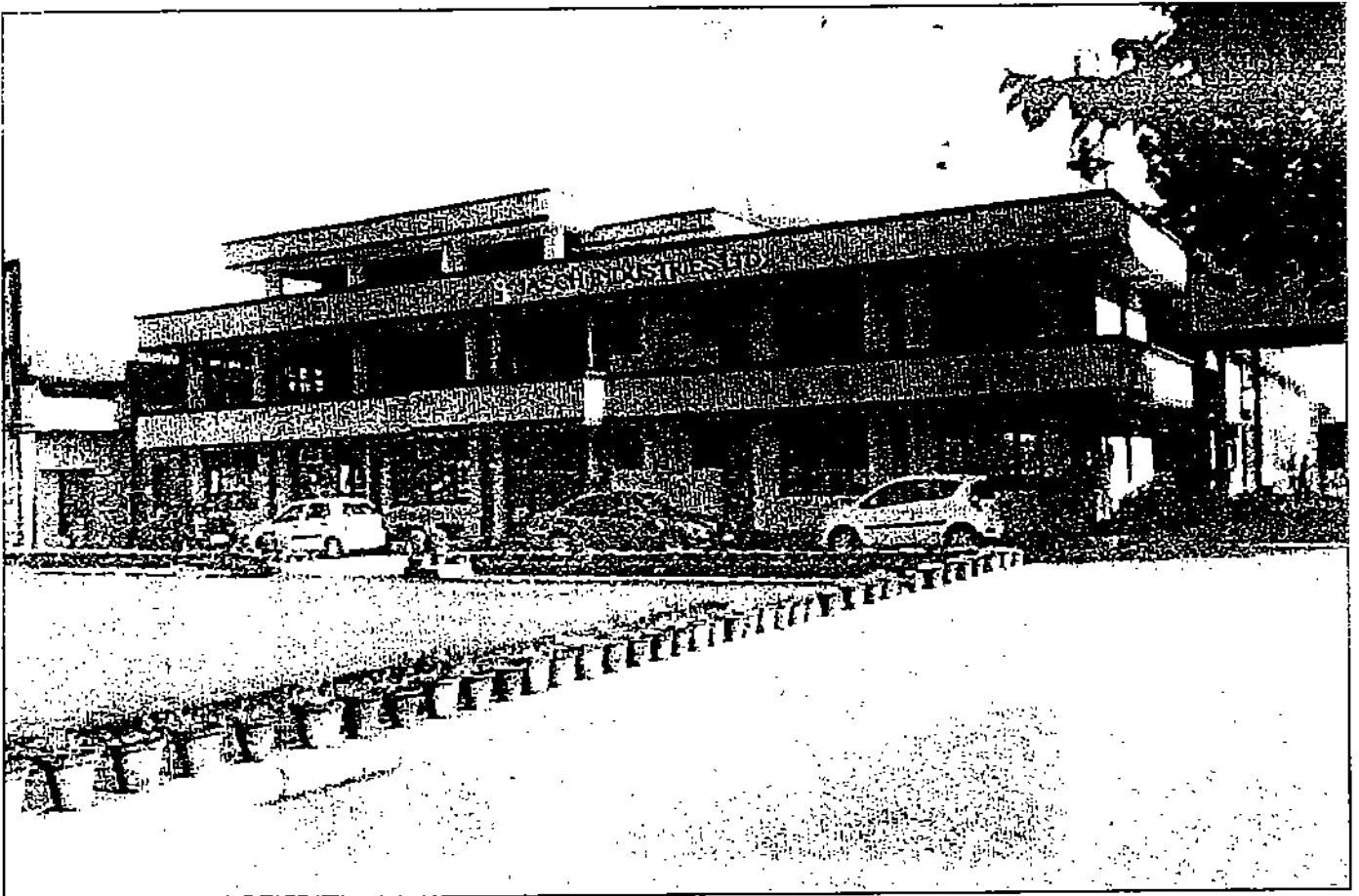


j

JASCH INDUSTRIES LTD.



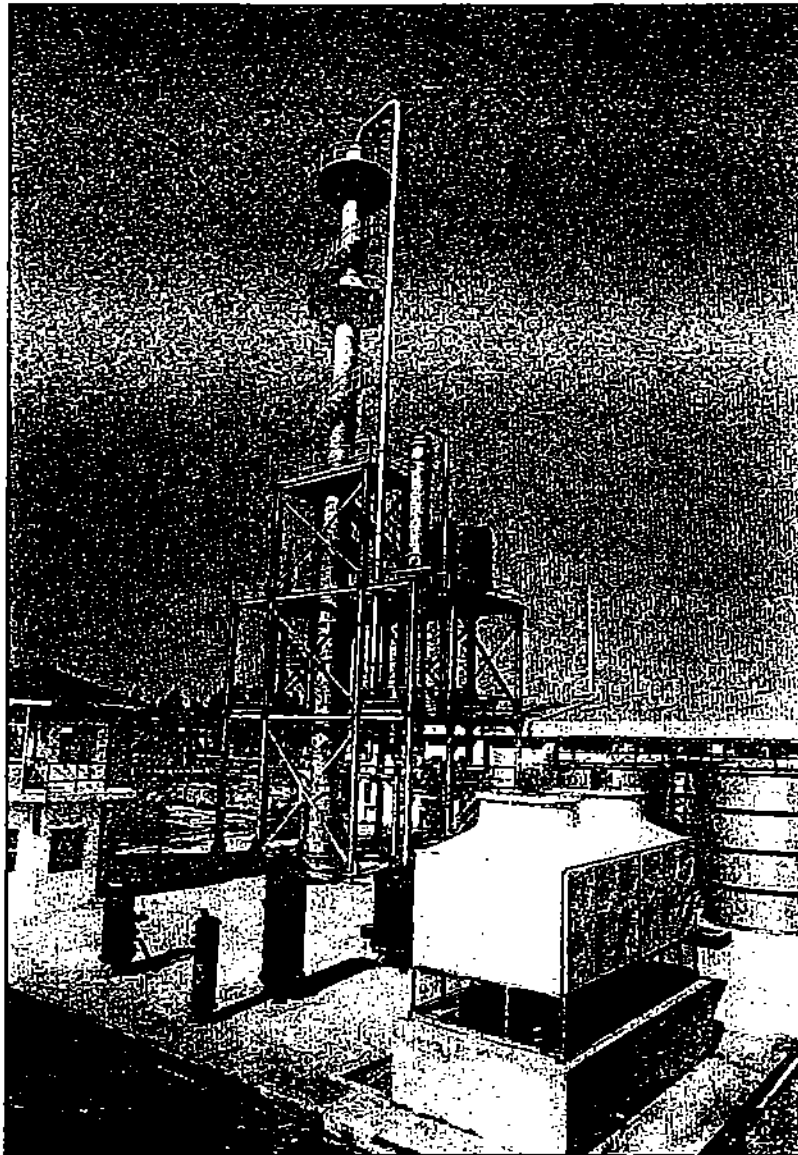
CERTIFIED TRUE COPY

24th ANNUAL REPORT
2009 - 2010

For Jasch Industries Ltd.

S. K. Verma
S. K. VERMA
SECRETARY

J. K. Garg
J. K. GARG
Director



DMF RECOVERY PLANT

JASCH INDUSTRIES LIMITED

(An ISO 9001:2008 Company)
24th ANNUAL REPORT 2009-2010

BOARD OF DIRECTORS

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

COMPANY SECRETARY

ANIL KUMAR SINGH

AUDITORS

Arora & Choudhary Associates
Chartered Accountants
5/28, W.E.A Abdul Aziz Road,
Karl Bagh, New Delhi 110 005.

BANKERS

STATE BANK OF INDIA
OVERSEAS BRANCH, JANPATH, NEW DELHI

REGISTRARS

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

REGISTERED OFFICE AND WORKS

43/5, SAHALGARH ROAD,
P. O. SAHALGARH,
DISTRICT SONEPAT - 131 021 (HARYANA)

CORPORATE OFFICE

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

CONTENTS

1. NOTICE OF MEETING	...	2
2. DIRECTORS' REPORT	...	4
3. CORPORATE GOVERNANCE REPORT	...	5
4. AUDITORS' REPORT ON FINANCIAL STATEMENTS	...	15
5. BALANCE SHEET	...	18
6. PROFIT & LOSS ACCOUNT	...	19
7. CASH FLOW STATEMENT	...	20
8. SCHEDULES FOR FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT	...	21
9. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	...	26

NOTICE OF 24th ANNUAL GENERAL MEETING

To

The Members,

NOTICE is hereby given that the 24th Annual General Meeting of Members of JASCH INDUSTRIES LIMITED will be held on Thursday, the 12th day of August, 2010 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 31st March, 2010.

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

To appoint a Director in place of Shri Navneet 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 Kuideep Singal 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, (Registration No. 003870N) 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 : Power to dispose of undertaking U/s 293(1)(a) in favour of State of Bank of India

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

"Resolved that the consent of the Company as required under the provisions of section 293(1)(a) of the Companies Act, 1956 and other relevant or applicable provisions of the said Act, if any, be and is hereby accorded to the disposal by the Board of Directors of the Company's undertakings or a part of the undertaking at 43/5 Bahalgarh Road, Sonapat, Haryana and of the immovable properties comprising lands, buildings, structures, plant & machinery, fixtures and fittings and all other movable assets including outstanding moneys, receivables, claims, bills, invoices, documents, contracts, engagements, securities, investments and rights of the Company situated at 43/5 Bahalgarh Road, Sonapat in the State of Haryana or wherever else the same may be, to the State Bank of India by way of first equitable mortgage by deposit of title deeds and/or by way of hypothecation, pledge, floating charge, lien or any other charge with powers of sale, appointment of receivers, taking over of management and business of the company in case of default and such other powers as the directors may consider necessary or advisable for securing the various credit facilities granted or to be granted in future by the said bank to the company for sums not exceeding in the aggregate at any one time the sum of Rs. 50 crores with interest thereon, commitment charges, costs, other charges, expenses and other moneys as stipulated in the loan or other agreements entered into/to be entered into with the State Bank of India."

