



JASCH INDUSTRIES LIMITED
Annual Report 2011 - 2012



JASCH INDUSTRIES LIMITED

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Annual General Meeting

Date : August 29th, 2012 at 10. a.m.

Venue : At The Registered Office

JASCH INDUSTRIES LTD

(An ISO 9001:2008 Company)
26th ANNUAL REPORT (2011-2012)

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
K.C. VARSHNEY (DR.)	DIRECTOR
ASHOK MITTAL (DR.)	DIRECTOR
KULDEEP SINGAL	DIRECTOR
K.L. KHETARPAUL	DIRECTOR

COMPANY SECRETARY

S.K. VERMA

AUDITORS

Arora & Choudhary Associates
Chartered Accountants
(Registration No. 003870N)
8/28, W.E.A Abdul Aziz Road,
Karol 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, Jhandewalan Extn.,
New Delhi – 110 055

REGISTERED OFFICE AND WORKS

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

CORPORATE OFFICE

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

NOTICE OF 26th ANNUAL GENERAL MEETING

To

The Members,

NOTICE is hereby given that the 26th Annual General Meeting of Members of JASCH INDUSTRIES LIMITED will be held on Wednesday, the 29th August, 2012 at 10:00 AM at Registered Office of the Company at 43/5, Bahalgarh Road, PO, Bahalgarh, Distt. Sonapat-131021, Haryana, to transact the following business :

ORDINARY BUSINESS

AGENDA ITEM NO. 1 : To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March, 2012, the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.

AGENDA ITEM NO. 2 : To appoint a Director in place of Dr. Ashok Mittal who retires by rotation, and being eligible, offers himself for re-appointment.

AGENDA ITEM NO. 3 : To appoint a Director in place of Dr. K.C. Varshney who retires by rotation, and being eligible, offers himself for re-appointment.

AGENDA ITEM NO. 4 : To re-appoint Auditors and in this connection, to consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT the retiring auditors M/s Arora & Choudhary Associates , Chartered Accountants, being eligible for reappointment, be and are hereby re-appointed to as auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting, on a remuneration of such sum as may be fixed by the Board of Directors / any Committee of the Board of Directors, plus service tax and reimbursement of out of pocket expenses as may be incurred in the performance of their duties."

SPECIAL BUSINESS

AGENDA ITEM NO. 5 : TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATIONS, THE FOLOWING RESOLUTION AS SPECIAL RESOLUTION :

"**RESOLVED THAT** pursuant to provisions of Section 269, Schedule XIII and all other applicable provisions of Companies Act, 1956, re-appointment of Shri Manish Garg as whole time Director, made by the Board for a period of five years w.e.f. 29-07-2012, on the initial remuneration, time scale, perks, terms and conditions as have been approved by the Remuneration Committee, details of which are set out in the Explanatory Statement attached with the notice convening the Annual General Meeting, or as may be varied by the Annual General Meeting, be and is hereby approved."

AGENDA ITEM NO. 6 : TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATIONS, THE FOLOWING RESOLUTION AS SPECIAL RESOLUTION :

"RESOLVED THAT Article 119(a) of the Articles of Association of the Company be substituted with the following:

"Unless otherwise determined by the Company in General Meeting, each Director or his Alternative as the case may be, shall be entitled to received out of the funds of the Company by way of remuneration for his services a fees not exceeding such sum as may be prescribed under Section 310 of the Companies Act as amended from time for each meeting of the Board or a Committee of the Board attended by him."

By Order of the Board of Directors
For JASCH INDUSTRIES LTD

Place : Sonapat
29th June, 2012

S.K. VERMA
COMPANY SECRETARY

NOTES

1. Explanatory Statement relating to Agenda Item Nos. 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 the Registrars & Share Transfer Agents of the Company. Whose address is : Alankit Assignments Ltd, (Unit : Jasch), 2E/21 Jhandewalan Extn. New Delhi.
6. The Register of Members and Share Transfer Registers of the company will remain closed from 16th August, 2012 to 29th August, 2012 both days inclusive.
7. As the equity shares of the company are compulsorily traded in demat form, members holding equity shares physical form are requested to get the shares converted in demat form.
8. Members holding equity shares in physical form are hereby requested to promptly notify the change of address/ dividend mandate, if any, to the company's Registrar and Share Transfer Agents, Alankit Assignments Ltd, quoting their folio number and Members holding equity shares in demat form shall have to intimate to their respective Depository Participants quoting their Client ID.
9. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold shares in physical form are requested to register their e-mail addresses with Alankit Assignments Ltd, Registrar and Share Transfer Agent of the company.
10. Members are requested to make use of Nomination facility by filing Form 2B. In case of shares held in demat mode Form 2B has to be lodged with the respective DP and in case of the shares held in physical mode the same has to be lodged with the company or its Share Transfer Agents.
11. Members are requested to bring a copy of the Annual Report along with them to the Annual General Meeting since as a measure of economy as extra copies may not be supplied at the meeting.
12. Members, who hold shares in dematerialized form are requested to bring their Client ID and DP ID Nos. for easier identification of attendance at the meeting.
13. Members who have not received/claimed dividend for the year 2010-11 may do so now by writing a letter to the company.
14. **FOR SPECIAL ATTENTION OF MEMBERS : NO GIFTS/COUPONS WILL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING.**

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail id with Alankit Assignments Ltd (Registrar and Share Transfer Agents of the company) by sending a request letter duly signed by the first / sole shareholder.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF AGENDA ITEM NOS. 5 & 6

AGENDA ITEM NO. 5

Shri Manish Garg, 39, is a Post-Graduate in Electronics from the Indian Institute of Technology, Mumbai. He was initially appointed on 1st May, 1996 as an Engineer to head the Electronics Division of the Company. Later, he was appointed by the Board as Whole Time Director for a period of five years w.e.f. 29th July, 2002. The Remuneration Committee fixed his initial remuneration at ₹ 15,000 in the pay band of ₹ 15,000 – 25000, plus perks. The appointment and remuneration were subject to approval by the Annual General Meeting, which approved the same in the Meeting held on 30th September, 2002.

After end of the aforesaid tenure, the Board of Directors re-appointed him as Whole Time Director for a further period of five years with effect from 29th July, 2007. The Remuneration Committee fixed his remuneration in the time scale of ₹ 50,000 – 1,00,000 plus perks. The re-appointment and remuneration were again subject to approval by the Annual General Meeting. These were approved by the 21st Annual General Meeting held on 28th September, 2007. The present monthly salary drawn by Shri Manish Garg is ₹ 70,000 per month.

The aforesaid period of 5 years came to an end on 28th July, 2012 and the Board of Directors of the Company, in their Meeting held on 29th July, 2012 re-appointed him as Whole Time Director for a further period of five years, subject to approval of the Annual General Meeting. Keeping in view the significant contribution made by Shri Manish Garg in establishing Electronic Division, the Remuneration Committee, in its Meeting held on 29th July, 2012, passed the following Resolution :

“RESOLVED THAT subject to approval of the Company in the forthcoming Annual General Meeting, the remuneration and perks of Shri Manish Garg, Whole Time Director be and are hereby sanctioned as follows :

Initial Monthly Salary : ₹ 1,00,000 per month in the Scale of ₹ 1,00,000 – 1,50,000.

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

1. Chauffeur-driven car for official use only.
2. Telephone at residence and mobile phone for official use only.
3. Special Allowance not exceeding six months' salary in a year, to cover housing, conveyance, telephone, medical, electricity, gas, water and other personal expenses.
4. Gratuity as per law

Terms & Conditions :

He will be entitled to the above remuneration and perks even in case there are no profits or if the profits are inadequate. The remuneration and perks shall be payable if the appointee and the Company fulfill the conditions of eligibility and quantum as laid down under Schedule XIII of the Companies Act, 1956. This appointment will be terminable by either side by giving three months' notice in writing.”

Both the appointment and remuneration of Shri Manish Garg are subject to approval of the Annual General Meeting. The Directors recommend passing of the Resolution proposed at Agenda Item Nos. 5 as Special Resolution.

Disclosure of interest : None of the Directors is interested in the aforesaid Resolution except Shri Jai Kishan Garg, Smt. Kamlesh Garg, Shri Ramnik Garg, Shri Manish Garg and Shri Navneet Garg, who may be deemed to be interested in this Resolution, being the proposed re-appointee or his relatives.

AGENDA ITEM NO. 6

Under the existing Article 119(a) of the Articles of Association of the Company a Director is entitled to receive fees not exceeding such sum as may be prescribed under Section 310 of the Companies Act for each meeting of the Board attended by him. However, if more than one meeting is held in any month, only the above-said single fee is payable for all the meetings attended by him in that month.

The proposed amendment will entitle a Director to receive separate fee for each meeting of the Board of Directors or a Committee thereof, even if a number of meetings are attended by him within the same month.

The aforesaid fee, which is popularly known as “Sitting Fee”, is payable to non-whole time Directors only when they attend any Board/Committee Meetings.

Disclosure of interest : All the non-whole time Directors i.e. Dr. Ashok Mittal, Dr. S.K. Khandelwal, Dr. K.C. Varshney, Mr. Kuldeep Singal, Mr. K.L. Khetarpaul and Mrs. Kamlesh Garg may be deemed to be interested this Resolution in a situation where more than one Board Meeting or Committee Meeting or a combination of these Meetings is held within a month.

29th June, 2012

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

By Order of the Board
For Jasch Industries Ltd.

S. K. Verma
COMPANY SECRETARY

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 26th Annual report and audited accounts of the company for the year ended 31st March 2012.

FINANCIAL RESULTS

₹ lakh

Particulars	Current year 2011-12	Previous Year 2010-11
Gross Sales	8620.19	8252.74
Less Excise Duty/VAT/Service Tax	766.76	723.27
Net Sales Turnover	7853.43	7529.47
Other Income	32.70	21.98
Net sales and & other income	7886.13	7551.45
Operating Profit before Interest, Depreciation, Income Tax, Exceptional Items & Prior Periods Adjustments	907.25	842.89
Interest & Financial Charges	274.28	226.44
Gross Profit Before Depreciation	632.97	616.45
Depreciation	242.60	180.33
Less : Provision for income tax	78.28	133.41
Net profit before deferred tax	312.09	302.71
Add / (Deduct) : Provisions for deferred Tax (Assets) / Liability	23.14	26.51
Net profit available for appropriation	288.95	276.20
Surplus brought forward from previous year transfer to general reserve	993.64	879.55
	—	30.00
Provision for dividend including dividend distribution tax surplus carried forward	1282.59	132.11
		993.64

DIVIDEND

In view of need for augmenting working capital resources and tough economic situation in the ensuing year the Management has not proposed any dividend for the year ended on 31st March, 2012.

PERFORMANCE DURING THE YEAR

Your company had achieved gross sales of 8620.19 lakh during 2011-2012 which were 4.4% higher as compare with the sales of previous year. The sales of Synthetic Leather Division at ₹ 6251.83 lakh during 2011-12 were 4.5 % lower as compared with the sales of previous year. However the sales of Electronic Gauge Division at ₹ 2368.36 lakh during the year were 39% higher as compare with the previous year. The Electronic Gauge Division has achieved the export of ₹ 777 lakh during the year despite acute recessionary conditions and slowdown of capital investment in international market.

