

# JASCH INDUSTRIES LTD.

**Regd. Office & Works** : 43/5, Bahalgarh Road,  
P.O. Bahalgarh-131021, Distt. Sonapat, (Haryana) INDIA  
CIN NO.: L24302HR1985PLC022758  
Phone : 91-130-3053600, 6451517, 6451518  
FAX : 91-130-3053697, 3053698  
Website: www.jaschindustries.com  
E-mail : info@jasch.biz / accounts@jasch.biz

# JASCH

SPEED POST

JI/SE/N

Date: 29<sup>th</sup> September, 2017

○ The BSE Ltd.,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400001

~~The Calcutta Stock Exchange Ltd,  
7, Lyons Range,  
Kolkata - 700001~~

## Re: Annual Report 2016-2017

Dear Sir,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the copy of Annual Report for the financial year 2016-2017 as approved and adopted in 31<sup>st</sup> Annual General Meeting of the Company held on 27<sup>th</sup> September 2017.

This is for your information and record.

Thanking you

Yours faithfully,  
**For Jasch Industries Limited**

  
**S.K. Verma**  
**Vice President &**  
**Company Secretary**

Encl: A/a



**JASCH**

JASCH INDUSTRIES LIMITED

**31<sup>st</sup>**

**Annual Report  
2016-2017**



## Jasch Industries Limited

(CIN : L24302HR1985PLC022758)

[An ISO 9001:2008 Company]

31<sup>st</sup> ANNUAL REPORT 2016-2017

### Inside this Report

This Annual Report is also available online at [www.jaschindustries.com](http://www.jaschindustries.com)

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#### Annual General Meeting

Date : September 27, 2017 at 10:00 A.M.

Venue : Registered Office of the Company

# JASCH INDUSTRIES LTD.

(CIN : L24302HR1985PLC022758)

[An ISO 9001:2008 Company]

31<sup>st</sup> ANNUAL REPORT 2016-2017

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## BOARD OF DIRECTORS

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J.K. GARG	CHAIRMAN & MANAGING DIRECTOR
MANISH GARG	EXECUTIVE DIRECTOR
RAMNIK GARG	EXECUTIVE DIRECTOR
NAVNEET GARG	EXECUTIVE DIRECTOR
KAMLESH GARG (MS)	DIRECTOR
S.K. KHANDELWAL (DR.)	INDEPENDENT DIRECTOR
K.C. VARSHNEY (DR.)	INDEPENDENT DIRECTOR
KULDEEP SINGAL	INDEPENDENT DIRECTOR
K.L. KHETARPAUL	INDEPENDENT DIRECTOR
NARESH KUMAR, IRS (RETD)	INDEPENDENT DIRECTOR

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## VICE PRESIDENT & COMPANY SECRETARY

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S. K. VERMA

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## CHIEF FINANCIAL OFFICER

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M. PALIWAL

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## AUDITORS

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

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## SECRETARIAL AUDITORS

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

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## BANKERS

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HDFC BANK  
ATLAS ROAD, MODEL TOWN, SONIPAT - 131 001

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## REGISTRARS

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

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## REGISTERED OFFICE AND WORKS

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

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## CORPORATE OFFICE

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

**NOTICE OF 31<sup>ST</sup> ANNUAL GENERAL MEETING**

To

The Members,

NOTICE is hereby given that the 31st Annual General Meeting of Members of JASCH INDUSTRIES LIMITED will be held on Wednesday, the 27<sup>th</sup> September, 2017 at 10:00 AM at Registered Office of the Company at 43/5, Bahalgarh Road, PO, Bahalgarh, Distt. Sonipat-131021, Haryana, to transact the following business :

**ORDINARY BUSINESS**

**ITEM NO. 1 :** To receive, consider and adopt the audited Standalone and Consolidated Financial Statements of the Company for the year ended 31st March, 2017 and the Reports of the Directors and the Auditors thereon.

**ITEM NO. 2 :** To appoint a Director in place of Shri Navneet Garg (DIN : 00176350), a non-independent director, who retires by rotation, and being eligible, offers himself for re-appointment as non-independent director.

**ITEM NO. 3 :** To appoint M/s Mukesh A Mittal & Co., Chartered Accountants (Firm Registration No. 016910N), as Statutory Auditors of the Company, to hold office for a period of five consecutive financial years, from the conclusion of the Thirty First Annual General Meeting of the Company until the conclusion of the Thirty Sixth Annual General Meeting of the Company (subject to ratification of the appointment at every Annual General Meeting) and to authorise the Board of Directors/any Committee of the Board of Directors of the Company to fix their remuneration and reimbursement of out of pocket expenses as may be incurred in the performance of their duties.

**SPECIAL BUSINESS**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, re-appointment of Shri Manish Garg (DIN: 00188959) as Executive Director of the Company, made by the Board for a further period of three years from 29-07-2017 to 28-07-2020 be and is hereby approved and, notwithstanding any loss or inadequacy of profit in any financial year, the fixed part of his remuneration be and is hereby approved at Rs. 4,25,000 per month, plus such incentive pay and other benefits and on such terms and conditions (including those as to grant of annual increments) as are contained in the Remuneration Policy of the Company earlier framed by the Nomination & Remuneration Committee and approved by the Board."

**ITEM NO. 5 :** To ratify remuneration of Cost Auditors for the financial year 2017-18 and in this regard, to consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** the remuneration of M/s Vipul Bhardwaj & Co, Cost & Management Accountants, who were appointed by the Board of Directors as Cost Auditors for the Financial Year 2017-18 on the recommendations of the Audit Committee for an annual remuneration of Rs. 36,500 plus taxes, as applicable, plus out of pocket expenses, be and is hereby ratified."

By Order of the Board of Directors  
For JASCH INDUSTRIES LTD

Place : Sonipat  
Date : 27-05-2017

S. K. VERMA  
COMPANY SECRETARY

## NOTES

1. **In accordance with Secretarial Standard-2, proxyholders shall be required to prove their identity before entering the venue of the Meeting. Proxyholders and/or shareholders are requested to carry with them their government issued photo identity card such as PAN Card, Voters' Id Card, Aadhar Card, Driving License, etc, without which they may not be permitted entry.**
2. The business set out in the Notice will also be available for transaction through remote electronic voting system (e-voting) and the Company is providing the facility for the same. Instructions and other information relating to remote e-voting are attached. The facility for voting, either through e-voting system or polling paper, shall also be made available at the meeting. The members attending the meeting, who have not already cast their vote by remote e-voting, shall be able to exercise their right at the meeting. Although the Members who have already cast their vote by remote e-voting prior to the meeting, may attend the meeting, but they shall not be entitled to cast their vote again.
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. A blank proxy form is attached. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
4. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other shareholder.
5. The Company has given a public notice and has also notified the Stock Exchanges that the Register of Members and Share Transfer Books of the Company will remain closed from 28<sup>th</sup> August, 2017 to 5<sup>th</sup> September, 2017 (both days inclusive) in connection with the Annual General Meeting.
6. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Transfer Agent/the Company.
7. **Under Section 124 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven consecutive years is required to be transferred, along with relevant shares, to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. Those shareholders in respect of whose shares dividend for the year 2010 -11 still remains unpaid, are called upon to claim it from the company at the earliest.**
8. Details in respect of the Director(s) seeking appointment/re-appointment at the Annual General Meeting are contained in the Corporate Governance Report (under Listing Regulations) and the same form part of the notice. The Director(s) have furnished the requisite declarations for their appointment/re-appointment.
9. Electronic copies of the notice and the Annual Report 2017 are being sent to the members whose email Ids are registered with the Company/Depository Participant(s) for communication purposes, unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Annual Report 2017 are being sent in the permitted mode. Instructions for remote e-voting, attendance slips, route map showing prominent landmark of the venue of the meeting and Proxy Form are attached.
10. Positive consent letter is also attached for giving consent to receive documents in electronic mode.
11. Members may also note that the Notice of this Annual General Meeting and the Annual Report 2017 will also be available on the Company's website [www.jaschindustries.com](http://www.jaschindustries.com) for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's email id: [skverma@jasch.biz](mailto:skverma@jasch.biz).
12. Explanatory Statement (non mandatory) in respect of appointment of statutory auditors and Explanatory Statement (mandatory under Section 102 of the Companies Act, 2013) relating to items of Special Business is attached and forms part of this notice.
13. All documents referred to in the accompanying Notice and the Explanatory statement shall be open for inspection at the Registered office of the Company during normal business hours (9:30 am to 5:00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

## EXPLANATORY STATEMENT

### Voluntary explanatory statement in respect of Item No. 3: Appointment of Statutory Auditors.

In accordance with provisions of Section 139 of the Companies Act, 2013 read with Rule 6 of the Companies (Audit and Auditors) Rules, 2014, relating to rotation of auditors, every Company is required to appoint Statutory Auditors to hold office for one term of 5 years (two terms of 5 years each in case of a firm of auditors) and after expiry of this period, they cannot be re-appointed as statutory auditor for a consecutive period of five years. The Companies had been given time till the year 2017 to comply with this provision.

M/s Arora & Choudhary Associates, Chartered Accountants (Firm Registration No. 003870N), have been the statutory auditors of the company for more than 10 years. In accordance with the above provisions, they cease to be Auditors of the Company at the ensuing Annual General Meeting.

On the recommendations of the Audit Committee, the Board of Directors of the Company in their meeting held on 27th May, 2017, have proposed the appointment of M/s Mukesh A. Mittal & Co. a firm of Chartered Accountants (Firm Registration No. 016910N), as the Statutory Auditors of the Company for a period of 5 years from the conclusion of the Thirty First Annual General Meeting until the conclusion of the Thirty Sixth Annual General Meeting of the Company (subject to ratification of the appointment at every Annual General Meeting). The said firm has furnished its consent to act as the Statutory Auditors in terms of the second proviso to Section 139 of the Act and has also provided a certificate to the effect that their appointment, if made, shall be in accordance with the conditions laid down and that they satisfy the criteria provided under Section 141 of the Act. The Board recommends the Resolution for approval by the Members of the Company as an Ordinary Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in resolution set out at item no. 3.

### Explanatory Statement Pursuant to Section 102 Of The Companies Act, 2013, in respect of Item No. 4 : Re-appointment & remuneration of Shri Manish Garg as Executive Director

At the Annual General Meeting of the Company held on 29th August, 2012, Shri Manish Garg (DIN: 00188959) was re-appointed as Whole Time Director for a period of five years i.e. from 29th July, 2012 to 28th July, 2017. The fixed part of remuneration last drawn by him was @ Rs. 3,12,000 per month plus variable pay/ incentive and other benefits as per Remuneration Policy of the Company.

After expiry of the aforesaid period, a performance evaluation of Shri Manish Garg was done by the Nomination & Remuneration Committee, which recommended to the Board his re-appointment as Executive Director on whole time basis for a further period of three years. Accepting these recommendations, the Board of Directors of the Company in their Meeting held on 27th May, 2017 had reappointed him (subject to the shareholders passing a Special Resolution at this Annual General Meeting) as Executive Director, for further period of three years commencing from the day immediately following the last day of their aforesaid term, for a remuneration as recommended by the Nomination & Remuneration Committee and as mentioned in the proposed Special Resolution.

Details of incentive pay and other benefits and terms and conditions, as mentioned in the proposed Special Resolution and as contained in the Remuneration Policy of the Company, are as under :

1. Incentive Pay @ 0.5% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013; provided that such incentive will not be less than 10% and will not be more than 25% of the fixed pay. Incentive pay will be payable annually, after adoption of the annual accounts in the Annual General Meeting.
2. Besides incentive pay, the aforesaid appointees will not be entitled to any bonus, stock options or pension;
3. Annual increments as recommended by the Nomination & Remuneration Committee;
4. Special Allowance not exceeding six months' salary in a year, to cover housing, conveyance, medical, electricity, gas, water and other personal expenses;
5. Chauffeur driven car, subsidized health care insurance/medical, mobile phone and telephone at residence and gratuity as per law;
6. One month's paid leave during a financial year or encashment in lieu thereof;
7. Leave Travel Concession (or encashment in lieu thereof) for self and family members once during a block of four years, subject to the condition that such concession shall not exceed one month's fixed pay;
8. Severance pay calculated @ half month's pay for each completed year of service, provided that he puts in a minimum of 15 years' of continuous service in the Company from his initial appointment, any part of the year exceeding 182 days being treated as full year. This benefit will be payable only on attaining the age of superannuation or on termination of his service otherwise for misconduct;
9. Fixed Remuneration will be suitably bifurcated for tax management purposes;
10. The service is terminable by giving three months' notice in writing from either side;
11. Notwithstanding anything contained elsewhere, the total remuneration payable to the appointees shall not exceed the limits prescribed by law.

**EXPLANATORY STATEMENT**

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

<b>I. General Information:</b>	
(a) Nature of Industry	Technical Textiles & Electronic Gauges
(b) Date or expected date of commencement of commercial production	Not Applicable as the Company is already into commercial production
(c) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable as the Company is not a new company.
(d) Financial performance based on given indicators	Financial Year 2016-2017 Gross Revenue: Rs. 10512.68 lakh Operating Profit: Rs. 947.56 lakh Profit after tax: Rs. 446.32 lakh Earnings per share of face value of Rs. 10 : 3.94
(e) Foreign investment or collaborations, if any	The Company has not made any foreign investments during the year.
<b>II. Information about the appointees:</b>	
<b>Name : Shri Manish Garg</b>	
a) Proposed Remuneration : Rs. 4,25,000 plus perks*	
b) <u>Background details, job profile, suitability &amp; past remuneration:</u> 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. His field of specialization is development of plant automation equipment. His last re-appointment for a period of five years was approved by the Board in its Meeting held on 29th July, 2012, the re-appointment was for a period of five years w.e.f. 29th July, 2012 to 28th July, 2017. He also holds Directorship on the Board of Gesco Automation Ltd, Jasch Automation Ltd, Jasch North America Co. (USA) and Jasch Europe (Belgium). The fixed part of his immediate past remuneration was Rs. 3,12,000 per month plus perks*. He holds 12,91,969 shares in the Company as on 31st March, 2017. He has attended all (4) Board Meetings held in Financial Year 2016-2017. He is brother of Shri Ramnik Garg and Shri Navneet Garg and son of Shri Jai Kishan Garg and Smt. Kamlesh Garg.	
*Details of monetary and non-monetary perks/benefits are contained elsewhere in this Explanatory Statement and form part of this "Additional Information".	
<b>III. OTHER INFORMATION :</b>	
(a) Reasons for loss or inadequate profits : During the year under report, the Company earned an operating profit of Rs. 947.56 lakh (net profit of Rs. 446.32 lakhs) as against an operating profit of Rs. 868.21 lakh (net profit Rs. 410.62 lakh) earned during last year, after paying the existing remuneration to all the whole time directors. There continues to be tough competition from coated fabrics being imported from China and also from coated fabrics being produced by un-organised sector/small players who are not liable to pay Excise Duty. Instead of appointing a non-director as functional head in Automation Division, (whose remuneration would not have attracted provisions of law relating to 'managerial remuneration'), the Company has made this appointment at director level, to ensure continuity and sense of belongingness, which is the crux of the Remuneration Policy recommended by the Nominations & Remuneration Committee and adopted by the Board.	
(b) Steps taken or proposed to be taken for improvement: The Company proposes to concentrate more on PU coated fabrics segment where margins are high. Moreover, to expand the market size, new products have been developed with innovations and setting up of balancing equipment, which will enable the Company to produce quality products at higher speed and low cost and higher profit margin. Besides this, new software and hardware have been successfully developed at this R&D Centre and successfully applied to new generation of scanners with extremely high resolution and with sampling time of 1 msec. The newly developed systems have been installed to gauges supplied to a few customers who have reported excellent results.	
(c) Expected increase in productivity and profits in measurable terms: The Management has budgeted a sales figure of Rs. 140 crores for the next financial year 2017-18, as against Rs. 125 crore budgeted last year. With fixed costs remaining nearly the same, it is expected that the profitability will improve next year.	
<b>IV : Disclosures:</b> As mandated, disclosures relating to all elements of remuneration package and other terms, are contained in the preceding paragraphs and, as required to be mentioned in Board's Report under the head "Corporate Governance", are also mentioned in "Corporate Governance Report" which forms part of the Board's Report.	



## EXPLANATORY STATEMENT

The Board of Directors recommend the resolution set out at item no. 4 in relation to the re-appointment of Shri Manish Garg as Executive Director for the approval of the shareholders of the Company as special resolution.

Besides the proposed appointee, Shri Jai Kishan Garg, Smt. Kamlesh Garg, Shri Ramnik Garg and Shri Navneet Garg (being his relatives), none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in resolution set out at item no. 4.

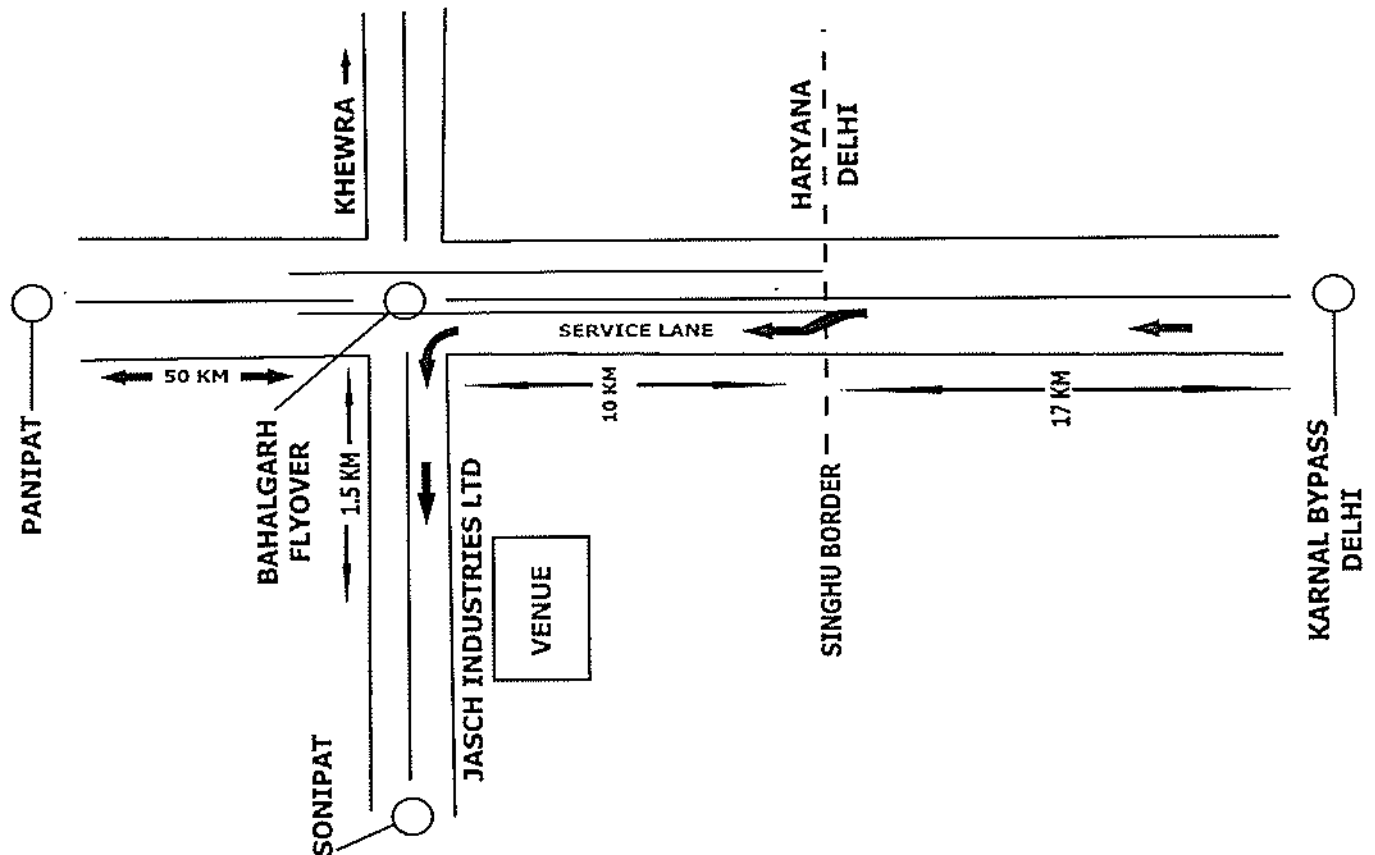
### Explanatory Statement in respect of Item No. 5: Ratification of Remuneration of Cost Auditors

On the recommendations of the Audit Committee, the Board has appointed M/s. Vipul Bhardwaj & Co., Cost & Management Accountants as the Cost Auditors of the Company for the Financial Year 2017-2018 for a remuneration of Rs. 36,500/- (Rupees Thirty Six Thousand Five Hundred only) plus applicable taxes. Under provisions of Rule 14 of Companies (Audit & Auditors) Rules, 2014, this remuneration is subject to ratification by the shareholders.

The Board of Directors recommends the resolution set out at item no. 5 for the ratification of the shareholders of the Company as an ordinary resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in resolution set out at item no. 5.

### Route Map



### INSTRUCTIONS FOR REMOTE E-VOTING

The instructions for Shareholders voting through remote electronic mode (e-voting) are as under:

- (i) The e-voting period begins at 10:00 hours on 24<sup>th</sup> September, 2017 and ends at 17:00 hours on 26<sup>th</sup> September, 2017. During this period Shareholders of the Company (hereinafter referred to as "You" or "Your"), holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 15<sup>th</sup> September, 2017 may cast your vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Once you have voted electronically, you would not be entitled to vote again at the Meeting venue.
- (iii) For e-voting, you should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) and click on "Shareholders" tab.
- (iv) Now Enter your User ID. Your user id is :
  - a. For CDSL: your 16 digits beneficiary ID,
  - b. For NSDL: your 8 Character DP ID followed by 8 Digits Client ID,
  - c. If you are holding shares in Physical Form, you should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) Password : If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier occasion (in respect of any Company whatsoever), then you are to use your existing password. However, if you are a first time user, follow the steps given below:

PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable whether you are holding shares in physical form or in demat form)</p> <ul style="list-style-type: none"> <li>If you have not updated your PAN with the Company/Depository Participant please use the first two letters of your name and the 8 digits of the sequence number in the PAN field. Sequence Number is given on the address label.</li> <li>In case the sequence number is less than 8 digit,s enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or the company, please enter the user id in the Dividend Bank details field as mentioned in instruction no. (iv) above.</li> </ul>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) If you are holding shares in physical form, you will then directly reach the Company selection screen. However, if you are holding shares in demat form, you will now reach 'Password Creation' menu wherein you are required to mandatorily enter your login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform.
- (ix) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) Click on the EVSN No. 170630012 for Jasch Industries Ltd.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvi) If you have forgotten your previously used password, you should enter your User ID and the image verification code and then click on Forgot Password & enter the details as prompted by the system.