"Resolved further that the mortgage/charge created/to be created and/or all agreements/documents executed/to be executed and all acts done in terms of the above resolutions by and with the authority of Board of Directors or Committee of Directors be and are hereby confirmed and ratified."

AGENDA ITEM NO. 6 : Authority to borrow u/s 293(1)(d)

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

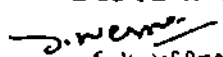
"Resolved that the Board of directors of the Company be and is hereby authorized to borrow at all or any times moneys which together with the moneys already borrowed by the company, apart from temporary loans obtained from the company's bankers in the ordinary course of business, in excess of the paid up capital and the free reserves that is to say reserves not set apart for any specific purpose subject to such borrowings in the aggregate not exceeding Rs. 50 crores [Rupees Fifty Crores] at any one time"

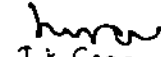
Place : Sonapat
Dated : 12th June, 2010

By Order of the Board of Directors
For JASCH INDUSTRIES LTD

CERTIFIED TRUE COPY
For Jasch Industries Ltd.

S.K. VERMA
COMPANY SECRETARY


S.K. VERMA
SECRETARY


J. K. GARG
Director

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 1st July, 2010 to 15th July, 2010 (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 NOS. 5 & 6**

As the members are aware, the Company is availing financial assistance from State Bank of India. As a part of routine documentation necessary to obtain such financial assistance, the Banks require security by way of charge on the assets of the Company which includes an authority from borrowers to dispose of the whole or substantially the whole of undertaking of the Company in certain eventualities, which may not at all happen. Under Section 293(1)(a) of the Companies Act, 1956, approval of members of the Company is required for disposing the whole or substantially the whole of undertaking of the Company. Further, under Section 293(1)(d) of the Companies Act, 1956, the Board of Directors cannot borrow more than the aggregate amount of the paid up share capital of the Company and its reserves at any one time, except with the consent of shareholders of the Company in a General Meeting

In the Company's Annual General Meeting held on 15th September, 2006, members had authorised the Directors u/s 293(1)(d) to borrow upto a maximum amount of Rs. 30 Crores, irrespective of the fact that such amount together with the moneys already borrowed by the Company (apart from temporary loans obtained from the bankers of the Company in the ordinary course of business) exceeded the aggregate of the paid up capital and free reserves of the Company as on that date. In the same meeting, the members had also approved creation of security on the Company's fixed assets in favour of State Bank of India under Section 293(1)(a) of the Companies Act, 1956 upto a limit of Rs. 20 crore.

Since the Company is planning expansion and growth, it requires, and may also require in future, additional financial assistance from the Bank, making it necessary to increase both the above limits to Rs. 50 crores. It is, therefore, proposed to obtain members' approval under Section 293(1)(a) and Section 293(1)(d) of the Companies Act, 1956 authorizing the Board to borrow in excess of prescribed limits and to create security on its fixed assets upto a limit of Rs. 50 crores in favour of State Bank of India. The resolutions seeking members' approval is proposed accordingly.

None of the Director of the Company is in any way, concerned or interested in the aforesaid resolutions.

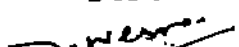
12th June, 2010

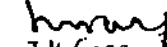
Registered Office :
Jasch Industries Ltd.
43/5, Bahalgarh Road,
P.O. Bahalgarh, Distt Sonapat
Haryana

By Order of the Board
For Jasch Industries Ltd.

S. K. Verma
COMPANY SECRETARY

**CERTIFIED TRUE COPY
For Jasch Industries Ltd.**


S. K. VERMA
SECRETARY


J. K. GARG
Director

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 24th Annual Report and Audited Accounts of the Company for the year ended 31st March, 2010.

FINANCIAL RESULTS

(Rs. in lakh)

Particulars	Current Year 2009-10	Previous Year 2008-09
Gross Sales	7033.77	5626.17
Less Excise Duty/vat/service tax	486.64	458.22
Net Sales Turnover	6547.14	5167.95
Other Income	52.40	46.31
Net sales and & other income	6599.53	5214.26
Operating Profit before Interest, Depreciation, Income Tax, Exceptional Items & Prior Periods Adjustments	656.14	592.41
Interest & Financial Charges	200.90	218.62
Gross Profit Before Depreciation	455.24	373.79
Depreciation	172.12	163.35
Less : Provision for income tax	94.21	59.95
Net profit before deferred tax	188.91	150.49
Add / (Deduct) : Provisions for deferred Tax (Assets) / Liability	(3.69)	(25.84)
Net profit available for appropriation	185.22	124.65
Surplus brought forward from previous year transfer to general reserve	694.33	627.86
surplus carried forward	879.55	694.33

DIVIDEND

The company requires internal resources for expansion & modernization and augmentation of long term resources for working capital with a view to support increasing production and sales, hence the Board has not recommended any dividend for the year ended on 31st March, 2010.

PERFORMANCE DURING THE YEAR

Your company has achieved gross sales of Rs. 7033.77 lakh during 2009-10 which were 25.02 % higher as compared with the sales of previous year. The sales of Synthetic Leather Division at Rs. 5390 lakh during 2009-10 were higher by 39.5 % as compared with the sales of previous year. The sales of Electronic Gauge Division at Rs. 1643.77 lakh were marginal 6.7% less as compared with sales of Rs. 1762.37 lakh during previous year. The Electronic Gauge Division has achieved export of Rs. 838 lakh during the year under review as compared with Rs. 783.0 lakh during 2008-09 and small decline in domestic sale is due to recessionary conditions in user industries of the capital goods items.

The growth of 39.5% in production and sales of Synthetic Leather Division was due to continuous Modernization and Upgradation of Plant & Machinery and development of innovative products for international shoe manufacturers like Reebok, Adidas, Nike etc, which require very stringent quality standard. The company has also made a small breakthrough in international market by exporting Synthetic Leather of Rs. 37 lakh during 2009-10.

The company's Operating Profit before depreciation, income tax, deferred Tax has increased by 11%, to Rs. 656.14 lakh as compared with the previous year's profit of Rs. 592.41 lakh. There was pressure on margin due to escalating cost of raw material on account of

inflationary pressure in the economy, which the company could not pass on to its customers immediately. Despite about 25% increase in production and sales during the year 2009-10, the company has been able to contain interest charges at almost the same level of Rs. 200 lakh during the year due to efficient management of inventory and working capital resources.

The gross profit before depreciation and income tax has also increased to Rs. 455.24 lakh during the year 2009-10, which was 21.72% higher, than that of the previous year. After providing depreciation of Rs. 172.12 lakh & provision of Income Tax of Rs. 94.21 lakh, the company has earned net profit before deferred tax of Rs. 188.91 lakh which was higher by 25.53% as compared with net profit before deferred tax of Rs. 150.49 lakh in the previous year. After providing deferred income tax of Rs. 3.69 lakh, the company has achieved net profit of Rs. 185.22 lakh during the year under review as compared with net profit of Rs. 124.65 lakh during the previous year when the provision for deferred tax was higher at Rs. 25.84 lakh. The cash profit of the company without taking into account deferred tax liabilities has increased from Rs. 313.84 lakh during the previous year to Rs. 361.03 lakh during the year 2009-10. In view of recessionary trend prevailing in the international market and wide fluctuation in the prices of major raw material during the year, the Management considers performance of the company during the year under review as quite satisfactory.

CREDIT RATING AND ISO 9001 CERTIFICATION

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

INSURANCE CLAIM

The company's insurance claim of Rs. 48.96 lakhs 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

The company has achieved consistent increase in production and sales in the last few years due to the Management's focus on continuous upgradation and modernization of plant and machinery and development of innovative products. The Management is further planning for upgradation of existing DMF recovery Plant which besides increasing production capacity of PU synthetic Leather by 50%, will also result in substantial saving in cost of power and fuel, thereby improving profitability of the company in the next 2 - 3 years. In view of this, the Management is optimistic about better results in the current year as well as in future.

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 2010 was Nil.

DELISTING FROM AHMEDABAD STOCK EXCHANGE

The Company had sought voluntary delisting of its shares from Stock Exchanges at Ahmedabad and Kolkata pursuant to SEBI (Delisting of Shares) Regulations, 2009. The Shares of the Company have been delisted from Ahmedabad Stock Exchange w.e.f. 6th January, 2010. No response has been received from Kolkata Stock Exchange inspite of repeated reminders.

DIRECTORS

Shri Navneet Garg and Shri Kuldeep Singal, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The directors recommend their reappointments. A brief resume of these proposed re-appointees is given in the Corporate Governance Report. Justice A.S Garg (Retired) resigned during the year from directorship of the company due to his other commitments. The Board places on record its appreciation to the contribution made by Justice Garg in the Board Meetings during his tenure.

AUDITORS & THEIR REPORT

M/s Arora and Choudhary Associates, Chartered Accountants retire as Auditors of the Company at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The company has received a letter from them that their reappointment, if made would be within the prescribed limit under section 224(1B) of Companies Act, 1956 and that they are not disqualified from being reappointed as Auditor U/s 226. The Directors and the Audit Committee recommend their re-appointment. Auditors' Report is self-explanatory and requires no comments by the Directors.

