0	0	0
	<b>Sub-Total (A)(1)</b>	13	6083473	6031573	53.69	53.69
(2)	<b>Foreign</b>					
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0	0
(b)	Bodies Corporate	0	0	0	0	0
(c)	Institutions	0	0	0	0	0
(d)	Any Other (specify)	0	0	0	0	0
	<b>Sub-Total (A)(2)</b>	0	0	0	0	0
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	13	6083473	6031573	53.69	53.69
(B)	<b>Public Shareholding <sup>3</sup></b>					
(1)	<b>Institutions</b>					
(a)	Mutual Funds / UTI	1	1100	0	0.01	0.01
(b)	Financial Institutions / Banks	0	0	0	0	0
(c)	Central Government / State Government(s)	0	0	0	0	0
(d)	Venture Capital Funds	0	0	0	0	0
(e)	Insurance Companies	0	0	0	0	0
(f)	Foreign Institutional Investors	0	0	0	0	0



Category Code	Category of shareholder	No. of share holders	Total no. of shares	No. of shares held in de materialized form	Total shareholding as a percentage of total number of shares	
					Total shareholding as a % of (A+B) <sup>1</sup>	Total shareholding as a % of (A+B+C)
(g)	Foreign Venture Capital Investors	0	0	0	0	0
(h)	Any Other (specify)	0	0	0	0	0
	<b>Sub-Total (B)(1)</b>	1	1100	0	0.01	0.01
<b>(2)</b>	<b>Non-institutions</b>					
(a)	Bodies Corporate	126	414250	375050	3.66	3.66
(b)	Individuals					
	i. Individual shareholders holding nominal share capital up to Rs. 1 Lakh.	9898	3281137	1843487	28.96	28.96
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh.	42	1397631	1264431	12.34	12.34
(c)	Any Other (NRIs)	333	152409	27309	1.35	1.35
	<b>Sub-Total (B)(2)</b>	10399	5245427	3510277	46.3	46.3
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	10400	5246527	3510277	46.31	46.31
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>	0	0	0	0	0
	<b>Grand Total (A)+(B)+(C)</b>	10413	11330000	9541850	0	100

#### 9.10 DEMATERIALISATION OF SHARES AND LIQUIDITY

84.12% of the paid up share capital of the Company is represented in dematerialised form as on 31st March, 2009.

#### 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. Sonapat, 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, Anarkali Market,  
 Jhandewalan Extn.,  
 New Delhi 110055

(c) 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 : 0130-6451517 and 0130-6451518  
 E-mail address is skverma@jasch.biz

#### 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.

For Jasch Industries Ltd.

Sonapat,  
 18<sup>th</sup> July, 2009

**J. K. Garg**  
 CHAIRMAN & Managing Director

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**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

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To the Members,  
Jasch Industries Limited

We have examined the compliance of conditions of Corporate Governance by Jasch Industries Limited, for the year ended 31st March, 2009, as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

We state that such compliance is neither an assurance as to future viability of the company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Arora & Choudhary Associates**  
*Chartered Accountants*

**Vijay K. Choudhary**  
Partner  
**(M.No : 81843)**

New Delhi, July 18, 2009

To the Members,  
**Jasch Industries Ltd.**  
**Sonepat.**

We have audited the attached Balance Sheet of Jasch Industries Ltd., Sonepat as at March 31, 2009, and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclosed in the enclose Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that :-
  - (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (ii) In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of those books;
  - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956;
  - (v) On the basis of written representations received from the Directors, as on March 31, 2009, and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account, and read together with the significant Accounting Policies and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
    - a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009;
    - b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
    - c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**For Arora & Choudhary Associates**  
*Chartered Accountants*

**(CA. Vijay K. Choudhary)**  
Partner  
**(M.No : 81843)**

New Delhi, July 18, 2009

**ANNEXURE TO THE AUDITORS' REPORT**

(Annexure referred to in Paragraph 2 of our report of even date)

Re : Jasch Industries Ltd.

1. In respect of its fixed assets :
  - (i) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (ii) As explained to us, all the Fixed assets have been physically verified by the Management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.
  - (iii) In our opinion, the Company has not disposed off substantial portion of its fixed assets during the year. Therefore, it has not affected the ability of the company to continue as going concern.
2. In respect of its inventories :
  - (i) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - (ii) In our opinion and according to the informations and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (iii) The Company has maintained proper record of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
3. In respect of loans, secured or unsecured, not granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirements of Clauses (iii) (a to g) of paragraph 4 of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and also for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
5. In respect of the contracts or arrangements referred to in Section 301 of Companies Act, 1956 :
  - (i) In our opinion and according to information and explanations given to us, no such transaction was made in pursuance of contracts or arrangements, that need to be entered in Register maintained under section 301 of the Companies Act, 1956. Consequently, the requirements of Clause (v) (b) of paragraph 4 of the Order are not applicable.
6. According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and Rules framed there under. We have been explained that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other tribunal against the Company during the year. Therefore, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. The Central Government has not prescribed the maintenance of cost record by the Company Under Section 209 (1) (d) of the Companies Act, 1956 for the Company's Business.
9. In respect of statutory dues :
  - (i) According to the records of the Company examined by us and the information and explanations given to us, in our opinion, the company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues applicable to it.
  - (ii) According to the records of the company examined by us and information and explanations given to us, in our opinion, no undisputed amounts payable in respect of the aforesaid dues were outstanding, as at March 31, 2009 for a period of more than 6 months from the date they became payable.
  - (iii) According to the records of the company examined by us and the information and explanations given to us, in our opinion, there are no dues of sales tax, income tax, wealth tax, service tax, customs duty, excise duty and cess which has not been deposited on account of any dispute, except the following :-

Sr. No.	Name of the statute	Nature of dues	Amount (In Rs.)	Period to which the amount relates	Forum where dispute is pending
1	Central Excise Act, 1944	Excise Duty	3,98,005	1998-1999	Commissioner of Central Excise (Appeals)
2	Central Excise Act, 1944	Excise Duty	2,07,533	1998-1999	High Court
3	Textile Committee Act, 1963	Textile Committee Cess	3,59,763	2002-2007	Punjab & Haryana High Court
4	Haryana General Sales Tax Act, 1973	Sales Tax	2,77,215	2001-2002	Sales Tax Appellate Tribunal
5	H. LADT Act, 2000	Entry Tax	1,76,846	2000-2001	Commissioner Appeals