**INSTRUCTIONS FOR REMOTE VOTING**

**(xvii) Note for Non - Individual Shareholders and Custodians**

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

## DIRECTORS' REPORT

Your Directors have pleasure in presenting the 31<sup>st</sup> Annual report and audited accounts of the company for the year ended 31<sup>st</sup> March 2017.

### 1. Financial Highlights

The performance of company during the financial year ended on 31<sup>st</sup> March, 2017 on standalone basis has been as under:

(₹ in lakh)

Particulars	Current year 2016-17	Previous Year 2015-16
Gross Income	11711.61	11072.82
Profit before interest and depreciation	1230.27	1126.08
Financial Charges	248.14	225.50
Gross Profit	982.13	900.58
Provision for Depreciation	282.70	257.88
Net profit before Tax	699.43	642.70
Provision for Tax (Net) & CSR	253.11	232.08
Net Profit after Tax	446.32	410.62
Balance of profit brought forward	2374.61	1963.99
Balance available for appropriation	2820.93	2374.61
Amount proposed to be carried to any Reserve	--	--
Transfer from General Reserve	--	--
Surplus carried to Balance Sheet	2820.93	2374.61

### 2. Performance during the financial year under Report

#### 2.1 State of Company's Affairs

Your company has achieved gross sales of Rs. 116.48 crore during 2016-2017, which were 5.66% higher as compare with the sales of the previous year. The sales of Synthetic Leather Division were almost stagnant at Rs. 84.20 crore as compared with sales of Rs. 83.21. The sales of Electronic Gauge Division at Rs. 32.27 crore were 19.38% higher as compared with previous year due to higher inflow of orders both from Domestic and International market. Company's operating profit before interest, depreciation, income tax and provision for corporate social responsibility increased by 9.24% to Rs. 12.30 crore during 2016-17 as compared with Rs. 11.26 crore during the previous year due to lower raw material prices and reduced power & fuel. The interest and finance charges have marginally increased to Rs. 2.48 crore as compared with Rs. 2.26 crore during the previous year.

The net profit after interest, depreciation, income tax, deferred tax and provision for corporate social responsibility have increased to Rs. 9.62 crore, which were 8.69% higher as compared with that of the previous year. Keeping in view prevailing sluggish market conditions resulting in stagnant sales & realization of Synthetic Leather the management considers overall performance to be satisfactory. The Board has not proposed appropriation of any amounts to reserves. During the year, there has not been any change in nature of business of the company. No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future. The financial statements of the company have been audited by independent statutory auditors, who have previously subjected themselves to peer review. Their Audit report, which is annexed, is self-explanatory and does not contain any qualification, reservation, adverse remark or disclaimer calling for comments by the Board.

#### 2.2 Material Changes and commitment, if any, after the date of financial statements, affecting the financial position of the company

The Company had reported in the last Annual Report 2016, that a Scheme for demerging the business of industrial gauges and vesting it with its wholly owned subsidiary was being proposed. The Company

had also obtained an "observation letter" from BSE Ltd for this purpose. As the members are aware, the Scheme of Demerger was subject to approval of the Hon'ble Punjab & Haryana High Court. This approval necessitated filing of two petitions with the Court – first, for convening meetings of equity shareholders and creditors and second, for approval of the Scheme of Demerger. The latter petition was required to be filed within 21 days of filing of reports by the court-appointed chairmen with the High Court. Before the second petition could be filed, National Company Law Tribunal ("NCLT") was notified and all such matters then pending with the High Court were notified to be transferred to NCLT, NOIDA Bench. Someone filed a Civil Writ Petition at Punjab & Haryana High Court at Chandigarh and the Court ordered a stay on transfer of these cases to NOIDA Bench of NCLT. Subsequently, the notification was amended and the aforesaid cases were notified to be transferred to NCLT Bench at Chandigarh. Thus filing of the second petition was delayed.

Immediately after the above said issue was resolved by the central government, the news that there is going to be a general consensus among the Indian States regarding Goods & Service Tax Act ("GST") gained momentum and the management busied itself with assessing the impact of the proposed new tax regime on proposed demerged entities. Another significant event that took place was that an offer was received by the Company from abroad, for taking over a US-based Company viz. Automation & Control Technology ("ACT"). Since ACT was also in the business of industrial automation, a detailed analysis of this proposal was made by the Company and was decided that it will be in the best interest of the Company if "ACT" can be persuaded to sell only certain specific assets (and none of its liabilities) to Indev Gauging Systems Inc (the US-based wholly owned subsidiary of the Company). After protracted negotiations, ACT agreed to the proposal and also agreed to receive only 35% payment upfront and the balance 65% to be staggered and paid @5% of the gross revenues of Indev each year, thus making the offer too attractive to refuse. It was realized that if the business of the Company is demerged, its paid up capital and reserves will also get demerged and with the divided network, the Company will not be able to take advantage of any future opportunities that may come in its way overseas. Moreover, it was too early to assess of impact of GST and the declining US Dollar on the finances of the Company. Accordingly, the Board, in its Meeting held on 27<sup>th</sup> May, 2017 decided that it will be in the best interests of stakeholders and the Company not to file the second petition with NCLT to abandon the proposed scheme of demerger. The Company expects that as a result of take over and utilization of assets of ACT, it will have a significant presence in the US, receive more orders from overseas, which will strengthen its financial position. Further, as a result of decision not to go ahead with demerger, its net worth will remain consolidated into one entity.

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

### 3. Future Prospects

The company is continuously upgrading its technology and modernizing plant and machinery to maintain competitive edge in the market. The company is also concentrating on PU Resin where competition is somewhat less and surplus capacity is available after meeting internal requirements for production of PU Synthetic Leather. The company is availing the services of Foreign Technical Experts for developing new Products of PU Leather with potential of higher realization. During the year, the Company also set up a Research & Development Centre in the United States with the objective to make continuous improvements and/or upgrade the technology of

Industrial Gauges so as to be and remain internationally competitive. New software and hardware have been successfully developed at this R&D Centre and successfully applied to new generation of scanners with extremely high resolution and with sampling time of 1 msec. The newly developed system has been installed to gauges supplied to a few customers who have reported excellent results. In view of this, the company perceives future prospects as good.

#### 4. Dividend

The management has not proposed any dividend for the year ended on 31<sup>st</sup> March, 2017 so as to conserve resources for Capex and augmenting working capital.

#### 5. Directors & Key Managerial Personnel

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

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

During the financial year under report, Shri Jai Kishan Garg was re-appointed as Managing Director and Shri Navneet Garg was re-appointed as Executive Director for a period of three years each w.e.f. 01-05-2016. Shri Ramnik Garg, who was retiring by rotation of directors, was re-appointed as Director liable to retire by rotation. He was also re-appointed as Executive Director for a period of three years w.e.f. 01-07-2016. During the period intervening between the close of the financial year under report and the date of this notice, on the recommendations of the Nomination & Remuneration Committee, Shri Manish Garg, whose tenure as Executive Director (on whole time basis) came to an end, was re-appointed for a further period of three years w.e.f. 29<sup>th</sup> July, 2017, subject to approval by this Annual General Meeting. Shri Navneet Garg, Director retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment. On the recommendations of the Nomination & Remuneration Committee, the Board of Directors proposes to re-appoint him as Director (subject to retirement by rotation). The Board recommends these (re)appointments.

#### 6. Particulars of Employees

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

#### 7. Board & Board Committee Meetings

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

#### 8. Evaluation of Board, its Committees and Individual Directors

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board carries out periodic evaluation of its own performance, that of the directors individually as well as that of its Committees as per the criteria suggested by the Institute of Company Secretaries of India and adopted by the NRC and the Board, which includes knowledge of directors' duties and responsibilities; understanding of Company's vision, mission, strategic plan and key issues, diligence and participation in Board, Committee and General Meetings, and leadership traits.

#### 9. Remuneration Policy, Remuneration of Directors & Appointment of Directors

For a policy on Directors' appointment, remuneration and criteria of evaluation required to be disclosed under Section 178(3) of the Companies Act, 2013 and under the Listing Regulations, please refer to Annexure B, which forms part of this Report.

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

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

#### 11. Subsidiaries, Consolidated Accounts and materiality

Indev Gauging Systems Inc (INDEV), is a wholly owned foreign subsidiary of Jasch North America Ltd (JNAC) (the latter in turn being the wholly owned subsidiary of Jasch Industries Ltd). Jasch Automation Ltd is the Indian Subsidiary of the Company. All these entities existed as subsidiaries of the Company at the beginning and at the end of the Financial Year under Report. A subsidiary company is considered as material if the holding Company's investment in the subsidiary company exceeds twenty per cent of consolidated net worth of holding company as per holding company's audited balance sheet of the previous financial year or if the subsidiary company has generated twenty per cent of the consolidated income of the holding company during the previous financial year.

Performance and financial position: JNAC does not perform any business, except supporting INDEV by way of providing share capital or investment. Financial statements of JNAC has been consolidated with the financial statements of the Company for the financial year ended on that date. During the financial year under report, JNAC achieved a gross sales and other income of USD equivalent of INR 1221 lakh and earned a profit of USD equivalent of INR 144 lakh. In accordance with the requirements of accounting standard (AS) 21 prescribed by The Institute of Chartered Accountants of India, the consolidated accounts of the Company, which include those of its wholly owned subsidiaries, are annexed to this report.

#### 12. Financial Audit & Financial Auditors' Report

M/s Arora and Choudhary Associates, Chartered Accountants, who have subjected themselves to peer review, have carried out statutory audit of Company's financial accounts during the financial year 2016-17. Auditors' Report is self-explanatory and does not contain any qualification, reservation, adverse remark or disclaimer. There is no matter reportable under Section 143(12) of the Companies Act, 2013.

#### 13. Secretarial Audit & Secretarial Auditors' report

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

**14. Cost Audit & Cost Record**

During the year, the Company was mandated to maintain cost records and also appoint cost auditors in respect of its products falling under CETA heading 3909 and 3921 (Plastics and Polymers). Accordingly, the Company duly maintained cost records and subjected these to cost audit which was conducted by Vipul Bhardwaj & Company, Cost & Management Accountants. Their report, the due date of which is one hundred and eighty days from the close of the financial year, is not yet due.

**15. Internal Audit, Internal Control Systems & Their Adequacy**

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

**16. Vigil Mechanism:**

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

**17. Risk management policy**

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

**18. Extract of Annual Return**

Extract of Annual Return is attached at Annexure E.

**19. Deposits**

The Company neither had any deposits at the beginning of the year, nor did it accept any deposits during the year under report. Therefore, there was no occasion for any deposits to remain unpaid or unclaimed or in default for repayment of principal or interest thereon.

**20. Loans & Advances**

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

**21. Related Parties Transactions**

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

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

**22. Corporate Governance Report & Certificate**

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

**23. Management Discussion And Analysis Report**

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

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

In accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has a policy on prevention of, and affirmative action for, sexual harassment of women, about which all the employees are communicated periodically. For this purpose, the Company has also constituted an Internal Complaints Committees. At the beginning of the financial year under report, no cases were pending and during the year, no cases were filed or disposed of under that Act.

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

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

**26. Credit Rating & ISO Certification**

The financial facilities availed by the company from HDFC Bank were rated by CRISIL, a premier credit rating agency, which has awarded long term rating "BBB/Stable" and short term rating "CRISIL A3+" to these facilities. As per Credit Rating Scales available at the website of CRISIL, instruments with these ratings have moderate degree of safety/credit risk regarding timely servicing/payment of financial obligations. The Company has also obtained ISO 9001:2000 Quality Certificates for its Synthetic Leather and Electronic Gauge Divisions respectively.

**27. Listing**

The Shares of the Company are listed on Stock Exchanges at Mumbai and Kolkata. The Company has filed an application with the Calcutta Stock Exchange for delisting of its shares there from. No response had been received from Calcutta Stock Exchange. It has been learnt that SEBI has ordered closure of CSE and the matter is under litigation.

**28. Corporate Social Responsibility**

In accordance with provisions of Section 134(3)(o), the Board set up a Corporate Social Responsibility(CSR) Committee which developed a Policy for carrying out activities which are as specified in Schedule VII to the Companies Act, 2013. During the financial year 2016-17, the Company spent Rs. 7,15,828 on CSR activities, which is 2% of its average profits of the preceding three years.

## 29. Directors' Responsibility Statement

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

- (i) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation, if any, relating to material departures;
- (ii) Appropriate accounting policies had been selected and applied consistently, and judgments and estimates made were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the profits of the Company for the year ended 31st March, 2017.
- (iii) Proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The annual accounts had been prepared on a going concern basis.

(v) Internal financial controls were laid down to be followed by the Company and such internal financial controls were adequate and were operating efficiently.

(vi) Proper systems had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

## 30. Appreciation

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

For & on behalf of the Board

Place : Sonapat  
Date : 27-05-2017

(J.K.GARG)  
Chairman

## ANNEXURE TO DIRECTORS' REPORT (CORPORATE GOVERNANCE REPORT)

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

## CORPORATE GOVERNANCE DISCLOSURE PURSUANT TO REGULATION 27 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ("LISTING REGULATIONS")

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

**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The Company's philosophy on corporate governance is "Governance through use of collective wisdom of Directors and transparency in business dealings so as to be fair and also serve the best interests of all stakeholders e.g. shareholders, employees, customers, suppliers and society at large."

**1.1 Ethics and Governance Policies**

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

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

**1.2 Institutionalized decision making**

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

**1.3 Audits and internal checks and balances**

A firm of experienced Chartered Accountants, who has subjected itself to peer review, audits the accounts of the Company as Independent

Auditor. An Independent Internal Auditor, who is a Member of Institute of Cost Accountants of India, reviews internal controls, operating systems and procedures in the Company besides reporting on the status of compliance with various statutes, such as industrial and labor laws, taxation laws, corporate laws and health, safety and environment regulations. Besides this, an Independent Company Secretary in Practice, conducts secretarial audit of Company. Continuous checks are also made by the key managerial personnel to ensure that the Company conducts its businesses with high standards of legal, statutory and regulatory compliances.

**1.4 Role of the Company Secretary in overall governance process**

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

**1.5 Code of Conduct for Prohibition of Insider Trading**

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

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

**1.7 Meeting of independent directors:** The Company recognizes that the Independent Directors are a key constituents of the Board. They play a vital role in dispassionately reviewing the performance of non-independent directors, the Chairman and the Board as a whole, besides assessing the quality, quantity and timeliness of flow of information between the company management and the Board. During the year under report, a Meeting of Independent Directors was held on 30-07-2016.

**2. BOARD OF DIRECTORS****2.1 Board Leadership**

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

The Company's internal guidelines for Board/Board Committee





meetings facilitate the decision making process at its meeting in an informed and efficient manner. Minimum four Board meetings are held annually by giving appropriate notice. Additional Board meetings are convened to address the Company's specific needs. In case of business exigencies or urgency of matters, resolutions are passed by circulation. The meetings are usually held at the Registered Office & Works of the Company.

The Board is given periodic reports and presentations covering Finance, Sales, Marketing, the Company's major business segments and their operations, including business opportunities and strategy and risk management practices before taking on record the Company's quarterly/annual financial results.

## 2.2 Composition, category and attendance of Directors at Board Meetings and last Annual General Meeting, Number of other boards/Committees on which he/she is a Member or Chairperson are as follows:

Name	Category	Attendance at Board Meetings	Number of directorships/committee* memberships/chairmanships other than in Jasch Industries Ltd			Attendance at last AGM
			Directorships#	Member	Chairman	
Shri J.K. Garg	P&E	4	2	0	0	Yes
Smt. Kamlesh Garg	P&NE	4	0	0	0	Yes
Shri Ramnik Garg	P&E	4	1	0	0	Yes
Shri Manish Garg	P&E	4	2	0	0	Yes
Shri Navneet Garg	P&E	4	0	0	0	Yes
Dr. S.K. Khandelwal	I&NE	4	1	0	0	Yes
Shri Naresh Kumar	I&NE	4	1	0	0	Yes
Dr. K.C. Varshney	I&NE	4	1	2	0	Yes
Shri K.L. Khetarpaul	I&NE	4	2	2	0	Yes
Shri Kuldeep Singal	I&NE	4	0	0	0	Yes

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

\*Committee means Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee only.

#Directorships in Indian Public Limited Companies only.

The Independent Directors have given requisite declarations U/s 149(6) of the Companies Act, 2013 regarding their independence.

Disclosure in terms of Part C of Schedule V of Listing Regulations: Inter se relationship between directors is as follows : Shri J.K. Garg is the spouse of Smt. Kamlesh Garg and Shri Ramnik Garg, Shri Manish Garg and Shri Navneet Garg are their sons.

## 2.3 Board Meetings

During the year under the report, Board Meetings were held on 21-05-2016, 30-07-2016, 15-10-2016 and 28-01-2017(total four Board Meetings). The maximum time gap between any two Board Meetings was not more than one hundred and twenty days.

2.4 Number of shares and convertible instruments held by non-executive directors: Besides Smt. Kamlesh Garg (who holds 2,50,000 shares in the Company); Shri Kuldeep Singal (who holds 500 shares in the Company) and Dr. S.K. Khandelwal, (who holds 800 shares in the Company), no other non-executive directors holds any shares in the Company. The Company does not have any convertible instruments.

## 2.5 Board Process

The Chairman of the Board and the Company Secretary, in consultation with other key managerial personnel, finalize the agenda for Board meetings. The detailed agenda notes and copies of relevant documents are circulated to Directors in advance and in the defined agenda format. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any documents to the agenda, a mention is made in the Agenda that such document will be tabled during the Meeting. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted with permission of the Chair and consent of majority Directors/Committee Members present. Matters which are placed before the Board, inter alia, include the following:

- ♦ Annual operating plans of the businesses and budgets including capital budgets and any updates
- ♦ Quarterly results of the Company and its operating divisions or business segments
- ♦ Company's annual Financial Results, Financial Statements, Auditor's Report and Board's Report
- ♦ Minutes of meetings of the Audit Committee and other Committees of the Board
- ♦ Show cause, demand, prosecution notices and penalty notices, which are materially important
- ♦ Fatal or serious accidents, dangerous occurrences, and any material effluent or pollution problems
- ♦ Any material default in financial obligation to and by the Company, or substantial non-payment for goods sold by the company
- ♦ Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company
- ♦ Non-Compliance of any regulatory, statutory or listing requirements, and shareholders' service, such as dividend non-payment, share transfer delay (if any), among others
- ♦ Appointment, Remuneration and resignation of Directors
- ♦ Formation/reconstitution of Board Committees.
- ♦ Terms of reference of Board Committees

- Minutes of Board meetings
- Declaration of Independent Directors at the time of appointment/annually
- Disclosure of Directors' interest and their shareholding
- Appointment or removal of Key Managerial Personnel
- Appointment of Internal Auditors and Secretarial Auditors
- Quarterly / Annual Secretarial Audit reports submitted by Secretarial Auditors
- Dividend declaration
- Quarterly summary of long term borrowings made, bank guarantees issued and loans and investments made
- Significant changes in accounting policies and internal controls
- Statements of significant transactions, related party transactions and arrangements entered by unlisted subsidiary companies
- Recommending appointment of and fixing of remuneration of the Auditors as recommended by the Audit Committee
- Internal Audit findings and External Audit Reports (through the Audit Committee)
- Borrowing of Monies, giving guarantees or providing security in respect of loans
- Brief on statutory developments, changes in government policies, among others with impact thereof, Director's responsibilities arising out of any such developments
- Compliance Certificates certifying compliance with all laws as applicable to the Company

#### 2.6 Adherence to the Secretarial Standards issued by the Institute of Company Secretaries of India

The Institute of Company Secretaries of India (ICSI), one of the India's premier professional bodies, has issued Secretarial Standards on important aspects like Board meetings, General meetings, Payment of Dividend, Maintenance of Registers and Records, Minutes of Meetings, Transmission of Shares and Debentures, Passing of Resolutions by Circulation, Affixing of Common Seal and Board's Report. The Company adheres to these standards.

#### 2.7 Recording minutes of proceedings at the Board and Committee meetings

The Company Secretary records minutes of proceedings of each Board and Committee meetings. Draft minutes are circulated to all the Directors/Committee Members within 15 days of the Meeting. In light of observations, if any received from them, the same are finalized and entered in the Minutes Book within 30 days from the conclusion of the meeting.

#### 2.8 Role of Chairman & Managing Director in Execution of Board decisions

The Chairman & Managing Director (CMD) being the Chief Executive Officer of the Company, is responsible for overall implementation of the decisions taken at the Board and Committee Meetings. In the operations and functioning of the Company, the CMD is assisted by a core group of executives -three whole time directors, the company secretary and the chief financial officer.