AUDIT COMMITTEE

The Audit Committee constituted by the Board in compliance with Section 292A of the Companies Act, 1956 and under the Listing agreement, comprised of Dr. K.C. Varshney, Shri Kuldeep Singal and Shri S.K. Khandelwal all of whom are non-executive Directors. Dr. Varshney, who is the Chairman of the Audit Committee, is a retired executive director of Industrial Development Bank of India with more than 38 years' experience in the field of corporate finance, and as such has sound knowledge of financial matters. The finance executives and statutory auditors of the Company are permanent invitees to the Audit Committee Meetings. Shri S.K. Verma, Company Secretary is the Secretary of the Audit Committee.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, as introduced by Companies (Amendment) Act, 2000, the Directors confirm that :

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) Appropriate accounting policies have been selected and applied consistently, and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2010 and of the profits of the Company for the year ended 31st March, 2010.
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) the annual accounts have been prepared on a going concern basis.

ACKNOWLEDGMENTS

Your directors are pleased to place on record their sincere thanks to the Bankers and business associates of the company for their continued and valuable co-operation and support to the Company.

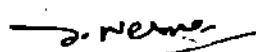
Your Directors also express their appreciation for the hard work and sincere services rendered by workers, staff and executives of the Company during the year.

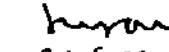
Place : Sonapat
Date : 12th June, 2010

For & on behalf of the Board

(J. K. GARG)
Chairman

CERTIFIED TRUE COPY
For Jasch Industries Ltd.


S.K. VERMA
SECRETARY


J.K. GARG
Director

ANNEXURE A TO DIRECTORS' REPORT

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

PRODUCT INTRODUCTION

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

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

Business Distribution	2009-2010		2008-2009	
	Value	%	Value	%
- PU/PC Coated Fabrics	5390.00	76.6 %	3863.80	68.68
- Electronic Gauges	1643.77	23.4 %	1762.37	31.32
	<u>7033.77</u>	<u>100 %</u>	<u>5626.17</u>	<u>100 %</u>

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

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, the company has been able to withstand competition both domestic and from abroad, as it is an integrated player with in-house manufacturing facility for Non-Woven Fabrics & PU Resin, which are main raw materials for PU coated Fabrics. Further, the company is continuously upgrading its technology and modernizing plant & machinery to maintain competitive edge in the market and hence despite tough competition in the market, its sales are growing every year and it has achieved 39.5% increase in production and sales during 2009-10. The company is now concentrating on PU Synthetic Leather where competition is somewhat less.

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

	2009-2010	2008-2009 (Rs. in Lakh)
Production lakh meter	27.01	24.65
Production lakh meter	37.08	27.01
Segment Revenue	5390.00	3863.80
Segment Profits/(Loss) before interest & other common unallocable expenditure	257.56	186.85
Capital Employed	2631.27	2654.45

B. ELECTRONIC GAUGE AUTOMATION DIVISION

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

	2009-10	2008-2009 (Rs. Lakhs)
Production (in Nos.) (Gauges + Parts)	64 + 423	66 + 229
Segment Revenue	1643.77	1762.37
Segment Profits before interest & other common unallocable expenditure	226.47	246.14
Capital Employed	738.19	826.25

The company has domestic and export orders of more than Rs. 200 Lakh on hand of Electronic Gauges 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 and hence can grow only in line with expansion and modernization of user Industries, which are facing acute recession due to slow down in capital expenditure all over the world. The company is continuously updating its manufacturing and product technology in line with international trends.

(i) Fixed Assets

The gross fixed assets including capital work in progress of Rs. 65.85 lakh were Rs. 3453.01 lakhs as on 31st March 2010. The net addition of fixed assets of Rs. 212.62 lakh was due to ongoing modernization and installation of balancing equipments during the year.

(ii) Current Assets

The net current assets as on 31st March, 2010 were Rs. 1574.53 lakhs as compared with Rs. 1674.38 lakh in the previous year resulting a marginal decline of Rs. 99.85 lakh mainly due to decrease in inventory & borrowing for working capital and investment in modernization from internal resources.

(iii) Working Capital and Borrowings

The working capital borrowing from the Bank declined by Rs. 152.96 lakh (i.e. from Rs. 978.39 lakhs in 2008-09 to Rs. 825.43 lakhs in

2009-10) during the year despite about 25% jump in production and sales which reflects efficient management of Inventory and working capital resources. Over all secured debts of the company declined from Rs.1552.14 lakh as on 31.03.09 to Rs. 1304.66 lakh as on 31.03.2010, which indicates decline of secured debts by Rs. 227.48 lakh during the year due to repayment of term loan and reduced working capital borrowings. The net worth of the company has increased from Rs. 1827.32 lakh as on 31.03.2009 to Rs. 2012.55 lakh as on 31.03.2010 due to retention of entire net profit. Overall secured debts to equity ratio declined from 0.84:1 as on 31.03.2009 to 0.65:1 as on 31.03.2010.

RISK MANAGEMENT

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

1. Business Segment Risk

a. User Industry Concentration

PVC/PU Synthetic Leather is used across a wide spectrum of Industries. However Company's products are mostly (upto 75% of total) used in Footwear Industry. Therefore, the fortunes of the company are invariably inter linked with that of Footwear Industry. Any downward trend in Footwear Industry will have significant impact on the company. The company is making efforts to increase usage of its products in other Industries such as Automobile & 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 60%.

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 in respect of Coated Fabrics & Electronic Gauges.

c. Technological Obsolescence

Right from the beginning, the company has been engaged in its own Research & Development activity 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 had entered into technical collaboration agreement with DUKSUNG COMPANY LTD., Korea in September, 2006 and has been quite successful in updating technology and development of new products.

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 Synthetic Leather and 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 43.8% 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. 1935.08 lakhs during the year (including capital goods of Rs. 43.17 lakh and foreign travel of Rs. 21.76 lakh) against exports in foreign currency were of Rs. 875.0 lakh, which provides reasonable hedge against adverse fluctuation in foreign currency. The company's foreign currency transactions are on current account basis and there are no deferred liabilities in terms of foreign exchange except small amount due in respect of raw material imported on deferred payment basis after 31st March, 2010.

(b) Interest and Leverage Risk

The interest rate in the Indian economy has been stable in the last 12-18 months. Therefore, 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 2009-2010. Relation with worker and 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 report the forward looking information if any, is for enabling investors to comprehend our prospects and take informed investment decisions. This report and other statement – written and oral – that we periodically make contain forward looking statements that set out anticipated results based on the management's plan and assumptions. In this report, such statements have been identified by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

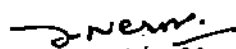
Although due prudence has been exercised while making these assumptions, it cannot be guaranteed that these forward-looking statements will be realized. The achievement of results is subject to risk, uncertainties and even inaccuracies in our assumptions. Should known or unknown risks or uncertainties materialized, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

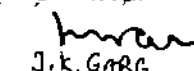
For & on behalf of the Board

Place : Sonapat
Date : 12th June, 2010

(J.K.GARG)
Chairman

CERTIFIED TRUE COPY
For Jasch Industries Ltd.


S.K. VERMA
SECRETARY


J.K. GARG
Director

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 wind powered fans on the ceiling of factory building for proper ventilation, which has saved power. 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 in the last 2 years which has improved heat transfer efficiency of ovens, resulting in substantial saving in the cost of heating fuel.

for a period of three years . The Company has 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 use of technology has contributed to substantial saving in foreign exchange for the country, as many products developed by the company were imported earlier and the company has also exported Synthetic Leather worth Rs. 37 lakh during the year.

FORM A (See Rule - 2)

A1 POWER AND FUEL CONSUMPTION DURING THE YEAR ENDED 2009-10

1) ELECTRICITY PURCHASES	KWH UNITS IN LAKH	1.00
TOTAL AMOUNT	RS. IN LAKH	1.00
AVERAGE RATE	RS. PER UNIT	1.00
2) FUEL FOR DG SET		
QUANTITY(LTRS)	LAKH	1.80
TOTAL COST	RS. IN LAKH	17.92
AVERAGE RATE	RS. PER LTR	31.02
3) FUEL FOR BOILER	LAKH KGS	27.35
(PETRO COKE & FIRE WOOD)		
TOTAL COST	RS. IN LAKH	136.11
AVERAGE RATE	RS. PER KG	5.0
4) OWN GENERATION		
THROUGH DIESEL GENERATORS	UNITS IN LAKH	13.65
UNIT PER LTR. OF DIESEL		1.80
COST	RS. PER UNIT	6.62

NOTE 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.

2. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

The Company had entered into a 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 valid

- 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

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

4. Outgo by way of foreign exchange (CIF) during 2009-10
(Rs in Lakh)

a. Foreign exchange outgo	1935.08
b. Foreign exchange earnings	
US\$ 1198712	57.14
Euro 444221	295.89
	<u>874.83</u>

For and on behalf of Board of Directors

Place : Sonapat
Date : 12th June, 2010

(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 31st March, 2010 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 2009-2010, 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		Whether attended last AGM	
			Directorships#	Committee~ Member: Chairman		
J.K. Garg	E&P	5	2	0	0	Yes
Kamlesh Garg (Ms)	P	3	1	0	0	No
A.S. Garg (Justice) ¹	NE&I	1	1	0	0	No
S.K. Khandelwal (Dr)	NE&I	5	1	3	1	Yes
Ramnik Garg	E&P	5	2	0	0	Yes
Manish Garg	E&P	5	2	0	0	Yes
Navneet Garg	E&P	5	1	0	0	Yes
K.C. Varshney (Dr)	NE&I	4	3	2	2	Yes
Ashok Mittal (Dr)	NE&I	5	5	0	0	Yes
Kuldeep Singal	NE&I	4	1	2	0	No
O.P. Garg	E	5	1	1	0	Yes
Shri K.L. Khetarpaul	N&I	3	3	0	0	Yes

1 = appointed w.e.f. 18-07-09 & ceased w.e.f. 30-10-09 E = Executive, P=Promoter, NE=Non-Executive I = Independent
= Directorships in Indian public limited companies only.