The company's operating profit before interest, depreciation, income tax and deferred tax has increased by 7.6% to ₹ 907.25 lakh during 2011-12 as compared with ₹ 842.89 lakh during the previous year. The improvement in the operating profit has been achieved despite sharp increase in the prices of raw material on account of inflationary pressure in the economy. The interest and finance charges have sharply increased from ₹ 226.44 lakh during 2010-11 to ₹ 274.28 lakh during 2011-12 due to capitalization of loan for DMF Recovery Plant and loss of ₹ 44 lakh during the year due to exchange fluctuation.

The gross profit before interest and depreciation has also increased to ₹ 632.97 lakh during the year 2011-12 which is marginal 2.6% higher than the previous year. After providing depreciation of ₹ 242.60 lakh and provision of income tax of ₹ 78.28 lakh the company has achieved net profit (before deferred tax) of ₹ 312.09 lakh, which was marginally higher as compared with net profit of ₹ 302.71 lakh in the previous year. After providing deferred income tax of ₹ 23.14 lakh consequent to capitalization of fixed assets the company has achieved net profit of ₹ 288.95 lakh as compared with ₹ 276.20 lakh in the previous year. The cash profit of the company without taking in to account notional

deferred tax was ₹ 554.69 lakh during the year 2011-12 as compared with ₹ 483 lakh in the previous year. Keeping in view recessionary conditions prevailing in the local and international market, sharp increase in the prices of main raw materials and exchange fluctuation losses the management considers overall performance of the company during the year under review 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 P-3 to non-fund based facilities from State Bank of India. Our rating reflects moderate safety to timely payment of financial obligations and comes under Investment Grade rating. The Company has obtained ISO 9001:2008 and ISO 9001:2000 Quality Certificates for its Synthetic Leather and Electronic Gauge Division respectively.

INSURANCE CLAIM

The company's insurance claim of ₹ 48.96 lakhs regarding fire accident in November, 2001 continues to be pending in Delhi High Court. Necessary provisions would be made after the case is settled by the court. The company has taken adequate insurance cover for the building, Plant & Machinery and inventory.

FUTURE PROSPECTS

The company has achieved consistent increase in production and sales in the last few years due to the Management's focus on continuous up-gradation and modernization of plant and machinery. However in view of recessionary conditions in local and international market and almost 25% depreciation in the value of ₹ against dollar resulting in sharp increase in the prices of raw material, the Management is cautious about Performance of the company in current year. The Management is focusing its efforts to reduce the cost of production and optimizing existing resources of the company during the year.

ACQUISITION OF INDEV GAUGING SYSTEM INC, USA

The company's sales in Electronic Gauging Division has been stagnant in the last 3-4 years mainly due to saturation of local market and recession in the economy. Electronic Gauging System being capital goods item the fortune of Electronic Gauge System is linked with investment in plant and machinery in user industries i.e. Steel, Paper, Aluminum etc. With a view to increase its presence in the international market, particularly in the USA, which is the largest market of Electronic Gauges in the world, the company has identified a small manufacturing and marketing company Indev Gauging System Inc in USA. The company has purchased 100% share holding of Indev Gauging System Inc, USA through a wholly owned subsidiary company named Jasch North America Company incorporated in USA. The total cost of acquisition was USD 1 million equivalent to ₹ 517 lakh, financed through unsecured loan of ₹ 275 lakh brought in the company by the Private Promoters and balance through internal cash accruals of the company. The company has also incurred expenditure of ₹ 87 lakh for due diligence for the acquisition which is being amortized during 2011-12 and next 2 years.

CONSOLIDATED ACCOUNTS :

In accordance with the requirements of Accounting Standard (AS) 21 prescribed by The Institute of Chartered Accountants of India, the Consolidated Accounts of the Company and its Subsidiary is annexed to this Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT :

Please refer to Annexure A to this Report.

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

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

CORPORATE GOVERNANCE

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

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

The Company had no employees drawing remuneration of ₹ 60 lakhs or more per annum or, if employed for a part of the year, ₹ 5 lakhs or more per month 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 2012 was Nil.

LISTING

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

DIRECTORS

Dr. Ashok Mittal and Dr. K.C. Varshney, 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.

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 40 years' experience in the field of corporate finance, and as such has sound knowledge of financial matters. The finance executives and statutory auditors of the Company are permanent invitees to the Audit Committee Meetings. Shri S.K. Verma, Company Secretary is the Secretary of the Audit Committee.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) Appropriate accounting policies have been selected and applied consistently, and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2012 and of the profits of the Company for the year ended 31st March, 2012.
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The annual accounts have been prepared on a going concern basis.

ACKNOWLEDGMENTS

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

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

For & on behalf of the Board

Place : Sonapat

Date : 29th June, 2012

(J. K. GARG)
Chairman

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) and 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 product	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, Galvanizing Sheet, Aluminum foil & Non Ferrous Metal Rolling Industry

Business Distribution

	(₹ in Lakh)			
	2011-12		2010-11	
	Value	%	Value	%
- PU/PC Coated Fabrics	6251.83	72.5%	6548.22	79.4 %
- Electronic Gauges	2368.36	27.5%	1704.51	20.6 %
	8620.19	100 %	8252.73	100 %

As may be seen from above, the business of Synthetic Leather has shown decline while that of Electronic Gauge increased substantially during the year.

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 Garments as Lining Material, as Automobile seat cover & Furniture upholstery material, in Ladies and Gents Purses and 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 PU Resin, which is 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 except the last year. The company is now concentrating on PU Synthetic Leather where competition is somewhat less.

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

	2011-12	2010-11
Production lakh meter	31.81	37.51
Segment Revenue	6251.84	6548.23
Segment Profits/(Loss) before interest & other common unallocable expenditure	315.07	387.91
Capital Employed	5914.75	5715.88

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.

	2011-12	2010-11
Production (in Nos.) (Gauges + Parts)	91+389	59+448
Segment Revenue	2368.36	1704.51
Segment Profits before interest & other common unallocable expenditure	349.60	387.91
Capital Employed	886.10	671.99

The electronic Gauges depends upon investment in users industries. However despite recessionary trends particularly in international market the company has been able to increase production and sales of Electronic Gauges. The export of Electronic Gauges was foreign currency equivalent of ₹ 777 lakh during the year under review.

(i) Fixed Assets

The gross fixed assets including capital work in progress of ₹ 2187 lakh were ₹ 4143.71 lakhs as on 31st March 2012 as compared with fixed assets including work in progress of ₹ 4155.74 lakh as on 31.03.2011. The work in progress of ₹ 608.48 lakh as on 31.03.2011 was capitalized during the year after commissioning of DMF Recovery Plant.

(ii) Working Capital and Borrowings

The working capital borrowing from the Bank increased by ₹ 174.33 lakh to ₹ 1181.69 lakh as on 31.03.2012 to finance higher production and sales during the year.

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 and saving in cost of inputs.

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 including custom duty by way of import of raw materials and consumables currently constitutes about 46.15% 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 ₹ 2397.61 lakhs during the year (including capital goods of ₹ 4.98 lakh and foreign travel of ₹ 18.14 lakh, know how fee of ₹ 13.19 lakh, sales expenses of ₹ 17.61 lakh and professional fee of ₹ 77.18 lakh) against exports in foreign currency were of ₹ 777 lakh, which provides same 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 before 31st March, 2012 and to be paid later.

(b) Interest and Leverage Risk

With a view to contain inflationary pressure in the economy the RBI is continuously increasing the interest rate in the last 36 months resulting in higher interest on borrowing from the Banks. The management is trying to contain interest cost by efficient management of inventory and working capital resources and availment of short term borrowings in foreign currency at substantially lower interest for financing import of raw materials.

HUMAN RESOURCES

The Company did not have any labour problem during 2011-2012. 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 adequate system so as to have proper check and control on every department. Deviations from established system, if any, are placed before Audit Committee of the Board for review and corrective action to be taken, if any.

Cautionary statement

Statements in this directors' report & management discussion and analyses describing the company's objectives, projections, estimates, expectations or predictions may be "forward looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed/implied. Important factor that could make a difference to the company's operations include raw material availability and prices, cyclical demand and pricing in the company's principal markets, change in the Government regulations, tax regime, economic developments within India and the countries in which the company conducts business and other incidental factors.

For & on behalf of the Board

Place : Sonapat
Date : 29th June, 2012

(J.K.GARG)
Chairman

ANNEXURE B TO DIRECTORS' REPORT

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

FORM A (See Rule - 2)

1. CONSERVATION OF ENERGY :

Wind operated fans have been installed in ceiling of factory building for proper ventilation. Since these are run by wind power, these do not consume energy. Periodic energy consumption audit is carried out and corrective action taken such as replacement of higher HP Motors by lower HP Motors, without affecting operational efficiency. The company has installed capacitors to improve power factor resulting in lower power cost / consumption. The company has switched over from furnace oil / LDO to Petro-coke and fire wood to reduce cost of fuel. For lighting, maximum use of CFL is being made

FORM A (See Rule - 2)

A) POWER AND FUEL CONSUMPTION DURING THE YEAR ENDED 31.03.2012

1) ELECTRICITY PURCHASES	KWH UNITS IN LAKH	18.66
TOTAL AMOUNT	₹ IN LAKH	103.84
AVERAGE RATE	₹ PER UNIT	5.56
2) FUEL FOR DG SET		
QUANTITY(LTRS)	LAKH	02.61
TOTAL COST	₹ IN LAKH	102.55
AVERAGE RATE	₹ PER LTR	39.29
3) FUEL FOR BOILER (PETRO COKE & FIRE WOOD)	LAKH KGS	30.80
TOTAL COST	₹ IN LAKH	185.33
AVERAGE RATE	₹ PER KG	6.02
4) OWN GENERATION THROUGH DIESEL GENERATORS	UNITS IN LAKH	11.91
UNIT PER LTR. OF DIESEL COST	₹ PER UNIT	4.56
		8.61

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 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. the company has further renewed the technology collaboration with Duksung Company Ltd., South Korea for a further period of three years from September, 2010 at nominal fee of USD 30000 per annum for up gradation of technology and development of new products in Synthetic Leather Division.

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. The company has developed many new varieties of PU Synthetic Leather for use in premium quality sports shoes being manufactured by many multinational companies in India.

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 and 2010-2013
Has technology been fully absorbed	Yes.
If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action	The technology imported during 2006-2007 has been fully absorbed. The technology transfer for new collaboration is under progress on continuous basis.

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 2011-2012

(₹ equivalent in Lakh)

a. Foreign exchange outgo	2397.61
b. Foreign exchange earnings	776.92

For and on behalf of Board of Directors

Place : Sonapat (J.K.Garg)
Date : 29th June, 2012 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, 2012 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 2011-2012, 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 Meetings	Number of directorships/ committee member/chairmanships other than in Jasch			Whether attended last AGM
			Directorships#	Committee~ Member	Chairman	
J.K. Garg	E&P	5	3	0	0	Yes
Kamlesh Garg (Ms)	P	5	0	0	0	No
S.K. Khandelwal (Dr)	NE&I	5	1	0	0	Yes
Ramnik Garg	E&P	5	1	0	0	Yes
Manish Garg	E&P	5	3	0	0	Yes
Navneet Garg	E&P	5	1	0	0	Yes
K.C. Varshney (Dr)	NE&I	3	3	1	1	Yes
Ashok Mittal (Dr)	NE&I	4	6	0	0	Yes
Kuldeep Singal	NE&I	4	1	0	0	Yes
O.P. Garg	E	5	1	0	0	Yes
Shri K.L. Khetarpaul	N&I	2	4	3	0	Yes

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

= Directorships in Indian public limited companies only.

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

During the year under the report, the Board met five times i.e. on 30-04-11, 18-06-11, 18-07-11, 22-10-11 and 28-01-12. 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 / re-appointed as Directors.