#### 2.9 Details of persons being appointed/re-appointed as Directors.

Name of director, his brief resume, nature of expertise in specific functional area, directorship/ committee membership held by them are as follows:

Shri Manish Garg, aged 43 years, 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 also holds Directorship on the Board of Gesco Automation Ltd, Jasch Automation Ltd, Jasch North America Co. (USA) and Jasch Europe (Belgium). His last re-appointment as Whole Time Director ended on 28-07-2017 whereafter, the Board of Directors, in its meeting held on 27-05-2017 re-appointed him as Executive Director for a period of three years, subject to approval at this Annual General Meeting

Shri Navneet Garg, aged 41 years, is a Mechanical Engineer with more than 20 years' of experience in the field of Production of Synthetic Leather and management. He specializes in the field of production of synthetic leathers and synthetic adhesives. He is the functional head of the PU Coated Fabrics Division of the Company, looking after production, maintenance, and purchase functions of that Division. He is an executive director of the Company. He does not hold directorship in any other Company. He retires as director at this Annual General Meeting by rotation of directors and being eligible, has offered himself for re-appointment.

The Board recommends the above re-appointments.

#### 2.10 Appointment(s) of Key Managerial Personnel

During the year under report, there were no fresh appointments of Key Managerial Personnel in the Company.

#### 2.11 BOARD COMMITTEES

##### 2.11.1 AUDIT COMMITTEE

The powers and functions of the Audit Committee are in alignment with those mentioned in Section 177 of the Companies Act, 2013 and the Listing Regulations and include examination of financial statements and the auditors' report thereon, approval and subsequent modification of transactions of the Company with the Related Parties, evaluation of internal financial controls and risk management systems. All the Members of this Committee (three in number) are Independent Directors, which composition is in accordance with Section 177 of the Companies Act, 2013 and the Listing Regulations. The Audit Committee is composed of Shri K.L. Khetarpaul (Chairman), Dr. K.C. Varshney (Member) and Shri Kuldeep Singal (Member). Shri K.L. Khetarpaul is a retired Executive Director from Reserve Bank of India. Dr. K.C. Varshney is a retired Executive Director from Industrial Development Bank of India. Shri Kuldeep Singal has been an industrialist for over four decades. As such, all of them have vast experience in banking, finance and management. The Chief Financial Officer of the Company and a representative of Statutory Auditors are permanent invitees to the Audit Committee Meetings. Shri S.K. Verma, Company Secretary is Secretary of the Audit Committee.

The dates on which the Audit Committee Meetings were held during the year under report and the attendance of Committee Members (presence is marked as ✓) was as follows :

Name/Meeting dates	21-05-2016	30-07-2016	15-10-2016	28-01-2017
Shri K.L. Khetarpaul	✓	✓	✓	✓
Dr. K.C. Varshney	✓	✓	✓	✓
Shri Kuldeep Singal	✓	✓	✓	✓

### 2.11.2 THE NOMINATION & REMUNERATION COMMITTEE (NRC)

(a) Brief description of terms of reference, composition, name of members and Chairperson of the NRC

The functions/powers of the Nomination & Remuneration Committee are in tune with provisions of the Companies Act, 2013 and the Listing Regulations and include recommendation to the Board appointment and removal of Directors and evaluation of their performance, recommendation/approval of remuneration of key managerial personnel. The NRC is composed of Shri Kuldeep Singal (Chairman), Dr. K.C. Varshney (Member) and Shri K.L. Khetarpaul (Member). All these members being Independent Directors, this composition is in accordance with law. Shri S.K. Verma, Company Secretary is the Secretary of this Committee.

During the financial year under report, the NRC meetings was held on 21-05-2016, which was attended by all the Members.

(b) The Remuneration Policy and Policy for Performance Evaluation of Independent Directors, Board and Committees

The Remuneration Policy of the Company has been annexed with the Directors' Report. This policy is directed towards rewarding performance based on review of achievements periodically. The remuneration policy is in consonance with existing industry practice. The remuneration and terms & conditions of Key Managerial Personnel are tune with the Remuneration Policy. Further, the Company has devised a policy for performance evaluation of Independent Directors, Board and Committees.

(c) Details of Remuneration to executive directors are as follows

(Amount in ₹)

Name & Designation	Fixed Salary	Perks and Allowance	Variable Salary	Total
Sh. Jai Kishan Garg, Chairman & Managing Director	41,60,400	21,39,600	4,20,000	67,20,000
Sh. Ramnik Garg, Executive Director	29,60,400	15,39,600	3,00,000	48,00,000
Sh. Manish Garg, Executive Director	29,60,400	15,39,600	3,00,000	48,00,000
Sh. Navneet Garg, Executive Director	29,60,400	15,39,600	3,00,000	48,00,000

The above remuneration does not include company's contribution to gratuity fund and perk in respect of car. The employment of above directors is terminable by giving three months' notice in writing from either side.

(d) Remuneration (sitting fee) paid to non-executive directors during the financial year under report was as follows:

(Amount is in ₹)

Dr. S. K. Khandelwal :	77,500	Dr. K C Varshney :	1,10,000
Sh. Kuldeep Singal :	1,10,000	Smt. Kamlesh Garg :	57,500
Sh. K L Khetarpaul :	1,10,000	Sh. Naresh Kumar :	77,500

Besides payment of sitting fees, no other remuneration/perks/commission/incentive/stock options were paid or payable to them.

### 2.11.3. THE STAKEHOLDERS' RELATIONSHIP COMMITTEE

(a) Functions of the Committee:

The functions of the Stakeholders' Relationship Committee are overseeing Redressal of complaints received from stakeholders.

(b) Chairman and Compliance Officer:

Dr. S. K. Khandelwal, Independent Director is the Chairman of the Committee. Shri S.K. Verma, Company Secretary is a Member as well as its Compliance Officer.

**(c) Status of complaints:**

The Company believes in promptly disseminating statutory information to the members, promptly dealing with requests for share transfer/transmission/issue of duplicate share certificates/other queries of shareholders and keeping its website updated at all times. There was no investor complaint pending with the Company at the beginning or end of the year under report and none was received or disposed of during the year.

(d) In view of nil complaints, there was no occasion to hold any meeting of the Committee.

**2.11.4 THE FINANCE COMMITTEE**

(a) Functions of the Committee : The functions of the Finance Committee are to exercise borrowing powers, invest surplus funds of the Company and grant loans, give guarantee or provide security in respect of loans.

(b) Chairman : Shri Jai Kishan Garg is the Chairman of Finance Committee. Shri Naresh Kumar and Dr. S. K. Khandelwal are its members.

(c) During the financial year under report, two meetings of Finance Committee were held on 20-07-2016 and 20-02-2017, which was attended by all the Members.

**2.11.5 CORPORATE SOCIAL RESPONSIBILITY(CSR) COMMITTEE :**

(a) Functions of the Committee : The functions of the CSR Committee are to formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013; recommend the amount of expenditure to be incurred on the activities referred to in the policy and monitor the CSR Policy of the Company from time to time.

(b) Chairman : Shri Jai Kishan Garg is the Chairman of CSR Committee. Shri Naresh Kumar and Dr. S. K. Khandelwal are its members.

(c) During the financial year under report, one meeting of CSR Committee was held on 21-05-2016, which was attended by all its Members.

**3. GENERAL BODY MEETINGS**

Details of the last three Annual General Meetings of the Company and Special Resolutions passed thereat, are as follows:

Year	Date	Time	Special Resolutions passed at AGM	Special Resolutions passed through postal ballot
2013-2014	29-09-2014	10 A.M.	6	2
2014-2015	28-09-2015	10 A.M.	0	2
2015-2016	28-09-2016	10 A.M.	4	0

As the Annual General Meetings were held at the Registered Office & Works of the Company at 43/5, Bahalgarh Road, Sonipat. During the financial year 2015-16, no item was passed through postal ballot. At present, there is no proposal to pass any Special Resolution through Postal Ballot.

**4. DISCLOSURES**

4.1 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.

4.2 Details of non-compliance by the company, penalties and 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.

4.3 Whistle Blower Policy:

In terms of Listing Regulations, the Company has established a vigil mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. No personnel have been denied access to the Audit Committee. The details of establishment of such mechanism has been uploaded at the website of the Company [www.jaschindustries.com/Filings & Disclosures /RPT, Vigil & Other Policies](http://www.jaschindustries.com/Filings & Disclosures /RPT, Vigil & Other Policies). The same also form part of Board's Report.

4.4 Details of compliance with mandatory and discretionary (non-mandatory) requirements of Listing Regulations and adoption of the non mandatory requirements thereof.

All the mandatory requirements of Regulation 27(1) of the Listing Regulations have been complied with by the Company. With regard to compliance with non-mandatory requirements, the Company is into a regime of unqualified financial statements. The internal auditors report directly to the Audit Committee.

## 5. MEANS OF COMMUNICATION

The company has published its quarterly results in The Pioneer (both Hindi and English Editions) and also uploaded the same at its website [www.jaschindustries.com](http://www.jaschindustries.com). The Company did not release any official news. No presentations were made to institutional investors or to the analysts.

## 6. FAMILIARISATION PROGRAMME FOR BOARD MEMBERS

The Directors are provided with necessary documents, explanatory notes and reports to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made at the Board and Committee Meetings on business and performance updates of the Company, business strategy and risks involved. Presentations are also made on business segments of the Company. Updates on important statutory changes are regularly circulated and explained to the Directors. Plant visits are also organized for the Directors to enable them to understand the operations of the Company. The details of such familiarization programs for Independent Directors are posted on the website of the Company and can be accessed at <http://www.jaschindustries.com/Filings & Disclosures/Appointment & Training of IDs>

## 7. GENERAL SHAREHOLDER INFORMATION

### 7.1 Annual General Meeting:

Date and Time : 27<sup>th</sup> September, 2017 at 10:00 AM  
Venue : Registered Office of the Company at : 43/5, Bahalgarh Road, Sonipat, Haryana

### 7.2 Financial Year = 1<sup>st</sup> April, 2016 - 31<sup>st</sup> March, 2017

Financial Quarter: A financial quarter is the three months' period that ends on 30<sup>th</sup> June, 30<sup>th</sup> September, 31<sup>st</sup> December and 31<sup>st</sup> March in each calendar year. Publication of Quarterly Financial Results is done within 45 days of close of each Financial Quarter, except the last Quarter, publication of results for which was done within 60 days.

### 7.3 Book Closure Date: 28<sup>th</sup> August, 2017 to 5<sup>th</sup> September, 2017 (both days inclusive)

### 7.4 Dividend Payment date: Not applicable

### 7.5 Listing of Equity Shares: The Equity Shares of the Company are listed on:

The BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001  
The Calcutta Stock Exchange Ltd., 7, Lyons Range, Kolkata – 700 001

The Company had made an application to the Calcutta Stock Exchange (CSE) for delisting its equity shares from CSE. The Company has not received any response from CSE. It has been learnt that SEBI has ordered closure of CSE and the matter is under litigation.

### 7.6 Stock Code & ISIN No.:

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

Note: There has been no or insignificant trading in company's shares at The Calcutta Stock Exchange Ltd during the year under report. Annual Listing fees has been paid to BSE.

### 7.7 Stock market data & share price performance in comparison to broad based indices

Stock Market data in respect of equity shares (of Rs. 10 each fully paid up, as traded at BSE Ltd) of the Company i.e. high/low/closing price, number of shares traded and number of trades during the financial year 2016-2017 on the BSE Ltd was as under (All prices are in Rs.):

Month	Open ₹	High ₹	Low ₹	Close ₹	No. of Shares	No. of Trades	Total (Rs.) Turnover	Deliverable Quantity (No. of Shares)	% Deli. Qty to Traded Qty	* Spread	
										H-L ₹	C-O ₹
Apr 16	37.75	52.70	37.70	41.90	1,67,618	1,447	78,24,946	1,34,125	80.02	15.00	4.15
May 16	42.85	46.80	38.10	38.75	1,44,379	895	59,87,182	1,19,871	83.03	8.70	-4.10
Jun 16	38.05	42.85	34.00	39.05	1,58,316	1,258	60,05,605	1,15,601	73.02	8.85	1.00
Jul 16	38.90	42.00	36.10	40.10	1,05,819	740	41,71,241	82,385	77.85	5.90	1.20
Aug 16	42.45	42.50	35.00	35.40	88,822	647	33,04,002	64,938	73.11	7.50	-7.05
Sep 16	35.00	44.70	33.60	43.40	1,86,372	1,183	71,06,237	1,46,470	78.59	11.10	8.40
Oct 16	44.50	58.75	40.65	52.20	2,81,285	2,129	1,41,12,542	2,08,216	74.02	18.10	7.70
Nov 16	54.25	54.25	38.50	47.70	1,37,294	965	64,56,230	1,08,062	78.71	15.75	-6.55
Dec 16	49.00	54.40	45.05	47.70	1,19,855	727	58,70,318	84,400	70.42	9.35	-1.30
Jan 17	49.80	64.50	46.70	55.55	2,26,855	1,474	1,33,48,925	1,79,707	79.22	17.80	5.75
Feb 17	59.00	59.00	48.55	55.10	2,20,651	1,052	1,17,07,402	1,95,511	88.61	10.45	-3.90
Mar 17	56.00	83.85	53.25	71.75	6,00,481	3,607	4,24,26,253	4,47,713	74.56	30.60	15.75

\*Spread H-L High-Low C-O: Close-Open

Note: The above figures have been obtained from "Historical Data>Stock Prices" Section of the official website of the BSE Ltd (i.e. the Bombay Stock Exchange). The shares of the company have shown no or very little sensitivity to share price index.

#### 7.8 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 as follows :

Alankit Assignments Ltd  
(Unit : Jasch Industries Ltd)  
2E/21, Jhandewalan Extension,  
New Delhi 110055

#### 7.9 DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>st</sup> March, 2017

(Equity shares of face value of Rs. 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
Indian Promoters (Individuals / HUF)	12	6253571	6253571	55.19
Mutual Funds/UTI	1	1000	0	0.01
FIIs	0	0	0	0.00
Bodies Corporate	123	306847	276047	2.71
i. Individual shareholders holding nominal share capital up to Rs 2 lakh	9090	3091863	1837523	27.29
ii. Individual shareholders holding nominal share capital in excess of Rs 2 lakh	16	1509347	1509347	13.32
NRIs	308	167372	56772	1.48
<b>TOTAL</b>	<b>9550</b>	<b>11330000</b>	<b>9933260</b>	<b>100.00</b>

None of the aforesaid shares are reported to have been pledged.

#### 7.10 DEMATERIALISATION OF SHARES AND LIQUIDITY

87.67% of the paid up share capital of the Company is represented in dematerialized form as on 31st March, 2017.

#### 7.11 OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY: The Company does not have any such outstanding instruments.

#### 7.12 PLANT LOCATION

The only plant of the Company is located at 43/5, Bahalgarh Road, (Village Jat Joshi), Distt. Sonapat, Haryana.

#### 7.13 ADDRESS FOR 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 number is: 0130-3053600, E-mail address is skverma@jasch.biz Website : www.jaschindustries.com

#### 7.14 DECLARATION BY CEO OF THE COMPANY ON CODE OF CONDUCT

In terms of Schedule V of the Listing Regulations, a certificate signed by the Managing Director and Chief Financial Officer to the effect that 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 is attached. The Code of Conduct is available at the website of the Company by following the following link: [www.jaschindustries.com/Filings&Disclosures/Code of Conduct](http://www.jaschindustries.com/Filings&Disclosures/CodeofConduct).

#### 7.15 CERTIFICATE OF COMPLIANCE OF CORPORATE GOVERNANCE CONDITIONS

A certificate signed by M/s Arora & Choudhary Associates, Chartered Accountants, Statutory Auditors of the Company, is annexed.

#### 7.16 CEO/CFO Certification

In terms of Regulation 17(8) of the Listing Regulations, the Managing Director and the Chief Financial Officer have given the required certificate (attached) to the Board of Directors regarding the accuracy of financial statements.

For & on behalf of the Board

Sonapat  
27-05-2017

J. K. Garg  
CHAIRMAN

**ANNEXURE TO DIRECTORS' REPORT**

(INCLUDES POLICY ON DIRECTORS' APPOINTMENT & REMUNERATION AND CRITERIA OF EVALUATION)

**REMUNERATION POLICY, EVALUATION CRITERIA FOR APPOINTMENT OF DIRECTORS, REMUNERATION PAID TO KEY MANAGERIAL PERSONNEL (AS PRESCRIBED UNDER SECTION 178(3) OF THE COMPANIES ACT, 2013 AND LISTING REGULATIONS**

This Policy concerns the remuneration to Managing Director, Whole Time Directors, Company Secretary and Chief Financial Officer (Collectively known as Key Managerial Personnel or "KMPs") employed in Jasch Industries Ltd. The KMPs are also functional heads of the Company. This policy does not concern other executives of the Company.

1. **Identification and recommendation of suitable personnel:** In accordance with provisions of law/listing regulations and as part of a succession plan the persons, who are qualified to become directors and who may be appointed in senior management, will be identified by the Nomination & Remuneration Committee constituted by the Board, which shall recommend to the Board their appointment and removal.

2. **Guiding principles for remuneration**

The guiding principles for fixation of remuneration of KMPs are as follows:

- 2.1 The remuneration will be based on the qualifications, experience and personality traits of the KMP.
- 2.2 The level and composition of remuneration will be reasonable and sufficient to attract, retain and motivate KMPs of the quality required to run the company successfully;
- 2.3 The Company will endeavor to match the remuneration of KMPs as per best industry standards.
- 2.4 Relationship between remuneration to performance will be clear and will meet appropriate performance benchmarks; and
- 2.5 The remuneration to KMPs will involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

3. **Fixed pay**

The fixed pay of KMPs shall be competitive and based on the individual executive's responsibilities and functions.

4. **Variable pay, incentive schemes and relation between fixed and variable components of the remuneration and the linkage between performance and remuneration**

In order to motivate the KMPs to perform their best, they will be paid incentive pay equivalent to 0.5% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013 provided that such incentive will not be less than 10% and will not be more than 25% of their respective fixed annual pay.

5. **The principal terms of other benefits, notice of termination and severance pay**

5.1 **Other benefits**

- 5.1.1 All KMPs will be entitled to a Special Allowance not exceeding six months' salary in a year, to cover housing, conveyance, medical, electricity, gas, water and other personal expenses.
- 5.1.2 All KMPs will be entitled to customary non-monetary benefits such as chauffeur driven car, subsidized health care insurance/medical, mobile phone and telephone at residence and gratuity as per law.
- 5.1.3 All KMPs will be entitled one month's paid leave during a financial year or encashment in lieu thereof.
- 5.1.4 All KMPs will be entitled to Leave Travel Concession (or

encashment in lieu thereof) for self and family members once during a block of four years, subject to the condition that such concession shall not exceed one month's fixed pay.

5.1.5 In case any KMPs has given a personal guarantee for securing financial assistance from banks/financial institutions, then such KMPs will be entitled to a guarantee commission at a rate to be determined by the Nomination & Remuneration Committee.

5.1.6 In case any KMPs has provided any loan to the Company, then such director will be entitled to receive interest thereon at an annual rate 1% below the rate at which the Company has borrowed from the bank(s).

5.1.7 Appointments of KMPs will be terminable at either end, by giving three months' notice in writing.

5.1.8 To attract and retain the KMPs for longer years, all KMPs who have put in a minimum of 15 years of continuous service ("qualifying service") in the Company, will be entitled to severance pay calculated @ half month's pay for each completed year of qualifying service, on their attaining the age of superannuation or on termination of their service otherwise for misconduct. Any part of the year exceeding 182 days will be treated as full year.

5.1.9 Notwithstanding anything contained in this Remuneration Policy, the total gross emoluments of Managing Director and whole time directors shall not exceed the limits prescribed under law.

5.1.10 The remuneration will be suitably bifurcated for tax management purposes and will be subject to applicable tax deduction at source.

6. **Criteria for determining qualifications, positive attributes and independence of a director**

6.1 **Qualifications:** An independent director shall not have incurred any disqualification as contained in Section 164 of the Companies Act, 2013 and Rules made thereunder, currently in force or as may be amended from time to time.

6.2 **Positive attributes:** Every independent director shall be a person of integrity and possess relevant experience and expertise relating to the field of accounting, management, business, law or taxation or other field which may be of benefit to the Company.

6.3 **Independence:** Every independent director shall have all the qualifications as mandated in Section 149(6) of the Companies Act, 2013 and Rules made thereunder and the provisions of Listing Regulations (or as may be amended from time to time).

7. **Responsibility for adhering to this policy**

It will be the responsibility of the Managing Director to adhere to this policy. He will periodically affirm to the Committee/Board that this policy is being followed.

8. **Authority to decide change in / deviation from this Policy**

On the recommendations of the Nomination & Remuneration Committee, the Board of Directors may change or deviate from this Policy if there are specific reasons to do so in an individual case, provided that – (1) reasons for deviation are recorded in the minutes book (2) the policy shall not be changed to the detriment of a KMP without his consent.

True copy of the Policy  
For & on behalf of the Board

Place : Sonipat J. K. Garg  
Date : 27-05-2017 Chairman



**ANNEXURE TO DIRECTORS' REPORT****PART A : Disclosure under Section 197(12) and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

1. The percentage increase in remuneration of each Director, Company Secretary & Chief Financial Officer and, in case of directors, ratio of remuneration of each director to the median remuneration of the employees of the company in the financial year ended 31<sup>st</sup> March, 2017 was as under:

Sr. No.	Director	Increase in remuneration (%)	Ratio (1:)
1	Sh. J K Garg, Chairman & Managing Director	38	21
2	Sh. Ramnik Garg, Whole Time Director	28	16
3	Sh. Manish Garg, Whole Time Director	28	16
4	Sh. Navneet Garg, Whole Time Director	28	16
5	Sh. S. K. Verma, Vice President & Company Secretary	17	NA
6	Sh. M. Paliwal, Chief Financial Officer	21	NA

2. Percentage increase in median remuneration of employees in the financial year ended 31<sup>st</sup> March, 2017 was as 10%.
3. The number of permanent employees on the rolls of the company as on 31<sup>st</sup> March, 2017 was 151.
4. The explanation on the relationship between average increase in remuneration and company performance is as follows:  
There has been a 6.65% increase in profit before tax (PBT) of the company as compared with that of the last year. Average increase of 10% in the remuneration of employees is in line with the current year's performance to achieve organization's growth expectations.
5. Comparison of the remuneration of the Key Managerial Personnel against the performance of the company: Remuneration of Key Managerial personnel is based on qualifications, industry experience, individual performance, company's performance prevailing remuneration in industry and limits prescribed under the Companies Act, 2013, the limits in turn being based on the effective capital of the Company.  
A comparative table of Company's performance during the financial year 2015-16 vis a vis immediately preceding financial year is given below:

	2016-2017	2015-2016
Total Income(net) (Rs in Lakh)	10512.68	9893.73
EBIDTA (Rs in Lakh)	1156.61	1057.25
EBIDTA as % of Total Income	11.00%	10.69%
PBT (Rs in Lakh)	699.43	642.70
PBT as % of Total Income	6.65%	6.50%

6. Variations in the market capitalization of the company as at the closing date of the current financial year and the previous financial year: The market capitalization as on 31.03.2017 was Rs 8129.28 lakh and as on 31.03.2016 it was Rs. 4367.72 lakh.
7. Variation in the price earnings ratio as at the closing date of the current financial year and the previous financial year: Price earnings ratio as on 31.03.2017 was 18.21 and as on 31.03.2016 was 10.65.
8. Percentage increase over in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer was 617.50% as on 31.03.2017.
9. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration. As stated in para 1 to 8 above.
10. The key parameter for any variable component of remuneration availed by the directors: The only key factor is the profit earned by the Company.
11. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: There were no employees who receive remuneration in excess of the highest paid director.
12. Affirmation: It is affirmed that the remuneration paid is as per the remuneration policy of the company.