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

During the year under the report, the Board met five times i.e. on 25-04-09, 18-07-09, 29-09-09, 30-10-09, 23-01-10. 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 Navneet Garg (35 years) is a Mechanical Engineer with more than 10 years experience in Production of Synthetic Leather and management. He is not a Director or Committee Member of any other Company.

(ii) Shri Kuldeep Singal (66) is an industrialist with about 50 years industrial experience in production, finance and management. Besides being a Director of Janaki Dass Rubber Industries Pvt Ltd, he is not a Director or Committee Member of any other Company.

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 25-04-09, 18-07-09, 29-09-09, 30-10-09, 23-01-10.

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 had no occasion to hold any meeting.

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	3,00,000	64,800
Shri Manish Garg	Whole Time Director	6,00,000	64,070
Shri Ramnik Garg	Whole Time Director	6,00,000	77,814
Shri Navneet Garg	Whole Time Director	6,00,000	77,814

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. 25,000	Dr K.C. Varshney	Rs. 20,000
Dr. Ashok Mittal	Rs. 25,000	Shri Kuldeep Singal	Rs. 20,000
Shri K.L. Khetarpaul	Rs. 15,000	Justice A.S. Garg	Rs. 5,000

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 two complaints, which were satisfactorily resolved. No complaint was pending as on 31st March, 2010.

No requests for transfer / transmission / dematerialisation of shares were pending as on 31st March, 2010, 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, 2010 or which have been received late. These requests, were subsequently approved/dealt with by the Company.

6. GENERAL BODY MEETINGS

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

Year	Date	Time	No. of Special Resolutions passed
2006-07	28-09-2007	10 AM	5
2007-08	08-09-2008	10 AM	6
2008-09	29-09-2009	10 AM	0

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.

(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 12-08-10 at 10:00 AM - Venue Registered Office of the Company at : 43/5, Bahalgarh Road, Sonipat, Haryana

9.2 Financial Calendar 2009-10.

Annual General Meeting : 12th August, 2010

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, 2010 - 31st March, 2010 (unaudited) First Half of May, 2010

9.3 Book Closure Date:

1st July 2010 To 15th July, 2010 (both days inclusive)

9.4 Dividend Payment date :

Not applicable

9.5 Listing of Equity Shares:

Mumbai Stock Exchange*

9.6 Stock Code :

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

At the beginning of the year, Company's shares were listed at Stock Exchanges at Mumbai, Kolkata and Ahmedabad. The company had applied for voluntary delisting of its shares from Kolkata and Ahmedabad Stock Exchanges. These shares have been delisted from Ahmedabad Stock Exchange w.e.f. 06-01-2010. No response has been received from Kolkata Stock Exchange inspite of repeated reminders. These shares, however, will 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.

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 2009-2010 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.)	* Spread (Rs.)	
								H-L	C-O
Apr 09	5.99	7.24	5.85	6.07	49,620	164	3,15,808	1.39	0.08
May 09	6.26	8.80	6.00	8.80	61,522	135	4,15,867	2.80	2.54
Jun 09	9.23	9.59	7.50	7.55	53,773	210	4,67,529	2.09	-1.68
Jul 09	7.24	8.60	5.92	8.25	27,718	149	1,97,665	2.68	1.01
Aug 09	7.62	9.10	7.61	8.70	47,849	158	3,96,405	1.49	1.08
Sep 09	8.11	8.97	7.50	8.80	65,041	197	5,17,355	1.47	0.69
Oct 09	8.50	9.50	7.56	8.99	55,664	235	4,75,199	1.94	0.49
Nov 09	8.45	10.25	8.14	9.40	66,671	315	6,07,940	2.11	0.95
Dec 09	9.00	9.98	8.30	9.07	59,964	311	5,44,868	1.68	0.07
Jan 10	9.30	11.69	9.00	10.00	1,44,285	604	14,67,710	2.69	0.70
Feb 10	9.75	14.40	9.52	11.40	1,29,485	536	15,21,616	4.88	1.65
Mar 10	11.40	11.95	8.00	9.99	1,39,684	357	14,12,773	3.95	-1.41
Apr 10	10.24	13.50	9.40	10.31	95,850	355	10,73,833	4.10	0.07
May 10	10.03	11.80	9.80	10.25	22,492	107	2,43,143	2.00	0.22

* Spread

H-L : High-Low

C-O : Close-Open

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

9.8 REGISTRAR AND 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.

CERTIFIED TRUE COPY

For Jasch Industries Ltd.

S.K. Verma
S.K. VERMA
SECRETARY

J.K. Garg
J.K. GARG
Director

9.9 DISTRIBUTION OF SHAREHOLDING AS ON 31ST March, 2010
(Equity shares of face value of Rs. 10 each, fully paid up)

Category Code	Category of shareholders	No. of share holders	Total Number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					Total shareholding as a % of (A+B) 1	Total shareholding as a % of (A+B+C)	Number of Shares	As a percentage of Total Number of Shares
(A)	Share Holding of promoter and promoter group							
(I)	Indian	13	6089223	6037323	53.74	53.74	2000000	32.84
(II)	Foreign	0	0	0	0	0	0	0
	Total Promoter Share Holding (A)	13	6089223	6037323	53.74	53.74	2000000	32.84
(B)	Public Share Holding							
(I)	Institutions	1	1100	0	0.01	0.01	0	0
(II)	Non-Institutions							
(a)	Bodies Corporate	124	482984	443784	4.26	4.26	0	0
(b)	Individuals							
	i. Individual shareholders holding nominal share capital up to Rs 1 Lac	9535	3070025	1670785	27.10	27.10	0	0
	ii. Individual shareholders holding nominal share capital in excess of Rs 1 Lac	45	1538070	1394070	13.58	13.58	0	0
(c)	NRIs	326	148598	25198	1.31	1.31	0	0
	Total Public shareholding (B)	10031	5240777	3533837	46.26	46.26	0	0
	TOTAL (A)+(B)	10044	11330000	9571160	100	100	2000000	17.65
(C)	Shares Held by Custodians and against which depository receipts have been issued (C)	0	0	0	0	0	0	0
	Grand Total (A)+(B)+(C)	10044	11330000	9571160	100	100	2000000	17.65

9.10 DEMATERIALISATION OF SHARES AND LIQUIDITY

84.48% of the paid up share capital of the Company is represented in dematerialised form as on 31st March, 2010.

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, Jhandelwala Extension
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 : 0130-3053600, 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.

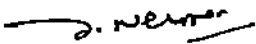
For Jasch Industries Ltd.

J. K. Garg
CHAIRMAN & Managing Director

Sonapat,
12th June, 2010

CERTIFIED TRUE COPY

For Jasch Industries Ltd.


S.K. VERMA
SECRETARY


J. K. GARG
Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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, 2010, 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 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
(Registration No. 003870N)

CA. Vijay K. Choudhary
Partner
Membership No : 81843

New Delhi,
June 12, 2010

CERTIFIED TRUE COPY
For Jasch Industries Ltd.

S.K. Verma
S.K. VERMA
SECRETARY

J.K. Garg
J.K. GARG
Director

AUDITORS' REPORT

To the Members,
Jasch Industries Ltd.
Sonepat.

We have audited the attached Balance Sheet of Jasch Industries Ltd., Sonepat as at March 31, 2010, 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) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the 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 are in compliance 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, 2010, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2010 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 accounts read together with the significant Accounting Policies and 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, 2010;
 - 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
(Registration No. 003870N)

CA. Vijay K. Choudhary
Partner
Membership No : 81843

New Delhi,
June 12, 2010

CERTIFIED TRUE COPY
For Jasch Industries Ltd.

S.K. VERMA
SECRETARY

J. K. GARG
Director

ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph 2 of our report of even date

- 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 part 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 information 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 records 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, no loans have been 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 for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses 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 from the public. 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, 2010 for a period of more than 6 months from the date they became payable.
 - (iii) The disputed statutory dues aggregating Rs. 14.19 Lacs, that have not been deposited on account of disputed matters pending before appropriate authorities are as under:-

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

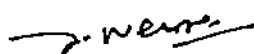
- 10 The Company does not have accumulated losses as at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
- 11 Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, 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 an overall examination of the Balance Sheet of the Company, we are of the opinion, that there are no funds raised on short-term basis, that have been used for long-term investment.
- 18 The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- 19 The Company has not issued any debenture and 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.

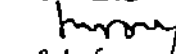
For Arora & Choudhary Associates
Chartered Accountants
(Registration No. 003870N)

CA. Vijay K. Choudhary
Partner
Membership No : 81843

New Delhi,
June 12, 2010

CERTIFIED TRUE COPY
For Jasch Industries Ltd.