- 10 The Company does not have accumulated losses as at the end of the financial year. The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- 11 Based on our audit procedures and according and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any financial institutions or bank during the year.
- 12 In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
- 13 In our opinion, the Company is not a Chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
- 14 The company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investments have been held by the Company in its own name.
- 15 The Company has not given any guarantee for loans taken by others from any bank or financial institution.
- 16 The Company has raised new terms loans during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purposes for which they were obtained.
- 17 According to the information and explanations given to us and on the basis of an overall examination of the Balance Sheet of the Company, in our opinion, generally, there are no funds raised by the Company on short-term basis, which have been used for long-term investments.
- 18 The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- 19 The Company has not issued any debenture or did not have any outstanding debenture during the period covered by our audit report.
- 20 The Company has not raised any money by way of public issue during the period covered by our audit report.
- 21 During the course of our examination of the books and records of the company carried out in accordance with generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

For **Arora & Choudhary Associates**  
*Chartered Accountants*

**(CA. Vijay K. Choudhary)**  
Partner  
**(M.No : 81843)**

New Delhi, July 18, 2009

**JASCH INDUSTRIES LIMITED**

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

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2009**

<b>PARTICULARS</b>	<b>SCHEDULE No.</b>	<b>31<sup>st</sup> MARCH 2009 (Rupees)</b>	<b>31<sup>st</sup> MARCH 2008 (Rupees)</b>
<b>I) SOURCE OF FUNDS :</b>			
<b>(1) SHAREHOLDERS' FUNDS :</b>			
a) CAPITAL	1	113300000	113300000
b) RESERVE AND SURPLUS	2	<u>69432932</u>	<u>62786676</u>
		<b>182732932</b>	<b>176086676</b>
<b>2) LOAN FUNDS :</b>	3		
a) SECURED LOANS		153214286	151789338
b) UNSECURED LOANS		<u>                    </u>	<u>0</u>
		<b>153214286</b>	<b>151789338</b>
<b>3) DEFERRED TAX LIABILITIES</b>		<b>26967586</b>	<b>18564521</b>
TOTAL FUNDS EMPLOYED		<u><b>362914804</b></u>	<u><b>346440535</b></u>
<b>II) APPLICATION OF FUNDS :</b>			
<b>1) FIXED ASSETS :</b>	4		
a) GROSS BLOCK (AT COST)		322427670	301011363
b) LESS : DEPRICIATION		<u>130656213</u>	<u>114927712</u>
c) NET BLOCK		<b>191771457</b>	<b>186083651</b>
d) CAPITAL WORK IN PROGRESS		<b>1611826</b>	<b>1124159</b>
<b>INVESTMENTS</b>	5	<b>2093800</b>	<b>2093800</b>
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>	6		
a) INVENTORIES		101257762	98197188
b) SUNDRY DEBTORS		129249589	109781579
c) CASH AND BANK BALANCES		6269045	3907229
d) LOANS AND ADVANCES		11347490	12417041
e) CLAIM RECEIVABLE		<u>4896565</u>	<u>4896565</u>
		253020451	229199602
<b>LESS : CURRENT LIABILITIES AND PROVISIONS</b>	7		
Current Liabilities		82628179	67220950
Provisions		<u>2954551</u>	<u>4839726</u>
<b>NET CURRENT ASSETS</b>		<b>167437722</b>	<b>157138925</b>
TOTAL FUNDS UTILISED		<u><b>362914804</b></u>	<u><b>346440535</b></u>

Significant Accounting Policies and Notes on Accounts 15  
The Schedules referred to above form an integral part of the Balance Sheet

**FOR AND ON BEHALF OF THE BOARD**

AS PER OUR REPORT OF EVEN DATE  
FOR **ARORA & CHOUDHARY ASSOCIATES**  
CHARTERED ACCOUNTANTS

**(CA. VIJAY K. CHOUDHARY)**  
PARTNER  
(M.NO. 81843)

J. K. Garg	-	Chairman & Managing Director
O. P. Garg	-	Executive Director
Ramnik Garg	-	Whole Time Director
Manish Garg	-	Whole Time Director
Navneet Garg	-	Whole Time Director
S. K. Verma	-	Company Secretary & Vice President
M. Paliwal	-	G.M. (Finance & Accounts)

New Delhi, July 18, 2009



**JASCH INDUSTRIES LIMITED**

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

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2009**

<b>PARTICULARS</b>	<b>SCHEDULE No.</b>	<b>31<sup>st</sup> March 2009 (Rupees)</b>	<b>31<sup>st</sup> March 2008 (Rupees)</b>
<b>INCOME</b>			
SALES	8	562616580	461482932
LESS : EXCISE DUTY / VAT		45821557	46283995
<b>NET SALES</b>		516795023	415198937
<b>OTHER INCOME</b>	9	2750283	1446094
		<b>519545306</b>	<b>416645031</b>
<b>EXPENDITURE</b>			
MATERIALS CONSUMED AND MFG. EXP.	10	423711316	332149319
(INCREASE)/DECREASE IN STOCK	11	(7866708)	(5732217)
OPERATIONAL EXPENSES	12	38591233	31424015
INTEREST AND FINANCIAL CHARGES (NET)	13	19981047	17403448
SELLING & DISTRIBUTION EXPENSES	14	7749454	5337065
DEPRECIATION	4	16335044	14263075
		<b>498501385</b>	<b>394844705</b>
<b>PROFIT FOR THE YEAR</b>		21043921	21800326
<b>LESS : TAX EXPENSES</b>			
CURRENT TAX		5239500	6142200
FRINGE BENEFIT TAX		719713	577827
INCOME TAX EARLY YEARS (NET)		35387	27845
DEFERRED TAX (ASSETS) / LIABILITY		2584085	(281997)
<b>PROFIT FOR THE YEAR AFTER TAX &amp; C/F TO BALANCE SHEET</b>		<b>12465236</b>	<b>15334452</b>
<b>NUMBER OF EQUITY SHARES OUTSTANDING DURING THE YEAR</b>		<b>11330000</b>	<b>11330000</b>
<b>BASIC &amp; DILUTED EARNING PER SHARE</b>		<b>1.10</b>	<b>1.35</b>

Significant Accounting Policies and Notes on Accounts 15

The Schedules referred to above form an integral part of the Profit and Loss Account

**FOR AND ON BEHALF OF THE BOARD**

AS PER OUR REPORT OF EVEN DATE  
FOR **ARORA & CHOUDHARY ASSOCIATES**  
CHARTERED ACCOUNTANTS

**(CA. VIJAY K. CHOUDHARY)**  
PARTNER  
(M.NO. 81843)

J. K. Garg -  
O. P. Garg -  
Ramnik Garg -  
Manish Garg -  
Navneet Garg -  
S. K. Verma -  
M. Paliwal -

Chairman & Managing Director  
Executive Director  
Whole Time Director  
Whole Time Director  
Whole Time Director  
Company Secretary & Vice President  
G.M. (Finance & Accounts)