**PART B : Disclosure under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Employees employed throughout the year and were in receipt of remuneration of not less than Rs. 102lakh per annum or, if employed for a part of the year, were in receipt of remuneration at a rate of not less than Rs. 8.5 lakh per month (or in excess of remuneration paid to managing director) and their shareholding: There were no such employees.

For and on behalf of the Board

Place: Sonipat  
Dated: 27-05-2017

J. K. Garg  
Chairman

**ANNEXURE TO DIRECTORS' REPORT – SECRETARIAL AUDIT REPORT**

Form MR-3

**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017**

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014).

The Members,  
Jasch Industries Limited  
43/5, Bahalgarh Road,  
Sonapat, Haryana 131 021

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Jasch Industries Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 ('Audit Period'), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.: —
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (not applicable as the company did not issue any security during the financial year under review.);
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (not applicable as the company has not issued granted any options to its employees during the financial year under review);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable as the company has not issued any debt securities during the financial year under review);
  - (f) The Securities and Exchange Board of India (Registrars to an

Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (not applicable as the company has not bought back any of its securities during the financial year under review);
- (vi) and other applicable laws like Factories Act, 1948, The Payment of Gratuity Act, 1972;

We have also examined compliance with the applicable clauses / regulations of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India i.e. Secretarial Standards-1 (Meeting of the Board of Directors) & Secretarial Standards-2 (General Meetings);
- (ii) The Listing Agreements entered into by the Company with Calcutta Stock Exchange (CSE) and Bombay Stock Exchange (BSE); and
- (iii) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors, if any, that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decision at Board Meeting and Committee are carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Mukesh Arora & Co.

Practicing Company Secretaries  
Mukesh Arora  
F.C.S No. 4819  
C.P No. 4405

New Delhi, 12<sup>th</sup> May, 2017

This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

**ANNEXURE A TO SECRETARIAL AUDIT REPORT**

To  
The Members,  
Jasch Industries Limited,  
43/5, Bahalgarh Road,  
Sonipat, Haryana- 131021

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial Record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of Accounts of the company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the Verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR MUKESH ARORA & CO.  
COMPANY SECRETARIES

Place: New Delhi  
Date: 12<sup>th</sup> May, 2017

Prop.  
(Mukesh Arora)  
Practicing Company Secretary  
Membership No. 4819  
Certificate Of Practice No. 4405

CERTIFIED TO BE A TRUE COPY  
For & On behalf of the Board

Sonipat  
27-05-2017

J.K. GARG  
CHAIRMAN

**MANAGEMENT REPORT (PART OF ANNUAL RETURN)****EXTRACT OF ANNUAL RETURN  
FORM MGT9**(Pursuant to Section 92(3) of the Companies Act, 2013 and  
Rule 12(3) of the Company (Management & Administration) Rules, 2014)

Financial Year ended on 31.03.2017

<b>I. REGISTRATION &amp; OTHER DETAILS :</b>	
i. CIN	L24302HR1985PLC022758
ii. Registration Date	11-12-1985
iii. Name of the Company	JASCH INDUSTRIES LIMITED
iv. Category / sub-category of the Company	Company having Share Capital
v. Address of the Registered Office Contact Details	43/5, Bahalgarh Road, P.O. Bahalgarh, Distt. Sonipat – 131021 (Haryana) Tel : 0130 – 3053600, Fax : 011 – 66173923
vi. Whether listed company	Yes
vii. Name, Address & Contact Details of the Registrar & Transfer Agent, if any.	Alankit Assignments Ltd. (Unit : Jasch Industries Ltd.) 2E/21, Jhandewalan Extn. New Delhi-110055 Tel : 011 – 51540060 – 63

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :**

All the business activities contributing 10% or more of the total turnover of the company shall be stated.

Sl No.	Name & Description of main products / services	NIC Code of the Product / services	% of total turnover of the company
1	Synthetic Leather (PU/PVC Coated Fabric)	Group-139 (Division 13)	72%
2	Electronic Gauges	Group-265 (Division 26)	28%

**III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES :**

Sl No.	Name & Address of the Company	CIN / GLN*	HOLDING / SUBSIDIARY / ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1*	Jasch North America Co. 5235, 26 <sup>th</sup> Street, Rock Ford-IL-61109, USA	45-3948230	Subsidiary	100 %	2(87)
2*	Indev Gauging Systems, Inc. 5235, 26 <sup>th</sup> Street, Rock Ford-IL-61109, USA	36-4284584	Subsidiary	100 %	2(87)
3	Jasch Automation Ltd., 43/5, Bahalgarh Road, Sonipat -131021 Haryana	U29221HR2016PLC058228	Subsidiary	100 %	2(87)

\*These Companies have been incorporated abroad and CIN/GLN numbers mentioned above are foreign numbers.

## IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity Capital)

## i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1. Indian</b>									
a. Individual/HUF	6251471	-	6251471	55.18	6253571	-	6253571	55.19	0.01
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.	-	-	-	-	-	-	-	-	-
d. Bodies corporate	-	-	-	-	-	-	-	-	-
e. Bank/ FI	-	-	-	-	-	-	-	-	-
f. Any Other	-	-	-	-	-	-	-	-	-
<b>Sub- Total (A) (1)</b>	<b>6251471</b>	<b>-</b>	<b>6251471</b>	<b>55.18</b>	<b>6253571</b>	<b>-</b>	<b>6253571</b>	<b>55.19</b>	<b>0.01</b>
<b>2. Foreign</b>									
a. NRI- Individuals	-	-	-	-	-	-	-	-	-
b. Other-Individuals	-	-	-	-	-	-	-	-	-
c. Bodies corporate	-	-	-	-	-	-	-	-	-
d. Banks/ FI	-	-	-	-	-	-	-	-	-
e. Any Other	-	-	-	-	-	-	-	-	-
<b>Sub- Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter (A) = (A) (1) + (A) (2)</b>	<b>6251471</b>	<b>-</b>	<b>6251471</b>	<b>55.18</b>	<b>6253571</b>	<b>-</b>	<b>6253571</b>	<b>55.19</b>	<b>0.01</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a. Mutual Funds	-	1100	1100	0.01	-	1000	1000	0.01	-
b. Bank/ FI	-	-	-	-	-	-	-	-	-
c. Cent. Govt.	-	-	-	-	-	-	-	-	-
d. State Govt.	-	-	-	-	-	-	-	-	-
e. Venture Capital	-	-	-	-	-	-	-	-	-
f. Insurance Co.	-	-	-	-	-	-	-	-	-
g. FIIs	-	-	-	-	-	-	-	-	-
h. Foreign Venture Capital Fund	-	-	-	-	-	-	-	-	-
i. Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub- Total (B) (1)</b>	<b>-</b>	<b>1100</b>	<b>1100</b>	<b>0.01</b>	<b>-</b>	<b>1000</b>	<b>1000</b>	<b>0.01</b>	<b>-</b>
<b>2. Non- Institutions</b>									
a. Body- Corp.	382160	30800	412960	3.64	276047	30800	306847	2.71	(0.93)
b. Individual									
i. Individual shareholders holding nominal share capital upto Rs. 1 lakh	1664497	1231940	2896437	25.56	1678672	1201840	2880512	25.42	(0.14)
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1542824	77500	1620324	14.30	1668198	52500	1720698	15.19	0.89
c. Others (specify) NRI	36708	111000	147708	1.30	56772	110600	167372	1.48	0.18
<b>Sub-Total (B) (2)</b>	<b>3626189</b>	<b>1451240</b>	<b>5077429</b>	<b>44.81</b>	<b>3679689</b>	<b>1395740</b>	<b>5075429</b>	<b>44.81</b>	<b>-</b>
<b>Net Total B(1)+B(2)</b>	<b>3626189</b>	<b>1452340</b>	<b>5078529</b>	<b>44.82</b>	<b>3679689</b>	<b>1396740</b>	<b>5076429</b>	<b>44.81</b>	<b>(0.01)</b>
<b>C. Shares held by Custodians for GDRs &amp; ADRs: NIL</b>									
<b>Grand Total (A+B+C)</b>	<b>9877660</b>	<b>1452340</b>	<b>11330000</b>	<b>100</b>	<b>9933260</b>	<b>1396740</b>	<b>11330000</b>	<b>100</b>	<b>-</b>

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares*	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	% change in shareholding during the year
1.	Gunjan Garg	544472	4.81	-	544472	4.81	-	-
2.	Jai Kishan Garg	643310	5.68	-	644110	5.68	-	-
3.	Kamlesh Garg	250000	2.21	-	250000	2.21	-	-
4.	Manish Garg	1291969	11.40	-	1291969	11.40	-	-
5.	Navneet Garg	966449	8.53	-	966449	8.53	-	-
6.	Ramnik Garg	1115698	9.85	-	1115698	9.85	-	-
7.	Ramnik Garg Karta	359165	3.17	-	359165	3.17	-	-
8.	Ritu Garg	606651	5.35	-	606651	5.35	-	-
9.	Shivani Garg	423757	3.74	-	423757	3.74	-	-
10.	Archana Singhal	50000	0.44	-	50000	0.44	-	-
11.	Shiv Kumar Khandelwal	-	-	-	800	0.01	-	0.01
12.	Kuldeep Singal	-	-	-	500	0.00	-	-

(iii) Change in Promoters' Shareholding

Sl No.	Date of Increase by transfer (purchase)	Shareholding at the beginning of the year		Cumulative Shareholding at the during/at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	01-04-2016 (Opening Balance)	6251471	55.18	NA	NA
2.	16-05-2016	800	0.00	6252271	55.18
3.	28-09-2016	500	0.00	6252771	55.18
4.	05-12-2016	800	0.01	6253571	55.19

(iv) Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl No.		Shareholding at the beginning of the year		Cumulative Shareholding during /at the end of the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Subramanian P	Not in Top 10 List	-	358000	3.16
2.	Deepinder Singh Poonian	302972	2.67	302972	2.67
3.	S Sathya	200390	1.77	Not in Top 10 List	-
4.	Sangeetha S	166390	1.45	Not in Top 10 List	-
5.	Haresh Babulal Shah	92250	0.81	Not in Top 10 List	-
6.	Umesh Kumar Gupta	108824	0.96	190306	1.68
7.	Jagdish Aggarwal	107075	0.95	107075	0.95
8.	Adroit Fin Services Pvt Ltd	74779	0.66	Not in Top 10 List	-
9.	Swaran Lata Gupta	81222	0.72	Not in Top 10 List	-
10.	Dheeraj Kumar Lohia	213929	1.89	192871	1.70
11.	Abans Finance Private Limited	62369	0.55	62369	0.55
12.	Vinay Chawla	Not in Top 10 List	-	67250	0.59
13.	Byna Murli	Not in Top 10 List	-	56987	0.50
14.	Mrs. Rajesh Jain	Not in Top 10 List	-	34137	0.30
15.	Shyamsunder Gupta	Not in Top 10 List	-	33711	0.30

## (v) Shareholding of Directors and Key Managerial Personnel

Sl No.	For Each of Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Jai Kishan Garg	643310	5.68	644110	5.68
2.	Kamlesh Garg	250000	2.21	250000	2.21
3.	Manish Garg	1291969	11.40	1291969	11.40
4.	Navneet Garg	966449	8.53	966449	8.53
5.	Ramnik Garg	1115698	9.85	1115698	9.85
6.	Shiv Kumar Khandelwal	-	-	800	0.01
7.	Kuldeep Singal	-	-	500	0.00

Note : Date-wise change in shareholding of the Promoter/Directors has been given at sr. no. iii) above. Other directors and KMPs did not hold any shares either at beginning or at end of the year.

## V. INDEBTEDNESS :

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(₹ in lakh)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	385.86	273.65	---	659.51
ii) Interest due but not paid	---	14.73	---	14.73
iii) Interest accrued but not due	02.30	05.20	---	07.50
<b>Total (i+ii+iii)</b>	<b>388.16</b>	<b>293.58</b>	<b>---</b>	<b>681.74</b>
Change in Indebtedness during the financial year				
• Addition	135.33	23.26	---	158.59
• Reduction	221.03	15.36	---	236.39
Net Change	(85.70)	7.90	---	(77.80)
Indebtedness at the end of the financial year				
i) Principal Amount	300.16	273.65	---	573.81
ii) Interest due but not paid	---	22.67	---	22.67
iii) Interest accrued but not due	01.79	05.16	---	06.95
<b>Total (i+ii+iii)</b>	<b>301.95</b>	<b>301.48</b>	<b>---</b>	<b>603.43</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A) Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in lakh)

Sl No.	Particulars of Remuneration	Name of MD / WTD / Manager				Total Amount
		Mr. J. K. Garg (CMD)	Mr. Ramnik Garg (ED)	Mr. Manish Garg (ED)	Mr. Navneet Garg (ED)	
1	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income -Tax Act, 1961	66.80	47.32	45.02	44.82	203.96
	(b) Value of perquisites u/s 17(2) of Income-Tax Act, 1961	00.40	00.68	02.98	3.18	07.24
	(c) Profit in lieu of salary under section 17(3) of Income-Tax Act, 1961	---	---	---	---	---
2	Stock Option	---	---	---	---	---
3	Sweat Equity	---	---	---	---	---
4	Commission	---	---	---	---	---
	- As % of Profit	---	---	---	---	---
	- Others, please specify	---	---	---	---	---
	<b>Total</b>	<b>67.20</b>	<b>48.00</b>	<b>48.00</b>	<b>48.00</b>	<b>211.20</b>

B) Remuneration to other directors:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Dr. S K Khandelwal	Dr. K C Varshney	Mr. Kuldeep Singal	Mr. K L Khetarpaul	Mr. Naresh Kumar	Smt. Kamlesh Garg	
1	<b>Independent Directors</b>							
	Fee for attending board/committee meetings	77,500	1,10,000	1,10,000	1,10,000	77,500	---	4,85,000
	Commission	---	---	---	---	---	---	---
	Others, please specify	---	---	---	---	---	---	---
	<b>Total (1)</b>	<b>77,500</b>	<b>1,10,000</b>	<b>1,10,000</b>	<b>1,10,000</b>	<b>77,500</b>	<b>---</b>	<b>4,85,000</b>
2	<b>Other Non-Executive Directors</b>							
	Fee for attending board/committee meetings	---	---	---	---	---	57,500	57,500
	Commission	---	---	---	---	---	---	---
	Others, please specify	---	---	---	---	---	---	---
	<b>Total (2)</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>57,500</b>	<b>57,500</b>
	<b>Total (1+2)</b>	<b>77,500</b>	<b>1,10,000</b>	<b>1,10,000</b>	<b>1,10,000</b>	<b>77,500</b>	<b>57,500</b>	<b>5,42,500</b>

C) Remuneration to Key Managerial Personnel other than MD/Manager/WTD :

(₹ in lakh)

Sl No.	Particulars of Remuneration	Name of KMP		Total Amount
		Mr. S. K. Verma (VP & CS)	Mr. M. Paliwal (CFO)	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	24.81	19.65	44.46
	(b) Value of perquisites u/s 17(2) of Income-Tax Act, 1961	00.43	00.37	00.80
	(c) Profit in lieu of salary under section 17(3) of Income-Tax Act, 1961	---	---	---
2	Stock Option	---	---	---
3	Sweat Equity	---	---	---
4	Commission	---	---	---
	- As % of Profit	---	---	---
	- Others, please specify	---	---	---
	<b>Total</b>	<b>25.24</b>	<b>20.02</b>	<b>45.26</b>



VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES AGAINST THE COMPANY, DIRECTORS AND "OFFICERS IN DEFAULT": NIL

VIII. FINANCIAL AND OPERATIONAL PERFORMANCE:

The Highlights of Financial Operational Performance are given below:

(₹ in lakh)

S.No.	Particulars	2016-2017	2015-2016
1	Sales / income from operations (NET)	10448.63	9842.26
2	Other Income	64.05	51.46
3	Sub-Total	10512.68	9893.72
4	Total Expenditure (before interest)	9638.77	9094.35
5	Profit Before Interest, Tax and Exceptional Items	947.57	868.21
6	Operating Margin %	09.01%	08.78%
7	Profit After Tax	446.32	410.62
8	Return on Average Capital Employed % (Before Interest and Tax)	24.65%	24.73%
9	No. of Months Receivables (Receivables / Sales x 12)	02.35	02.60
10	Current Ratio (Current Assets / Current Liabilities)	01.37 : 1	01.42 : 1
11	Borrowings: Equity Ratio (TL / Equity)	01.05 : 1	00.93 : 1

IX. DISCLOSURES:

i) Related Party transaction during the year:

(₹ In lakh)

S. No.	Particulars of the party	Relationship	Nature of Transactions	Amount	
				2016-2017	2015-2016
A	Jasch North America Co	WOS	N. A.	Nil	Nil
B	Indev Gauging Systems, Inc.	WOS of WOS	Sales of Finished Goods	31.69	134.52
C	Indev Gauging Systems, Inc. Germany	One Director is Related	Sales of Finished Goods	Nil	Nil
D	Jasch Automation Ltd	WOS	Incorporation Expenses	06.10	09.97

WOS denotes wholly owned subsidiary. The Company does not have any related party transactions, which may have potential conflict with its interest at large. Names of Directors and their relatives-directors are as under:

Shri J. K. Garg is the spouse of Smt. Kamlesh Garg and Shri Ramnik Garg, Shri Manish Garg & Shri Navneet Garg are their sons. None of the other directors are related to any director.

For & on behalf of the Board

Sonipat  
27-05-2017

J.K. GARG  
CHAIRMAN

**ANNEXURE TO DIRECTORS REPORT (RELATED PARTY TRANSACTIONS)****FORM AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso is given below :

**1. Details of Contracts or arrangements or transactions not at Arm's length basis :**

Sl. No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	Nil
b)	Nature of contracts / arrangements / transaction	Nil
c)	Duration of the contracts / arrangements / transaction	Nil
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil
e)	Justification for entering into such contracts of arrangements or transactions	Nil
f)	Date of approval by the Board	Nil
g)	Amount paid as advances, if any	Nil
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Nil

**2. Details of Contracts or arrangements or transactions at Arm's length basis :**

Sl. No.	Particulars	Details	
a)	Names(s) of the related party	Indev Gauging Systems, Inc. USA	Indev Gauging Systems Limited, Germany
b)	Nature of Relationship	Wholly owned Subsidiary	One common director
c)	Nature of contracts / arrangements / transaction	Direct sales of equipment	Direct sales of equipment
d)	Duration of the contracts / arrangements / transaction	Individual transaction based	Individual transaction based
e)	Salient terms of the contracts or arrangements or transaction	Sales of Finished Goods	Sales of Finished Goods
f)	Justification for entering into such contracts or arrangements or transactions	Independent transactions, at arm's length basis	Independent transactions, at arm's length basis
g)	Date of approval by the Board	N. A.	N.A.
h)	Amount paid as advance (₹ in lakh)	nil	nil

For &amp; on behalf of the Board

Sonipat  
27-05-2017J.K. GARG  
CHAIRMAN

**ANNEXURE C TO DIRECTORS' REPORT (MANAGEMENT DISCUSSION & ANALYSIS REPORT)****MANAGEMENT DISCUSSION & ANALYSIS REPORT  
(PURSUANT TO REGULATION 34(2) OF THE LISTING REGULATIONS)****DISCLAIMER / CAUTIONARY STATEMENT**

Statements in this Report, which describe the company's plans, projections, estimates, expectations or predictions are "forward looking statements" in the hope that ideal conditions will exist. These are based on certain assumptions and expectations of future events which may or may not happen. Therefore actual results could differ materially from those expressed / implied and the company cannot guarantee that these will be realized. 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.

**PRODUCT INTRODUCTION**

Jasch industries Ltd manufactures PU/PVC 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 01- PU/PVC Coated Fabric & Allied product

PU/PVC Coated Fabric ( synthetic Leather) is mostly used in footwear industry as raw material for shoe – upper , lining, insole, chappal , sandal straps, in garment as lining material and in automobiles as seat cover. It is also used in furniture upholstery material, ladies and gents purses, bags, luggage and in the manufacture of sports goods & accessories.

Business segment 02 – Electronic Gauges

Electronic Gauges are 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, aluminum foil & non ferrous metal rolling industry. Business distribution of these segments is as under :

Figures, other than % are in lakh Rupees (₹ in Lakh)

Business Distribution	2016 -17		2015-16	
	Value	%	Value	%
PU / PVC Coated Fabric	8433.07	72.01%	8341.27	75.33%
Electronic Gauges	3278.54	27.99%	2731.55	24.67%
<b>Total</b>	<b>11711.61</b>	<b>100%</b>	<b>11072.82</b>	<b>100%</b>

**INDUSTRY STRUCTURE AND DEVELOPMENT**

Synthetic Leather Industry in India is mostly in small and medium scale sector and somewhat concentrated in Northern India & Western India. It 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 and availability of local raw material at very competitive price.