S.K. VERMA
SECRETARY


J.K. GARG
Director

JASCH INDUSTRIES LIMITED

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

BALANCE SHEET AS AT 31st MARCH, 2010

SCHEDULE	31 st MARCH 2010 (Rupees)	31 st MARCH 2009 (Rupees)
I) SOURCES OF FUNDS		
1) SHAREHOLDERS' FUNDS :		
a) SHARE CAPITAL	1 113300000	113300000
b) RESERVES AND SURPLUS	2 87955075	69432932
	201255075	182732932
2) LOAN FUNDS :	3	
a) SECURED LOANS	130466169	153214286
b) UNSECURED LOANS	-	-
	130466169	153214286
3) DEFERRED TAX LIABILITY	27336906	26967586
TOTAL	359058150	362914804
II) APPLICATION OF FUNDS :		
1) FIXED ASSETS :	4	
a) GROSS BLOCK (AT COST)	338716097	322427670
b) LESS : DEPRICIATION	146683027	130656213
c) NET BLOCK	192033070	191771457
d) CAPITAL WORK IN PROGRESS	6585356	1611826
INVESTMENTS	5 2986318	2093800
CURRENT ASSETS, LOANS AND ADVANCES	6	
a) INVENTORIES	99836604	101257762
b) SUNDRY DEBTORS	166210079	129249590
c) CASH AND BANK BALANCES	8863554	6269045
d) LOANS AND ADVANCES	6274253	11347490
e) CLAIM RECEIVABLE	4896565	4896565
	286081055	253020452
LESS : CURRENT LIABILITIES AND PROVISIONS	7	
Current Liabilities	124796591	82628179
Provisions	3831057	2954551
NET CURRENT ASSETS	157453407	167437722
TOTAL	359058150	362914804

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
(Registration No. 003870N)

CA. VIJAY K. CHOUDHARY
PARTNER
Membership No. 81843

New Delhi, June 12, 2010

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)

**CERTIFIED TRUE COPY
For Jasch Industries Ltd.**

18

S. K. VERMA
SECRETARY

J. K. GARG
Director

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 31st MARCH, 2010

	SCHEDULE	31 st March 2010 (Rupees)	31 st March 2009 (Rupees)
INCOME			
TURNOVER	8	703377646	562616580
LESS : EXCISE DUTY / VAT		48663923	45821557
NET SALES		<u>654713723</u>	<u>516795023</u>
OTHER INCOME	9	5239813	4631476
		<u>659953536</u>	<u>521426499</u>
EXPENDITURE			
MATERIALS CONSUMED AND MFG. EXP.	10	527869383	423711316
(INCREASE)/DECREASE IN STOCK	11	9905741	(7866708)
OPERATIONAL EXPENSES	12	42454330	38591233
INTEREST AND FINANCE CHARGES	13	20090690	21862240
SELLING & DISTRIBUTION EXPENSES	14	14108374	7749454
DEPRECIATION	4	17211923	16335043
		<u>631640440</u>	<u>500382578</u>
PROFIT BEFORE TAX		28313096	21043921
LESS : TAX EXPENSES			5959213
CURRENT-YEAR		9371521	35387
INCOME TAX EARLY YEARS (NET)		50112	2584085
DEFERRED TAX (ASSETS) / LIABILITY		369320	<u>12465236</u>
PROFIT FOR THE YEAR AFTER TAX CARRIED TO BALANCE SHEET		<u>18522143</u>	<u>12465236</u>
Number of Equity Shares outstanding during the year		11330000	11330000
Basic and Diluted Earnings per Share of face value of Rs. 10 each (in Rupees)		01.64	01.10

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
(Registration No. 003870N)

CA. VIJAY K. CHOUDHARY
PARTNER
Membership No. B1843

New Delhi, June 12, 2010

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)

CERTIFIED TRUE COPY
For Jasch Industries Ltd.

S.K. Verma
S.K. VERMA
SECRETARY

J.K. Garg
J.K. GARG
Director

CASH FLOW STATEMENT FOR THE YEAR 2009 - 2010

PARTICULARS	2009 - 2010 (Rupees)	2008 - 2009 (Rupees)
A. CASH FLOWS FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE TAX AND EXTRA-ORDINARY ITEMS	2,83,13,096	2,10,43,921
ADJUSTMENTS FOR :		
DEPRECIATION	1,72,11,923	1,63,35,044
INTEREST EXPENSES	2,00,90,690	2,18,62,240
INTEREST INCOME	(4,39,931)	(2,54,405)
INTEREST (TUFF)	(27,66,189)	(16,26,788)
EXCESS PROVISION RETURN BACK	—	(10,74,575)
PROFIT ON SALE OF INVESTMENT	(6,000)	—
DEBTORS WRITTEN OFF	22,97,021	—
LOSS ON SALE OF FIXED ASSETS AND VEHICLE (NET)	3,27,829	3,92,958
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	6,50,28,439	5,66,78,396
ADJUSTMENTS FOR :		
(INCREASE)/DECREASE IN TRADE & OTHER RECEIVABLES	(3,41,84,274)	(1,83,98,460)
(INCREASE)/DECREASE IN INVENTORIES	14,21,158	(30,60,574)
INCREASE/(DECREASE) IN TRADE PAYABLES AND OTHER LIABILITIES	4,30,44,918	1,35,22,054
CASH GENERATED FROM OPERATIONS	7,53,10,241	4,87,41,416
INTEREST RECEIVED	4,39,931	2,54,405
INTEREST (TUFF)	27,66,189	16,26,788
EXCESS PROVISION RETURN BACK	—	10,74,574
PROVISION FOR TAX	(93,71,521)	(59,59,213)
INCOME TAX FOR EARLIER YEAR	(50,112)	(35,387)
NET CASH FROM OPERATING ACTIVITIES	6,90,94,728	4,57,02,583
B. CASH FLOWS FROM INVESTMENT ACTIVITIES		
PURCHASE OF FIXED ASSETS (Including W.I.P. Adjustment) (NET OF MODVAT BY Rs. 5,90,048/-) (NET OF VAT BY Rs. 40,235/-)	(2,54,60,295)	(2,63,56,206)
SALE OF FIXED ASSETS & VEHICLE	4,44,400	5,68,000
CAPITAL SUBSIDY (TUFF)	22,41,000	28,84,731
PURCHASE OF INVESTMENTS	(13,92,518)	—
SALE OF INVESTMENTS	5,06,000	—
NET CASH USED IN INVESTMENT ACTIVITIES	(2,36,61,413)	(2,29,03,475)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
PROCEEDS FROM ISSUE OF SHARE CAPITAL	—	—
BORROWINGS FROM DIRECTOR & BANKS (NET)	77,89,340	1,23,18,503
BORROWINGS FROM BANK FOR W.C.	(1,52,95,512)	34,43,727
REPAYMENT OF BORROWINGS (NET)		
LONG TERM	(1,31,19,731)	(1,18,00,000)
SHORT TERM (V)	(21,22,214)	(25,37,282)
DIVIDEND PAID	—	—
INTEREST PAID	(2,00,90,690)	(2,18,62,240)
NET CASH USED IN FINANCING ACTIVITIES	(4,28,38,807)	(2,04,37,292)
NET CASH INFLOW	25,94,509	23,61,816
CASH AND CASH EQUIVALENTS AS AT 31-03-2009	62,69,045	39,07,229
CASH AND CASH EQUIVALENTS AS AT 31-03-2010	88,63,534	62,69,045
NET CASH INFLOW	25,94,509	23,61,816

AS PER OUR REPORT OF EVEN DATE
FOR ARORA & CHOUDHARY ASSOCIATES
CHARTERED ACCOUNTANTS
(Registration No. 003870N)

CA. VIJAY K. CHOUDHARY
PARTNER
Membership No. 81843
New Delhi, June 12, 2010

CERTIFIED TRUE COPY
For Jasch Industries Ltd

S.K. Verma
S.K. VERMA
SECRETARY

J.K. Garg
J.K. GARG
Director

FOR AND ON BEHALF OF THE BOARD

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)

**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 31ST MARCH, 2010**

PARTICULARS	31 st March 2010 (Rupees)	31 st March 2009 (Rupees)
SCHEDULE-1		
SHARE CAPITAL		
AUTHORISED:		
1,25,00,000 EQUITY SHARE OF Rs. 10/- EACH	125000000	120000000
ISSUED, SUBSCRIBED AND PAID UP:		
1,13,30,000 EQUITY SHARES OF Rs. 10/- EACH		
FULLY PAID UP	113300000	113300000
PER BALANCE SHEET	<u>113300000</u>	<u>113300000</u>
SCHEDULE - 2		
RESERVES AND SURPLUS		
AS PER LAST BALANCE SHEET	69432932	62786676
LESS : PROVISION FOR DEFERRED TAX	-	5818980
ADD : SURPLUS AS PER PROFIT AND LOSS ACCOUNT	18522143	12465236
PER BALANCE SHEET	<u>87955075</u>	<u>69432932</u>
SCHEDULE - 3		
LOAN FUNDS		
(I) SECURED LOANS		
A) TERM LOANS		
(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	1915138	5956818
II) SBI TERM LOAN-2	18790546	23657702
III) SBI TERM LOAN-3	8495947	11331504
IV) SBI TERM LOAN-4	12608178	11075989
V) SBI TERM LOAN-5	2182473	-
(Term Loan Repayable in next 12 Months is Rs. 150 Lakh) (Previous Year Rs. 131 Lakh)		
B) WORKING CAPITAL LOAN FROM BANK	82543596	97839108
(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)		
C) VEHICLE LOANS		
I) CAR	3853355	3101455
II) TEMPO	76936	251710
PER BALANCE SHEET	<u>130466169</u>	<u>153214286</u>

**SCHEDULE-4
DEPRECIATION &
FIXED ASSETS**

(IN Rs.)