New Delhi, July 18, 2009

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2009**

<b>PARTICULARS</b>	<b>31<sup>st</sup> March 2009 (Rupees)</b>	<b>31<sup>st</sup> March 2008 (Rupees)</b>
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES :</b>		
<b>NET PROFIT BEFORE TAX AND EXTRA-ORDINARY ITEMS</b>	<b>2,10,43,921</b>	<b>2,18,00,327</b>
<b>ADJUSTMENTS FOR :</b>		
DEPRECIATION	1,63,35,044	1,42,63,075
INTEREST EXPENSES	2,02,35,452	1,77,08,195
INTEREST INCOME	(2,54,405)	(3,04,747)
EXCESS PROVISION RETURN BACK	(10,74,574)	—
PROFIT ON SALE OF INVESTMENT	—	(1,79,297)
DEFERRED EXPENDITURE WRITTEN OFF	—	—
LOSS ON SALE OF FIXED ASSETS AND VEHICLE (NET)	3,92,958	1,32,911
<b>OPERATING PROFIT BEFORE WORKING</b>	<b>5,66,78,396</b>	<b>5,34,20,464</b>
<b>CAPITAL CHANGES</b>		
<b>ADJUSTEMENTS FOR :</b>		
(INCREASE)/DECREASE IN TRADE & OTHER RECEIVABLES	(1,83,98,460)	(1,60,28,046)
(INCREASE)/DECREASE IN INVENTORIES	(30,60,574)	(2,70,95,597)
INCREASE/(DECREASE) IN TRADE PAYABLES AND OTHER LIABILITIES	1,35,22,054	1,60,53,251
CASH GENERATED FROM OPERATIONS	4,87,41,416	2,63,50,072
INTEREST RECEIVED	2,54,405	3,04,747
EXCESS PROVISION RETURN BACK	10,74,574	—
PROVISION FOR TAX	(52,39,500)	(61,42,200)
INCOME TAX FOR EARLIER YEAR	(35,387)	(27,845)
F.B.T.	(7,19,713)	(5,77,827)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>4,40,75,795</b>	<b>1,99,06,947</b>
<b>B. CASH FLOWS FROM INVESTMENT ACTIVITIES</b>		
PURCHASE OF FIXED ASSETS (Including W.I.P. Adjustment)	(2,63,56,206)	(4,08,02,383)
(NET OF MODVAT BY Rs. 21,78,858/-)		
(NET OF VAT BY Rs. 76,278/-)		
SALE OF FIXED ASSETS & VEHICLE	34,52,731	4,43,470
PURCHASE OF INVESTMENTS	—	(25,26,000)
SALE OF INVESTMENTS	—	6,79,297
<b>NET CASH USED IN INVESTMENT ACTIVITIES</b>	<b>(2,29,03,475)</b>	<b>(4,22,05,616)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
PROCEEDS FROM ISSUE OF SHARE CAPITAL	—	—
BORROWINGS FROM DIRECTOR & BANKS (NET)	1,23,18,503	2,00,25,214
BORROWINGS FROM BANK FOR W.C.	34,43,727	2,59,16,689
REPAYMENT OF BORROWINGS (NET)		
LONG TERM	(1,18,00,000)	(49,16,663)
SHORT TERM (V)	(25,37,282)	(16,42,430)
DIVIDEND PAID	—	—
INTEREST PAID	(2,02,35,452)	(1,77,08,195)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(1,88,10,504)</b>	<b>2,16,74,615</b>
<b>NET CASH INFLOW</b>	<b>23,61,816</b>	<b>(6,24,054)</b>
CASH AND CASH EQUIVALENTS AS AT 31-03-2008	39,07,229	45,31,283
CASH AND CASH EQUIVALENTS AS AT 31-03-2009	62,69,045	39,07,229
<b>NET CASH INFLOW</b>	<b>23,61,816</b>	<b>(6,24,054)</b>

Significant Accounting Policies and Notes on Accounts 15  
The Schedules referred to above form an integral part of Accounts

FOR AND ON BEHALF OF THE BOARD

AS PER OUR REPORT OF EVEN DATE  
FOR **ARORA & CHOUDHARY ASSOCIATES**  
CHARTERED ACCOUNTANTS

**(CA. VIJAY K. CHOUDHARY)**  
PARTNER  
(M.NO. 81843)

New Delhi, July 18, 2009

J. K. Garg	-	Chairman & Managing Director
O. P. Garg	-	Executive Director
Ramnik Garg	-	Whole Time Director
Manish Garg	-	Whole Time Director
Navneet Garg	-	Whole Time Director
S. K. Verma	-	Company Secretary & Vice President
M. Paliwal	-	G.M. (Finance & Accounts)

**SCHEDULE '1' TO '15' ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT AND  
THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009**

<b>PARTICULARS</b>	<b>31<sup>st</sup> March 2009 (Rupees)</b>	<b>31<sup>st</sup> March 2008 (Rupees)</b>
<b>SCHEDULE - 1</b>		
<b>SHARE CAPITAL</b>		
1,25,00,000 EQUITY SHARE OF Rs. 10/- EACH	125000000	120000000
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
1,13,30,000 EQUITY SHARES OF Rs. 10/- EACH		
FULLY PAID UP	113300000	113300000
PER BALANCE SHEET	<b>113300000</b>	<b>113300000</b>
<b>SCHEDULE - 2</b>		
<b>RESERVE &amp; SURPLUS</b>		
AS PER LAST BALANCE SHEET	62786676	47452224
<b>LESS : PROVISION FOR DEFERRED TAX</b>	5818980	0
<b>ADD : SURPLUS AS PER PROFIT AND LOSS ACCOUNT</b>	12465236	15334452
PER BALANCE SHEET	<b>69432932</b>	<b>62786676</b>
<b>SCHEDULE - 3</b>		
<b>LOAN FUNDS</b>		
<b>(I) SECURED LOANS</b>		
A) TERM LOAN		
(Secured by a first mortgage by deposit of title deeds of the Company's immovable properties both present and future ranking inter se and also personal guarantee of four Directors)		
I) SBI TERM LOAN-1	5956818	9982992
II) SBI TERM LOAN-2	23657702	28677794
III) SBI TERM LOAN-3	11331504	14142724
IV) SBI TERM LOAN-4	11075989	—
(Term Loan Repayable in next 12 Months is Rs. 132 Lakh) (Previous Year Rs. 118 Lakh)		
B) <b>WORKING CAPITAL LOAN FROM BANK</b>	97839108	94395381
(Secured by Hypothecation of Stocks of Raw Materials, Semi Finished & Finished Goods, Consumables, Stores & Spares and all Book Debts both present and future and personal guarantee of four Directors)		
<b>C) VEHICLE LOAN</b>		
I) CAR	3101455	4179765
II) TEMPO	251710	410682
(Secured by Hypothecation of Respective Vehicle)		
PER BALANCE SHEET	<b>153214286</b>	<b>151789338</b>

**SCHEDULE - 4**  
**DEPRECIATION &**  
**FIXED ASSETS**

(IN Rs.)