Your company has been able to withstand competition from both domestic and abroad, as it is also an integrated player with in house manufacturing facility for PU Resin, which is the main raw material for PU coated Fabrics. Further, the company is continuously upgrading its technology and modernizing plant & machinery to maintain competitive edge in the market. It has also started manufacturing PU Resin using surplus capacity available for selling to outside parties for adhesive & coating applications.

**OPPORTUNITIES AND THREATS**

Development of new types of high quality PU resins and coated fabric, particularly breathable ones, presents fresh opportunities, because

there is less competition in these fields. Obsolescence of technology of coated fabrics poses a threat but through foreign technical experts, the company is continuously upgrading its technology. Most of Artificial Leather Units in India manufacture only PVC Leather and Jasch Industries Limited is the only significant manufacturer of PU Synthetic Leather. The fortune of Electric Gauge Division are linked with the revival of domestic and international economies. The performance of Electronic Gauges Division depends upon investment in users industries and may get adversely affected whenever there is slowdown in domestic and international economies.

**SEGMENT - WISE PERFORMANCE**

During the year under Report, the segment -wise performance of the company had been as follows:

**A. COATED FABRICS / PU RESIN (₹ in Lakh)**

	2016-17	2015-16
Production lakh meter	42.31	36.62
Segment Revenue	8433.07	8341.87
Segment profits/(loss) before interest and other common un-allocable expenditures	402.88	412.22
Segment assets	5953.64	5118.96

**B. ELECTRONIC GAUGES (₹ in Lakh)**

	2016-17	2015-16
Production in Nos. (Gauge + Parts)	84 + 518	76 + 513
Segment Revenue	3278.54	2731.55
Segment profits/(loss) before interest and other common un-allocable expenditures	543.01	455.99
Segment assets	2875.66	1867.46

**OUTLOOK**

The Company is continuously upgrading its technology and modernizing plant & machinery to maintain competitive edge in the market. Despite tough competition in the market, its sales are growing every year. For some time now, the company has been concentrating on PU resin and PU Synthetic Leather, where competition is somewhat less. The company has recently modified its PU Synthetic production line, which has resulted in development of a new product with significant saving in power and fuel. These measures are expected to give some measurable boost to Company's profit margins.

**RISKS AND CONCERNS**

Risk is an integral part of any business and Jasch industries Ltd is no exception. A brief evaluation of business risk of the Company, 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. Till recently the company's products were mostly 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 would have resulted in significant impact on the company. With vigorous efforts, the Company has now been able to diversify usage of its products in other industries such as automobile & general purpose upholstery, Sports Goods and Garment Industries to the extent of 40%.

Electronic gauges are classified as capital goods. These are generally bought by paper, plastic, steel and galvanizing industry. Revenues and consequent profits from industrial gauges, depend on growth of these industries. In case of a downward trend in the economy, investment in capital goods is the last priority of an enterprise.

### 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 manufactures. Fortunately, the company's customers and dealers are fairly spread out across the country both in respect of Coated Fabrics & Electronics Gauges and further efforts are underway to enlarge presence in eastern and southern market.

### 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 product/ applications. The company has entered into technical collaboration agreement with DUKSUNG COMPANY LTD., Korea. This collaboration had 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, in this segment there is no threat of obsolescence in near future.

## FINANCIAL RISK

### (a) Currency Fluctuation Risk

The currency risk emerges from the potential or downward fluctuation in foreign currency. The Company's foreign exchange spending including custom duty by way of import of raw materials and consumables currently constitutes about 50% of landed cost of raw material and consumables. The Thickness Gauging System has large export potential, which provides some cushion by way of natural hedge on foreign exchange transactions. The company has incurred foreign currency expenditure of Rs. 3300.99 lakh during the year (including capital goods of Rs. 135.79 lakh and foreign travel of Rs. 33.68 lakh, exhibition expenses of Rs. 06.07 lakh and sales commission of Rs. 14.68 lakh) and technical knowhow fee of Rs. 19.17 lakh against exports in foreign currency were of Rs. 868.33 lakh, which provides some hedge against adverse fluctuation in foreign currency for the . The company's foreign currency transactions are on current account basis and there are no deferred liabilities in terms of foreign exchange except amount due in respect of raw material imported on deferred payment basis after 31st March, 2017 and to be paid later .

### (b) Interest and Leverage Risk

Increase in bank interest rate impacts the profitability of the company because this increase cannot always be passed on to customer. The management tries to contain interest cost by efficient management of inventory and working capital resources.

## INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

### Internal Control Systems

In order to safeguard the assets and their usage, maintenance of proper accounting record and provision of reliable for taking business decisions, the management has put in place various internal control system. Broadly, these systems are entity level controls, financial controls, and operational controls. The internal controls provided by these system are authority and organization matrix, standard operating procedures, risk management practices, compliance framework within the organization, ethics and fraud risk management, management information system, self - assessment of control point, business continuity and disaster recovery planning, budgeting system, etc.

### Adequacy and Key elements of the Internal Control Systems

The Audit Committee of the company, all of whose members are Independent Directors, have reviewed the aforesaid internal control systems and found the same to be adequate and commensurate with the nature, size, complexity and the business processes followed by the Company.

The Company has appointed an internal Auditor to ensure compliance and effectiveness of the internal control systems prevalent in the company. The Audit Committee reviews the Internal Audit Reports. Additionally, the Audit Committee approves all the audit plans and reports for significant issues raised by the Internal and External Auditors. Regular reports on the business development, future plans and projections are given to the Board of Directors. Internal Audit Reports are regularly circulated for the perusal of the senior management for appropriate action as required. Normal foreseeable risks of the Company's assets are adequately covered by comprehensive insurance and are supplement by periodic risk assessments, inspections and safety conducted by the Company.

**Discussion on Financial and Operational Performance: Please refer to Directors' Report.**

## MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT & NUMBER OF PEOPLE EMPLOYED

The Company treats its human resources as one of its most important assets. The Company continuously invests in attraction, retention and development of talent on an ongoing basis. The welfare activities of the Company specifically dedicated to its employees, include free emergency medical care, subsidized group health insurance, subsidized canteen facilities and need-based soft loans. To enrich the skills of employees, the Company conducts focused training programs. The Company did not have any labor problem during 2016-2017. Relations with worker and staff were cordial.

For & on behalf of the Board

Place : Sonipat  
Date : 27-05-2017

J. K. GARG  
Chairman

**ANNEXURE H TO DIRECTORS' REPORT  
(CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO)**

Information on conservation of Energy, technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

**A) Conservation of Energy :**

I	The steps taken or impact on conservation of energy	Periodic energy consumption audit is carried out and corrective action is 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 firewood to reduce cost of fuel. For lighting maximum use of CFL / LED is made. The Company has taken an independent Electricity feeder from Haryana Vidyut Prasaran Nigam Ltd. and power purchased at substantially lower rate from Electricity exchange is wheeled through separate feeder line resulting in saving of diesel in DG Sets. Wind operated fans have been installed in ceiling of factory building for proper ventilation.
II	a) The steps taken by the company for utilizing alternate sources of energy b) The capital investment on energy conservation equipment;	The Company has entered into a contract with Sanchay New Age Developers Pvt. Ltd, authorised channel partner of Tata Power Solar for 100 KWP PV Solar on Grid System for captive use under renewal energy project as per policy of Government of India. However the work on the Project is yet to make much progress.

**B) Technology Absorption :**

I	The efforts made towards technology absorption	The Company has 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 May, 2015 valid for a period of three years. The absorption of New Technology is under progress.
II	The benefits derived like product improvement, cost reduction, product development or import substitution	The use of technology will contribute to substantial savings in foreign exchange for the country, as many products being developed by the company are imported at present. The Company will develop many new varieties of PU Synthetic Leather for use in premium quality sports shoes being manufactured by many multinational companies in India.
III	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) a) The details of technology imported b) The year of Import c) Whether the technology been fully absorbed d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Technology for Manufacture of No Sew PU Synthetic Leather.  2015-2016 Absorption is in progress.  Absorption of technology will be completed over three year period of technology transfer.
IV	The expenditure incurred on Research and Development	The major achievement by the Company through inhouse Research and Development is indigenization of raw material, improvements in the manufacturing process and operation efficiency and development of new products.  The cost of Research and Development is included in respective heads of accounts and not kept separately.

**C) Foreign Exchange Earnings and Outgo :**

The Foreign Exchange outgo and foreign exchange earned by the Company during the year are given in Note No. 26 (C) & (D) of the Notes to the Financial Statements.

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

(In terms of Regulation 34(3) and Schedule V(E) of SEBI (Listing & Other Disclosures Requirements) Regulations, 2015)

The Members of Jasch Industries Limited

We have examined the compliance of conditions of Corporate Governance by Jasch Industries Limited, for the year ended on 31st March, 2017, as stipulated in SEBI (Listing & Other Disclosures Requirements) Regulations, 2015 ("Listing Regulations")

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the 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 the above mentioned Listing Regulations.

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

For Arora & Choudhary Associates  
Chartered Accountants  
(FRN 003870N)

CA. Vijay K. Choudhary  
Partner  
Membership No. : 81843  
New Delhi, 22nd May, 2017

**CEO AND CFO CERTIFICATION**

We, Jai Kishan Garg, Chairman & Managing Director and M. Paliwal, Chief Financial Officer responsible for the finance function certify that, to the best of our knowledge :

- a) We have reviewed the financial statement and cash flow statement for the year ended 31<sup>st</sup> March, 2017 and to the best of our Knowledge and belief :
  - i) These Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii) These Statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2017 are fraudulent, illegal or violate the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
  - i) There has not been any significant change in internal control over financial reporting during the year under reference.
  - ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements.
  - iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.
  - iv) We hereby declare that all the members of the Board of Directors and management committee have confirmed compliance with the Code of Conduct as adopted by the Company.

Jai Kishan Garg  
Chairman & Managing Director

M. Paliwal  
Chief Financial Officer

Sanipat, 19<sup>th</sup> May, 2017



<b>INDEPENDENT AUDITORS' REPORT</b>
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To the Members of  
Jasch Industries Limited.

**REPORT ON THE STANDALONE FINANCIAL STATEMENTS**

We have audited the accompanying standalone financial statements of Jasch Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date and a summary of the significant accounting policies and other explanatory information.

**MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters stated in sub-section 5 of Section 134 of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("the Rules"). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of the adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under sub-section 10 of Section 143 of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2017 and its profit and its cash flows for the year ended on that date.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in exercise of powers conferred by sub-section 11 of Section 143 of the Act, we enclose in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by sub-section 3 of Section 143 of the Act, we report that :-
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Rules.
  - (e) On the basis of the written representations received from the Directors as on 31st March 2017 and taken on record by the Board of Directors, none of the Directors are disqualified as on 31st March 2017 from being appointed as a Director in terms of sub-section 2 of Section 164 of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :

- 1 The company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 26 to the financial statements;
- 2 In our opinion and as per the information and explanations provided to us, the Company has not entered into any long term contracts including derivative contracts, requiring provision under applicable laws or accounting standards, for material foreseeable losses, and
- 3 There has been no due amount, required to be transferred, to the Investor Education and Protection Fund by the Company as at Balance Sheet date.
- 4 The Company has provided requisite disclosures in the standalone financial statements as to holding as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016, on the basis of information available with the Company. Based on audit procedures and relying on management's representation, we report that disclosure are in accordance with the books of accounts maintained by the Company and as produced to us by the Management. - Refer Note 26L.

**For Arora and Choudhary Associates**

Chartered Accountants : (FRN 003870N)

**CA Vijay K. Choudhary**

Partner : Membership No. : 81843

New Delhi, May 27, 2017





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**ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT - 31<sup>st</sup> MARCH, 2017**


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(Referred to in our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. In accordance with this programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us, the title deeds of immovable properties, as disclosed in Note 10 to the standalone financial statements, are held in the name of the Company.
- (ii) The inventory, except goods-in-transit, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In respect of inventory lying with third parties, these have been confirmed by them. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) In our opinion and according to information and explanations given to us, the Company has not granted any Loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) (a), (b) (c) of the Order is not applicable to the Company.
- (iv) The Company has not granted any Loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of investments made or loans or guarantee or security provided to the parties covered under Section 186.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the rules framed thereunder.
- (vi) We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by Central Government for maintenance of cost records under sub-section 1 of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues, as applicable, with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues were in arrears as at 31<sup>st</sup> March 2017 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Income Tax, Sales tax, Value added tax, Service tax, duty of customs, duty of excise which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in Appendix I to this report.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank in regard with loans or borrowings to them.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year, but 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.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examinations of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (accounts) Rules, 2014.
- (xiv) According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

**For Arora and Choudhary Associates**

Chartered Accountants : (FRN 003870N)

**CA. Vijay K. Choudhary**

Partner : Membership No. : 81843

New Delhi, May 27, 2017

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT - 31<sup>st</sup> MARCH, 2017

## APPENDIX I

(Amount In Lakh)

Name of Status	Nature of dues	Amount Demanded	Amount Paid	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise Duty including interest & penalty, if applicable	3.98	3.98	1998-1999	Chief Commissioner Excise (Appeals)
The Haryana Value Added Tax Act, 2003	VAT Tax including interest, if applicable	100.32	73.79	2011-2012	Jt. Excise and Taxation Commissioner (Appeals) / Excise & Taxation Commissioner Haryana
The Central Sales Tax Act, 1956	Central Sales Tax including interest, if applicable	196.52	119.02	2011-2012	Jt. Excise and Taxation Commissioner (Appeals) / Excise & Taxation Commissioner Haryana
The Haryana Value Added Tax Act, 2003	VAT Tax including interest, if applicable	80.06	63.47	2012-2013	Jt. Excise and Taxation Commissioner (Appeals) / Excise & Taxation Commissioner Haryana
The Central Sales Tax Act, 1956	Central Sales Tax including interest, if applicable	174.21	135.54	2012-2013	Jt. Excise and Taxation Commissioner (Appeals) / Excise & Taxation Commissioner Haryana

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT - 31<sup>st</sup> MARCH, 2017

(Referred to in our report of even date)

**REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT**

We have audited the internal financial controls over financial reporting of Jasch Industries Limited ("the Company") as of 31st March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note of Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act 2013 ("the ACT").

**AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control system over financial reporting.

**MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**OPINION**

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

**For Arora and Choudhary Associates**  
Chartered Accountants : FRN 003870N

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

New Delhi, May 27, 2017

**JASCH INDUSTRIES LIMITED**

Registered Office : 48/25, Bahalgarh Road, P. O. Bahalgarh-131 021, Distt. Sonapat (Haryana)

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2017**

(Amount in ₹)

Particulars	Note No.	As At 31st March, 2017		As At 31st March, 2016	
<b>I EQUITY AND LIABILITIES</b>					
(1) Shareholders' Funds					
(a) Share Capital	2	11,33,00,000		11,33,00,000	
(b) Reserves and Surplus	3	28,50,93,677		24,04,61,338	
			39,83,93,677		35,37,61,338
(2) Non-Current Liabilities					
(a) Long Term Borrowings	4	4,70,00,843		4,50,50,138	
(b) Deferred Tax Liability (Net)	5	3,22,65,962		2,95,05,505	
			7,92,66,805		7,45,55,643
(3) Current Liabilities					
(a) Short Term Borrowings	6	14,73,17,473		11,88,50,406	
(b) Trade Payables	7	13,87,43,754		10,54,53,371	
(c) Other Current Liabilities	8	10,38,51,664		7,16,38,579	
(d) Short Term Provisions	9	1,53,56,134		1,69,16,299	
			40,52,69,025		31,28,58,655
<b>TOTAL</b>			<b>88,29,29,507</b>		<b>74,11,75,636</b>
<b>II ASSETS</b>					
(1) Non-Current Assets					
(a) Fixed Assets	10				
(i) Tangible Assets		25,45,73,972		24,54,70,424	
(ii) Capital Work-in-Progress		-	25,45,73,972	46,04,333	25,00,74,757
(b) Non-Current Investments	11	5,49,35,897		5,49,35,897	
(c) Long Term Loans And Advances	12	58,09,570		34,85,410	
(d) Other Non-Current Assets	13	1,11,15,137	7,18,60,604	48,96,565	6,33,17,872
(2) Current Assets					
(a) Inventories	14	17,33,48,691		125,794,209	
(b) Trade Receivables	15	22,76,72,441		238,175,648	
(c) Cash and Cash Equivalents	16	14,19,46,285		55,979,283	
(d) Short Term Loans and Advances	17	1,35,27,514		7,833,867	
			55,64,94,931		42,77,83,007
<b>TOTAL</b>			<b>88,29,29,507</b>		<b>74,11,75,636</b>

Significant Accounting Policies & Practices

1

The accompanying notes are an integral part of these financial statements (1-26)

As per our report of even date

For and on behalf of Board of Directors

**For Arora & Choudhary Associates**

Chartered Accountants : FRN 00387025

J. K. Garg  
Chairman & Managing Director  
(DIN : 00596709)

Ramnik Garg  
Whole Time Director  
(DIN : 00188843)

**CA. Vijay K. Choudhary**

Partner : Membership No. : 81843

S. K. Verma  
Company Secretary & Vice President  
(Membership No : FCS2293)

M. Paliwal  
Chief Financial Officer

New Delhi, May 27, 2017

**JASCH INDUSTRIES LIMITED**

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

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2017**

(Amount in ₹)

Particulars	Note NO.	2016-2017	2015-2016
I Revenue from Operations (Net)	18	1,04,48,62,521	98,42,26,239
II Other Income	19	64,05,220	51,46,319
III Total Revenue		<u>1,05,12,67,741</u>	<u>98,93,72,558</u>
IV EXPENSES :			
Cost of Materials Consumed	20	69,62,68,216	65,81,25,163
Change in Inventories of Finished Goods & Stock-in-Process	21	(1,78,17,645)	8,56,266
Employee Benefits Expense	22	8,81,52,618	7,22,69,583
Finance Costs	23	2,48,14,175	2,25,50,399
Depreciation and Amortization Expense	10	2,82,70,161	2,57,87,984
Other Expenses	24	16,16,37,323	14,55,12,799
Total Expenses		<u>98,13,24,848</u>	<u>92,51,02,194</u>
V Profit Before Tax		6,99,42,893	6,42,70,364
VI Tax Expenses			
(a) Current Tax		(2,13,17,202)	(2,30,31,800)
(b) Deferred Tax		(27,60,457)	5,61,183
(c) Income Tax of earlier year		(2,70,929)	(22,020)
(d) Provision for C S R		(9,61,966)	(7,15,828)
VII Profit (Loss) for the period		<u>4,46,32,339</u>	<u>4,10,61,899</u>
Earning Per Equity Share	25		
Basic and Diluted		3.94	3.62

Significant Accounting Policies & Practices

1

The accompanying notes are an integral part of these financial statements (1-26)

As per our report of even date

For and on behalf of Board of Directors

**For Arora & Choudhary Associates**

Chartered Accountants : FRN 003870N

J. K. Garg  
Chairman & Managing Director  
(DIN : 00596709)

Ramnik Garg  
Whole Time Director  
(DIN : 00188843)

**CA. Vijay K. Choudhary**

Partner : Membership No. : 81843

S. K. Verma  
Company Secretary & Vice President  
(Membership No : FCS2293)

M. Paliwal  
Chief Financial Officer

New Delhi, May 27, 2017

**JASCH INDUSTRIES LIMITED**

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

**CASH FLOW STATEMENT FOR THE YEAR 2016-2017**

(Amount in ₹)

	2016-2017	2015-2016
<b>A: CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before tax as per Statement of Profit Loss Account	6,99,42,893	6,42,70,364
Adjusted For : Add / (Deduct) :		
-Net Prior Year Adjustment	(2,70,929)	(22,020)
-Loss on Sale / Discard of Assets / Vehicle	4,08,588	15,701
-Depreciation and Amortization Expense	2,82,70,161	2,57,87,984
-Effect of Exchange Rate Change	(12,87,152)	(11,28,214)
-Interest Income	(35,55,050)	(14,16,865)
DD/Forefitt	(15,63,018)	(26,01,240)
-Finance Costs	2,48,14,175	2,25,50,399
-Debtors Written Off	25,76,907	58,67,915
	<u>4,93,93,682</u>	<u>4,90,53,660</u>
<b>Operating Profit before Working Capital Changes</b>	<b>11,93,36,575</b>	<b>11,39,78,708</b>
Adjusted For : Add / (Deduct) :		
-Trade and Other Receivables	(63,10,078)	(96,67,839)
-Inventories	(4,75,54,482)	(33,73,501)
-Trade and Other Payables	7,31,09,438	(1,10,46,822)
	<u>1,92,44,878</u>	<u>(2,40,88,162)</u>
<b>Cash Generated from Operations</b>	<b>13,85,81,453</b>	<b>8,98,90,546</b>
Taxes Paid	(2,13,17,201)	(2,30,31,800)
Interest Received	35,55,050	14,16,865
DD/Forefitt	15,63,018	26,01,240
Exchange Rate Effect	12,87,152	11,28,214
<b>Net Cash from Operating Activities</b>	<b>1,23,669,472</b>	<b>7,20,05,065</b>
<b>B: CASH FLOW FROM INVESTING ACTIVITIES :</b>		
-Purchase of Fixed Assets	(3,28,06,446)	(2,84,53,193)
-Sale of Fixed Assets	2,10,00	1,51,000
-Purchase of Investments	0	(4,20,498)
-Sale of Investments	0	0
<b>Net Cash (used in) Investing Activities</b>	<b>(3,27,85,446)</b>	<b>(2,87,22,691)</b>
<b>C: CASH FLOW FROM FINANCING ACTIVITIES :</b>		
-Proceeds from Issue of Share Capital	0	0
-Proceeds form Long Term Borrowings	1,35,33,426	1,06,84,675
-Repayment of Long Term Borrowings	(2,21,03,342)	(2,15,99,524)
-Short Term Borrowings	2,84,67,067	3,09,19,695
-Dividends Paid (including dividend distribution tax)	0	0
-Interest Paid	(2,48,14,175)	(2,25,50,399)
<b>Net Cash (used in) / from Financing Activities</b>	<b>(49,17,024)</b>	<b>(25,45,553)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>8,59,67,002</b>	<b>4,07,36,821</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>5,59,79,283</b>	<b>1,52,42,462</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>14,19,46,285</b>	<b>5,59,79,283</b>

Significant Accounting Policies & Practices

1

The accompanying notes are an integral part of these financial statements (1-26)

As per our report of even date

**For Arora & Choudhary Associates**  
Chartered Accountants : FRN 003870N

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



New Delhi, May 27, 2017

J. K. Garg  
Chairman & Managing Director  
(DIN : 00596709)  
S. K. Verma  
Company Secretary & Vice President  
(Membership No : FCS2293)

For and on behalf of Board of Directors

Ramnik Garg  
Whole Time Director  
(DIN : 00188843)  
M. Paliwal  
Chief Financial Officer

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**Notes to Financial Statements for the year ended 31st March, 2017**


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**1. SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES****1.1 Basis of Preparation of Financial Statements :**

These financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of Companies Act, 2013 ("Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India, to extent applicable.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non current classification of assets and liabilities. These financial statements are presented in Indian rupees rounded off to the nearest rupee.