ASSETS	GROSS BLOCK - AT COST				DEPRECIATION				NET BLOCK	
	Balance As at 01.04.09	Additions	Deductions/ Adjustments	As at 31.03.2010	Upto 31.03.2009	For the Year	Deduc./ Adjustments	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
LAND	992813	0	0	992813	0	0	0	0	992813	992813
BUILDING (O)	2653549	0	0	2653549	192306	43253	0	235559	2417990	2461243
BUILDING (F)	26997241	2543947	0	29541188	8662980	966003	0	9628983	19912205	18334261
FURNITURE & FITTINGS	3055350	124782	0	3180132	1240046	196885	0	1436931	1743201	1815304
PLANT & MACHINERY	266992477	10152034	3087510	274057001	114344454	14121105	580068	127885491	146171510	152648023
VEHICLES	10797672	4388337	1110828	14075181	2811027	1096282	605041	3302268	10772913	8016025
VEHICLES-COMM.	1427873	0	0	1427873	161669	135648	0	297317	1130556	1236824
FIRE FIGHTING EQUIPMENTS	577114	0	0	577114	322606	36531	0	359137	217977	254508
AIR CONDITIONERS	679492	110850	0	790342	191485	36731	0	228216	562126	488007
COMPUTERS	1607731	352312	0	1960043	960152	164190	0	1124342	835701	647579
GENERATOR SET	5409554	2400017	0	7809571	1513114	348290	0	1861404	5948167	3896440
OFFICE APPLIANCES	1236804	414486	0	1651290	256374	67005	0	323379	1327911	980430
TOTAL	322427670	20486765	4198338	338716097	130656213	17211923	1185109	146683027	192033070	191771456
CAPITAL WORK-IN PROGRESS :	1611826	6784772	1811242	6585356	0	0	0	0	6585356	1611826
TOTAL	324039496	27271537	6009580	345301453	130656213	17211923	1185109	146683027	198618426	193383282
PREVIOUS YEAR	302135522	39021049	17117075	324039496	114927712	16335043	606543	130656213	193383283	187825819

PARTICULARS

31st March 2010
(Rupees)

31st March 2009
(Rupees)

SCHEDULE - 5

INVESTMENTS

QUOTED :

33,900 EQUITY SHARES OF Rs. 10/- EACH
FULLY PAID UP OF STANDARD CAPITAL MARKET LTD.
(Market Value as on 31.03.2010 Rs. 67800/-)

67800

67800

SBI MUTUAL FUND

500000

UNQUOTED :

GESCO AUTOMATION LTD
JASCH EUROPE BVBA, BELGIUM
INVESTMENT IN REAL ESTATE

1526000

1526000

392518

1000000

PER BALANCE SHEET

2986318

2093800

SCHEDULE - 6

CURRENT ASSETS, LOANS & ADVANCES

a) INVENTORIES :

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

RAW MATERIALS
CONSUMABLES
STORES, SPARES AND FUEL
PACKING MATERIAL
STOCK IN PROCESS
FINISHED GOODS (INCLUDING PROVISION FOR EXCISE DUTY)
GOODS IN TRANSIT

58066160

47815636

15471963

16040020

847492

1965926

258315

333350

12070434

14859672

10250653

17599718

2871587

2643440

PER BALANCE SHEET

99836604

101257762

PARTICULARS	31 st March 2010 (Rupees)	31 st March 2009 (Rupees)
b) SUNDRY DEBTORS :		
(i) DEBTS OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS :	16918043	21790223
(ii) OTHER DEBTS (UNSECURED CONSIDERED GOOD)	149292036	107459366
PER BALANCE SHEET	<u>166210079</u>	<u>129249589</u>
c) CASH & BANK BALANCES :		
(i) CASH IN HAND	328626	1069584
(ii) WITH SCHEDULED BANKS IN CURRENT ACCOUNT IN MARGIN MONEY ACCOUNT	260044 8274884	333634 4865827
PER BALANCE SHEET	<u>8863554</u>	<u>6269045</u>
d) LOANS & ADVANCES :		
(i) RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED AND/OR TO BE ADJUSTED		
a) PREPAID EXPENSES	638966	895721
b) ADVANCE FOR RAW MATERIAL & OTHERS	513473	841553
c) OTHER RECEIVABLE	804486	1465413
d) ADVANCE AGAINST MACHINERY	655198	761429
(ii) BALANCE WITH EXCISE DEPARTMENT DUTY DEPOSITED UNDER PROTEST DUTY RECEIVABLE UNDER CLAIM OF REBATE BALANCE IN CENVAT ACCOUNTS	498005 1371417	498005 2304416 2860066
(iii) SECURITY DEPOSITES	1792708	1720888
PER BALANCE SHEET	<u>6274253</u>	<u>11347490</u>
e) FIRE CLAIM RECEIVABLE :	4896565	4896565
PER BALANCE SHEET	<u>4896565</u>	<u>4896565</u>
SCHEDULE - 7		
a) CURRENT LIABILITIES :		
SUNDRY CREDITORS FOR RAW MATERIAL	97157793	53351159
SUNDRY CREDITORS FOR MACHINERY	1925827	995881
SUNDRY CREDITORS FOR OTHERS	7554690	5394962
ADVANCE FROM CUSTOMERS	13284199	20003113
EXPENSES PAYABLE	4026106	2524936
SALES TAX	643044	246340
OTHER LIABILITIES	204931	111788
PER BALANCE SHEET	<u>124796591</u>	<u>82628179</u>
b) PROVISIONS :		
FOR RETIREMENT BENEFITS	2488769	2278300
FOR LISTING FEE OF STOCK EXCHANGES	248966	625135
FOR TAXATION (CURRENT YEAR)	9371521	5959213
LESS : ADVANCE TAX, T.D.S.	8278199	5908097
PER BALANCE SHEET	<u>3831057</u>	<u>2954551</u>
SCHEDULE-8		
TURNOVER		
A) ELECTRONIC THICKNESS GAUGE (BTG)	164377290	176236890
B) SYNTHETIC LEATHER & ALLIED PRODUCTS	539000356	386379690
PER PROFIT AND LOSS ACCOUNT	<u>703377646</u>	<u>562616580</u>

PARTICULARS	31 st March 2010 (Rupees)	31 st March 2009 (Rupees)
SCHEDULE-9		
OTHER INCOME		
A) AMC RECEIPTS	1044237	801040
B) EXCHANGE RATE FLUCTUATION (NET)	983456	803240
C) INTEREST ON FDR	439931	254405
D) INTEREST PAYBACK (TUFF)	2766189	1626788
E) PROVISION NO LONGER REQUIRED WRITTEN BACK	-	1074574
F) MISCELLANEOUS	6000	71429
PER PROFIT AND LOSS ACCOUNT	<u>5239813</u>	<u>4631476</u>
SCHEDULE-10		
A) MATERIALS CONSUMED AND MANUFACTURING EXP.		
RAW MATERIALS	445594634	363670758
CONSUMABLES (RELEASE PAPER)	21987370	15582118
CONSUMABLES (OTHERS)	3073391	2885002
PACKING MATERIALS	4411555	2466128
FREIGHT INWARD	14102807	7487588
TOTAL (A)	<u>489169758</u>	<u>392091594</u>
B) MANUFACTURING EXPENSES		
POWER & FUEL	32047586	28457376
REPAIRS & MAINTENANCE :		
PLANT MACHINERY	3011723	2046510
ELECTRICAL & GENERAL	1372321	255715
STORES AND SPARES	2267995	860121
TOTAL (B)	<u>38699625</u>	<u>31619722</u>
PER PROFIT AND LOSS ACCOUNT (A+B)	<u>527869383</u>	<u>423711316</u>
SCHEDULE - 11		
(INCREASE)/DECREASE IN STOCKS OF FINISHED GOODS AND WORK IN PROCESS		
OPENING STOCK		
STOCK IN PROCESS	14859672	14445263
FINISHED GOODS	17599718	10398160
	<u>32459390</u>	<u>24843423</u>
CLOSING STOCK		
STOCK IN PROCESS	12070434	14859672
FINISHED GOODS	10250653	17599718
	<u>22321087</u>	<u>32459390</u>
	10138303	(7615967)
ADD/(LESS) : VARIATION IN PROVISION FOR EXCISE DUTY ON OPENING AND CLOSING STOCK OF FINISHED GOODS	(232562)	(250741)
	<u>9905741</u>	<u>(7866708)</u>
SCHEDULE - 12		
OPERATIONAL EXPENSES		
A) EMPLOYEES' REMUNERATION & BENEFITS :		
(Including Managerial Remuneration)		
SALARY, WAGES, GRATUITY & BONUS	23099090	18857866
CONTRIBUTION TO P.F. & OTHER FUNDS	551120	514623
EMPLOYEE WELFARE EXPENSES	440722	337223
DIRECTOR MEETING SITTING FEE	-	1100000
TOTAL (A)	<u>24200932</u>	<u>19819712</u>

PARTICULARS	31 st March 2010 (Rupees)	31 st March 2009 (Rupees)
B) ADMINISTRATIVE EXPENSES :		
INSURANCE	497695	601354
BOOKS, PRINTING & STATIONERY	386315	594763
POSTAGE & TELEGRAM	448053	1363327
TELEPHONE & COMMUNICATIONS	2109127	1666247
TOUR TRAVEL INC. FOREIGN TRAVEL	4660017	5294944
HOTEL, BOARDING & LODGING & CONVEYANCE	3889932	4512348
VEHICLE RUNNING & MAINTENANCE	1791630	1872385
LOSS ON SALE OF VEHICLE	301787	391066
LOSS ON SALE OF MACHINERY	26042	1892
DEBTS WRITTEN OFF AS IRRECOVERABLE	2297021	-
FEE & SUBSCRIPTION	841798	1589041
LEGAL & PROFESSIONAL CHARGES	437721	-
RENT, RATES AND TAXES	107936	55798
CHARITY & DONATION	74601	584225
AUDITORS REMUNERATION :		
AUDIT FEE	33090	25369
TAXATION MATTERS	11030	7721
MISCELLANEOUS	339603	211042
TOTAL (B)	<u>18253398</u>	<u>18771521</u>
PER PROFIT AND LOSS ACCOUNT (A+B)	<u>42454330</u>	<u>38591233</u>

SCHEDULE - 13

INTEREST AND FINANCIAL CHARGES

INTEREST TO BANK ON WORKING CAPITAL	10509733	10942327
INTEREST TO BANK ON TERM LOAN	5649753	8173510
INTEREST ON VEHICLE LOAN	283235	469520
BANK CHARGES	3647970	2276883
PER PROFIT AND LOSS ACCOUNT	<u>20090690</u>	<u>21862240</u>

SCHEDULE - 14

SELLING & DISTRIBUTION EXPENSES :
ADVERTISING & EXHIBITION

ADVERTISING & EXHIBITION	4297576	2309472
DISCOUNTS, REBATES	5157346	2962623
SELLING EXPENSES	1353914	-
CLEARING & FORWARDING EXP. (EXPORT)	625441	499800
SALES COMMISSION	1855301	1420274
FREIGHT OUTWARD	818796	557285
PER PROFIT AND LOSS ACCOUNT	<u>14108374</u>	<u>7749454</u>

SCHEDULE-15

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

I. SIGNIFICANT ACCOUNTING POLICIES :

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS :

The Financial Statements are prepared on accrual basis under the historical cost convention in accordance with the Accounting Standard referred to in Section 211(3C) of the Companies Act, 1956 and other relevant provisions of the said Act.