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

Dr. Ashok Mittal, 70, is a Doctorate in International Trade with about half a century of teaching and professional experience. His field of specialization is international trade and finance. He has been associated with the Company as Director since 30th July, 2004. He is a Director of the following Companies: Nimble Tours Pvt Ltd, SMOP Infotech Pvt Ltd, ASP Research Service Pvt Ltd, Educomp International (P) Ltd, Jasch North America Co, USA, Metlife India Insurance Ltd.

Dr. K.C. Varshney, 74, is a Doctorate in Chemical Engineering with about four decades of experience in the field of corporate finance and development banking. He retired as Executive Director of Industrial Development Bank of India. His field of specialization is industrial development/finance. Besides being Chairman of Audit Committee and Remuneration Committee of the Company, he is a director in the following Companies : Cheema Spintex Ltd, Bollywood.com Portal Pvt Ltd and Kalyanpur Cements Ltd. He is also Chairman of Remuneration committee & Member of Audit Committee of Kalyanpur Cements Ltd.

Shri Manish Garg, 39, is a Post-Graduate in Electronics from the Indian Institute of Technology, Mumbai. He was initially appointed on 1st May, 1996 as an Engineer to head the Electronics Division of the Company. He has been on the Board as a Whole Time Director since 29th July, 2002. His field of specialization is development of plant automation equipment. He is also a Director of Gesco Automation Ltd, Jasch North America Co (USA), Jasch Europe (Belgium).

The Board is of the view that the Company will immensely benefit from their vast experience. The Board, therefore, recommends these re-appointments as Directors/Whole Time Director. All these Directors are liable to retire by rotation of Directors.

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 30-04-11, 18-07-11, 22-10-11 and 28-01-12.

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, there was no occasion to hold any Remuneration Committee meeting.

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

Name	Designation	Salary (₹)	Perks (₹)
Shri J.K. Garg	Chairman & Mg. Director	12,00,000	—
Shri O.P. Garg	Executive Director	3,48,000	72,000
Shri Manish Garg	Whole Time Director	7,76,520	63,480
Shri Ramnik Garg	Whole Time Director	7,87,236	52,764
Shri Navneet Garg	Whole Time Director	8,20,000	63,480

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	₹ 25,000	Dr K.C. Varshney	₹ 15,000
Dr. Ashok Mittal	₹ 20,000	Shri Kuldeep Singal	₹ 20,000
Shri K.L. Khetarpaul	₹ 10,000		

5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

Dr. S.K. Khandelwal is the Chairman of this Committee. Other members of the Committee are Shri O.P. Garg, Executive Director and Shri S.K. Verma, Company Secretary. The functions of the Committee are overseeing redressal of complaints received from shareholders. Shri S.K. Verma, Company Secretary is the Compliance Officer under the Listing Agreement with Stock Exchanges. During the year under report, the company received only two complaints, which were satisfactorily resolved. No complaint was pending as on 31st March, 2012.

No requests for transfer / transmission / dematerialization of shares were pending as on 31st March, 2012, 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, 2012 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
2008-09	29-09-2009	10 AM	0
2009-10	12-08-2010	10 AM	0
2010-11	30-09-2011	10 AM	3

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 29th August, 2012 at 10:00 AM - Venue Registered Office of the Company at : 43/5, Bahalgarh Road, Sonipat, Haryana

9.2 Financial Calendar 2010-11

Annual General Meeting : 30th September, 2011

Results for Quarter ending Published during

- 30th June, 2011 (unaudited) July - Aug, 2011 - 30th Sept, 2011 (unaudited) Oct - Nov, 2011

- 31st Dec, 2011 (unaudited) Jan - Feb, 2012 - 31st March, 2012 (unaudited) Apr - May, 2012

9.3 Book Closure Date: 16th August, 2012 to 29th August, 2012 (both days inclusive)

9.4 Dividend Payment date : Not applicable

9.5 Listing of Equity Shares : Mumbai Stock Exchange and Calcutta Stock Exchange

9.6 Stock Code :

- (a) Trading Symbol at : Mumbai Stock Exchange : 500220; Calcutta Stock Exchange* : 20053
(b) Demat ISIN Nos in NSDL and CDSL : INE711C01010

* There has also not been any trading in company's shares at CSE during the year under report. Annual Listing fees has been paid to both the Stock Exchanges.

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

Stock Market data in respect of equity shares (of ₹ 10 each fully paid up, as traded at Mumbai Stock Exchange) of the Company i.e. high/low/closing price, number of shares traded and number of trades during the financial year 2011-2012 on the Mumbai Stock Exchange was as under:

MONTH	P R I C E				NUMBER OF		TURNOVE ([^])	SPREAD*	
	OPEN	HIGH	LOW	CLOSE	SHARES	TRADES		H-L	C-O
Apr 11	12.74	13.47	11.30	12.25	12,727	113	1,57,690	2.17	-0.49
May 11	13.47	16.39	12.95	13.99	54,877	439	7,82,872	3.44	0.52
Jun 11	14.00	14.45	12.25	13.56	10,103	122	1,38,214	2.20	-0.44
Jul 11	13.56	18.70	13.40	16.62	2,07,078	996	33,56,101	5.30	3.06
Aug 11	18.10	18.25	13.75	14.90	44,980	372	7,02,274	4.50	-3.20
Sep 11	15.25	15.50	13.10	14.56	32,175	329	4,60,122	2.40	-0.69
Oct 11	14.00	15.35	12.61	14.25	69,532	453	9,83,617	2.74	0.25
Nov 11	15.00	15.60	12.26	14.05	27,153	218	3,71,641	3.34	-0.95
Dec 11	13.75	14.80	12.35	13.00	24,697	288	3,27,179	2.45	-0.75
Jan 12	13.50	15.11	12.55	13.53	30,517	217	4,18,789	2.56	0.03
Feb 12	13.95	14.70	12.55	13.00	45,006	434	6,06,612	2.15	-0.95
Mar 12	14.25	14.25	12.10	13.45	50,331	441	6,44,279	2.15	-0.80*

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.

9.9 DISTRIBUTION OF SHAREHOLDING AS ON 31ST March, 2012

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

Category of Share Holders	Number of Share Holders	Total Number of Shares	Number of Shares Held in Dematerialized form	Total Shareholding as a Percentage of total number of shares	Shares Pledged or otherwise encumbered	
					No.	%
Indian Promoters (Individuals / HUF)	12	6198655	6134437	54.71	2000000	32.27
Mutual Funds/UTI	1	1100	0	0.01	-	0.00
Bodies Corporate	109	357244	319244	3.15	-	0.00
i. Individual shareholders holding nominal share capital up to ₹ 1 Lac	9255	2878323	1545983	25.41	-	0.00
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 Lac	48	1747171	1613971	15.42	-	0.00
NRIs	324	147507	27207	1.30	-	0.00
TOTAL	9719	11330000	9705060	100.00	2000000	17.65

9.10 DEMATERIALISATION OF SHARES AND LIQUIDITY

85.66% of the paid up share capital of the Company is represented in dematerialized form as on 31st March, 2012.

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, Jhandewalan Extension, New Delhi 110055

In the unlikely event of a long pending unattended request, shareholders may write to : The Company Secretary, Jasch Industries Ltd, 43/5, Bahalgarh Road, Sonapat 131021, Haryana.

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

Website : www.jaschindustries.com

9.14 DECLARATION BY CEO OF THE COMPANY ON CODE OF CONDUCT

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

9.15 CEO/CFO Certification

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

29th June, 2012

J. K. Garg
CHAIRMAN & Managing 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, 2012, as stipulated in Clause 49 of 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 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
(Regd. No. 003870N)

CA. Vijay K. Choudhary
Partner
Membership No. : 81843

New Delhi, June 29, 2012

AUDITORS' REPORT

To the Members of
Jasch Industries Limited

We have audited the attached Balance Sheet of Jasch Industries Ltd., Sonepat as at March 31, 2012, the Statement of Profit and Loss 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss 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, 2012, and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on March 31, 2012 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, 2012;
 - b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - c) In the case of Cash Flow Statement, of the cash flow for the year ended on that date.

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

CA. Vijay K. Choudhary
Partner
Membership No. : 81843

New Delhi, June 29, 2012

ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph 2 of our report of even date

1. In respect of its fixed assets :-
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - (b) 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.
 - (c) In our opinion, the Company has not disposed of substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its inventories :-
 - (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) 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.
 - (c) The Company has maintained proper record of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book record.
3. (a) As informed, the Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii)(b), (c) and (d) of the Order are not applicable.
 - (b) As informed, the Company has taken unsecured loans repayable on demand amounting to Rs. 2.75 crores from twelve parties (Directors and their relatives) covered in the register maintained under Section 301 of the Companies Act, 1956. The terms and condition of such loans are prima facie not prejudicial to the interest of the Company.
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 weakness in internal control system.
5. In our opinion and according to information and explanations given to us, no such transaction was made in pursuance of contracts or arrangement, that need to be entered in Register maintained under Section 301 of the Companies Act, 1956, except for as stated above.
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 is not applicable to the Company.
7. In our opinion, the Company has an internal audit system commensurate with size and nature of its business.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. In respect of statutory dues :-
 - (a) According to the records of the Company examined by us and the information and explanations given to us, in our opinion, the company is 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.
 - (b) 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, 2012 for a period of more than 6 months from the date they became payable.
 - (c) The Company has raised legal disputes in respect of the following demands before the appropriate authorities :-

Sr. No.	Name of the statute	Nature of dues	Amount (In ₹)	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	Punjab & Haryana High Court
3	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 any financial institutions or bank during the year.
12. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a Chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order is not applicable to the Company.
14. The company is not dealing in shares, debentures and other securities hence clause (xiv) is not applicable to the company.
15. The Company has given any guarantee for loan taken by other from bank. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the Company.
16. The Company has raised new term 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 purpose for which they were raised.
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 investments.
18. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debenture and did not have any outstanding debenture during the period covered by our audit report.
20. The Company has not raised any monies by way of public issue during the year.
21. In our opinion and according to the information and explanations given to us, no material fraud on or by the company has been noticed or reported during the year.