**1.2 Use of Estimates :**

The preparation of the financial statements in conformity with the generally accepted accounting principles requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

**1.3 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 stated as gross revenue from operations.
- c) Revenue subsidies like interest subsidy (TUF) is reflected in "other incomes" when actually received.
- d) Income from Export incentives such as duty draw back are recognized on accrual basis.
- e) Income from services rendered is recognized based on agreements / arrangements with the customers as the service is performed using the proportionate completion method when no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the service and is recognized net of service tax, as applicable.

**1.4 Fixed Assets and Depreciation :****Tangible Assets**

Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates and include amounts added on revaluation where applicable, less accumulated depreciation (other than 'Free Hold Land', where no depreciation is charged) and impairment loss, if any. The cost of tangible assets comprises its purchase price, borrowing cost and any cost directly attributable to bring the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets if applicable.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing assets beyond its previously assessed standard of performance.

Tangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Losses arising from the retirement of, and gains or losses arising from disposal of tangible assets which are carried at cost are recognized in the Statement of Profit and Loss.

**Intangible Assets**

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization / depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bring the assets to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets if applicable. Intangible assets are amortized on a straight line basis.

**Depreciation**

Depreciation is provided on a pro-rata basis on the straight line method over the useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013.

**1.5 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.

**1.6 Deferred Revenue Expenditure :**

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

**1.7 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.

## Notes to Financial Statements for the year ended 31st March, 2017

**1.8 Foreign Currency Transactions :**

- a) Transactions denominated in Foreign Currencies are recorded in Indian Rupees at the exchange rate prevailing on the date of the transaction.
- b) Monetary items denominated in foreign currencies at the year end are stated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of contract is recognized as exchange difference and premium paid on forward contracts is recognized over the life of contract.
- c) Any income or expense on account of exchange difference either on settlement or on translation is recognized in Statement of Profit and Loss, except in case of the long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

**1.9 Liabilities For Customs Duty / Excise Duty / Service Tax :**

Liabilities for Customs Duty on the Goods lying at Port are accounted for at the time of clearance of goods. This has no effect on net profits. Excise Duty / Service Tax is accounted on the basis of both, payment made in respect of goods cleared / services provided.

**1.10 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.

**1.11 Investments :**

Investments are classified into current and long term investments. Current investments are stated at the lower of cost and fair value. Long term investments are stated at cost. A provision for diminutions is made to recognize a decline, other than temporary, separately for each individual long term investments.

Investments that are readily realizable and are intended to be held for not one year from the date on which such investments are made, are classified as "Current investments". All other investments are classified as "Long-term investments".

Investment in land and building that are not intended to be used in the operations of the Company, have been classified as investment property. Investment properties are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation on the building component of the investment property is provided in line with the policy on tangible assets.

**1.12 Inventory Valuation :**

- a) Valuation of Inventories of raw-materials, packing-materials, consumables and Stores is at cost excluding Tax, Duty, Cess actually paid and including 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 75% 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.

**1.13 Trade Receivables and Loans & advances :**

Trade receivables and Loans & advances are stated after making adequate provisions for doubtful balances or written off in respective account, if any.

**1.14 Research And Development Expenditure :**

R & D 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.

**1.15 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 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 through JIL Employees Group Gratuity Trust.

**1.16 Preliminary & Share Issue Expenses :**

Preliminary and Share-issued expenses are amortized over a period of 5 years in accordance with the provision of Income Tax Act, 1961.

**1.17 Income Taxes :**

Tax expense for the year comprises current tax and deferred tax.

Current tax is measured at the amount expected to be paid to or (recovered from) the taxation authorities using the applicable tax rates and tax laws.

Deferred tax is recognized for all the timing differences, subject to the rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by



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**Notes to Financial Statements for the year ended 31st March, 2017**


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convincing evidence that they can be realized against future taxable profits. The carrying amount deferred tax assets is reviewed at each Balance Sheet date.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set of assets against liabilities representing current tax and where the deferred tax assets and deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

**1.18 Segment reporting :**

The accounting policies adopted for segment reporting in conformity with the accounting with the accounting policies adopted for the Company. Further, Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Un-allocated corporate expenses net of un-allocated income".

**1.19 Government Grants :**

Government Grants and subsidies received and recognized after fulfilling the conditions attached to them. Government grants are of the nature of promoters' contribution and are credited to Capital Subsidy which is treated as part of Reserves and Surplus.

**1.20 Cash and cash equivalents and Cash Flow Statement :**

In the cash flow statement, cash and cash equivalents include cash in hand, term deposits with banks, balances in current account with bank.

The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3(AS-3), "Cash Flow Statements".

**1.21 Earnings per share :**

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the number of equity shares outstanding at the end of the period. For the purpose of calculating diluted earnings per shares, the net profit for the period attributable to equity shareholders and the number of shares outstanding at the end of the period is adjusted for the effects of all dilutive potential equity shares.

**1.22 Provisions, Contingent Liabilities and Contingent Assets :**

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value. These are reviewed at each year end date and adjusted to reflect the best current estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made

Contingent Assets are neither recognized nor disclosed in the financial statements.

**1.23 Re-grouping / Re-Classification of previous year's figures**

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

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2017**

	(Amount in ₹)	
	As At 31st March, 2017	As At 31st March, 2016
<b>2 SHARE CAPITAL</b>		
<b>Authorised Share Capital :</b>		
1,40,00,000 Equity Shares of ₹ 10 each	14,00,00,000	14,00,00,000
	<u>14,00,00,000</u>	<u>14,00,00,000</u>
<b>Issued, Subscribed and Paid up :</b>		
1,13,30,000 Equity Shares of ₹ 10 each fully paid up	11,33,00,000	11,33,00,000
<b>TOTAL</b>	<u>11,33,00,000</u>	<u>11,33,00,000</u>

2.1 There has been no movement in the shares outstanding from the prior year to the current year.

2.2 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 proportion to the number of equity shares held by the shareholders.

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

Name of the Shareholder	No. of Shares	% held	No. of Shares	% held
Mr. Manish Garg	12,91,969	11.403	12,91,969	11.403
Mr. Ramnik Garg	11,15,698	9.847	11,15,698	9.847
Mr. Navneet Garg	9,66,449	8.530	9,66,449	8.530
Mr. Jai Kishan Garg	6,44,110	5.685	6,43,310	5.678
Ms. Ritu Garg	6,06,651	5.354	6,06,651	5.354

2.4 There were no instance of shares issued, on which there were any calls remaining unpaid or instances of any forfeitures during the years ended March 31, 2017 and 2016.

**3 RESERVES AND SURPLUS****General Reserve**

Opening Balance

30,00,000

30,00,000

Add : Transferred from Statement of Profit And Loss

-

-

30,00,000

30,00,000

**Surplus in Statement of Profit and Loss**

Opening Balance

23,74,61,338

19,63,99,439

Add : Transfer from Surplus in Statement of Profit and Loss

4,46,32,339

4,10,61,899

28,20,93,677

23,74,61,338

Less : Appropriations

-

28,20,93,677

-

23,74,61,338

**TOTAL**28,50,93,67724,04,61,338**4 LONG TERM BORROWINGS****Secured**

Term Loans From Bank

74,64,068

1,40,21,144

1,84,09,324

1,28,12,754

Loans For Vehicles (Banks)

29,16,256

56,14,699

24,91,619

48,72,384

1,03,80,3241,96,35,8432,09,00,9431,76,85,138**Unsecured**

Loan From Directors and their relatives

-

2,73,65,000

-

2,73,65,000

-

2,73,65,000

-

2,73,65,000

**TOTAL**1,03,80,3244,70,00,8432,09,00,9434,50,50,138

4.1 Term Loans From HDFC Bank Ltd. 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.

4.2 Loans for Vehicles are secured by hypothecation of respective vehicles.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

(Amount in ₹)

	As At 31st March, 2017	As At 31st March, 2016
<b>5 DEFERRED TAX LIABILITY (Net)</b>		
Deferred Tax Liability (Opening)	2,95,05,505	3,00,66,688
Add : Deferred Tax Liability	33,30,022	(5,61,183)
Less : Deferred Tax Assets	5,69,565	-
<b>TOTAL</b>	<b>3,22,65,962</b>	<b>2,95,05,505</b>
<b>6 SHORT TERM BORROWINGS</b>		
Secured		
Working Capital Loan From Bank	14,73,17,473	11,88,50,406
<b>TOTAL</b>	<b>14,73,17,473</b>	<b>11,88,50,406</b>
<b>6.1</b>	Working Capital Loan from HDFC Bank Ltd. is secured by hypothecation of present and future stock of raw materials, stock-in-process, finished goods, consumables, stores and spares, book debts, receivables, claims, materials in transit and personal guarantee of four Directors.	
<b>7 TRADE PAYABLES</b>		
Trade Payables	13,87,43,754	10,54,53,371
<b>TOTAL</b>	<b>13,87,43,754</b>	<b>10,54,53,371</b>
<b>7.1</b>	Accounts balances of the suppliers, in whose case(s) confirmation / reconciliation is not received have been 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.	
<b>7.2</b>	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 supplied by them. 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, with regards to filing of memorandum, from the respective suppliers. Disclosure as required under Section 22 of the Act, is as under :	
	Particulars	
	Principal amount due and remaining unpaid	-
	Interest due on above and the unpaid interest	-
	Interest paid	-
	Payment made beyond the appointed day during the year	-
	Interest due and payable for the period of delay	-
	Interest accrued and remaining unpaid	-
	Amount of further interest remaining due and payable in succeeding years	-
<b>8 OTHER CURRENT LIABILITIES</b>		
Current maturities of long term debt (Refer Note No. 4)	1,03,80,324	2,09,00,943
Unclaimed Dividends	9,03,284	9,04,284
Creditors for Capital Expenditure	27,38,247	17,09,074
Advance From Customers	6,12,97,480	2,49,77,329
Sales Tax Payable	3,67,771	20,10,720
TDS Payable	10,85,745	9,30,210
Expenses Payable	1,01,56,201	75,72,377
Interest Payable	29,61,752	22,56,322
Sundry Creditors for Others	1,24,19,014	74,55,807
Others	15,41,846	29,21,513
<b>TOTAL</b>	<b>10,38,51,664</b>	<b>7,16,38,579</b>
<b>9 SHORT TERM PROVISIONS</b>		
Provision for Employee Benefits :		
Bonus Payable	42,74,838	34,92,106
Provisions For Duties & Taxes :		
Excise Duty	8,85,337	14,15,158
Tax (Net) Current Year	92,33,993	1,12,93,207
C S R	9,61,966	7,15,828
<b>TOTAL</b>	<b>1,53,56,134</b>	<b>1,69,16,299</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017**

- 9.1 Provision of Excise Duty on finished goods lying in factory premises at March 31, 2017 aggregating to ₹ 15,08,005/- (Previous Year ₹ 21,16,625/-) has been provided at current excise rate and included in valuation of finished goods inventory and same has been charged from Cenvat Credit Receivable Input Account up to balance available as on 31st March, 2017
- 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 31st March, 2017 to all eligible employees, amounting to ₹ 17,15,941/- has been made as per Actuarial Valuation by LIC of India and an amount of ₹ 17,15,941/- has been paid to LIC of India as contribution for current year up to 31st March, 2017.

**10 FIXED ASSETS**

(Amount in ₹)

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As At 01.04.2016	Additions	Deductions / Adjustments (+/-)	As At 31.03.2017	Up to 31.03.2016	For the Period	Deductions / Adjustments (+/-)	Up to 31.03.2017	As At 31.03.2017	As At 31.03.2016
<b>TANGIBLE OWN ASSETS:</b>										
Free Hold Land	9,92,813	-	-	9,92,813	-	-	-	-	9,92,813	9,92,813
General Assets	1,22,36,881	81,15,260	-	2,03,52,141	10,470,438	3,515,340	-	1,39,85,778	63,66,363	1,766,443
Factory Building	1,40,01,690	4,27,582	-	3,44,29,272	15,677,532	943,469	-	1,65,20,941	1,79,08,331	18,324,138
Office Building	2,14,61,635	4,83,452	-	2,19,45,087	490,027	344,664	-	8,34,631	2,11,10,456	25,971,628
Corporate Office	65,85,356	-	-	65,85,356	634,094	102,218	-	7,36,312	58,49,044	5,961,262
Building Factory Automation	81,71,245	1,16,563	-	82,87,808	141,075	261,619	-	4,02,693	78,85,115	8,030,170
Plant & Mach-Printing	2,01,70,783	-	-	2,01,70,783	1,634,276	1,277,451	-	29,11,727	1,72,59,056	18,536,597
Utility	2,12,78,165	9,47,792	-	2,22,25,957	8,761,697	1,363,318	-	1,41,25,015	1,21,60,942	12,516,466
Gas Sels	82,01,169	-	-	82,01,169	4,743,625	641,355	-	53,84,960	24,16,189	3,457,544
Boilers	1,68,56,605	-	-	1,68,56,605	11,120,056	745,439	-	1,18,65,495	50,31,110	5,776,549
Vehicles	2,67,15,264	57,71,337	741,402	3,17,45,139	9,801,187	3,150,865	704,332	1,22,87,720	1,94,57,419	16,514,017
Pu Plant	12,99,70,025	74,07,247	-	1,36,477,772	69,699,532	6,044,474	-	9,57,44,006	4,07,33,766	35,370,493
Pu Plant Utility	6,69,06,712	-	-	6,69,06,712	25,928,435	2,826,466	-	2,87,46,901	3,81,59,811	45,886,277
Dry Line	10,89,59,978	1,41,06,839	-	12,31,06,817	69,970,280	5,855,017	-	7,58,25,297	4,72,81,520	39,829,638
Automobils	2,28,81,538	34,267	-	2,29,15,745	10,035,121	1,258,567	-	1,12,93,708	1,16,22,037	12,946,417
<b>TOTAL</b>	<b>50,45,69,799</b>	<b>3,74,10,779</b>	<b>741,402</b>	<b>54,12,39,176</b>	<b>259,099,375</b>	<b>28,270,161</b>	<b>704,332</b>	<b>28,66,65,204</b>	<b>25,45,73,972</b>	<b>245,470,424</b>
Capital Work-in-Progress	46,04,333	1,22,88,360	1,68,92,693							15,190,299
<b>TOTAL</b>	<b>50,91,74,132</b>	<b>4,96,99,139</b>	<b>1,76,34,095</b>	<b>54,12,39,176</b>	<b>259,099,375</b>	<b>28,270,161</b>	<b>704,332</b>	<b>28,66,65,204</b>	<b>25,45,73,972</b>	<b>260,660,723</b>
PREVIOUS YEAR	48,15,17,452	6,02,08,679	3,25,52,199	50,91,74,132	233,941,203	25,767,964	629,812	25,90,99,375	25,00,74,757	247,576,249

	As At 31st March, 2017		As At 31st March, 2016	
	No. of Shares	Value	No. of Shares	Value
<b>11 NON-CURRENT INVESTMENTS</b> (Long Term Investments)				
<b>Trade Investments</b>				
<b>In Equity Shares - Unquoted, fully paid up</b>				
Jasch North America Company USA	Not Specified	5,17,20,000	Not Specified	5,17,20,000
Jasch Automation Limited	10,000	1,00,000	10,000	1,00,000
<b>In Equity Shares - Quoted, fully paid up</b>				
Standard Capital Market Ltd (Market Value As on 31.03.17 is ₹ 1,00,005/-)	33,900	67,800	33,900	67,800
<b>Other Non-Current Investments</b>				
Investment in Property		30,38,097		30,38,097
JIL Employees Group Gratuity Trust		10,000		10,000
<b>TOTAL</b>		<b>5,49,35,897</b>		<b>5,49,35,897</b>
<b>12 LONG TERM LOANS AND ADVANCES</b> (Unsecured and Considered Good)				
Security Deposit (Include Deposit with State Electricity Distribution Company ₹ 51,93,729/-)		58,09,570		34,85,410
<b>TOTAL</b>		<b>58,09,570</b>		<b>34,85,410</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2017**

(Amount in ₹)

	As At 31 <sup>st</sup> March, 2017	As At 31 <sup>st</sup> March, 2016
<b>13 OTHER NON-CURRENT ASSETS</b>		
Claim Receivable	48,96,565	48,96,565
Deffered Expenditure to be Written Off	62,18,572	-
<b>TOTAL</b>	<b>1,11,15,137</b>	<b>48,96,565</b>
<b>13.1</b>	The Company receive an 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 against Insurance Company for payment of balance amount with interest has been filed and admitted by 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.	
<b>14 INVENTORIES</b>		
Raw Materials	8,24,24,971	5,78,24,025
Consumables	2,45,13,418	2,42,30,641
Stock-in-Process	2,74,37,776	1,62,51,226
Finished Goods	2,22,78,158	1,62,55,683
Stores & Spares	3,56,100	3,86,100
Packing Material	4,70,231	5,87,389
Fuel	5,19,926	5,00,248
<b>TOTAL (A)</b>	<b>15,80,00,580</b>	<b>11,60,35,312</b>
Goods-in-Transit	1,53,48,111	97,58,897
<b>TOTAL (B)</b>	<b>1,53,48,111</b>	<b>97,58,897</b>
<b>TOTAL (A + B)</b>	<b>17,33,48,691</b>	<b>12,57,94,209</b>
<b>15 TRADE RECEIVABLES</b> (Unsecured and considered good)		
Over six months due	3,67,47,392	3,92,94,744
Others	19,09,25,049	19,88,80,904
<b>TOTAL</b>	<b>22,76,72,441</b>	<b>23,81,75,648</b>
<b>15.1</b>	Accounts balances of the customers, in whose case(s) confirmation / reconciliation has not been received have been 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.	
<b>16 CASH AND CASH EQUIVALENTS</b>		
(a) Balances With Banks	50,70,896	2,57,666
(b) Cash on Hand	8,20,183	1,65,461
(c) Balance In Bank as Unpaid Dividend Account	9,03,284	9,04,284
(d) Deposits with Bank *	13,51,51,922	5,46,51,872
<b>TOTAL</b>	<b>14,19,46,285</b>	<b>5,59,79,283</b>
	(* Deposits with Bank are held as margin money for L/c and Bank Guarantees provide by the bank.)	
<b>17 SHORT TERM LOANS AND ADVANCES</b> (Unsecured and considered good)		
Advance to Suppliers	32,21,035	3,88,215
Balance With Revenue Authorities	30,79,910	32,57,270
Prepaid Expenses	17,22,666	11,91,833
Miscellaneous Receivables	55,03,903	29,96,549
<b>TOTAL</b>	<b>1,35,27,514</b>	<b>78,33,867</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017**

	For the Year Ended 2016-2017	(Amount in ₹) For the Year Ended 2015-2016
<b>18 REVENUE FROM OPERATIONS</b>		
Sale of Products [See Note 26E]		
Synthetic Leather & Allied Products	84,20,19,934	83,21,45,904
Electronic Gauges	32,03,94,282	26,64,50,430
Sale of Services	23,41,600	38,19,959
	<u>1,16,47,55,816</u>	<u>1,10,24,16,293</u>
Less : Excise Duty / VAT / Service Tax	11,98,93,295	11,81,90,054
<b>TOTAL</b>	<u><u>1,04,48,62,521</u></u>	<u><u>98,42,26,239</u></u>
<b>19 OTHER INCOME</b>		
Interest Income (FDR)	35,55,050	14,16,865
Duty Drawback	15,63,018	9,73,240
Other Advance Forfeited	-	16,28,000
Exchange Fluctuation as per AS11	12,87,152	11,28,214
<b>TOTAL</b>	<u><u>64,05,220</u></u>	<u><u>51,46,319</u></u>
<b>20 COST OF MATERIAL CONSUMED [See Note 26 F]</b>		
Raw Material	66,27,49,782	63,39,68,285
Consumables (Release Paper)	3,35,18,434	2,41,56,878
<b>TOTAL</b>	<u><u>69,62,68,216</u></u>	<u><u>65,81,25,163</u></u>
<b>21 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS</b>		
Inventories (at Commencement)		
Stock-in-Process	1,62,51,226	1,88,15,083
Finished Goods	1,62,55,683	1,42,92,465
	<u>3,25,06,909</u>	<u>3,31,07,548</u>
Inventories (at Close)		
Stock-in-Process	2,74,37,776	1,62,51,226
Finished Goods	2,22,78,158	1,62,55,683
	<u>4,97,15,934</u>	<u>3,25,06,909</u>
	<u>(1,72,09,025)</u>	<u>6,00,639</u>
Add/(Less) : Variation in Provision for Excise Duty on Opening and Closing Stock of Finished Goods	(6,08,620)	2,55,627
<b>TOTAL</b>	<u><u>(1,78,17,645)</u></u>	<u><u>8,56,266</u></u>
<b>22 EMPLOYEE BENEFITS EXPENSE</b>		
Salary, Wages, Gratuity & Bonus	8,36,56,453	6,87,02,044
Contribution to P. F. & Other Funds	17,63,251	16,08,474
Employee Welfare Expenses	27,32,914	19,59,065
<b>TOTAL</b>	<u><u>8,81,52,618</u></u>	<u><u>7,22,69,583</u></u>
<b>23 FINANCE COST</b>		
Interest on Cash Credit Facility	1,48,57,641	1,15,38,685
Interest on Term Loan	25,90,149	41,28,380
Interest on Vehicle Loan	7,84,257	7,70,707
Other Interest	26,03,046	28,15,234
Bank And Other Charges	39,79,082	32,97,393
<b>TOTAL</b>	<u><u>2,48,14,175</u></u>	<u><u>2,25,50,399</u></u>
<b>24 OTHER EXPENSES</b>		
<b>Manufacturing and Operating Cost</b>		
Power & Fuel	4,31,10,425	3,89,24,012
Consumables & Stores	33,03,880	28,24,351
Freight Inward	2,34,53,069	2,33,77,169
Repair & Maintenance (Plant)	1,27,97,372	1,11,95,595
Exchange Difference	(11,20,993)	23,85,476
<b>TOTAL (A)</b>	<u><u>8,15,43,753</u></u>	<u><u>7,87,06,603</u></u>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