ASSETS	GROSS BLOCK - AT COST				DEPRECIATION				NET BLOCK	
	Balance As at 01.04.08	Additions/ Adjustments	Deductions/ Adjustments	As at 31.03.2009	Upto 31.03.2008	For the Period	Deduc./ Adjustments	Upto 31.03.2009	As at 31.03.2009	As at 31.03.2008
LAND	992813	0	0	992813	0	0	0	0	992813	992813
BUILDING (O)	2653549	0	0	2653549	149053	43253	0	192306	2461243	2504496
BUILDING (F)	26967049	30192	0	26997241	7761861	901119	0	8662980	18334261	19205188
FURNITURE & FITTINGS	2115263	940087	0	3055350	1079959	160087	0	1240046	1815304	1035304
PLANT & MACHINERY	248702386	21330822	3040731	266992477	100796991	13565571	18108	114344454	152648023	147905395
VEHICLES	10324888	1920912	1411501	10834299	2281770	1124939	588435	2818274	8016025	8661128
VEHICLES-COMM.	704775	686471	0	1391246	86765	67657	0	154422	1236824	618010
FIRE FIGHTING EQUIPMENTS	577114	0	0	577114	286075	36531	0	322606	254508	291039
AIR CONDITIONERS	582692	96800	0	679492	159618	31867	0	191485	488007	423074
COMPUTERS	1285019	322712	0	1607731	856789	103363	0	960152	647579	428230
GENERATOR SET	5147080	262474	0	5409554	1263247	249867	0	1513114	3896440	3883833
OFFICE APPLIANCES	958735	278069	0	1236804	205584	50790	0	256374	980430	753151
TOTAL	301011363	25868539	4452232	322427670	114927712	16335044	606543	130656213	191771457	186701660
CAPITAL WORK IN PROGRESS :	1124159	13152510	12664843	1611826	0	0	0	0	1611826	1124159
TOTAL	302135522	39021049	17117015	324039496	114927712	16335044	606543	130656213	193383283	187825819
PREVIOUS YEAR	262163457	59838301	19866236	302135522	100918574	14263075	253937	114927712	187207810	161244883

**PARTICULARS**

**31<sup>st</sup> March 2009**  
**(Rupees)**

**31<sup>st</sup> March 2008**  
**(Rupees)**

**SCHEDULE - 5**

**INVESTMENTS**

**QUOTED & LONG TERM :**

33,900 EQUITY SHARES OF Rs. 10/- EACH  
FULLY PAID UP OF STANDARD CAPITAL MARKET LTD.  
(Market Value as on 31.03.2009 Rs. 67800/-)

67800

67800

SBI MUTUAL FUND

500000

500000

**UNQUOTED :**

1,52,600 EQUITY SHARES OF Rs. 10/- EACH  
FULLY PAID UP OF GESCO AUTOMATION LTD

1526000

1526000

PER BALANCE SHEET

**2093800**

**2093800**

**SCHEDULE - 6**

**CURRENT ASSETS, LOANS & ADVANCES**

**a) INVENTORIES :**

(AS VERIFIED, VALUED AND CERTIFIED BY THE MANAGEMENT) :

RAW MATERIALS

47815636

54165775

CONSUMABLES

16040020

15108409

STORES, SPARES AND FUEL

1965926

1836890

PACKING MATERIAL

333350

191020

STOCK IN PROCESS

14859672

14445263

FINISHED GOODS

17599718

10398160

GOODS IN TRANSIT

2643440

2051671

PER BALANCE SHEET

**101257762**

**98197188**

**b) SUNDRY DEBTORS :**

(i) DEBTS OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS :	21790223	21368349
(ii) OTHER DEBTS	107459366	88413229
(UNSECURED CONSIDERED GOOD)		

PER BALANCE SHEET

**129249589****109781578****c) CASH & BANK BALANCES :**

(i) CASH IN HAND	1069584	219385
(ii) WITH SCHEDULED BANKS		
IN CURRENT ACCOUNT	333634	411028
IN MARGIN MONEY ACCOUNT	4865827	3276816

PER BALANCE SHEET

**6269045****3907229****d) LOANS & ADVANCES :**

i) RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED AND/OR TO BE ADJUSTED		
a) PREPAID EXPENSES	895721	429054
b) ADVANCE FOR RAW MATERIAL & OTHERS	841553	1575883
c) OTHER RECEIVABLE	1465413	349112
d) ADVANCE AGAINST MACHINERY	761429	860365
ii) BALANCE WITH EXCISE DEPARTMENT		
DUTY DEPOSITED UNDER PROTEST	498005	498005
DUTY RECEIVABLE UNDER CLAIM OF REBATE	2304416	1250544
BALANCE IN CENVAT ACCOUNTS	2860066	5814199
iii) SECURITY DEPOSITS	1720888	1639879

PER BALANCE SHEET

**11347490****12417041****e) FIRE CLAIM RECEIVABLE :**

PER BALANCE SHEET

4896565

4896565

**4896565****4896565****SCHEDULE - 7****a) CURRENT LIABILITIES :**

SUNDRY CREDITORS FOR RAW MATERIAL	53351159	46190292
SUNDRY CREDITORS FOR MACHINERY	995881	1285219
SUNDRY CREDITORS FOR OTHERS	5394962	6036540
ADVANCE FROM CUSTOMERS	20003113	10888807
EXPENSES PAYABLE	2524936	1960937
SALES TAX PAYABLE	246340	669196
OTHER LIABILITIES	111788	189959

PER BALANCE SHEET

**82628179****67220950****b) PROVISIONS :**

FOR RETIREMENT BENEFITS	2278300	3273704
FOR LISTING FEE OF STOCK EXCHANGES	625135	752900
FOR TAXATION (CURRENT YEAR)	5239500	6142200
<b>LESS : ADVANCE TAX, T.D.S.</b>	5239500	5395037
FOR FRINGE BENEFIT TAX	719713	577827
<b>LESS : ADVANCE F.B.T. PAID</b>	668597	511868
	51116	65959

PER BALANCE SHEET

**2954551****4839726****SCHEDULE - 8****SALES**

A) ELECTRONIC THICKNESS GAUGE (BTG)	176236890	150423387
B) SYNTHETIC LEATHER & ALLIED PRODUCTS	386379690	311059545

PER PROFIT AND LOSS ACCOUNT

**562616580****461482932**

**SCHEDULE - 9****OTHER INCOME**

A) AMC RECEIPTS	801040	747031
B) EXCHANGE RATE FLUCTUATION (NET)	803240	519766
C) PROVISION NO LONGER REQUIRED WRITTEN BACK	1074574	0
D) MISCELLANEOUS	71429	179297
<b>PER PROFIT AND LOSS ACCOUNT</b>	<b>2750283</b>	<b>1446094</b>