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

CA. Vijay K. Choudhary
Partner
Membership No. : 81843

New Delhi, June 29, 2012

JASCH INDUSTRIES LIMITED

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

BALANCE SHEET AS AT 31st MARCH, 2012

	NOTE	As At 31 st March, 2012	(Amount In ₹) As At 31 st March, 2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	113300000	113300000
Reserves and Surplus	2	<u>131258984</u>	<u>102363421</u>
		244558984	215663421
Share Application Money Pending Allotment		0	0
Non-Current Liabilities			
Long Term Borrowings	3	70034591	70228763
Deferred Tax Liability (Net)	4	<u>32301880</u>	<u>29987659</u>
		102336471	100216422
Current Liabilities			
Short Term Borrowings	5	118169907	100736406
Trade Payables	6	133298429	134188015
Other Current Liabilities	7	67323160	54937001
Short Term Provisions	8	<u>14388520</u>	<u>33042063</u>
		333180016	<u>322903485</u>
TOTAL		<u>680075471</u>	<u>638783328</u>
ASSETS			
Non-Current Assets			
Fixed Assets	9		
Net Tangible Fixed Assets		249129194	206405873
Capital Work-in-Progress		2187479	60847997
Non-Current Investments	10	52180318	460318
Long Term Loans And Advances	11	<u>2529208</u>	<u>2529208</u>
		306026199	270243396
Current Assets			
Current Investments	12	1479795	1852324
Inventories	13	128903109	145111832
Trade Receivables	14	207754733	180719815
Cash and Bank Balances	15	13613229	11751735
Short Term Loans and Advances	16	17401841	24207661
Other Current Assets	17	<u>4896565</u>	<u>4896565</u>
		374049272	<u>368539932</u>
TOTAL		<u>680075471</u>	<u>638783328</u>
Significant Accounting Policies Notes on Financial Statements	1-34		

As per our Report of even date

For and on behalf of the Board

For Arora & Choudhary Associates

Chartered Accountants
(Redg. No. 003870N)

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

New Delhi June 29, 2012

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

JASCH INDUSTRIES LIMITED

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

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2012

	NOTE	2011-2012 (₹)	2010-2011 (₹)
INCOME			
Revenue from Operations	18	785343199	752946962
Other Income	19	3270083	2198437
Total Revenue		<u>788613282</u>	<u>755145399</u>
EXPENDITURE :			
Cost of Materials Consumed	20	566055840	544237721
Change in Inventories of Finished Goods & Stock-in-Process	21	(8934011)	(7773213)
Employee Benefits Expense	22	28799933	27159855
Finance Costs	23	27428457	22644254
Depreciation and Amortization Expense	9	24259944	18033116
Other Expenses	24	111964775	107231096
Total Expenses		<u>749574938</u>	<u>711532829</u>
Profit Before Tax		39038344	43612570
Tax Expenses			
Current Tax		7807670	13161300
Deferred Tax		2314221	2650753
Tax in respect of earlier year		20890	180410
Profit for the Year		<u>28895563</u>	<u>27620107</u>
Earnings per equity share Basic and Diluted	25	2.55	2.44
Significant Accounting Policies Notes on Financial Statements	1-34		

As per our Report of even date

For and on behalf of the Board

For Arora & Choudhary Associates

Chartered Accountants
(Redg. No. 003870N)

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

New Delhi June 29, 2012

J. K. Garg	-	Chairman & Managing Director
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JASCH INDUSTRIES LIMITED

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

(Amount in ₹)

CASH FLOW STATEMENT FOR THE YEAR 2011-2012

	2011-2012	2010-2011
A. CASH FLOWS FROM OPERATING ACTIVITIES :		
Net Profit before tax as per Statement of Profit Loss Account	39038344	43612570
Adjusted For : Add / (Deduct) :		
-Net Prior Year Adjustmen	(20890)	(180410)
-Loss on Sale / Discard of Assets / Vehicle (net)	585537	335964
-Depreciation and Amortization Expense	24259944	18033116
-Effect of Exchange Rate Change	(3042480)	(1972320)
-Net gain on Sale of Investments	0	(457800)
-Interest Income	(796739)	(552736)
-Interest Income (TUFF)	(2473344)	(1187901)
-Finance Costs	27428457	22644254
-Debtors Written Off	0	965697
	45940485	37627864
Operating Profit before Working Capital Changes	84978829	81240434
Adjusted For : Add / (Deduct) :		
-Trade and Other Receivables	(18781483)	(26949129)
-Inventories	16208723	(45275228)
-Trade and Other Payables	(992469)	54570740
	(3565229)	(17653617)
Cash Generated from Operations	81413600	63586817
Taxes Paid	(7807670)	(13161300)
Interest Received	796739	552736
Interest (TUFF)	2473344	1187901
Exchange Rate Effect	1594865	0
Net Cash from Operating Activities	78470878	52166154
B: CASH FLOW FROM INVESTING ACTIVITIES :		
-Purchase of Fixed Assets	(12682640)	(91785970)
-Sale of Fixed Assets	3774358	4781446
-Purchase of Investments	(51720000)	(852324)
-Sale of Investments	372529	2376318
Net Cash (used in) Investing Activities	(60255753)	(85480530)
C: CASH FLOW FROM FINANCING ACTIVITIES :		
-Proceeds from Issue of Share Capital	0	0
-Proceeds form Long Term Borrowings	25549000	58885000
-Repayment of Long Term Borrowings	(18695914)	(18230999)
-Short Term Borrowings (net)	17433501	18192810
-Dividends Paid (including dividend distribution tax)	(13211761)	0
-Interest Paid	(27428457)	(22644254)
Net Cash (used in) / from Financing Activities	(16353631)	36202557
Net Increase in Cash and Cash Equivalents	1861494	2888181
Opening Balance of Cash and Cash Equivalents	11751735	8863554
Closing Balance of Cash and Cash Equivalents	13613229	11751735

As per our Report of even date

For and on behalf of the Board

For Arora & Choudhary Associates

Chartered Accountants
(Redg. No. 003870N)

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

New Delhi June 29, 2012

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

SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements :

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

B. Use of Estimates :

In conformity with generally accepted accounting principles, the preparation of financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts 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.

C. Recognition of Revenue / Income and Expenditure :

- a) Revenues / Incomes and Cost / Expenditures are accounted for on accrual basis, as they are earned or incurred.
- b) Turnover comprises of sale of goods and services. Sales are recorded when supply of goods takes place in accordance with the terms of sales. Turnover includes Excise Duties, VAT and Service Tax.
- c) Revenue subsidies like interest subsidy (TUFF) is reflected in "other incomes" when actually received.

D. 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 and Capital Subsidy (if any received).
- 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 Assts 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.

E. Impairment of Assets :

An Asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

F. Intangible Assets :

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization / depletion. All costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets are capitalized.

G. Deferred Revenue Expenditure :

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

H. Borrowing Costs :

Interest (up to the date of its first use) and other borrowing costs on specific borrowings relating to qualifying assets are capitalized. Other interest and borrowing costs are charged to revenue.

I. 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 when transaction is recognized in Statement of Profit and Loss.

J. Liabilities For Customs Duty :

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

K. 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.

L. Investments :

Trade investments (Long Term / Short Term) are carried as per AS-13 issued by the ICAI.

SIGNIFICANT ACCOUNTING POLICIES

M. 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 expense incurred in bringing the inventories to their present location and condition and is arrived at on FIFO Basis except in case of Release Paper, the cost of which is reduced by 50% directly from the cost price as and when new reel of Release Paper is issued to production.
- b) Valuation of Semi-finished goods / Work-in-process is at material cost including cost of conversion wherever applicable.
- c) Valuation of Finished Goods includes cost 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

N. Research And Development Expenditure :

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

O. 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 recognized as an expense and debited to Statement of Profit and Loss on monthly accrual basis.
- b) Bonus and leave encashment payments are accounted for on accrual basis and charged to Statement of Profit and Loss.
- c) Retirement Gratuity Liability is assessed every year as at 31st March, as per actuarial valuation made by LIC of India and premium calculated on the same is paid to LIC of India.

P. 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.

Q. Provision For Current And Deferred Tax :

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

R. Provisions, Contingent Liabilities And Contingent Assets :

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

- S. 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.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

	As At 31 st MARCH, 2012		As At 31 st MARCH, 2011	
1. SHARE CAPITAL				
Authorised Share Capital :				
1,40,00,000 Equity Shares of ₹ 10 each	140000000		125000000	
	140000000		125000000	
Issued, Subscribed and Paid up :				
1,13,30,000 Equity Shares of ₹ 10 each fully paid up	113300000		113300000	
TOTAL	113300000		113300000	

1.1 The details of Shareholders holding more than 5% shares :

Name of the Shareholder	As At 31 st March, 2012		As At 31 st March, 2011	
	No. of Shares	% held	No. of Shares	% held
Mr. Jai Kishan Garg	2380049	21.01	2379049	21.00
Ms. Kamlesh Garg	605945	5.35	605945	5.35
Mr. Manish Garg	846349	7.47	846349	7.47
Mr. Ramnik Garg	788973	6.96	788973	6.96

1.2 The reconciliation of the number of shares outstanding is set out below :

1.3 Terms / rights attached to Equity Shares :

Company has only one class of equity shares having a par value of ₹10/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Particulars	As At 31 st March, 2012 No. of Shares		As At 31 st March, 2011 No. of Shares	
Equity Share at the beginning of the year	11330000		11330000	
Add : Shares issued during the year	0		0	
Less : Shares cancelled on buy back of Equity Shares	0		0	
Equity Shares at the end of the year	11330000		11330000	

2. RESERVES AND SURPLUS

General Reserve

As per Last Balance Sheet **3000000**
Add : Transferred from Profit and Loss Account **0**

3000000

0
3000000
3000000

Profit and Loss Account

As per last Balance Sheet **99363421**
Add : Profit for the year **28895563**

128258984

87955075
27620107
115575182

Less : Appropriations
Transferred to General Reserve **0**
Proposed Dividend on Equity Shares (Dividend per Shares `1/-) **0**
Tax on Dividend **0**

3000000
11330000
1881761

128258984

131258984

99363421

102363421

3. LONG TERM BORROWINGS

Secured

Term Loans From Bank **39508792**
Loans For Vehicles (Banks) **2985799**

23500000
2247800

59762844
3415919
16062000
2633914

42494591

25747800

63178763
18695914

Unsecured

Loan From Directors **27540000**

0

7050000
0

27540000

0

7050000
0

TOTAL

70034591

25747800

70228763
18695914

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

- 3.1 Term Loans From State Bank of India 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.
- 3.2 Loans for Vehicles is Secured by Hypothecation of Respective Vehicle.

	As At 31 st March, 2012	As At 31 st March, 2011
4. DEFERRED TAX LIABILITY (Net)		
Deferred Tax Liability Related to fixed assets	32568673	30974090
Deferred Tax Assets	266793	986431
Disallowance under the Income Tax Act, 1961	<u>32301880</u>	<u>29987659</u>
TOTAL		
	<u><u>32301880</u></u>	<u><u>29987659</u></u>
5. SHORT TERM BORROWINGS		
Secured		
Working Capital Loan From Bank	118169907	100736406
TOTAL	<u>118169907</u>	<u>100736406</u>
	<u><u>118169907</u></u>	<u><u>100736406</u></u>

- 5.1 Working Capital Loan (State Bank of India) is Secured of Hypothecation of present and future stock of raw materials, stock-in-process, finished goods, stores and spares, book debts, receivables, claims, materials in transit and personal guarantee of four Directors.