(Amount in ₹)

	For the Year Ended 2016-2017	For the Year Ended 2015-2016
<b>Note No. 24 Cont....</b>		
<b>Establishment Expenses</b>		
Insurance Expenses	12,44,745	11,36,932
Books, Printing & Stationery	13,56,914	8,80,585
Postage & Courier	15,72,464	11,10,390
Telephone & Communications	27,39,029	24,92,722
Travel (Inc. Foreign Travel) & Conveyance	1,06,25,165	65,18,197
Hotel, Boarding, Lodging	89,72,838	70,56,307
Vehicle Running & Maintenance	36,65,186	25,72,999
Fee & Subscription	35,36,565	26,59,051
Legal & Professional Charges	4,80,301	4,16,726
Rent, Rates and Taxes	11,64,968	9,97,732
Office Electricity Exp.	1,05,049	98,915
Technical Know How Fee	19,40,044	6,43,678
Charity & Donation	2,21,856	1,49,200
House Keeping Expenses	30,50,729	22,82,395
Electrical & General Repair & Maintenance	40,45,156	23,96,666
Directors' Sitting Fee	6,23,353	5,11,698
Statutory Auditor		
- For Financial Audit	1,15,000	85,875
- For Taxation and other Matters	46,000	28,625
Cost Audit Fee	37,950	34,350
Secraterial Audit Fee	37,950	30,150
Loss on Sale of Vehicle	16,070	15,701
Investment W/off	3,92,518	-
Miscellaneous	4,09,169	3,63,908
<b>TOTAL (B)</b>	<b>4,63,99,019</b>	<b>3,24,82,802</b>
<b>Selling and Distribution Expenses</b>		
Testing Charges	2,08,060	5,02,778
Discount & Rebates	52,36,231	87,14,008
Selling Expenses	47,11,272	19,01,216
Sales Commission	62,79,754	25,32,368
Bad Debts	25,76,907	58,67,915
Packing Material	94,07,838	94,25,731
Freight Outward	27,77,070	24,41,723
Advertising & Exhibition	13,41,184	24,50,493
Clearing & Forwarding (Export)	11,56,235	4,87,162
<b>TOTAL (C)</b>	<b>3,36,94,551</b>	<b>3,43,23,394</b>
<b>TOTAL (A+B+C)</b>	<b>16,16,37,323</b>	<b>14,55,12,799</b>
<b>25 EARNINGS PER SHARE (EPS)</b>		
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	4,46,32,339	4,10,61,899
Number of equity shares used as denominator for calculating EPS	1,13,30,000	1,13,30,000
Basic and Diluted Earnings per share	3.94	3.62
Face Value per equity share	10.00	10.00

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

		(Amount ₹ in Lakh)	
		For the Year Ended 2016-2017	For the Year Ended 2015-2016
26	ADDITIONAL INFORMATION PURSUANT TO PART I & II OF THE SCHEDULE III OF THE COMPANIES ACT, 2013		
A	CONTINGENT LIABILITIES AND COMMITMENTS (₹ in Lakh)		
	(I) Contingent Liabilities		
	(A) Claim against the company / disputed liabilities not acknowledged as debts		
	- Sales Tax Appeal Pending (2011-2012)	81.54	81.54
	- Sales Tax Appeal Pending (2012-2013)	51.55	51.55
	(B) Guarantees		
	(i) Guarantees to Banks and Financial Institutions against credit facilities extended to third parties		
	a) In Respect of Wholly Owned Subsidiary	-	-
	b) In Respect of Others	-	-
	(ii) Advance / Performance / Others Guarantees (Margin Money with Bank ₹ 45.78)	195.00	255.85
	(iii) Outstanding guarantees furnished to Bank in respect of Letters of Credits (Margin Money with Bank ₹ 87.74)	671.94	615.56
	(C) Other Money for which the company is contingently liable		
	i) Liability in respect of bill discounted with bank	-	-
	ii) Liability in respect of Sales Tax surety for third parties	8.00	8.00
	(D) Un-hedged foreign currency exposure at the year end		
	i) Trade receivables / Advances	206.65	265.53
	ii) Trade Payables	285.11	312.49
	(II) Commitments		
	(A) Estimated amount of contracts remaining to be executed on capital account and not provided for :	-	-
	(B) Other Commitments	-	-
B	CONSUMPTION OF IMPORTED & INDIGENOUS RAW MATERIALS & CONSUMABLES		
		₹ in Lakh	% of Total Consumption
	Imported (Landed cost at Factory)	3,346.26	49.28
	Indigenous	3,444.33	50.72
		<u>6,790.59</u>	<u>100.00</u>
C	EXPENDITURE IN FOREIGN CURRENCY (₹ in Lakh)		
	Raw Material & Consumables	3,091.67	3,062.67
	Capital Goods	135.79	69.26
	Foreign Travels	33.68	21.03
	Technical Know How Fee	19.17	6.44
	Exhibition Expenses	6.07	2.56
	Sales Commission	14.61	1.67
		<u>3,300.99</u>	<u>3,163.63</u>
D	EARNING IN FOREIGN CURRENCY (₹ in Lakh)		
	FOB Value of Export of Goods		
	1. Electronic Thickness Gauge (Earning in US\$ - 11,71,876)	777.23	575.32
	(Earning in EURO - 85,500)	62.71	1.47
		<u>839.94</u>	<u>576.79</u>
	2. Synthetic Leather & Allied Products (Earning in US\$ - 43,150)	28.39	12.65
		<u>28.39</u>	<u>12.65</u>



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017****E Installed Capacity, Production and Turnover (Net of Returned Goods) (Value ₹ in Lakh)**

S.No.	Class of Goods	Unit	Opening Balance As on	Production for the Year Ended		Turnover For The Year Ended 31st March				Closing Stock
			01.04.16	31st March		2017		2016		As At
			Qty.	Qty.	Qty.	Qty.	Value	Qty.	Value	Qty.
1	PVC - Coated Fabric	Mtrs	17258.00	2599393.00	2000379.50	2595530.00	3303.66	1999473.50	2545.03	21121.00
2	PVC - C P S	Mtrs	4992.50	249626.00	312830.50	249221.00	551.28	315066.00	756.30	5397.50
3	PU - Coated Fabric	Mtrs	6187.00	596519.50	576297.00	591582.00	1404.23	574163.50	1386.34	11124.50
4	PU - C P S	Mtrs	8503.50	792344.50	772922.50	786910.00	2803.28	772128.50	2933.70	13938.00
5	PU - Pu Resin	Kgs	0.00	145773.50	275936.00	145773.50	270.97	275936.00	642.92	0.00
6	Cut Pieces	Kgs	4806.00	197836.30	173773.00	198477.30	18.98	170209.00	13.01	4165.00
7	Bardana & Scrap	Kgs	0.00				30.43		17.23	0.00
8	Raw Material sales as such		0.00				37.37		26.93	0.00
9	Electronic Thickness Gauge (ETG)	Nos.	3.00	84.00	75.00	84.00	2749.76	76.00	2217.72	3.00
10	ETG Parts	Nos.	0.00	518.00	513.00	518.00	454.18	513.00	446.78	0.00
11	AMC						23.42		35.40	

**F. RAW MATERIAL CONSUMPTION (Value ₹ in lakh)**

I) Raw Materials	Unit	2015-2016				
		Opening Qty.	Receipt Qty.	Closing Qty.	Consumed Qty.	Value ₹
Kanatot	Kgs.	12,861	718,140	34,836	696,165	496.63
PVC Resin	Kgs.	14,710	954,650	53,450	915,910	767.65
Adipic Acid	Kgs.	19,075	197,922	20,453	196,544	168.79
DMF	Kgs.	16,910	391,660	34,580	373,990	203.37
MDI	Kgs.	13,440	133,700	15,360	131,780	176.86
Butane Diol	Kgs.	10,200	73,000	9,000	74,200	74.44
Pu-Additives	Kgs.	20,126	35,792	25,624	30,294	227.46
M E G	Kgs.	7,820	53,060	3,680	57,200	34.20
M E K	Kgs.	11,055	164,705	2,324	173,436	124.42
P T M E G	Kgs.	4,000	23,600	3,000	24,600	48.71
Stablize Softner	Kgs.	-	255,000	-	255,000	189.02
Resin	Kgs.	31,791	11,043	38,446	4,388	49.99
Release Paper	Kgs.	79,650	77,486	85,636	71,500	335.18
Fabrics & Nwn	Mtrs.	372,703	4,349,855	601,971	4,120,587	1,828.50
Other Pigments & C and F						809.63
X-Ray tubes	Nos.	2	50	5	47	68.34
Sources & Assembly	Nos.	13	76	22	67	127.02
Ionization Chambers	Nos.	12	123	11	124	77.27
Power Supplies	Nos.	24	250	5	269	37.47
Computer & Parts						80.56
Slide & Bearings						49.20
Iron & Aluminum						427.52
Electronic & Mechanical Items Etc.						560.45
						6,962.68

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

- G. 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 Lakh)

	Current Year (2016-2017)			Previous Year (2015-2016)		
	Synthetic Leather Cloth & Allied Products Division	Electronic Thickness Gauge Division	Total	Synthetic Leather Cloth & Allied Products Division	Electronic Thickness Gauge Division	Total
<b>REVENUE</b>						
External Sales	8420.20	3227.36	11647.56	8321.46	2699.90	11021.36
Less : Excise Duty			1198.93			1179.10
Inter-segment Sales			---			---
Other Income	12.87	51.18	64.05	19.81	31.65	51.46
<b>Total Revenue</b>			<b>10512.68</b>			<b>9893.72</b>
<b>RESULTS</b>						
Segment Results	402.88	544.68	947.56	412.22	455.99	868.21
Unallocated Corporate Expenses (Net)			---			---
Operating Profit			947.56			868.21
Interest Expenses			248.14			225.50
---			213.17			230.32
- Deferred & Previous Year Tax(+)			30.31			5.39
Profit from Ordinary Activities			455.94			417.78
Extra Ordinary Loss / CSR			09.62			07.16
<b>Net Profit</b>			<b>446.32</b>			<b>410.62</b>
<b>OTHER INFORMATION</b>						
Segment Assets	5953.64	2875.66	8829.30	5118.96	2292.80	7411.76
<b>Total Assets</b>			<b>8829.30</b>			<b>7411.76</b>
Segment Liabilities	8062.20	767.10	8829.30	6905.11	506.65	7411.76
<b>Total Liabilities</b>			<b>8829.30</b>			<b>7411.76</b>
Capital Expenditure			393.23			408.44
Depreciation			282.70			257.88
Non-cash Expenses other than Depreciation			25.77			58.68

**H. RELATED PARTY DISCLOSURES**

Nature of relationship	Name of related parties
Wholly owned subsidiaries (WOS)	Jasch North America Company (USA)
Other subsidiary	Indev Gauging Systems, Inc. (USA)
	Jasch Automation Ltd.
Trust	JIL Employees Group Gratuity Trust
Key Management Personnel	J. K. Garg - Chairman & Managing 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 - Chief Financial Officer
Relative of key management personnel (Relatives)	Kamlesh Garg (Mrs.) - Director
Enterprises over significantly influenced by KMP, Directors or their relatives, but during the year under report no transactions with these enterprises	Indev Gauging Systems Ltd, Germany Gesco Automation Ltd.

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 :-

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017**

Particulars	Key Management Personnel (KMP)	Total (₹ in Lakh)
Sales (Indev Gauging Systems Inc.)	MD and Whole Time Directors	31.69
Purchases	---	---
Raw Materials	---	---
Consumables/Intermediates	---	---
Finished Goods	---	---
Job Work	---	---
Purchase of fixed assets	---	---
Sale of fixed assets	---	---
Managerial remuneration	MD and Whole Time Directors	211.20
Payment to Relatives as Salary	---	---
Investment (In JNAC as WOS)	---	---
Loan Given	---	---
Loan Taken By Company (including opening balance)	MD, WTD & their Relatives	273.65
Loan Repaid	---	---
Balance outstanding as at the year	MD, WTD & their Relatives	273.65

**I. REMUNERATION TO AUDITOR (₹ In Lakh)**

Particulars	2016-2017	2015-2016
For Financial Audit	01.15	00.86
For Taxation & Other Matters	00.46	00.29

**J. As per Accounting Standard 15 "Employee Benefits", the disclosure of Employee benefits as defined in Accounting Standard are given below :-****Defined Contribution Plan**

(₹ In Lakh)

Particulars	2016-2017	2015-2016
Employer's Contribution to Provident Fund	12.61	11.87
Employer's Contribution to ESI	04.68	03.84
Employer's Contribution to Labor Welfare Fund	00.35	00.37

**K. Defined Benefit Plan**

The employees' gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognized each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit to build up to final obligation.

**1. Investment details :-**

(₹ In Lakh)

	% Invested as at 31 <sup>st</sup> March, 2017	% Invested as at 31 <sup>st</sup> March, 2016
LIC	100%	100%

**2. Actuarial Assumptions :**

(₹ In Lakh)

	Gratuity (Funded) 2016-2017	Gratuity Funded (2015-2016)
Valuation Method : Projected Unit Credit Method		
Mortality Table (LIC) 2006-08 (Ultimate)		
Discount rate (per annum)	08.00 %	08.00 %
Expected rate of return on plan assets (per annum)	08.25 %	09.00 %
Rate of escalation in salary (per annum)	09.00 %	08.00 %
Average past service (actual)	14.81 %	14.00 %
Withdrawal Rate	01 % – 03 %	01 % – 03 %

This estimates of rate escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate or return on plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017****L. Disclosure in respect of Specified Bank Notes held and Transacted :****(₹ In Lakh)**

Particulars	Specified Bank Notes (SBNs) (₹)	Other denomination notes (₹)	Total (₹)
Closing cash in hand as on 08.11.2016	16,37,000	2,11,302.60	18,48,302.60
(+) Permitted receipts	---	---	---
(-) Permitted payments	---	---	---
(-) Amount deposited in Bank	16,37,000	---	---
<b>Closing Cash in hand as on 30.12.2016</b>	---	---	---

Specified Bank Notes is defined as Bank Notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees.

The disclosures with respects to "Permitted Receipts", "Permitted Payments", "Amount Deposited in Bank", and Closing Cash in Hand as on 30.12.2016 is understood to be applicable in case of SBNs only.

**M. Details of corporate social responsibility (CSR) expenditure :****(₹ In Lakh)**

	Year Ended 31 <sup>st</sup> March, 2017	Year Ended 31 <sup>st</sup> March, 2016
Amount required to be spent as per Section 135 of the Act	<b>09.62</b>	07.16
Amount spent during the year on :		
(i) Construction / acquisition of an asset	---	---
(ii) On purpose other than (i) above	<b>07.16</b>	---
<b>Total</b>	<b>07.16</b>	---

# CONSOLIDATED FINANCIAL STATEMENT & NOTES

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JASCH INDUSTRIES LIMITED Report on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheet as at 31<sup>st</sup> March, 2017, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter collectively referred to as "consolidated financial statements") of Jasch Industries Limited (the "holding company"). These financial statements have been consolidated with those of Jasch Automation Ltd, (holding company's "Indian subsidiary"); Jasch (North America) Co; Indev Gauging Systems Inc (holding company's "foreign subsidiaries") and Jasch Industries Ltd Employees Gratuity Trust, an entity controlled by the holding company ("controlled entity").

### Management's Responsibility for the Consolidated Financial Statements

The holding company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013, (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its controlled entity in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("the Rules") (particularly Accounting Standard 21 - Consolidated Financial Statement). The respective Board of Directors of the companies included in the Group (except the foreign subsidiaries, which are not subject to Indian laws) are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under sub-section 10 of Section 143 of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- i) in the case of Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March 2017;
- ii) in the case of the Consolidated Statement of Profit and Loss Account, of the consolidated profit for the year ended on that date; and
- iii) in the case of Consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date.

### Other Matters

As per information provided to us, audit of the foreign subsidiaries is not a legal requirement in the country in which these subsidiaries have been incorporated and accordingly, neither we nor anyone else has audited the financial statements of the foreign subsidiaries. However, financial statements of foreign subsidiaries have been approved by their respective Board of Directors and that of the holding Company. These financial statements reflect total assets of Rs. 782.69 lakh as at 31<sup>st</sup> March, 2017, total revenues of Rs. 1220.82 lakh and net cash inflows

of Rs. 111.33 lakh for the fifteen months' period then ended. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the foreign subsidiaries and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the foreign subsidiaries is based solely on such Board approvals. Our reliance only on such Board approvals in respect of foreign subsidiaries, our opinion on the consolidated financial statements which is partly based on such reliance and our report on Other Legal and Regulatory Requirements, is not modified in respect of this matter.

#### Report on other Legal and Regulatory Requirements

1. As required by sub-section 3 of Section 143 of the Act, based on our audit and on the consideration of other information provide to us on separate financial statements of a foreign subsidiaries and the controlled entity, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account, as required by law relating to preparation of the aforesaid consolidated financial statements, have been kept so far as it appears from our examination of those books and other information provide to us.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Rules.
  - e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March 2017 taken on record by the Board of Directors of the Holding Company and on the basis of relevant assertion contained in the audit report on standalone financial statements of subsidiary company and the controlled entity which are incorporated in India, none of the Directors of the Group are disqualified as on 31<sup>st</sup> March 2017 from being appointed as a Director of that company in terms of sub section 2 of Section 164 of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the controlled entity and the operating effectiveness of such controls, refer to our separate report in "Annexure A";
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the other information provided to us on separate financial statements of foreign subsidiaries and controlled entity, as noted in the "Other Matters" paragraph :
    - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its controlled entity – Refer Note 27 to the consolidated financial statements;
    - ii) Provision has not been made in the consolidated financial statements, as required under the applicable laws or accounting standards, for material foreseeable losses, if any, as the company does not have any long terms contracts including derivatives contracts.
    - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries companies and controlled entity incorporated in India.
    - iv) The Company has provided requisite disclosures in the consolidated financial statements as to holding as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016, on the basis of information available with the Company. Based on audit procedures, and relying on management's representation, we report that disclosure are in accordance with the books of accounts maintained by the Company and as produced to us by the Management. – Refer Note 27B.

#### For Arora & Choudhary Associates

Chartered Accountants : Regd. No. 003870N

CA. Vijay K. Choudhary

Partner : Membership No. : 81843

New Delhi, May 27, 2017

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT - 31<sup>st</sup> MARCH, 2017 ON CONSOLIDATED FINANCIAL STATEMENTS**

(Referred to in our report of even date)

**REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")**

In conjunction with our audit of the consolidated financial statements of Jasch Industries Limited ("the Holding Company") as of and for the year ended 31<sup>st</sup> March 2017, we have audited the internal financial controls over financial reporting of the Holding Company, its Indian subsidiary and the controlled entity registered in India as of that date.

**MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The respective Board of Directors of the Holding Company, its foreign subsidiaries and controlled entity registered in India, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Holding Company, its foreign subsidiaries and controlled entity incorporated in India considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on the internal financial controls over financial reporting based on our audit of entities comprised in the group (except foreign subsidiaries which, as stated earlier, we have not audited). We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained as referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the entities comprised in the Group, internal financial control system over financial reporting.

**MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**OPINION**

In our opinion, the Holding Company, its Indian subsidiary and the controlled entity, have in all material respects, an adequate internal financial control and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2017, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

**OTHER MATTERS**

Our aforesaid report under Section 143(3) of the Act on the adequacy of operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the controlled entity, is based on the relevant information provide to us.