2. USE OF ESTIMATES :

In conformity with generally accepted accounting principles the preparation of financial statements requires estimates and assumption to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known/materialized.

3. RECOGNITION OF REVENUE/INCOME AND EXPENDITURE :

- a) Revenues/Incomes and Cost/Expenditures are generally accounted on accrual, as they are earned on incurred
- b) Turnover comprise of sale of goods. Sales are recorded when supply of goods takes place in accordance with the terms of Sales. Turnover include Excise Duties and VAT.

4. FIXED ASSETS AND DEPRECIATION :

- a) Fixed Assets are stated at cost of acquisition and subsequent improvements thereto including taxes, freight and other incidental expenses related to acquisition and installation. Pre-operative expenses for major projects are also capitalized, where appropriate. However, cost of fixed assets does not include CENVAT, VAT, Capital Subsidy (if any as and when received) and accumulated depreciation.
- b) Expenditure incurred on Capital work-in-progress during pre-operative/installation period is stated at cost.
- c) Depreciation has been provided on straight line method on Assets, as per the Rates specified in Schedule XIV of the Companies Act, 1956. Depreciation is charged on the Fixed Assets from the date they are put to use.
- d) Depreciation on additions to assets or on sale/discardment of assets, is calculated pro rata from the day of such addition or up to the day such sale/discardment, as the case may be.

5. DEFERRED REVENUE EXPENDITURE :

Some revenue expenses, the benefit from which is to accrue over an enduring length of time, are treated as Deferred Revenue Expenditure and appropriate portion thereof is charged to Profit & Loss Account.

6. BORROWING COSTS :

Interest and other borrowing costs on specific borrowings relating to qualifying assets are capitalised. Other interest and borrowing costs are charged to revenue.

7. FOREIGN CURRENCY TRANSACTIONS :

- a) Transactions denominated in Foreign Currencies are recorded at the exchange rate prevailing on the date of the transaction.
- b) Monetary items denominated in foreign currencies at the year end are stated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of contract is recognized as exchange difference and premium paid on forward contracts is recognized over the life of contract.
- c) Any income or expense on account of exchange difference either on settlement or on translation is recognized in profit and loss account.

8. LIABILITIES FOR CUSTOMS DUTY

Liabilities for Customs Duty on the Goods lying at Port are accounted for at the time of clearance of goods. There is no effect on net profits.

9. EXPENDITURE DURING CONSTRUCTION PERIOD :

In case of new projects and substantial expansion of existing facilities, expenditure capitalized includes interest and financing cost on specific loan prior to commencement of commercial production.

10. INVESTMENTS :

Trade investments are carried as per AS-13 issued by the ICAI and reduction in carrying cost is charged to Profit & Loss Account.

11. INVENTORY VALUATION :

- a) Valuation of inventories of raw-materials, packing-materials, consumables and Stores is at cost including Tax, duty, cess actually paid and incidental expenses incurred in bringing the inventories to their present location and condition and is arrived at on FIFO Weighted average Basis except valuation of consumables (Release Paper) which is reduced by 45% directly from the cost price as and when new reel of Release Paper issued to production.
- b) Valuation of Semi-finished goods/Work-in-process is at material cost including cost of conversion wherever applicable.
- c) Finished goods include costs of conversion and other costs incurred in bringing the inventories to their present location and condition or Market Value/Net realizable value whichever is lower. Finished goods also include excise duty liability in accordance with revised Accounting Standard AS-2.

12. RESEARCH AND DEVELOPMENT EXPENDITURE :

Research expenditure wherever applicable, is charged to Profit & Loss Account and Capital Expenditure in relation thereto is added to the cost of Fixed Assets in the year in which it is incurred.

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) Retirement Gratuity Liability have been assessed every year as at 31st March, as per acturial valuation and premium calculated on the same is paid to LIC of India.

14. BAD DEBTS WRITE OFF POLICY :

Trade debt, if any, remaining outstanding for more than three years, about which the management is of the opinion that the same is not recoverable, is written off by direct charge to Profit & Loss Account and credit to respective party's account without making provision for bad debts. In case such amount or a part thereof is subsequently recovered, the same is reflected as income of the year in which the same is recovered.

15. REVENUE SUBSIDIES :

Revenue subsidies like interest subsidy is reflected as "other receipts" when actually received.

16. PRELIMINARY & SHARE ISSUE EXPENSES :

Preliminary and Share-issued expenses are amortized over a period of 5 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, 2010 aggregating to Rs. 7,70,569/- (Previous Year 10,26,247/-) has been provided at current excise rate and included in valuation of finished goods inventory and same is charged from Cenvat Credit Receivable Input Account as on 31st March, 2010.
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 23rd / 24th 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 :-

	(Rs.)
Deferred Tax Liabilities as on 31.03.2010	2,81,82,839
Less : Deferred Tax Assets as on 31.03.2010	8,45,933
	<u>2,73,36,906</u>
Deferred Tax Liabilities (Net) as per Balance Sheet	=====

5. (a) An amount of 22,97,021/-, being amount owed to the Company by trade debtor(s) for a period exceeding three years which, in the opinion of the management, was considered not recoverable, has been written off by the Board on the recommendations of Audit Committee.
(b) The Company has committed to invest upto Euro 50,000 in a joint venture Company Jasch Europa BVBA, established in association with a Belgian national and a Belgian Company in accordance with Belgian laws. The Company will be a minority shareholder in Jasch Europa BVBA, which will market electronic gauging systems in Europe. The Company has already remitted the first installment of Euro 5,600 during the year 2009-10.
6. Provision for retirement gratuity liability as on 31.03.2010 to all eligible employees has been made as per Acturial Valuation and short provision of Rs. 14,74,786/- in the books of accounts have been charged to the Profit & Loss Account and amount of Rs. 10,78,529/- paid to LIC of India as 1/4 contribution for previous liability and full contribution for current year.

7. Managerial Remuneration :

(included under the head "Employees' Remuneration & Benefits")

(a) Remuneration to Managing Director / Whole-Time Directors

	(Rs. In Lakh)	
	2009-2010	2008-2009
(i) Salaries	33.00	32.79
(ii) Reimbursement	02.92	02.00

8. 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.

9. 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 :-

(Rs. In Lakhs)

	Current Year (2009-2010)			Previous Year (2008-2009)		
	Leather Cloth Division	Auto Division	Total	Leather Cloth Division	Auto Division	Total
REVENUE						
External Sales	5390.00	1643.77	7033.77	3863.80	1762.37	5626.17
Less : Excise Duty	---	---	486.64	---	---	458.22
Inter-segment Sales	---	---	---	---	---	---
Other Income	41.96	10.44	52.40	38.30	08.01	46.31
Total Revenue			6599.53			5214.26
RESULTS						
Segment Results	257.56	226.47	484.03	186.85	246.14	432.99
Unallocated Corporate Expenses (Net)	---	---	---	---	---	03.93
Operating Profit	---	---	484.03	---	---	429.06
Interest Expenses	---	---	200.91	---	---	218.62
Income Tax – Current	---	---	93.71	---	---	59.60
- Deferred	---	---	00.50	---	---	00.35
Profit from Ordinary Activities	---	---	188.91	---	---	150.49
Extra Ordinary Loss	---	---	---	---	---	---
Deferred Tax (+)	---	---	(03.69)	---	---	(25.84)
Net Profit	---	---	185.22	---	---	124.65
OTHER INFORMATION						
Segment Assets	2631.77	738.19	3369.46	2654.45	826.25	3480.70
Unallocated Corporate Assets	---	---	221.12	---	---	148.45
Total Assets			3590.58			3629.15
Segment Liabilities	3045.29	196.99	3242.28	2971.13	266.06	3237.19
Unallocated Corporate Liabilities	---	---	348.30	---	---	391.96
Total Liabilities			3590.58			3629.15
Capital Expenditure	---	---	160.98	---	---	239.48
Depreciation	---	---	172.12	---	---	163.35
Non-cash Expenses other than Depreciation	---	---	22.97	---	---	---

10. 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	3591697	---	3591697
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

11. On the basis of information available with the company, there is no amount remaining unpaid as on 31st March, 2010 to any supplier who is a small scale or ancillary undertaking beyond the agreed credit period.

12. 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 31st March, 2010 or delayed in payment during the year beyond the agreed credit period. Hence no interest is due or paid to any such enterprise.