	As At 31 st March, 2012	As At 31 st March, 2011
6. TRADE PAYABLES		
Micro, Small and Medium Enterprises	0	0
Others	133298429	134188015
TOTAL	<u>133298429</u>	<u>134188015</u>
	<u><u>133298429</u></u>	<u><u>134188015</u></u>

6.1 The information as required to be disclosed under The Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") has been determined to the extent such parties have been identified by the Company on the basis of information and records available with the company. This information has been relied upon by the auditors. Disclosure in respect of interest due on delayed payment has been determined only in respect of payments made after the receipt of information, if any, with regards to filing of memorandum, from the respective suppliers. Disclosure as required under section 22 of the Act, is as under:

Principal amount due and remaining un paid	0	0
Interest due on above and the unpaid interest	0	0
Interest paid	0	0
Payment made beyond the appointed day during the year	0	0
Interest due and payable for the period of delay	0	0
Interest accrued and remaining unpaid	0	0
Amount of further interest remaining due and payable in succeeding years	0	0

	As At 31 st March, 2012	As At 31 st March, 2011
7. OTHER CURRENT LIABILITIES		
Current maturities of long term debt (Refer Note No.3)	25747800	18695914
Unclaimed Dividends	983483	0
Creditors for Capital Expenditure	1601081	4898779
Advance From Customers	24231728	18113055
Sales Tax Payable	958673	470553
TDS Payable	126554	321096
Expenses Payable	433278	313570
Sundry Creditors for Others	5232726	11770034
Others	8007837	354000
TOTAL	<u>67323160</u>	<u>54937001</u>
	<u><u>67323160</u></u>	<u><u>54937001</u></u>
8. SHORT TERM PROVISIONS		
Provision for Employee Benefits :		
EPF / ESI Payable	119654	137449
Salary and Wages Payable	1965421	2218129
Bonus / Gratuity Payable	1750909	2985450
Others Payables :		
Excise Duty Payable	1821597	0
Electricity and Power	793722	932979
Telephone Expenses	129547	126726
Listing Fee of Stock Exchange	0	268269
Current Year Tax	7807670	13161300
Proposed Dividend	0	11330000
Tax on Dividend	0	1881761
TOTAL	<u>14388520</u>	<u>33042063</u>
	<u><u>14388520</u></u>	<u><u>33042063</u></u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

- 8.1 Provision of Excise Duty on finished goods lying in factory premises at March 31, 2012 aggregating to ₹ 21,25,814 (Previous Year ₹ 16,90,819) 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, 2012
- 8.2 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.
- 8.3 Provision for retirement gratuity liability as at 31.03.2012 to all eligible employees has been made as per Actuarial Valuation, and an amount of ₹ 12,15,821 has been paid to LIC of India as 1/4 contribution for previous liability and full contribution for current year.

9. FIXED ASSETS

Description	GROSS BLOCK				DEPRECIATION / Amortisation				NET BLOCK	
	As At 01.04.11	Additions	Deductions/ Adjustments	As At 31.03.2012	Upto 31.03.2011	For the Period	Deduc./ Adjustments	Upto 31.03.2012	As At 31.03.2012	As At 31.03.2011
TANGIBLE OWN ASSETS:										
Free Hold Land	992813	0	0	992813	0	0	0	0	992813	992813
Building (Bahal. Office)	2653549	0	0	2653549	278812	43371	0	322183	2331366	2374737
Building (Delhi Office)	6585356	0	0	6585356	107341	107635	0	214976	6370380	6478015
Building (Factory)	32585504	1247836	0	33833340	10656609	1092023	0	11748632	22084708	21928895
Furniture & Fittings	3435222	3720	0	3438942	1647138	218219	0	1865357	1573585	1788084
Plant & Machinery	276873428	4703318	11274070	270302676	126910455	14396389	8378780	132928064	137374612	149962973
DMF Tower & Boiler	0	62774671	0	62774671	0	5987077	0	5987077	56787594	0
Vehicles-Commercial	1427873	0	0	1427873	432965	136020	0	568985	858888	13174436
Vehicles-Others	16886442	2408123	2611453	16683112	3712006	1577675	1146850	4142831	12540281	994908
Fire Fighting Equipment	580664	83410	0	664074	395669	38087	0	433756	230318	184995
Air Conditioners	880742	27500	0	908242	269359	42741	0	312100	596142	611383
Computers	2099426	53285	0	2152711	1267865	156370	0	1424235	728476	831561
Generator Set	7809571	0	0	7809571	2232359	371971	0	2604330	5205241	5577212
Office Appliances	1916263	41295	0	1957558	410402	92366	0	502768	1454790	1505861
TOTAL	354726853	71343158	13885523	412184488	148320980	24259944	9525630	163055294	249129194	206405873
Capital Work-in-Progress	60847997	3876701	62537219	2187479	0	0	0	0	2187479	60847997
TOTAL	415574850	75219859	76422742	414371967	148320980	24259944	9525630	163055294	251316673	267253870
PREVIOUS YEAR	345301453	122442414	52169017	415574850	146683027	18033116	16395163	148320980	267253870	198618426

10. NON-CURRENT INVESTMENTS

(Long Term Investments)

Trade Investments

In Equity Shares - Unquoted, fully paid up

Jasch North America Company USA

Jasch Europa BVBA

In Equity Shares - Quoted, fully paid up

Standard Capital Market Ltd

(Market Value As on 31.03.12 is ₹ 316965/-)

TOTAL

	As At 31 st March, 2012		As At 31 st March, 2011	
	No. of Shares	Value	No. of Shares	Value
Not Specified		51720000	0	0
5580		392518	5580	392518
33900		67800	33900	67800
TOTAL		52180318		460318

- 10.1 The company has purchased 100% share holding of Indev Gauging System Inc, USA through a wholly owned subsidiary company named Jasch North America Company incorporated in USA.

11. LONG TERM LOANS AND ADVANCES

(Unsecured and Considered Good)

Security Deposit

(Include Deposit with State Electricity Department is ₹ 2135366/-)

TOTAL

12. CURRENT INVESTMENTS

Other Investments

Real Estate for Short Term

TOTAL

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	As At 31 st March, 2012	As At 31 st March, 2011
13. INVENTORIES		
Raw Materials	49507788	78367452
Consumables	29184585	31318985
Stock-in-Process	21152590	12592280
Finished Goods	19207850	18399154
Stores & Spares	890810	329570
Packing Material	519877	292741
Fuel	446257	418715
Goods-in-Transit	7993352	3392935
TOTAL	128903109	145111832
14. TRADE RECEIVABLES		
(Unsecured and Considered Good)		
Over six months	29229119	18014044
Others	178525614	162705771
TOTAL	207754733	180719815
15. CASH AND BANK BALANCES		
Cash in hand	173812	809252
Balance with Banks	145623	159060
Balance In Unpaid Dividend Account (SBI)	983483	0
Fixed Deposit with Bank	12310311	10783423
TOTAL	13613229	11751735
16. SHORT TERM LOANS AND ADVANCES		
(Unsecured and Considered Good)		
Advance to Suppliers	2382376	2728411
Advance Income Tax & TDS	5313998	9381438
Balance With Revenue Authorities	1353510	8375444
Deferred Expenditure	5895820	0
Prepaid Expenses	2011236	2184064
Miscellaneous Receivables	444901	1538304
TOTAL	17401841	24207661
17. OTHER CURRENT ASSETS		
Claim Receivables	4896565	4896565
TOTAL	4896565	4896565
17.1 The Company has received insurance claim of ₹ 86.03 lakh during 2003-2004 in respect of destruction of a part of factory buildings, plant and machinery and inventory in a fire accident on 23rd/24th November, 2001 which had resulted in book loss of ₹135 lakh. Balance claim of ₹ 48.97 lakh has been shown as receivable. A petition in Delhi High Court against Insurance Company for payment of balance amount with interest has been filed and admitted by the Hon'ble Delhi High Court. There are fair chances at the balance claim of ₹ 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.		
18. REVENUE FROM OPERATIONS	2011-2012	2010-2011
Sale of Products (Refer Note No. 34)		
Synthetic Leather & Allied Products	625183611	654822534
Electronic Thickness Gauges	234965386	168872862
Income From Services	1870423	1578600
	862019420	825273996
Less : Excise Duty / VAT / Service Tax	76676221	72327034
TOTAL	785343199	752946962
19. OTHER INCOME		
Interest Income (FDR)	796739	552736
Subsidy (TUFF)	2473344	1187901
Gain on Sale of Investment	0	457800
TOTAL	3270083	2198437

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	2011-2012	2010-2011
20. COST OF MATERIAL CONSUMED		
(Refer Note No. 35)		
Raw Material	544218001	522567198
Consumables (Release Paper)	21837839	21670523
TOTAL	566055840	544237721
21. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS		
Inventories (at Commencement)		
Finished Goods	18399154	10250653
Stock-in-Process	12592280	12070434
	30991434	22321087
Inventories (at Close)		
Finished Goods	19207850	18399154
Stock-in-Process	21152590	12592280
	40360440	30991434
	(9369006)	(8670347)
Add/(Less) : Variation in Provision for Excise Duty on Opening and Closing Stock of Finished Goods	434995	897134
TOTAL	(8934011)	(7773213)
22. EMPLOYEE BENEFITS EXPENSE		
Salary, Wages, Gratuity & Bonus	27254916	25608798
Contribution to P. F. & Other Funds	875976	904485
Employee Welfare Expenses	579041	526572
Director Meeting Sitting Fee	90000	120000
TOTAL	28799933	27159855
23. FINANCE COST		
Interest on Cash Credit Facility	11703283	12436027
Interest on Term Loan	9597838	4879549
Interest on Vehicle Loan	570116	370589
Other Interest	150260	0
Bank Charges	5406960	4958089
TOTAL	27428457	22644254
24. OTHER EXPENSES		
Manufacturing and Operating Cost		
Power & Fuel	39224442	45500354
Consumables & Stores	2733826	4189002
Packing Material	5620215	6000801
Freight Inward	14186975	15603044
Repair & Maintenance (Plant)	3705491	4084185
Exchange Difference (Net)	4438614	(1972320)
TOTAL (A)	69909563	73405066
Establishment Expenses		
Insurance Expenses	732691	640932
Books, Printing & Stationery	473676	623467
Postage & Telegram	586673	529955
Telephone & Communications	2318053	2277613
Tour & Travel Including Foreign Travel	5827828	5958836
Hotel, Boarding, Lodging & conveyance	6316046	3885067
Vehicle Running & Maintenance	2188570	2056614
Fee & Subscription	1417948	1038238
Legal & Professional Charges	4736089	834764
Rent, Rates and Taxes	299099	159915
Technical Know How Fee	1470000	1342500
Charity & Donation	300770	197775
Electrical & General Repair & Maintenance	1690406	1256738
Auditor Remuneration - Audit Fee	38605	38605
Auditor Remuneration - Taxation Matters	16545	16545
Dividend Distribution Expenses	98695	0
Loss on Sale of Vehicle / Machinery	585537	335964
Miscellaneous	277655	291041
TOTAL (B)	29374886	21484569

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	2011-2012		2010-2011	
Note it Continues.....				
Selling and Distribution Expenses				
Testing Charges	165370		118742	
Discount & Rebates	5492105		4666500	
Selling Expenses	1820542		1440000	
Sales Commission	425675		1580295	
Freight Outward	2012646		997723	
Advertising & Exhibition	2678459		1583268	
Debts Written off as Irrecoverable	0		965697	
Clearing & Forwarding (Export)	85529		989236	
TOTAL (C)	12680326		12341461	
TOTAL (A+B+C)	111964775		107231096	
25. EARNINGS PER SHARE (EPS)				
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	28895563		27620107	
Number of equity shares used as denominator for calculating EPS	11330000		11330000	
Basic and Diluted Earnings per share	2.55		2.44	
Face Value per equity share	10.00		10.00	
	₹ in Lakhs	2011-2012 % of Total Consumption	₹ in Lakhs	2010-2011 % of Total Consumption
26. CONSUMPTION OF IMPORTED & INDIGENOUS RAW MATERIALS				
Imported (Landed cost at Factory)	2624.97	46.15	2493.70	45.47
Indigenous	3062.93	53.85	2990.57	54.53
	5687.90	100.00	5484.27	100.00
27. EXPENDITURE IN FOREIGN CURRENCY				
Raw Material & Consumables (CIF)	2266.51		2312.16	
Capital Goods (CIF)	4.98		533.14	
Foreign Travels	18.14		12.57	
Technical Know How Fee	13.19		12.04	
Exhibition Expenses	17.61		13.27	
Professional Fee	77.18		0	
	2397.61		2883.18	
28. EARNING IN FOREIGN CURRENCY				
FOB Value of Export of Goods				
1. Electronic Thickness Gauge				
(Earning in US\$ 1334200)	608.47		563.94	
(Earning in EURO 229605)	152.22		195.84	
	760.69		759.78	
2. Synthetic Leather & Allied Products				
(Earning in US\$ 35220)	16.23		12.97	
	16.23		12.97	
29. REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND				
The Company has paid the following dividend in respect of shares held by Non-Residents on repatriation basis. The entire dividend has been paid in Indian Rupees.				
a) No of Non Resident Shareholders	317		0	
b) Number of Equity Shares held by them	146686		0	
c)(i) Amount of Dividend Paid	146686		0	
(ii) Tax Deducted At Source	0		0	
(iii) Year to which Dividend relates	2010-2011		0	

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	2011-2012	2010-2011
30. CONTINGENT LIABILITIES AND COMMITMENTS		
(I) Contingent Liabilities		
(A) Claim against the company / disputed liabilities not acknowledged as debts	7.82	7.82
(B) Guarantees		
(I) Guarantees to Banks and Financial Institutions against credit facilities extended to third parties		
a) In Respect of Wholly Owned Subsidiary (\$ 3 Lakh)	153.48	0
b) In Respect of Others	0	0
(ii) Performance Guarantees (Margin Money with Bank ₹ 29.07 Lakh)	152.82	132.19
(iii) Outstanding guarantees furnished to Bank in respect of Letters of Credits (Margin Money with Bank ₹ 89.05 Lakh)	748.30	722.53
(C) Other Money for which the company is contingently liable		
i) Liability in respect of bill discounted with bank	0.00	0.00
ii) Liability in respect of Sales Tax surety for third parties	8.00	6.00
(II) Commitments		
(A) Estimated amount of contracts remaining to be executed on capital account and not provided for :	0	0
(B) Other Commitments	0	0

31. 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 complied on the basis of financial statement).