**SCHEDULE - 10****A) MATERIALS CONSUMED AND MANUFACTURING EXP.**

RAW MATERIALS	363670758	281248434
CONSUMABLES (RELEASE PAPER)	15582118	10978716
CONSUMABLES (OTHERS)	2885002	2602273
PACKING MATERIALS	2466128	2163548
FREIGHT INWARD	7487588	7181275

**TOTAL (A)****392091594****304174245****B) MANUFACTURING EXPENSES**

POWER & FUEL	28457376	23255456
REPAIRS & MAINTENANCE :		
PLANT MACHINERY	2046510	2571614
ELECTRICAL & GENERAL	255715	508465
STORES AND SPARES	860121	1639539

**TOTAL (B)****31619722****27975074**

PER PROFIT AND LOSS ACCOUNT (A+B)

**423711316****332149319****SCHEDULE - 11****(INCREASE)/DECREASE IN STOCKS OF  
FINISHED GOODS AND WORK IN PROCESS  
OPENING STOCK**

STOCK IN PROCESS	14445263	10516933
FINISHED GOODS	10398160	8296824

**24843423****18813757****CLOSING STOCK**

STOCK IN PROCESS	14859572	14445263
FINISHED GOODS	17599718	10398160

**32459390****24843423****(7615967)****(6029666)****ADD/(LESS) : VARIATION IN PROVISION FOR  
EXCISE DUTY ON OPENING AND CLOSING STOCK  
OF FINISHED GOODS****(250741)****297449****(7866708)****(5732217)****SCHEDULE - 12****OPERATIONAL EXPENSES****A) EMPLOYEES' REMUNERATION & BENEFITS :**

SALARY, WAGES, GRATUITY & BONUS	15378778	12485310
CONTRIBUTION TO P.F. & OTHER FUNDS	514623	329185
EMPLOYEE WELFARE EXPENSES	337223	221776

**TOTAL (A)****16230624****13036271****B) MANAGERIAL REMUNERATION :**

SALARIES	3279000	3216000
REIMBURSEMENT	136088	134211
GRATUITY	0	829613
HOUSE RENT ALLOWANCE	64000	48000
SITTING FEE	110000	71000

**TOTAL (B)****3589088****4298824**



**C) ADMINISTRATIVE EXPENSES :**

INSURANCE	601354	784216
BOOKS, PRINTING & STATIONERY	594763	342653
POSTAGE & COMMUNICATION	1363327	852481
TELEPHONE	1666247	1334372
TOUR TRAVEL INC. FOREIGN TRAVEL	5294944	4173560
HOTEL, BOARDING & LODGING & CONVEYANCE	4532306	3673325
VEHICLE RUNNING & MAINTENANCE	1200225	885587
TEMPO RUNNING & MAINTENANCE	652202	668989
LOSS ON SALE OF VEHICLE	391066	124127
LOSS ON SALE OF MACHINERY	1892	8784
FEE & SUBSCRIPTION	1589041	806678
RENT, RATES AND TAXES	55798	10720
CHARITY & DONATION	584225	117100
AUDITORS REMUNERATION :		
AUDIT FEE	25369	25843
TAXATION MATTERS	7721	7000
MISCELLANEOUS	211042	273485
<b>TOTAL (C)</b>	<b>18771521</b>	<b>14088920</b>
PER PROFIT AND LOSS ACCOUNT (A+B+C)	<b>38591233</b>	<b>31424015</b>

**SCHEDULE - 13****INTEREST AND FINANCIAL CHARGES (NET)**

INTEREST TO BANK ON WORKING CAPITAL LOAN	10687922	9843237
INTEREST TO BANK ON TERM LOAN	6546722	5718930
INTEREST ON CAR LOAN	436492	258659
INTEREST ON TEMPO LOAN	33028	47725
BANK CHARGES	2276883	1534897
PER PROFIT AND LOSS ACCOUNT	<b>19981047</b>	<b>17403448</b>

**SCHEDULE - 14****SELLING & DISTRIBUTION EXPENSES :**

ADVERTISING & EXHIBITION	2309472	1879507
DISCOUNTS, REBATES	2962623	2329522
CLEARING & FORWARDING EXP. (EXPORT)	499800	680036
SALES COMMISSION	1420274	150000
FREIGHT OUTWARD	557285	298000
PER PROFIT AND LOSS ACCOUNT	<b>7749454</b>	<b>5337065</b>

### 13. RETIREMENT BENEFITS :

- a) Contribution to Provident Fund is made in accordance with the provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and is recognised as an expense and debited to Profit & Loss Account on monthly accrual basis.
- b) Bonus and leave encashment payments are accounted for on accrual basis and charged to Profit & Loss Account.
- c) Provision for retirement gratuity liability as on 31.03.2009 to all eligible employees has been made as per Actuarial Valuation and excess provision of Rs. 8,99,574/- in the books of accounts have been credited to the Profit & Loss Account.

### 14. PRELIMINARY & SHARE ISSUE EXPENSES :

Preliminary and Share-issued expenses are amortized over a period of 10 years in accordance with the provision of Income Tax Act 1961.

## II. NOTES TO ACCOUNTS :

1. Excise Duty on finished goods lying in factory premises at March 31, 2009 aggregating to Rs. 10,26,247/- (Previous Year 12,76,988/-) has been provided at current excise rate and included in valuation of finished goods inventory.
2. There are no undisputed liabilities or over dues to Government Department and/or Financial Institution and Banks, other than in the normal course of business.
3. The company has received insurance claim of Rs. 86.03 lakh during 2003-2004 in respect of destruction of a part of factory buildings, plant and machinery & inventory in a fire accident on 23<sup>rd</sup> / 24<sup>th</sup> November, 2001 which had resulted in book loss of Rs 135 lakh. Balance claim of Rs. 48.97 lakh has been shown as receivable. A petition in Delhi High Court against Insurance Company for payment of balance account with interest has been filed and admitted by the Hon'ble Delhi High Court. There are fair chances at the balance claim of Rs. 48.97 lakh will be allowed by the Court in favour of the Company. Final adjustment of insurance claim in the accounts will be made after settlement of claim by the court.

### 4. DEFERRED TAX ACCOUNTING

Details of Deferred Tax Assets / (liabilities) for the current year charged / add to Profit & Loss Account (NET) at a Tax Rate of 33.99% are as follows :-

Deferred Tax Liabilities as on 31.03.2009	2,78,92,176
<b>Less : Deferred Tax Assets as on 31.03.2009</b>	<b>9,24,590</b>
	<hr/>
Deferred Tax Liabilities (Net) as per Balance Sheet	<b><u>2,69,67,586</u></b>

5. In the opinion of the Board and to the best of their knowledge and belief the realizable amount of Current Assets and Loans and Advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet. The provisions for all known and determined Liabilities is adequate and not in excess of the amount reasonably required.