13. 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) Only those liabilities are recognized 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 st March 2010	As at 31 st March 2009
i) Foreign Letters of Credit opened with bank (Margin Money with Bank-63.19 Lakh)	631.90	315.40
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-19.56 Lakh)	195.60	130.60

14. 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 2009 & 2010	OPENING BALANCE AS ON 01.04.2009 Qty.	PRODUCTION FOR THE YEAR ENDED 31 ST MARCH		TURNOVER FOR THE YEAR ENDED 31 ST MARCH				CLOSING STOCK AS AT 31.03.2010 Qty.
					2010 Qty.	2009 Qty.	2010 Qty.	2010 Value	2009 Qty.	2009 Value	
i.	Electronic Thickness Gauge (BTG) and Parts	Nos.	—	3+1	64+423	295	66+424	1643.77	293	1762.37	140
ii.	PU/PVC Leather Cloth (Coated Fabrics)	Lakh Mtrs.	36	00.44	29.15	21.13	29.16	2706.88	21.13	2738.41	00.43
iii.	Non Woven	Lakh Mtrs.	—	00.02	01.58	02.32	01.58	356.07	02.30	442.79	00.02
iv.	Needle Loom Felt	Lakh Mtrs.	—	00.03	02.52	01.54	02.48	175.04	01.52	112.39	00.07
v.	Cellular Plastic Sheets	Lakh Mtrs.	—	00.03	03.74	02.03	03.69	1058.41	02.00	481.74	00.06
vi.	PU Resin & Adhesive	Lakh Kgs.	—	—	00.28	00.14	00.28	30.50	00.14	14.58	—
vii.	Various Cut Pieces & Chindi	Lakh Kgs.	—	00.03	01.92	01.03	01.94	26.77	1.01	19.34	00.01
viii.	Bardana	Lakh Kgs.	—	—	—	—	—	19.23	—	19.39	—
ix.	Raw materials sales as such	Kgs./Mtrs.	—	—	—	—	—	37.85	—	35.16	—

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.

15. RAW MATERIAL CONSUMPTION

(Rs. in Lakh)

I) RAW MATERIALS	UNIT	2009 - 2010					2008-2009	
		OPENING QTY.	RECPT. QTY.	CLOSING QTY.	CONSUME QTY.	VALUE (Rs.)	CONSUME QTY.	VALUE (Rs.)
DIOP/DOP	KG.	15000	907500	76000	857100	700.14	644315	520.54
PVC RESIN	KG.	45020	1254900	240725	1059195	558.93	733759	440.83
FABRICS	MTR.	265939	2968833	280877	2953895	882.53	2166140	682.69
NON WOVEN LINING	MTR.	93637	591121	61553	523205	389.81	458763	259.25
STAPLE FIBRE	KG.	19919	107348	24568	102699	63.16	78962	51.51
ADIPIC ACID	KG.	2525	107731	3814	106442	102.92	68777	57.44
DMF	KG.	570	328900	18050	31420	157.71	226770	132.47
MDI	KG.	14400	78750	1100	92050	95.84	63450	87.16
TITANIUM DI OXIDE	KG.	16750	81675	2625	95800	120.99	78275	90.18
BUTANE DIOL	KG.	1000	51200	10000	42200	58.04	30200	36.04
X-RAY TUBE	NO.	2	38	6	34	48.52	35	30.67
SOURCE	NO.	4	54	7	51	81.46	59	104.46
IONIZATION CHAMBER	NO.	13	81	14	80	42.10	108	43.43
POWER SUPPLY	NO.	0	142	6	136	12.32	177	21.97
I.C.	—	20	3662	20	3662	17.13	3356	16.84
COMPUTER & PARTS						46.13		61.99
SLID & BEARINGS						13.10		22.36
IRON & ALLUMINUM						145.02		201.08
PIGMENT, CHEMICALS, ELECTRONIC ITEM ETC.						955.82		775.80
FREIGHT I/W						141.03		74.88
II) CONSUMABLE & STORES						250.61		184.67
III) PACKING MATERIAL						44.12		24.66
						4891.70		3920.92

IV) CONSUMPTION OF IMPORTED & INDIGENOUS RAW MATERIALS

	2009-2010		2008-2009	
	Rs. in Lakh	% of Total Consumption	Rs. in Lakh	% of Total Consumption
IMPORTED	2145.55	43.86	1418.53	36.18
(LANDED COSTAT FACTORY)				
INDIGENOUS	2746.15	56.14	2502.39	63.82
	<u>4891.70</u>	<u>100.00</u>	<u>3920.92</u>	<u>100.00</u>
	=====	=====	=====	=====

V) EXPENDITURE IN FOREIGN CURRENCY

	(Rs. in Lakh)	
	2009-2010	2008-2009
RAW MATERIAL & CONSUMABLES (CIF)	127.15	1257.32
CAPITAL GOODS (CIF)	82.27	101.67
FOREIGN TRAVELS	11.78	19.91
	<u>221.20</u>	<u>1378.90</u>
	=====	=====

VI) EARNING IN FOREIGN CURRENCY

	2009-2010	2008-2009
Auto Division		11,07,903
Earnings in US\$ (INR – 540.78 Lakh)	1,07,903	4,10,173
Earnings in EURO (INR – 296.89 Lakh)	296,890	
	<u>1,375,793</u>	<u>11,07,903</u>
	=====	=====
Leather Cloth Division		26,050
Earnings in US\$ (INR – 36.96 Lakh)	36,960	
	<u>36,960</u>	<u>26,050</u>
	=====	=====

16. Earning Per Share (Basic & Diluted) :

	2009-2010	2008-2009
Profit After Tax	185.22	124.65
	=====	=====
Earning available to Equity Share Holders	185.22	124.65
Weighted Average no. of Equity Shares during the Year	11330000	11330000
Earning Per Share	16.35	10.10
Nominal Value Per Share (in Rs.)	10/-	10/-
	=====	=====

17. 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.

18. 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 : 31.03.2010

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	359058	Total Assets	359058
-------------------	--------	--------------	--------

LIABILITIES OF THE COMPANY

Paid up Capital	113300	Reserves & surplus	87955
Secured Loans	130466	Unsecured Loans	—
Deferred Tax Liability	27337		

ASSETS OF THE COMPANY

Net Fixed Assets	198619	Investments	2986
Net Current Assets	157453	Misc. Expenditure	—

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

Turnover	703378	Expenditure	680305
Profit Before Tax	28313	Profit After Tax	18522
Earning Per Share Rs.	01.64	Dividend Rate (%)	Nil

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

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

AS PER OUR REPORT OF EVEN DATE
 FOR ARORA & CHOUDHARY ASSOCIATES
 CHARTERED ACCOUNTANTS
 (Registration No. 003870N)

CA. VIJAY K. CHOUDHARY
 PARTNER
 Membership No. 81843

New Delhi,
 June 12, 2010

FOR AND ON BEHALF OF THE BOARD

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)

CERTIFIED TRUE COPY
 For Jasch Industries Ltd.

S.K. VERMA
 SECRETARY

J. K. GARG
 Director

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 Thursday, the 12th August, 2010 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

FORM OF PROXY

L. F. No.	
No. of Shares	

I/We of.....
in the district of.....being a Member/Members of the
JASCH INDUSTRIES LIMITED, hereby appointof.....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 :

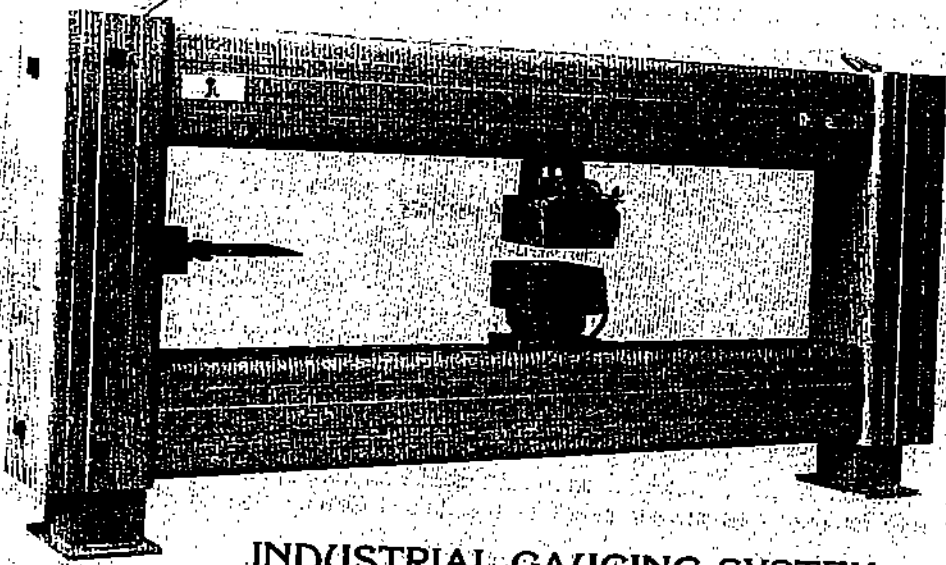
RESOLUTIONS	FOR	AGAINST
1. Adoption of Accounts & Reports		
2. Re-appointment of Shri Navneet Garg as Director		
3. Re-appointment of Shri Kuldeep Singal as Director		
4. Appointment of Statutory Auditors		
5. Resolution U/s 293(1)(a)		
6. Resolution U/s 293(1)(d)		

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

Signed this.....day of.....2010.

Book Post

To



INDUSTRIAL GAUGING SYSTEM



if undelivered please return to :

JASCH INDUSTRIES LIMITED

Regd. Off. : 43/5, Bahalgarh Road, P.O. Bahalgarh
Distt. Sonapat - 131 021 (Haryana)
Phones : 0130-3053600 Fax : 0130-3053697, 3053698