The Company has identified two segment as reportable segment viz. Synthetic Leather Cloth & Allied Products Division and Electronic Thickness Gauge Division.

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

	Current Year (2011-2012)			Previous Year (2010-2011)		
	Synthetic Leather Cloth & Allied Products Division	Electronic Thickness Gauge Division	Total	Synthetic Leather Cloth & Allied Products Division	Electronic Thickness Gauge Division	Total
REVENUE						
External Sales	6251.84	2368.36	8620.20	6548.23	1704.51	8252.74
Less : Excise Duty	—	—	766.76	—	—	723.27
Inter-segment Sales	—	—	—	—	—	—
Other Income	32.70	—	32.70	21.98	—	21.98
Total Revenue			7886.14			7551.45
RESULTS						
Segment Results	315.07	349.60	664.67	387.91	274.66	662.57
Unallocated Corporate Expenses (Net)			—			—
Operating Profit			664.67			662.57
Interest Expenses			274.28			226.44
Income Tax - Current			78.08			131.62
- Deferred & Previous Year Tax			23.35			28.31
Profit from Ordinary Activities			288.96			276.20
Extra Ordinary Loss			—			—
Net Profit			288.96			276.20
OTHER INFORMATION						
Segment Assets	5914.75	886.10	6800.85	5715.88	671.99	6387.87
Total Assets			6800.85			6387.87
Segment Liabilities	6449.93	350.92	6800.85	6044.61	343.26	6387.87
Total Liabilities			6800.85			6387.87
Capital Expenditure			102.75			866.59
Depreciation			242.60			180.33
Non-cash Expenses other than Depreciation			—			09.66

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

32. 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)	Total (₹)
Sales (Indev Gauging Systems, Inc.)	As Directors (WOS's Subsidiary)	14,52,280
Purchases	—	—
Raw Materials	—	—
Consumables/Intermediates	—	—
Finished Goods	—	—
Job Work	—	—
Purchase of fixed assets	—	—
Sale of fixed assets	—	—
Managerial remuneration	As Directors	41,83,468
Payment to Relatives as Salary	—	—
Investment (In JNAC as WOS)	As Directors (WOS)	5,17,20,000
Loan Given	—	—
Loan Taken (including opening balance)	As Directors & Relatives	2,75,40,000
Loan Repaid	—	—
Balance outstanding as at the year	As Directors & Relatives	2,75,40,000
Debit/(Credit)	—	Credit

b) Related Party Disclosures.

1. Key Management Personnel : 1. Shri J. K. Garg, Chairman & Managing Director
: 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 : 1. Jasch North America Company (WOS)
: 2. Indev Gauging Systems, Inc. (WOS's Subsidiary)
- c) Disclosure of related parties with whom business transactions took place during the year.
Enterprises over which key management Personnel and relatives of such Persons is able to exercise significant Influence : Investment in JNAC - Rs. 517.20 Lacs
: Sale to Indev - Rs. 14.52 Lacs

33. INSTALLED CAPACITY, PRODUCTION AND TURNOVER (NET OF RETURNED GOODS) (Value ₹ in Lakhs)

S. No.	Class of Goods	Unit	Opening Balance	Production For the		Turnover For The Year Ended				Closing Stock As At
			As on	Year Ended		31 st March		31 st March		
			01.04.2011	2012	2011	2012		2011		
		Qty.	Qty.	Qty.	Qty.	Value	Qty.	Value	Qty.	
1.	Electronic Thickness Gauge (ETG) and Parts	Nos.	2+1	91+389	59+448	91+390	2349.65	58+447	1704.51	2+0
2.	PU/PVC Leather Cloth (Coated Fabrics)	Lakh Mtrs.	0.35	24.40	27.50	24.35	3731.14	27.64	3896.44	0.40
3.	Non Woven	Lakh Mtrs.	0.20	1.47	2.46	1.64	389.29	2.32	516.27	0.03
4.	Needle Loom Felt	Lakh Mtrs.	0.06	0.02	1.44	0.07	24.75	1.45	131.44	0.01
5.	Cellular Plastic Sheet	Lakh Mtrs.	0.22	5.92	6.11	5.97	1930.27	6.06	1832.62	0.17
6.	PU Resin	Lakh Kgs.	0.00	0.55	0.33	0.55	105.38	0.33	53.21	0.00
7.	Various Cut Pieces & Chindi	Lakh Kgs.	0.05	1.82	1.68	1.71	14.22	1.64	19.59	0.16
8.	Bardana		—	—	—	34.26	—	0	23.75	0
9.	Raw materials sales as such		—	—	—	22.53	—	0	74.91	0

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

34. RAW MATERIAL CONSUMPTION							(Value ₹ in Lakh)	
I) Raw Materials	Unit	2011-2012					2010-2011	
		Opening Qty.	Receipt Qty.	Closing Qty.	Consumed Qty.	Value (₹)	Consume QTY.	Value (₹)
DIOP/DOP/DBP/DINP	Kgs.	35680	609530	17730	627480	660.81	880960	802.88
PVC Resin	Kgs.	201385	829625	41370	989640	894.42	1107890	774.54
Fabrics	Mtrs.	467827	2293678	282331	2479174	751.47	2766009	925.92
Non Woven Lining	Mtrs.	242211	443052	50984	634279	610.11	761763	454.78
Adipic Acid	Kgs.	6325	138731	7309	137747	165.50	127013	176.67
DMF	Kgs.	20000	265700	15960	269740	163.83	433138	222.06
MDI	Kgs.	4800	128100	13500	119400	148.94	113075	119.83
Titanium Di Oxide	Kgs.	3775	37825	2675	38925	83.95	58450	79.10
Butane Diol	Kgs.	10000	49000	2600	56400	95.90	53600	68.53
X-Ray Tubes	Nos.	7	37	1	43	48.92	42	46.12
Sources	Nos.	9	71	11	69	112.40	58	92.62
Ionization Chambers	Nos.	19	94	7	106	54.54	93	60.90
Power Supplies	Nos.	8	206	6	208	27.81	218	22.57
Computer & Parts						53.71		41.69
Slide & Bearings						22.65		10.76
Iron & Aluminum						311.97		236.76
Pigment, Chemicals, Electronic Items Etc.						1235.25		1089.93
II) Consumable (R/Paper)						218.38		216.71
						5660.56		5442.37

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors
Jasch Industries Limited

We have audited the attached consolidated Balance Sheet of Jasch Industries Limited (the Company) and its Subsidiaries (collectively referred to as "The Group") as at 31st March, 2012 and the Consolidated Statement of Profit and Loss and The Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the Management on the basis of separate financial statement and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We conduct our audit in accordance with the 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.

1. We have relied on the unaudited consolidated financial statements of certain subsidiaries, whose consolidated financial statements reflect total Assets of ₹ 714.64 Lacs as at 31st March, 2012, total Revenue of ₹ 279.01 Lacs, cash flows amounting to ₹ 12.44 Lacs for the year then ended. These unaudited financial statements / consolidated financial statements as approved by the respective board of directors of these companies have been furnished to us by the management and our report in so far as it relates to the amount included in respect of these subsidiaries is based solely on such approved unaudited financial statements / consolidated financial statements.
2. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of accounting standards AS-21 as notified by the Companies (Accounting Standards) Rules, 2006.
3. Based on our audit as aforesaid, separate financial statement and on the other financial information of the subsidiary, in our opinion and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31st March, 2012;
 - b) In the case of Consolidated Statement of Profit and Loss, of the consolidated results of operations of the Group for the year ended on that date; and
 - c) In the case of Consolidated Cash Flow Statements, of the consolidated cash flows of the Group for the year ended on that date.

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

CA. Vijay K. Choudhary
Partner
Membership No. : 81843

New Delhi, June 29, 2012

JASCH INDUSTRIES LIMITED

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

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

	NOTE	As At 31 st March, 2012	(Amount In ₹)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	113300000	
Reserves and Surplus	2	138309809	
			251609809
Non-Current Liabilities			
Long Term Borrowings	3	82391462	
Deferred Tax Liability (Net)	4	32301880	
Other Long Term Liabilities	5	8952388	
			123645730
Current Liabilities			
Short Term Borrowings	6	118169907	
Trade Payables	7	134250503	
Other Current Liabilities	8	71681016	
Short Term Provisions	9	19115381	
			343216807
TOTAL			718472346
ASSETS			
Non-Current Assets			
Fixed Assets	10		
Net Tangible Fixed Assets		270675105	
Capital Work-in-Progress		2187479	
Intangible Assets		51212834	
Non-Current Investments	11	460318	
Long Term Loans And Advances	12	2601850	
			327137586
Current Assets			
Current Investments	13	1479795	
Inventories	14	136141350	
Trade Receivables	15	216396580	
Cash and Bank Balances	16	14856711	
Short Term Loans and Advances	17	17563760	
Other Current Assets	18	4896565	
			391334760
TOTAL			718472346
Significant Accounting Policies			
Notes on Consolidated Financial Statements	1-33		

As per our Report of even date

For and on behalf of the Board

For Arora & Choudhary Associates

Chartered Accountants
(Redg. No. 003870N)

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

New Delhi June 29, 2012

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

JASCH INDUSTRIES LIMITED

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

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2012

	NOTE	(Amount In ₹) 2011-2012
INCOME		
Revenue from Operations	19	811791729
Other Income	20	3270083
Total Revenue		815061812
EXPENDITURE :		
Cost of Materials Consumed	21	571288834
Change in Inventories of Finished Goods & Stock-in-Process	22	(10803340)
Employee Benefits Expense	23	32877546
Finance Costs	24	27677531
Depreciation and Amortization Expense	10	24643373
Other Expenses	25	117577664
Total Expenses		763261608
Profit Before Tax		51800204
Tax Expenses		
Current Tax		12534531
Deferred Tax		2314221
Tax in respect of earlier year		20890
Profit for the Year		36930562
Earnings per equity share		
Basic and Diluted	26	3.26
Significant Accounting Policies		
Notes on Consolidated Financial Statements	1-33	