### 6. SEGMENT REPORTING

Segment Information as required by Accounting Standard (AS)-17 on Segment Reporting issued by the Institute of Chartered Accountants of India and as compiled on the basis of financial statements is as below :-

The Company has identified two segment as reportable segments viz. Leather Cloth Division and Automation Division. The Leather Cloth Division segment comprises of Synthetic Leather Cloth and Allied Products. The Automation Division segment comprises of Electronic Thickness Gauge (BTG) and its Parts.

The financial information about these business segments is presented in the table below :-

	Leather Cloth Division	Auto Division	Total	Leather Cloth Division	Auto. Division	Total
<b>REVENUE</b>						
External Sales	3863.80	1762.37	5626.17	3110.60	1504.23	4614.83
Less : Excise Duty	—	—	458.22	—	—	462.84
Inter-segment Sales	—	—	—	—	—	—
Other Income	10.74	16.76	27.50	01.79	12.67	14.46
<b>Total Revenue</b>			5195.45			4166.45
<b>RESULTS</b>						
Segment Results	159.29	254.89	414.18	134.28	258.99	393.27
Unallocated Corporate Expenses (Net)			03.93	—	—	01.24
Operating Profit			410.25			392.03
Interest Expenses			199.81			174.03
Income Tax – Current			52.40			61.42
- Deferred			00.35			00.28
F.B.T.			07.20			05.78
Profit from Ordinary Activities			150.49			150.52
Extra Ordinary Loss			—			—
Deffered Tax (+)			(25.84)			02.82
<b>Net Profit</b>			124.65			153.34
<b>OTHER INFORMATION</b>						
Segment Assets	2654.45	826.25	3480.70	2628.53	705.40	3333.93
Unallocated Corporate Assets			148.45			130.47
<b>Total Assets</b>			3629.15			3464.40
Segment Liabilities	2971.13	266.06	3237.19	2938.18	190.81	3128.99
Unallocated Corporate Liabilities			391.96			335.41
<b>Total Liabilities</b>			3629.15			3464.40
Capital Expenditure			239.48			356.92
Depreciation			163.35			142.63
Non-cash Expenses other than Depreciation			—			—

**7. RELATED PARTY DISCLOSURES**

**A)** Details of transactions entered into with related parties during the year as required by Accounting Standard (AS)-18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are as Under :-

Particulars	Key Management Personnel (KMP)	Enterprises Over which KMP is able to Exercise significant influence	Total (Rs.)
Sales	—	—	—
Purchases	—	—	—
Raw Materials	—	—	—
Consumables/Intermediates	—	—	—
Finished Goods	—	—	—
Job Work	—	—	—
Purchase of fixed assets	—	—	—
Sale of fixed assets	—	—	—
Managerial remuneration	34,79,088	—	34,79,088
Payment to Relatives as Salary	—	—	—
Loan Given	—	—	—
Loan Taken (including opening balance)	—	—	—
Loan Repaid	—	—	—
Balance outstanding as at the year	—	—	—
Debit/(Credit)	—	—	—

**B. Related Party Disclosures.****1. Key Management Personnel**

1. Shri J. K. Garg, Chairman
2. Shri O. P. Garg, Executive Director
3. Shri Ramnik Garg, Whole Time Director
4. Shri Manish Garg, Whole Time Director
5. Shri Navneet Garg, Whole Time Director

2. Enterprises over which key management Personnel and relatives of such Persons is able to exercise significant Influence : Gesco Automation Limited

C. Disclosure of related parties with whom no business transactions took place during the year.

Enterprises over which key management Personnel and relatives of such Persons is able to exercise significant Influence : Nil

8. On the basis of information available with the company, there is no amount remaining unpaid as on 31<sup>st</sup> March, 2009 to any supplier who is a small scale or ancillary undertaking beyond the agreed credit period.
9. On the basis of information available with the company as to whether an enterprises is a Micro/Small enterprises under MSMED Act, 2006, there is no amount remaining unpaid as on 31<sup>st</sup> March, 2009 or delayed in payment during the year beyond the agreed credit period. Hence no interest is due or paid to any such enterprise.

#### 10. CONTINGENT LIABILITIES :

- a) All Liabilities are provided for in the accounts except those of a contingent nature, which have been shown at their estimated value.
- b) Recognition of only those liabilities are considered which exceed Rs. 5,000 in value. Subject to this limit, contingent liability in respect of Show Cause Notices issued by the Central Excise Department is considered only when they are converted into demands by the next higher authority.

c)

(Rs. In Lakhs)

	As at 31 <sup>st</sup> March 2009	As at 31 <sup>st</sup> March 2008
i) Foreign Letters of Credit opened with bank (Margin Money with Bank-31.54 Lakh)	315.40	209.80
ii) Estimated amount of contracts remaining to be executed on capital account not provide for	—	—
iii) Bills Discount with Bank	—	—
iv) Guarantee given to Excise Department by bank on behalf of the company (F.D. With Bank-03.37 Lakh)	03.37	03.37
v) Bank Guarantee given to Buyers for timely supply/Performance of BTG Machine (Margin Money With Bank-13.06 Lakh)	130.60	70.00

**11. INSTALLED CAPACITY, PRODUCTION AND TURNOVER (NET OF RETURNED GOODS)****(Value Rs. in Lakh)**

S.No. CLASS OF GOODS	UNIT	INSTALLED CAPACITY FOR THE YEAR ENDED	OPENING BALANCE AS ON	PRODUCTION FOR THE YEAR ENDED 31 <sup>ST</sup> MARCH		TURNOVER FOR THE YEAR ENDED 31 <sup>ST</sup> MARCH				CLOSING STOCK AS AT
		2008 & 2009	01.04.2008 Qty.	2009 Qty.	2008 Qty.	2009 Qty.	2009 Value	2008 Qty.	2008 Value	31.03.2009 Qty.
i. Electronic Thickness Gauge (BTG) and Parts (66 + 229)	Nos.	—	2	295	316	293	1761.64	315	1504.23	4
ii. PU/PVC Leather Cloth (Coated Fabrics)	Lakh Mtrs.	36	00.44	21.13	18.70	21.13	2738.41	18.69	2228.09	00.44
iii. Non Woven	Lakh Mtrs.	—	—	02.32	02.30	02.30	443.52	02.31	381.76	00.02
iv. Needle Loom Felt	Lakh Mtrs.	—	00.01	01.54	02.17	01.52	112.39	02.20	132.62	00.03
v. Cellular Plastic Sheets	Lakh Mtrs.	—	—	02.03	01.48	02.00	481.74	01.49	307.52	00.03
vi. PU Resin & Adhesive	Lakh Kgs.	—	—	00.14	00.30	00.14	14.58	00.30	34.96	—
vii. Cut Pieces of Coated Fabrics	Lakh Kgs.	—	00.01	01.03	01.52	1.01	19.34	01.51	10.69	00.03
viii. Other Cut Pieces & Bardana	Lakh Kgs.	—	—	00.84	00.04	00.84	19.39	00.04	10.74	—
ix. Raw materials sales as such	Kgs./Mtrs.	—	—	—	—	—	35.16	—	04.22	—

**NOTES:-**

- 1) Since the Industry has been de-licensed, Licensed capacity reporting is discontinued. Classification of products are as per Excise Tariff and Installed Capacity is as Certified by the Management.

**12. RAW MATERIAL CONSUMPTION****(Rs. in Lakh)**

I) RAW MATERIALS	31 <sup>st</sup> March, 2009					31 <sup>st</sup> March, 2008		
	UNIT	OPENING QTY.	RECPT. QTY.	CLOSING QTY.	CONSUME QTY.	VALUE (Rs.)	CONSUME QTY.	VALUE (Rs.)
DIOP/DOP	KG.	23400	635915	15000	644315	520.54	643710	612.04
PVC RESIN	KG.	159470	619309	45020	733759	440.83	637930	407.76
FABRICS	MTR.	220242	2211837	265939	2166140	682.69	1867445	494.52
NON WOVEN LINING	MTR.	150277	402123	93637	458763	259.25	357824	167.53
STAPLE FIBRE	KG.	23776	75105	19919	78962	51.51	123528	84.32
ADIPIC ACID	KG.	1100	70202	2525	68777	57.44	59000	71.48
DMF	KG.	190	227150	570	226770	132.47	188410	111.29
MDI	KG.	17100	60750	14400	63450	87.16	52875	76.41
TITANIUM DI OXIDE	KG.	3250	91775	16750	78275	90.18	77850	78.84
BUTANE DIOL	KG.	3000	28200	1000	30200	36.04	28200	38.67
X-RAY TUBE	NO.	11	26	2	35	30.67	67	69.87
SOURCE	NO.	3	60	4	59	104.46	25	32.66
IONIZATION CHAMBER	NO.	20	101	13	108	43.43	106	57.58
POWER SUPPLY	NO.	5	172	0	177	21.97	193	21.08
I.C.	—	621	2755	20	3356	16.84	3619	12.80
COMPUTER & PARTS						61.99		87.12
SLID & BEARINGS						22.36		15.44
IRON & ALLUMINUM						201.08		200.04
PIGMENT, CHEMICALS, ELECTRONIC ITEM ETC.						775.80		563.84
FREIGHT I/W						74.88		71.81
EXCISE DUTY						0		(390.80)
II) CONSUMABLE & STORES						184.67		135.81
III) PACKING MATERIAL						24.66		21.63
						3920.92		3041.74

**IV) CONSUMPTION OF IMPORTED & INDIGENOUS RAW MATERIALS**

	<b>2008-2009</b>		<b>2007-2008</b>	
	<b>Rs. in Lakh</b>	<b>% of Total Consumption</b>	<b>Rs. in Lakh</b>	<b>% of Total Consumption</b>
IMPORTED (LANDED COST AT FACTORY)	1418.53	36.18	1030.62	33.88
INDIGENOUS	2502.39	63.82	2011.12	66.12
	<u>3920.92</u>	<u>100.00</u>	<u>3041.74</u>	<u>100.00</u>

**V) EXPENDITURE IN FOREIGN CURRENCY****(Rs. in Lakh)**

	<b>2008-2009</b>	<b>2007-2008</b>
RAW MATERIAL & CONSUMABLES (CIF)	1257.32	928.16
CAPITAL GOODS (CIF)	101.67	119.86
FOREIGN TRAVELS	19.91	10.67
	<u>1378.90</u>	<u>1058.69</u>

**VI) EARNING IN FOREIGN CURRENCY**

Earnings in US\$ (INR – 516.39 Lakh)  
Earnings in EURO (INR – 267.05 Lakh)

11,07,903	12,12,789
<u>4,10,173</u>	<u>2,73,540</u>

**13. Earning Per Share (Basic & Diluted) :**

31.03.2009

**(Rs. in Lakhs)**

31.03.2008

Profit After Tax	124.65	153.34
Earning available to Equity Share Holders	124.65	153.34
Weighted Average no. of Equity Shares during the Year	11330000	11330000
Earning Per Share	01.10	01.35
Nominal Value Per Share (in Rs.)	10/-	10/-

**14.** Accounts balances of the customers and suppliers, in whose case(s) confirmation/reconciliation is not received, are taken as per the balance appearing in the books. Any differences arising on account of such reconciliations, which are not likely to be material, are accounted for as and when these reconciliations are completed.

**15.** The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary and rounded off to the nearest rupee.



**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I. REGISTRATION DETAILS :** State Code : 55 Registration No. : 22758  
CIN No. : L24302HR1985PLC022758 Balance Sheet Date: 31.03.2009

**II. CAPITAL RAISED DURING THE YEAR : (Rs. IN '000)**

Public/Rights/Bonus Issue : Nil Private Placement : Nil

**III. Position of Mobilisation and Deployment of Funds : (Rs. in '000)**

Total Liabilities	362915	Total Assets	362915
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**SOURCES OF FUNDS**

Paid up Capital	113300	Reserves & surplus	69433
Secured Loans	153214	Unsecured Loans	—
Deferred Tax Liability	26968		

**APPLICATION OF FUNDS**

Net Fixed Assets	193383	Investments	2094
Net Current Assets	167438	Misc. Expenditure	—

**IV. PERFORMANCE OF THE COMPANY : (Rs. in '000)**

Turnover	562616	Expenditure	544322
Profit Before Tax	21044	Profit After Tax	12465
Earning Per Share Rs.	01.10	Dividend Rate (%)	Nil

**V. Generic Names of Principal Products of the Company (As Per Monetary Terms)**

<b>E C C No.</b>	<b>AAACJ0766B/XM/001</b>
Item Code no. (ITC Code) 59031010, 20	Product Description Polyvinyl Chloride and Polyurethane Coated Fabrics
90229090	Electronic Gauging & Control System
39211390	Cellular Plastic Sheet

**FOR AND ON BEHALF OF THE BOARD**

AS PER OUR REPORT OF EVEN DATE  
FOR **ARORA & CHOUDHARY ASSOCIATES**  
CHARTERED ACCOUNTANTS

**(CA. VIJAY K. CHOUDHARY)**  
PARTNER  
(M.NO. 81843)

J. K. Garg	-	Chairman & Managing Director
O. P. Garg	-	Executive Director
Ramnik Garg	-	Whole Time Director
Manish Garg	-	Whole Time Director
Navneet Garg	-	Whole Time Director
S. K. Verma	-	Company Secretary & Vice President
M. Paliwal	-	G.M. (Finance & Accounts)

New Delhi, July 18, 2009

**JASCH INDUSTRIES LIMITED**

Registered Office : 43/5, Bahalgarh Road, P. O. Bahalgarh-131021  
Distt. Sonapat (Haryana)

D P No.	
Demat A/c No.	