As per our Report of even date

For Arora & Choudhary Associates

Chartered Accountants
(Redg. No. 003870N)

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

New Delhi June 29, 2012

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 & Accounts)

JASCH INDUSTRIES LIMITED

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

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 2011-2012

(Amount in ₹)

	2011-2012
A: CASH FLOW FROM OPERATING ACTIVITIES :	
Net Profit before tax as per Statement of Profit Loss Account	51800204
Adjusted For : Add / (Deduct) :	
-Net Prior Year Adjustment	(20890)
-Loss on Sale / Discard of Assets / Vehicle (net)	585537
-Depreciation and Amortization Expense	24643373
-Effect of Exchange Rate Change	(3042480)
-Interest Income	(796739)
-Interest Income (TUFF)	(2473344)
-Finance Costs	27677531
	<hr/>
	46572988
Operating Profit before Working Capital Changes	98373192
Adjusted For : Add / (Deduct) :	
-Trade and Other Receivables	(27657891)
-Inventories	23446964
-Trade and Other Payables	(7400507)
	<hr/>
	(11611434)
Cash Generated from Operations	86761758
Taxes Paid	(12534531)
Interest Received	796739
Interest (TUFF)	2473344
Exchange Rate Effect	2579039
Net Cash from Operating Activities	<hr/> 80076349
B: CASH FLOW FROM INVESTING ACTIVITIES :	
-Purchase of Fixed Assets	(85824814)
-Sale of Fixed Assets	3774358
-Sale of Investments	372529
Net Cash (used in) Investing Activities	<hr/> (81677927)
C: CASH FLOW FROM FINANCING ACTIVITIES :	
-Proceeds from Issue of Share Capital	0
-Proceeds form Long Term Borrowings	46858259
-Repayment of Long Term Borrowings	(18695914)
-Short Term Borrowings (net)	17433501
-Dividends Paid (including dividend distribution tax)	(13211761)
-Interest Paid	(27677531)
Net Cash (used in) / from Financing Activities	<hr/> 4706554
Net Increase in Cash and Cash Equivalents	3104976
Opening Cash and Cash Equivalents	11751735
Closing Cash and Cash Equivalents	<hr/> 14856711

As per our Report of even date
For Arora & Choudhary Associates

Chartered Accountants
(Redg. No. 003870N)

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

New Delhi June 29, 2012

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 & Accounts)

SIGNIFICANT ACCOUNTING POLICIES OF CONSOLIDATED FINANCIAL STATEMENTS

1. Principles of Consolidation

The consolidated financial statements relate to Jasch Industries Limited ('the Company') and its subsidiary. The consolidated financial statements have been prepared on the following basis.

2. Accounting Policies

The Accounting Policies of the Parent and of its Subsidiaries are similar and inline with the Generally Accepted Principles ('GAAP') in India. As the Accounting Policies of the Parent have been mentioned in the separate financial statements of the Parent, therefore the same has not been reproduced here.

3. Components considered

The following components have been considered in preparation of Consolidated Financial Statements :-

Subsidiaries

a) Indian Subsidiaries : NIL

b) Foreign Subsidiaries :

Name	Country	Ownership (%)	Period Considered	Audited / Board Approved
Jasch North America Company (JNAC)	USA	100%	Since the date of incorporation	Approved by Jasch Industries Ltd
Indev Gauging Systems, Inc.	USA	100%	Since the date of incorporation	Approved by Jasch Industries Ltd, as consolidated with JNAC

4. The financial statements of the Company and its subsidiary are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements"
5. In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the exchange fluctuation reserve.
6. The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
7. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
8. Since this is the first occasion when provisions of As-21 have become applicable comparative figures for the previous year have not be given as per the transitional provision of Accounting Standard (AS) - 21.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	As At 31st March, 2012
1 SHARE CAPITAL	
Authorised Share Capital :	
1,40,00,000 Equity Shares of ₹ 10 each	<u>14000000</u> <u>14000000</u>
Issued, Subscribed and Paid up :	
1,13,30,000 Equity Shares of ₹ 10 each fully paid up	<u>11330000</u>
TOTAL	<u>11330000</u>

1.1 The details of Shareholders holding more than 5% shares :

Name of the Shareholder	As At 31st March, 2012	
	No. of Shares	% held
Mr. Jai Kishan Garg	2380049	21.01
Ms. Kamlesh Garg	605945	5.35
Mr. Manish Garg	846349	7.47
Mr. Ramnik Garg	788973	6.96

1.2 The reconciliation of the number of shares outstanding is set out below :

Particulars	As At
	31st March, 2012 No. of Shares
Equity Share at the beginning of the year	11330000
Add : Shares issued during the year	0
Less : Shares cancelled on buy back of Equity Shares	0
Equity Shares at the end of the year	<u>11330000</u>

1.3 Terms / rights attached to Equity Shares :

Company has only one class of equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

	As At 31st March, 2012
2 RESERVES AND SURPLUS	
General Reserve	
As per Last Balance Sheet	3000000
Add : Transferred from Profit and Loss Account	<u>0</u>
	3000000
Profit and Loss Account	
As per last Balance Sheet	99363421
Add : Profit for the year	<u>36930562</u>
	136293983
Foreign Currency Translation Reserve	
As per Last Balance Sheet	0
Amount transferred on account of resulting exchange difference on conversion of a non-integral subsidiary	<u>(984174)</u>
	(984174)
	<u>138309809</u>

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	As At 31st March, 2012	
	Non Current	Current
3 LONG TERM BORROWINGS		
Secured		
Term Loans From Bank	51865663	24631377
Loans For Vehicles (Banks)	2985799	2247800
	<u>54851462</u>	<u>26879177</u>
Unsecured		
Loan From Directors	27540000	0
	<u>27540000</u>	<u>0</u>
TOTAL	<u>82391462</u>	<u>26879177</u>

3.1 Term Loans From State Bank of India 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.

3.2 Loans for Vehicles is Secured by Hypothecation of Respective Vehicle.

3.3 Subsidiaries : Loan amounting to ₹134.88 Lacs availed by subsidiary has been secured by hypothecation charge over assets of the respective subsidiary Company

	As At 31st March, 2012
4 DEFERRED TAX LIABILITY (Net)	
Deferred Tax Liability	
Related to fixed assets	32568673
Deferred Tax Assets	
Disallowance under the Income Tax Act, 1961	266793
TOTAL	<u>32301880</u>

	As At 31st March, 2012
5 OTHER LONG TERM LIABILITIES	
Advance Against Projects	7673475
Other Liability	1278913
	<u>8952388</u>
6 SHORT TERM BORROWINGS	
Secured	
Working Capital Loan From Bank	
Rupee Loan	118169907
TOTAL	<u>118169907</u>

6.1 Working Capital Loan (State Bank of India) is Secured of Hypothecation of present and future stock of raw materials, stock-in-process, finished goods, stores and spares, book debts, receivables, claims, materials in transit and personal guarantee of four Directors.

	As At 31st March, 2012
7 TRADE PAYABLES	
Micro, Small and Medium Enterprises	0
Others	134250503
	<u>134250503</u>

7.1 The information as required to be disclosed under The Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") has been determined to the extent such parties have been identified by the Company on the basis of information and records available with the company. This information has been relied upon by the auditors. Disclosure in respect of interest due on delayed payment has been determined only in respect of payments made after the receipt of information, if any, with regards to filing of memorandum, from the respective suppliers. Disclosure as required under section 22 of the Act, is as under :

Particulars	As At 31st March, 2012
Principal amount due and remaining un paid	0
Interest due on above and the unpaid interest	0
Interest paid	0
Payment made beyond the appointed day during the year	0
Interest due and payable for the period of delay	0
Interest accrued and remaining unpaid	0
Amount of further interest remaining due and payable in succeeding years	0

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

As At
31st March, 2012

8 OTHER CURRENT LIABILITIES

Current maturities of long term debt (Refer Note No. 3)	26879177
Unclaimed Dividends	983483
Creditors for Capital Expenditure	1601081
Advance From Customers	24231728
Sales Tax Payable	958673
TDS Payable	126554
Expenses Payable	433278
Sundry Creditors for Others	6511639
Others	9955403
TOTAL	71681016

9 SHORT TERM PROVISIONS

Provision for Employee Benefits :	
EPF / ESI Payable	119654
Salary and Wages Payable	1965421
Bonus / Gratuity Payable	1750909
Others Payables :	
Excise Duty Payable	1821597
Electricity and Power	793722
Telephone Expenses	129547
Current Year Tax	12534531
TOTAL	19115381

9.1 Provision of Excise Duty on finished goods lying in factory premises at March 31, 2012 aggregating to ₹ 21,25,814 (Previous Year ₹ 16,90,819) 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, 2012.

9.2 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.

9.3 Provision for retirement gratuity liability as at 31.03.2012 to all eligible employees has been made as per Actuarial Valuation, and an amount of ₹ 12,15,821 has been paid to LIC of India as 1/4 contribution for previous liability and full contribution for current year.

10 FIXED ASSETS

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01.04.11	Additions	Deductions/ Adjustments	As At 31.03.2012	Upto 31.03.2011	For the Period	Deduc./ Adjustments	Upto 31.03.2012	As At 31.03.2012	As At 31.03.2011

A. TANGIBLE OWN ASSETS :

Free Hold Land	992813	1973362	0	2966175	0	0	0	0	2966175	992813
Building (Bahalgarh Office)	2653549	0	0	2653549	278812	43371	0	322183	2331366	2374737
Building (Delhi Office)	6585356	0	0	6585356	107341	107635	0	214976	6370380	6478015
Building (Factory)	32585504	19149107	0	51734611	10656609	1092023	0	11748632	39985979	21928895
Furniture & Fittings	3435222	1744582	0	5179804	1647138	218219	0	1865357	3314447	1788084
Plant & Machinery	276873428	5017163	11274070	270616521	126910455	14779818	8378780	133311493	137305028	149962973
DMF Tower & Boiler	0	62774671	0	62774671	0	5987077	0	5987077	56787594	0
Vehicles-Commercial	1427873	0	0	1427873	432965	136020	0	568985	858888	13174436
Vehicles-Others	16886442	2408123	2611453	16683112	3712006	1577675	1146850	4142831	12540281	994908
Fire Fighting Equipment	580664	83410	0	664074	395669	38087	0	433756	230318	184995
Air Conditioners	880742	27500	0	908242	269359	42741	0	312100	596142	611383
Computers	2099426	53285	0	2152711	1267865	156370	0	1424235	728476	831561
Generator Set	7809571	0	0	7809571	2232359	371971	0	2604330	5205241	5577212
Office Appliances	1916263	41295	0	1957558	410402	92366	0	502768	1454790	1505861
TOTAL	354726853	93272498	13885523	434113828	148320980	24643373	9525630	163438723	270675105	206405873
Capital Work-in-Progress	60847997	3876701	62537219	2187479	0	0	0	0	2187479	60847997
B. INTANGIBLE ASSETS :										
Goodwill on Consolidation	0	51212834	0	51212834	0	0	0	0	51212834	0
TOTAL	415574850	148362033	76422742	487514141	148320980	24643373	9525630	163438723	324075418	267253870
PREVIOUS YEAR	345301453	122442414	52169017	415574850	146683027	18033116	16395163	148320980	267253870	198618426