L. F. No.	
No. of Shares	

**ATTENDANCE SLIP**

I/We hereby record my/our presence at the Annual General Meeting of the Company held at the Registered Office of the Company at 43/5, BAHALGARH ROAD, P.O. BAHALGARH-131021, DISTT. SONEPAT(HARYANA), INDIA on Tuesday, the 29<sup>th</sup> September, 2009 at 10.00 A.M.

NAME OF THE SHAREHOLDER (IN BLOCK LETTERS)	
NAME OF THE PROXY, IF ANY (IN BLOCK LETTERS)	
SIGNATURE OF THE SHARE HOLDER / PROXY	

- Notes :** 1. You are requested to sign and hand over this slip at the entrance to the Registered Office of the Company.  
2. If you intend to appoint a proxy to attend the Meeting instead of yourself, the enclosed proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.

Tear Here

D P No.	
Demat A/c No.	

**JASCH INDUSTRIES LIMITED**

L. F. No.	
No. of Shares	

**FORM OF PROXY**

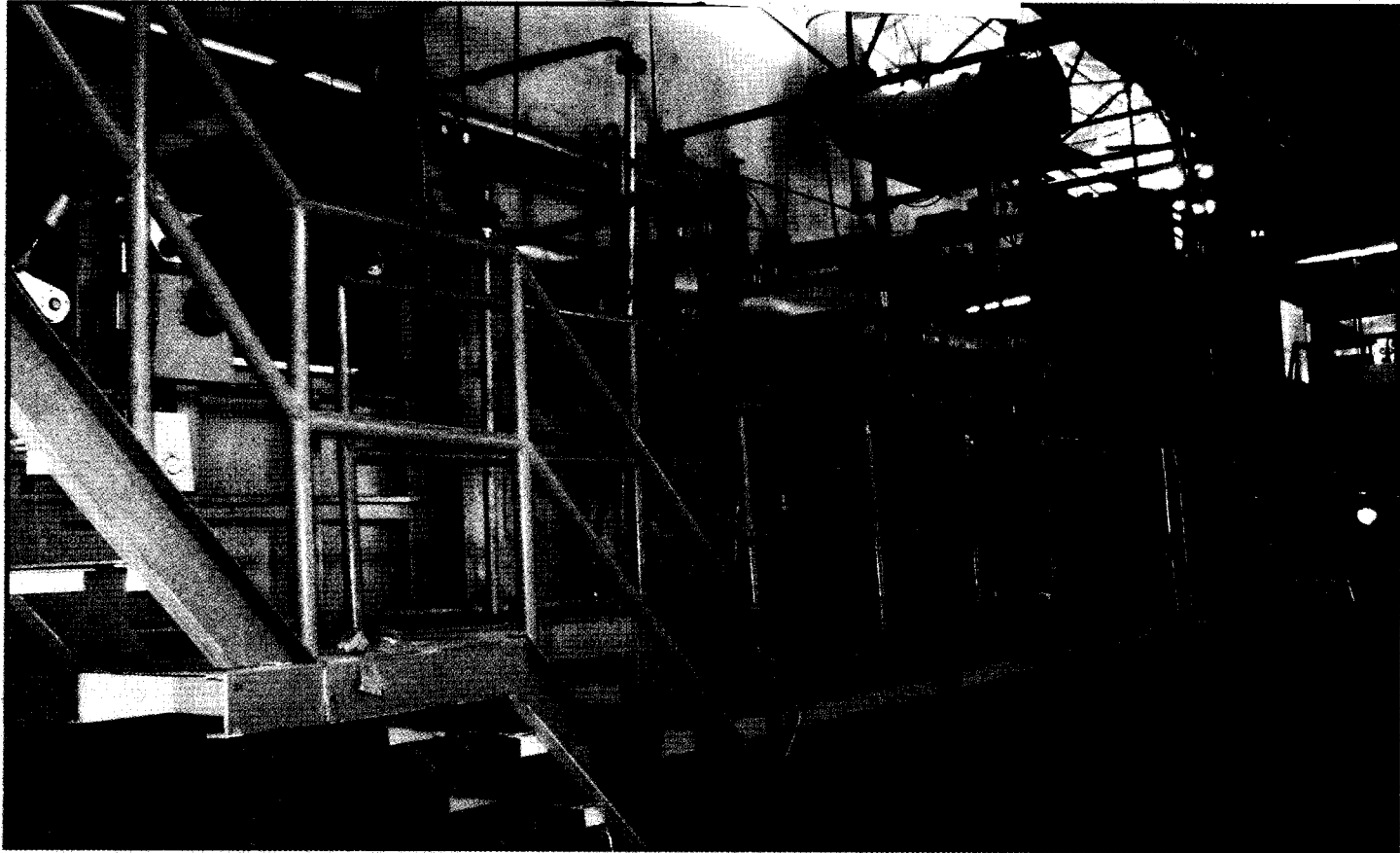
I/We ..... of .....  
in the district of ..... being a Member/Members of the  
JASCH INDUSTRIES LIMITED, hereby appoint..... of ..... in the  
district of ..... of failing him .....  
of ..... in the district of .....  
as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on  
..... and at any adjournment thereof.

I/We wish my/our Proxy to vote "for" or "against" the Resolutions as ticked (/) in the box below :

RESOLUTIONS	FOR	AGAINST
1. Adoption of Accounts & Reports		
2. Re-appointment of Shri Manish Garg as Director		
3. Re-appointment of Shri Ramnik Garg as Director		
4. Appointment of Statutory Auditors		
5. Appointment of Shri KL Khetarpaul as Director		
6. Appointment of Justice AS Garg (Retd) as Director		

Please Affix  
Re. 1/-  
Revenue  
Stamp  
And sign  
across it.

Signed this.....day of.....2009.



**HIGH PERFORMANCE P.U. SYNTHETIC LEATHER IN TECHNICAL COLLABORATION WITH  
DUKSUNG CO. LTD., SOUTH KOREA**

If undelivered please return to :-



**JASCH INDUSTRIES LIMITED**

Regd. Off: 43/5, Bahalgarh Road, P.O. Bahalgarh

Distt. Sonapat - 131 021 (Haryana)

Phones : 0130-6451517, 6451518 Fax : 0130-2230693