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	As At 31st March, 2012	
	No. of Shares	Value
11 NON-CURRENT INVESTMENTS		
(Long Term Investments)		
Trade Investments		
In Equity Shares - Unquoted, fully paid up		
Jasch Europa BVBA	5580	392518
In Equity Shares - Quoted, fully paid up		
Standard Capital Market Ltd (Market Value As on 31.03.12 is ₹ 316965/-)	33900	67800
TOTAL		460318
		As At 31st March, 2012
12 LONG TERM LOANS AND ADVANCES		
(Unsecured and Considered Good)		
Security Deposit (Include Deposit with State Electricity Department is ₹ 2135366/-)		2601850
TOTAL		2601850
13 CURRENT INVESTMENTS		
Other Investments		
Real Estate for Short Term		1479795
TOTAL		1479795
		As At 31st March, 2012
14 INVENTORIES		
Raw Materials		51945145
Consumables		29184585
Stock-in-Process		24449789
Finished Goods		20711535
Stores & Spares		890810
Packing Material		519877
Fuel		446257
Goods-in-Transit		7993352
TOTAL		136141350
		As At 31st March, 2012
15 TRADE RECEIVABLES		
(Unsecured and Considered Good)		
Over six months		29229119
Others		187167461
TOTAL		216396580
		As At 31st March, 2012
16 CASH AND BANK BALANCES		
Cash in hand		173812
Balance with Banks		1389105
Balance In Unpaid With Dividend Account (SBI)		983483
Fixed Deposit with Bank		12310311
TOTAL		14856711

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

		As At 31st March, 2012
17 SHORT TERM LOANS AND ADVANCES		
(Unsecured and Considered Good)		
Advance to Suppliers		2382376
Advance Income Tax & TDS		5313998
Balance With Revenue Authorities		1353510
Deferred Expenditure		5895820
Prepaid Expenses		2090310
Miscellaneous Receivables		527746
TOTAL		<u><u>17563760</u></u>
18 OTHER CURRENT ASSETS		
Claim Receivables		4896565
TOTAL		<u><u>4896565</u></u>
18.1 The Company has received insurance claim of ₹ 86.03 lakh during 2003-2004 in respect of destruction of a part of factory buildings, plant and machinery and inventory in a fire accident on 23rd/24th November, 2001 which had resulted in book loss of ₹135 lakh. Balance claim of ₹ 48.97 lakh has been shown as receivable. A petition in Delhi High Court against Insurance Company for payment of balance amount with interest has been filed and admitted by the Hon'ble Delhi High Court. There are fair chances at the balance claim of ₹ 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.		
		2011-2012
19 REVENUE FROM OPERATIONS		
Sale of Products		
Synthetic Leather & Allied Products		625183611
Electronic Thickness Gauges		261413916
Income From Services		1870423
		<u>888467950</u>
Less : Excise Duty / VAT / Service Tax		<u>76676221</u>
TOTAL		<u><u>811791729</u></u>
20 OTHER INCOME		
Interest Income (FDR)		796739
Subsidy (TUFF)		2473344
TOTAL		<u><u>3270083</u></u>
21 COST OF MATERIAL CONSUMED		
Raw Material		549450995
Consumables (Release Paper)		21837839
TOTAL		<u><u>571288834</u></u>
22 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS		
Inventories (at Commencement)		
Finished Goods	18399154	
Stock-in-Process	<u>15523835</u>	
		33922989
Inventories (at Close)		
Finished Goods	20711535	
Stock-in-Process	<u>24449789</u>	
		<u>45161324</u>
		<u>(11238335)</u>
Add/(Less) : Variation in Provision for Excise Duty on Opening and Closing Stock of Finished Goods		434995
TOTAL		<u><u>(10803340)</u></u>

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

2011-2012

23 EMPLOYEE BENEFITS EXPENSE

Salary, Wages, Gratuity & Bonus	30487842
Contribution to P. F. & Other Funds	875976
Employee Welfare Expenses	1423728
Director Meeting Sitting Fee	90000
TOTAL	32877546

24 FINANCE COST

Interest on Cash Credit Facility	11703283
Interest on Term Loan	9597838
Interest on Vehicle Loan	570116
Other Interest	365809
Bank Charges	5440485
TOTAL	27677531

25 OTHER EXPENSES

Manufacturing and Operating Cost	
Power & Fuel	39349193
Consumables & Stores	2733826
Packing Material	5620215
Freight Inward	14186975
Repair & Maintenance (Plant)	3705491
Exchange Difference (Net)	4438614
TOTAL (A)	70034314

Establishment Expenses

Insurance Expenses	732691
Books, Printing & Stationery	473676
Courier & Postage	592658
Telephone & Communications	3384504
Tour & Travel Including Foreign Travel	7537138
Hotel, Boarding, Lodging & conveyance	6316046
Vehicle Running & Maintenance	2188570
Fee & Subscription	1455860
Legal & Professional Charges	6210770
Rent, Rates and Taxes	1030973
Technical Know How Fee	1470000
Charity & Donation	300770
Electrical & General Repair & Maintenance	1690406
Auditor Remuneration - Audit Fee	38605
Auditor Remuneration - Taxation Matters	16545
Dividend Distribution Expenses	98695
Loss on Sale of Vehicle / Machinery	585537
Miscellaneous	670403
TOTAL (B)	34793847

Selling and Distribution Expenses

Testing Charges	165370
Discount & Rebates	5492105
Selling Expenses	1820542
Sales Commission	425675
Freight Outward	2012646
Advertising & Exhibition	2747636
Debts Written off as Irrecoverable	0
Clearing & Forwarding (Export)	85529
TOTAL (C)	12749503
TOTAL (A+B+C)	117577664

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

2011-2012

26 EARNINGS PER SHARE (EPS)

Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	36930562
Number of equity shares used as denominator for calculating EPS	11330000
Basic and Diluted Earnings per share	3.26
Face Value per equity share	10.00

₹ in Lakhs	2011-2012 % of Total Consumption
------------	--

27 CONSUMPTION OF IMPORTED & INDIGENOUS RAW MATERIALS

Imported (Landed cost at Factory)	2677.30	46.64
Indigenous	3062.93	53.36
	5740.23	100.00

₹ in Lakhs	2011-2012
------------	-----------

28 EXPENDITURE IN FOREIGN CURRENCY

Raw Material & Consumables (CIF)	2318.54
Capital Goods (CIF)	220.44
Foreign Travels	35.23
Technical Know How Fee	13.19
Exhibition Expenses	18.31
Professional Fee	91.93
	2697.94

₹ in Lakhs	2011-2012
------------	-----------

29 EARNING IN FOREIGN CURRENCY

FOB Value of Export of Goods	
1. Electronic Thickness Gauge (Earning in US\$ 1843144) (Earning in EURO 229605)	1570.80 152.22 1723.02
2. Synthetic Leather & Allied Products (Earning in US\$ 35220)	16.23 16.23
	2011-2012

30 REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND

The Company has paid the following dividend in respect of shares held by Non-Residents on repatriation basis. The entire dividend has been paid in Indian Rupees.

a) No of Non Resident Shareholders	317
b) Number of Equity Shares held by them	146686
c)(i) Amount of Dividend Paid	146686
(ii) Tax Deducted At Source	0
(iii) Year to which Dividend relates	2010-2011

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

31 CONTINGENT LIABILITIES AND COMMITMENTS

2011-2012

(I) Contingent Liabilities

(A) Claim against the company / disputed liabilities not acknowledged as debts	7.82
(B) Guarantees	
(i) Guarantees to Banks and Financial Institutions against credit facilities extended to third parties	
a) In Respect of Wholly Owned Subsidiary (\$ 3 Lakh)	153.48
b) In Respect of Others	0
(ii) Performance Guarantees (Margin Money with Bank ₹29.07 Lakh)	152.82
(iii) Outstanding guarantees furnished to Bank in respect of Letters of Credits (Margin Money with Bank ₹89.05 Lakh)	748.30
(C) Other Money for which the company is contingently liable	
i) Liability in respect of bill discounted with bank	0.00
ii) Liability in respect of Sales Tax surety for third parties	8.00

(II) Commitments

(A) Estimated amount of contracts remaining to be executed on capital account and not provided for :	0
(B) Other Commitments	0

32. 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 complied on the basis of financial statement).

The Company has identified two segment as reportable segment viz. Synthetic Leather Cloth & Allied Products Division and Electronic Thickness Gauge Division.

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

(₹ In Lakhs)

Current Year (2011-2012)			
	Synthetic Leather Cloth & Allied Products Division	Electronic Thickness Gauge Division	Total
REVENUE			
External Sales	6251.84	2632.87	8884.68
Less : Excise Duty	—	—	766.76
Inter-segment Sales	—	—	—
Other Income	32.70	—	32.70
Total Revenue			8150.62
RESULTS			
Segment Results	315.07	479.70	794.77
Unallocated Corporate Expenses (Net)			—
Operating Profit			794.77
Interest Expenses			276.77
Income Tax - Current			125.34
- Deferred & Previous Year Tax			23.35
Profit from Ordinary Activities			369.31
Extra Ordinary Loss			—
Net Profit			369.31
OTHER INFORMATION			
Segment Assets	5914.75	1269.97	7184.72
Total Assets			7184.72
Segment Liabilities	6449.93	734.79	7184.72
Total Liabilities			7184.72
Capital Expenditure			318.21
Depreciation			246.43
Non-cash Expenses other than Depreciation			—

NOTES ON CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012
33. 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)	Total (₹)
Sales (Indev Gauging Systems, Inc.)	As Directors (WOS's Subsidiary)	14,52,280
Purchases	—	—
Raw Materials	—	—
Consumables/Intermediates	—	—
Finished Goods	—	—
Job Work	—	—
Purchase of fixed assets	—	—
Sale of fixed assets	—	—
Managerial remuneration	As Directors	41,83,468
Payment to Relatives as Salary	—	—
Investment (In JNAC as WOS)	As Directors (WOS)	5,17,20,000
Loan Given	—	—
Loan Taken (including opening balance)	As Directors & Relatives	2,75,40,000
Loan Repaid	—	—
Balance outstanding as at the year	As Directors & Relatives	2,75,40,000
Debit/(Credit)	—	Credit

b) Related Party Disclosures.

1. Key Management Personnel
- : 1. Shri J. K. Garg, Chairman & Managing Director
 - : 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
- : 1. Jasch North America Company (WOS)
 - : 2. Indev Gauging Systems, Inc. (WOS's Subsidiary)

c) Disclosure of related parties with whom business transactions took place during the year.

- Enterprises over which key management Personnel and relatives of such Persons is able to exercise significant Influence
- : Investment in JNAC - Rs. 517.20 Lacs
 - : Sale to Indev - Rs. 14.52 Lacs

JASCH INDUSTRIES LIMITED

Registered Office : 43/5, Bahalgarh Road, P. O. Bahalgarh-131 021
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-131 021, DISTT. SONEPAT (HARYANA), INDIA on August 29th, 2012 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	

Tear Here

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
August 29th, 2012 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 Dr. Ashok Mittal as Director		
3. Re-appointment of Dr. K. C. Varshney as Director		
4. Re-appointment of Statutory Auditors		
5. Re-appointment of Shri Manish Garg as Whole Time Director		
6. Amendment to Article 119 (a)		

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

Signed this.....day of.....2012.

BOOK POST



JASCH INDUSTRIES LIMITED

Annual Report 2011 - 2012

If undelivered please return to :

JASCH INDUSTRIES LIMITED

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

Distt. Sonapat - 131 021 (Haryana)

Phones : 0130-3053600 Fax : 0130-3053697, 3053698

Website : www.jasch.biz