**For Arora and Choudhary Associates**  
Chartered Accountants : FRN 003870N

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

New Delhi, May 27, 2017

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

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2017**

(Amount in ₹)

Particulars	Note No.	As At 31st March, 2017	As At 31st March, 2016
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	11,33,00,000	11,33,00,000
(b) Reserves and Surplus	3	30,40,19,550	24,61,96,855
		<b>41,73,19,550</b>	<b>35,94,96,855</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long Term Borrowings	4	6,09,58,130	5,97,95,278
(b) Long Term Provisions	5	1,60,33,097	1,33,32,264
(c) Deferred Tax Liability (Net)	6	3,22,65,962	2,91,94,718
		<b>10,92,57,189</b>	<b>10,23,22,260</b>
<b>(3) Current Liabilities</b>			
(a) Short Term Borrowings	7	16,47,79,870	13,51,01,967
(b) Trade Payables	8	14,43,79,068	11,34,95,505
(c) Other Current Liabilities	9	10,94,50,168	8,17,90,324
(d) Short Term Provisions	10	1,60,13,143	1,71,06,873
		<b>43,46,22,249</b>	<b>34,74,94,669</b>
<b>TOTAL</b>		<b>96,11,98,988</b>	<b>80,93,13,784</b>
<b>II ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Assets	11	27,95,20,233	27,27,18,585
(ii) Intangible Assets		4,21,24,667	4,67,74,180
(iii) Capital Work-in-Progress		32,16,44,900	46,04,333
(b) Non-Current Investments	12	1,91,38,994	1,63,89,699
(c) Long Term Loans And Advances	13	58,09,570	34,85,410
(d) Other Non-Current Assets	14	5,13,08,937	14,818,150
		<b>7,62,57,501</b>	<b>3,46,93,259</b>
<b>(2) Current Assets</b>			
(a) Inventories	15	19,47,21,504	15,33,32,843
(b) Trade Receivables	16	19,92,30,792	23,00,57,363
(c) Cash and Cash Equivalents	17	15,68,51,716	5,97,51,393
(d) Short Term Loans and Advances	18	1,24,92,575	73,81,828
		<b>56,32,96,587</b>	<b>45,05,23,427</b>
<b>TOTAL</b>		<b>96,11,98,988</b>	<b>80,93,13,784</b>

Significant Accounting Policies & Practices 1  
The accompanying notes are an integral part of these financial statements (1-27)

As per our report of even date

For and on behalf of Board of Directors

**For Arora & Choudhary Associates**

Chartered Accountants : FRN 003870N

J. K. Garg  
Chairman & Managing Director  
(DIN : 00596709)

Ramnik Garg  
Whole Time Director  
(DIN : 00188843)

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

S. K. Verma  
Company Secretary & Vice President  
(Membership No : FCS2293)

M. Paliwal  
Chief Financial Officer

New Delhi, May 27, 2017



**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 31<sup>ST</sup> MARCH, 2017**

(Amount in ₹)

Particulars	Note No.	2016-2017	2015-2016
I Revenue from Operations (Net)	19	1,16,69,44,463	1,12,87,87,629
II Other Income	20	64,05,220	51,46,319
<b>III Total Revenue</b>		<b>1,17,33,49,683</b>	<b>1,13,39,33,948</b>
<b>IV EXPENSES :</b>			
Cost of Materials Consumed	21	71,03,07,229	70,73,91,580
Change in Inventories of Finished Goods & Stock-in-Process	22	(1,74,36,030)	34,238
Employee Benefits Expense	23	14,04,41,170	13,36,91,992
Finance Costs	24	2,68,10,673	2,44,32,169
Depreciation and Amortization Expense	11	3,36,77,436	3,39,31,029
Other Expenses	25	19,52,22,114	18,21,47,629
<b>Total Expenses</b>		<b>1,08,90,22,592</b>	<b>1,08,16,28,637</b>
<b>V Profit Before Tax</b>		<b>8,43,27,091</b>	<b>5,23,05,311</b>
<b>VI Tax Expenses</b>			
(a) Current Tax		(2,13,17,201)	(2,31,96,693)
(b) Deferred Tax		(30,71,244)	8,71,970
(c) Income Tax of earlier year		(2,70,929)	(22,020)
(d) Provision for C S R		(9,61,966)	(7,15,828)
<b>VII Profit (Loss) for the period</b>		<b>5,87,05,751</b>	<b>2,92,42,740</b>
<b>Earning Per Equity Share</b>	26		
Basic and Diluted		<b>5.18</b>	<b>2.58</b>

Significant Accounting Policies & Practices

1

The accompanying notes are an integral part of these financial statements (1-27)

As per our report of even date

For and on behalf of Board of Directors

**For Arora & Choudhary Associates**

Chartered Accountants : FRN 003870N

J. K. Garg  
Chairman & Managing Director  
(DIN : 00596709)

Ramnik Garg  
Whole Time Director  
(DIN : 00188843)

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

S. K. Verma  
Company Secretary & Vice President  
(Membership No : FCS2293)

M. Patiwal  
Chief Financial Officer

New Delhi, May 27, 2017

**JASCH INDUSTRIES LIMITED**

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

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 2016-2017**

(Amount in ₹)

	2016-2017	2015-2016
<b>A: CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before tax as per Statement of Profit Loss Account	<u>8,43,27,091</u>	<u>5,23,05,311</u>
Adjusted For : Add / (Deduct) :		
-Net Prior Year Adjustment	(2,70,929)	(22,020)
-Loss on Sale / Discard of Assets / Vehicle	(4,08,588)	15,701
-Depreciation and Amortization Expense	3,36,77,436	3,39,31,029
-Effect of Exchange Rate Change	(12,87,152)	(11,28,214)
-Interest Income	(33,55,050)	(14,16,865)
DD/Forefitt	(15,63,018)	(26,01,240)
-Finance Costs	2,68,10,673	2,44,32,169
-Debtors Written Off	27,35,238	58,67,915
	<u>5,63,38,610</u>	<u>5,90,78,475</u>
<b>Operating Profit before Working Capital Changes</b>	<b>14,06,65,701</b>	<b>11,13,83,786</b>
Adjusted For : Add / (Deduct) :		
-Trade and Other Receivables	(1,58,48,416)	67,26,109
-Inventories	(4,13,88,661)	(1,10,55,705)
-Trade and Other Payables	<u>6,82,91,130</u>	<u>(2,05,97,430)</u>
	<u>1,10,54,053</u>	<u>(2,49,27,026)</u>
<b>Cash Generated from Operations</b>	<b>15,17,19,754</b>	<b>8,64,56,760</b>
Taxes Paid	(2,13,17,201)	(2,31,96,693)
Interest Received	33,55,050	14,16,865
DD/Forefitt	15,63,018	26,01,240
Exchange Rate Effect	12,87,152	11,28,214
<b>Net Cash from Operating Activities</b>	<b>13,66,07,773</b>	<b>6,84,06,386</b>
<b>B: CASH FLOW FROM INVESTING ACTIVITIES :</b>		
-Purchase of Fixed Assets	(3,30,25,211)	(3,06,79,988)
-Sale of Fixed Assets	21,000	1,51,000
-Purchase of Investments	0	(3,10,498)
-Sale of Investments	0	0
<b>Net Cash (used in) Investing Activities</b>	<b>(3,30,04,211)</b>	<b>(3,08,39,486)</b>
<b>C: CASH FLOW FROM FINANCING ACTIVITIES :</b>		
-Proceeds from Issue of Share Capital	0	0
-Proceeds from Long Term Borrowings	1,35,33,426	1,06,84,675
-Repayment of Long Term Borrowings	(2,29,03,895)	(2,23,05,987)
-Short Term Borrowings	2,96,77,903	3,40,27,188
-Dividends Paid (including dividend distribution tax)	0	0
-Interest Paid	(2,68,10,673)	(2,44,32,169)
<b>Net Cash (used in) / from Financing Activities</b>	<b>(65,03,239)</b>	<b>(20,26,293)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>9,71,00,323</b>	<b>3,55,40,607</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>5,97,51,393</b>	<b>2,42,10,786</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>15,68,51,716</b>	<b>5,97,51,393</b>

Significant Accounting Policies & Practices

1

The accompanying notes are an integral part of these financial statements (1-27)

As per our report of even date

**For Arora & Choudhary Associates**  
Chartered Accountants : FRN 003870N

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



New Delhi, May 27, 2017

**J. K. Garg**  
Chairman & Managing Director  
(DIN : 00596709)

**S. K. Verma**  
Company Secretary & Vice President  
(Membership No : FCS2293)

For and on behalf of Board of Directors

**Ramnik Garg**  
Whole Time Director  
(DIN : 00188843)

**M. Paliwal**  
Chief Financial Officer

## NOTES on Consolidated Financial Statements for the year ended 31st March 2017

## 1. Significant Accounting Policies &amp; Practices

## A. Entities included in consolidation / General Information

Jasch Industries Ltd ("the company") is a public limited company incorporated in India and is listed on the Stock Exchange at Mumbai (BSE) & The Stock Exchange at Kolkata (CSE). It has the following wholly owned subsidiaries ("WOS") / Controlled trust.

Name of the Company	Country of incorporation	Ownership (%)	Period Considered	Whether Audited / Board Approved
<b>Foreign Subsidiaries</b>				
Jasch North America Company (WOS)	USA	100%	01.04.2016 to 31.03.2017	Approved by the Board of Jasch Industries Ltd
Indev Gauging Systems, Inc. (WOS of the above company)	USA	100%	01.04.2016 to 31.03.2017	Approved by the Board of Jasch Industries Ltd
<b>Indian Subsidiary</b>				
Jasch Automation Ltd (WOS)	India	100%	01.04.2016 to 31.03.2017	Audited
<b>Controlled Trust</b>				
JIL Employees Group Gratuity Trust	India	100%	01.04.2016 to 31.03.2017	Approved the Board of Jasch Industries Ltd

Jasch Industries Ltd and all the above entities are collectively referred to as "Group". Financial statements of all these entities, when consolidated together, are referred to as "Consolidated Financial Statements"

## B. Basis of Preparation

These consolidated financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rule, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable and in particular Accounting Standards 21 (AS21).

The financial statements of the Group have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and the unrealized profits / losses, unless cost cannot be recovered.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Act.

Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

- C. 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.
- D. 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.
- E. **Other Significant Accounting Policies**  
These are set out under "Significant Accounting Policies and Practices" as given in the Company's separate standalone financial statements.
- F. **Re-grouping / Re-classification of previous years' figures :**  
The Previous years figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017**

	As At 31st March, 2017	As At 31st March, 2016
(Amount in ₹)		
<b>2 SHARE CAPITAL</b>		
<b>Authorised Share Capital :</b>		
1,40,00,000 Equity Shares of ₹ 10 each	14,00,00,000	14,00,00,000
	<u>14,00,00,000</u>	<u>14,00,00,000</u>
<b>Issued, Subscribed and Paid up :</b>		
1,13,30,000 Equity Shares of ₹10 each fully paid up	11,33,00,000	11,33,00,000
<b>TOTAL</b>	<u>11,33,00,000</u>	<u>11,33,00,000</u>

2.1 There has been no movement in the shares outstanding from the prior year to the current year.

2.2 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 proportion to the number of equity shares held by the shareholders.

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

Name of the Shareholder	No. of Shares	% held	No. of Shares	% held
Mr. Manish Garg	12,91,969	11.403	12,91,969	11.403
Mr. Ramnik Garg	11,15,698	9.847	11,15,698	9.847
Mr. Navneet Garg	9,66,449	8.530	9,66,449	8.530
Mr. Jai Kishan Garg	6,44,110	5.685	6,43,310	5.678
Ms. Ritu Garg	6,06,651	5.354	6,06,651	5.354

2.4 There were no instance of shares issued, on which there were any calls remaining unpaid or instances of any forfeitures during the years ended March 31, 2017 and 2016.

**3 RESERVES AND SURPLUS****General Reserve**

Opening Balance

30,00,000

30,00,000

Add : Transferred from Statement of Profit And Loss

30,00,000

30,00,000

**Surplus in Statement of Profit and Loss**

Opening Balance

22,85,75,999

19,93,33,259

Add : Transfer from Surplus in Statement of Profit and Loss

5,87,05,751

2,92,42,740

28,72,81,750

22,85,75,999

**Less : Appropriations**

28,72,81,750

22,85,75,999

**Foreign Currency Translation Reserve**

Opening Balance

1,46,20,856

1,08,70,800

Add : Transfer from Surplus

Amount transferred on account of resulting exchange difference on conversion of a non-integral subsidiary

(8,83,056)

37,50,056

1,37,37,800

1,46,20,856

**TOTAL**

30,40,19,550

24,61,96,855

**4 LONG TERM BORROWINGS****Secured**

Term Loans From Bank

80,15,196

2,79,78,431

1,89,73,154

2,75,57,894

Loans For Vehicles (Banks)

29,16,256

56,14,699

24,91,619

48,72,384

1,09,31,452

3,35,93,130

2,14,64,773

3,24,30,278

**Unsecured**

Loan From Directors and their relatives

-

2,73,65,000

-

2,73,65,000

-

2,73,65,000

-

2,73,65,000

**TOTAL**

1,09,31,452

6,09,58,130

2,14,64,773

5,97,95,278

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2017**

	As At 31 <sup>st</sup> March, 2017	(Amount In ₹) As At 31 <sup>st</sup> March, 2016
4.1 Term Loans From HDFC Bank Ltd. are 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.		
4.2 Loans for Vehicles are secured by hypothecation of respective vehicles.		
<b>5 OTHER LONG TERM LIABILITIES</b>		
Employee Related Liabilities (Provision for Gratuity)	1,60,33,097	1,33,32,264
	<u>1,60,33,097</u>	<u>1,33,32,264</u>
<b>6 DEFERRED TAX LIABILITY (Net)</b>		
Deferred Tax Liability (Opening)	2,91,94,718	3,00,66,688
Add : Deferred Tax Liability	36,40,809	(8,71,970)
Less : Deferred Tax Assets	5,69,565	-
<b>TOTAL</b>	<u>3,22,65,962</u>	<u>2,91,94,718</u>
<b>7 SHORT TERM BORROWINGS</b>		
Secured		
Working Capital Loan From Bank	16,47,79,870	13,51,01,967
<b>TOTAL</b>	<u>16,47,79,870</u>	<u>13,51,01,967</u>
7.1 Working Capital Loan from HDFC Bank Ltd. is secured by hypothecation of present and future stock of raw materials, stock-in-process, finished goods, consumables, stores and spares, book debts, receivables, claims, materials in transit and personal guarantee of four Directors.		
<b>8 TRADE PAYABLES</b>		
Trade Payables	14,43,79,068	11,34,95,505
<b>TOTAL</b>	<u>14,43,79,068</u>	<u>11,34,95,505</u>
8.1 Accounts balances of the suppliers, in whose case(s) confirmation / reconciliation is not received have been 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.		
8.2 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 supplied by them. 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, with regards to filing of memorandum, from the respective suppliers. Disclosure as required under Section 22 of the Act, is as under :		

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

	As At 31 <sup>st</sup> March, 2017	As At 31 <sup>st</sup> March, 2016
<b>9 OTHER CURRENT LIABILITIES</b>		
Current maturities of long term debt (Refer Note No. 4)	1,09,31,452	2,14,64,773
Unclaimed Dividends	9,03,284	9,04,284
Creditors for Capital Expenditure	27,38,247	17,09,074
Advance From Customers	6,12,97,480	3,02,82,236
Sales Tax Payable	3,70,689	20,10,720
TDS Payable	10,85,745	9,30,210
Expenses Payable	1,01,56,201	75,77,377
Interest Payable	29,61,752	22,56,322
Sundry Creditors for Others	1,24,19,014	74,55,807
Others	65,86,304	71,99,521
<b>TOTAL</b>	<b>10,94,50,168</b>	<b>8,17,90,324</b>
<b>10 SHORT TERM PROVISIONS</b>		
Provision for Employee Benefits :		
Bonus Payable	42,74,838	34,92,106
Provisions For Duties & Taxes :		
Excise Duty	12,89,800	16,05,732
Tax (Net) Current Year	94,86,539	1,12,93,207
C S R	9,61,966	7,15,828
<b>TOTAL</b>	<b>1,60,13,143</b>	<b>1,71,06,873</b>

10.1 Provision of Excise Duty on finished goods lying in factory premises at March 31, 2017 aggregating to ₹ 15,08,005/- (Previous Year ₹ 21,16,625/-) has been provided at current excise rate and included in valuation of finished goods inventory and same has been charged from Cenvat Credit Receivable Input Account up to balance available as on 31st March, 2017

10.2 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.

10.3 Provision for retirement gratuity liability as at 31st March, 2017 to all eligible employees, amounting to ₹ 17,15,941/- has been made as per Actuarial Valuation by LIC of India and an amount of ₹ 17,15,941/- has been paid to LIC of India as contribution for current year up to 31st March, 2017.

11 See at Page No. 72

	No. of Shares	Value	No. of Shares	Value
<b>12 NON-CURRENT INVESTMENTS</b>				
(Long Term Investments)				
<b>Trade Investments</b>				
<b>In Equity Shares - Quoted, fully paid up</b>				
Standard Capital Market Ltd	33,900	67,800	33,900	67,800
(Market Value As on 31.03.17 is ₹ 1,00,005/-)				
<b>Other Non-Current Investments</b>				
Investment in Property		30,38,097		30,38,097
Investment with LIC Group Fund		1,60,33,097		1,32,83,802
<b>TOTAL</b>		<b>1,91,38,994</b>		<b>1,63,89,699</b>
<b>13 LONG TERM LOANS AND ADVANCES</b>				
(Unsecured and Considered Good)				
Security Deposit		58,09,570		34,85,410
(Include Deposit with State Electricity Distribution Company ₹ 53,90,729/-)				
<b>TOTAL</b>		<b>58,09,570</b>		<b>34,85,410</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2017**

**11 FIXED ASSETS**

(Amount in ₹)

Description	Gross Block				Depreciation / Amortisation				Net Block	
	R/R 01.04.2016	Additions	Deductions / Adjustments (+/-)	As At 31.03.2017	Up to 31.03.2016	For the Period	Deductions / Adjustments (+/-)	Up to 31.03.2017	As At 31.03.2017	As At 31.03.2016
<b>i. TANGIBLE OWN ASSETS :</b>										
Free Hold Land	3,551,665	-	(57,643)	3,493,962	-	-	-	-	3,493,962	992,813
General Assets	12,236,881	8,115,260	-	20,352,141	10,470,438	3,515,340	-	13,985,778	6,366,363	3,224,826
Factory Building	34,001,690	427,582	-	34,429,272	15,677,532	843,469	-	16,520,941	17,968,331	19,155,382
Office Building	21,461,635	481,452	-	21,943,087	490,027	344,634	-	834,631	21,110,456	2,205,007
Corporate Office	6,585,356	-	-	6,585,356	634,054	102,215	-	736,312	5,849,044	6,653,493
Building Factory Automation	8,171,245	116,563	-	8,287,808	141,075	261,618	-	402,693	7,885,115	-
Plant & Mach-Fitting	29,170,783	-	-	29,170,783	1,634,276	1,277,451	-	2,911,727	17,259,056	19,817,458
Utility	21,278,165	947,792	-	22,225,957	8,761,697	1,383,318	-	10,125,015	12,100,942	12,976,620
Gen Sets	8,201,169	-	-	8,201,169	4,743,625	641,355	-	5,384,980	2,816,159	4,058,699
Boilers	16,896,665	-	-	16,896,665	11,120,056	745,439	-	11,865,495	5,031,110	6,465,019
Vehicles	26,715,204	5,771,337	741,462	31,745,139	9,801,187	3,190,865	704,332	12,287,720	19,457,419	15,833,992
Pw Plant	129,070,025	7,407,747	-	136,477,772	89,699,532	6,644,474	-	96,344,006	49,733,756	49,834,587
Pw Plant Utility	66,936,712	-	-	66,936,712	25,920,435	2,826,466	-	28,746,901	38,159,811	43,812,687
Dry Line	108,999,978	14,106,839	-	123,106,817	69,970,280	5,655,017	-	75,625,297	47,281,520	43,650,660
Automation	53,001,980	252,572	(678,531)	52,576,421	15,466,154	3,132,372	(89,294)	18,509,272	34,067,149	13,834,661
<b>TOTAL</b>	<b>537,249,033</b>	<b>37,629,544</b>	<b>5,228</b>	<b>573,481,001</b>	<b>264,530,448</b>	<b>30,143,946</b>	<b>615,658</b>	<b>293,880,768</b>	<b>279,520,233</b>	<b>232,385,950</b>
<b>ii. INTANGIBLE ASSETS :</b>										
Goodwill on Consolidation	66,425,933	-	(1,495,944)	64,929,989	19,631,753	3,533,490	(379,921)	22,785,322	42,124,667	46,774,189
iii. Capital Work-in-Progress	4,604,333	12,288,360	16,892,651	-	-	-	-	-	-	15,190,299
<b>TOTAL</b>	<b>68,030,266</b>	<b>12,288,360</b>	<b>15,396,707</b>	<b>83,315,996</b>	<b>19,631,753</b>	<b>3,533,490</b>	<b>(379,921)</b>	<b>22,785,322</b>	<b>42,124,667</b>	<b>61,964,488</b>
<b>PREVIOUS YEAR</b>	<b>481,517,452</b>	<b>60,208,879</b>	<b>32,552,199</b>	<b>569,174,132</b>	<b>233,941,203</b>	<b>25,707,964</b>	<b>629,812</b>	<b>259,099,375</b>	<b>250,074,757</b>	<b>247,576,249</b>

**14 OTHER NON-CURRENT ASSETS**

Claim Receivable  
Advance for purchase of Asset  
Deferred Expenditure to be Written Off

**TOTAL**

	As At 31 <sup>st</sup> March, 2017	As At 31 <sup>st</sup> March, 2016
14 OTHER NON-CURRENT ASSETS	2,14,38,967	1,38,60,262
Claim Receivable	2,26,93,510	-
Advance for purchase of Asset	71,76,460	9,57,888
Deferred Expenditure to be Written Off	5,13,08,937	1,48,18,150
<b>TOTAL</b>		

14.1 The Company receive an insurance claim of ₹ 86.03 lakh during 2003-2004 in respect of destruction of a part of factory buildings, plant an 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 against Insurance Company for payment of balance amount with interest has been filed and admitted by 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.

**15 INVENTORIES**

Raw Materials  
Consumables  
Stock-in-Process  
Finished Goods  
Stores & Spares  
Packing Material  
Fuel  
**TOTAL (A)**  
Goods-in-Transit  
**TOTAL (B)**  
**TOTAL (A + B)**

	As At 31 <sup>st</sup> March, 2017	As At 31 <sup>st</sup> March, 2016
Raw Materials	9,90,05,433	8,01,88,693
Consumables	2,45,13,418	2,42,30,641
Stock-in-Process	3,22,30,127	2,14,25,192
Finished Goods	2,22,78,158	1,62,55,683
Stores & Spares	3,56,100	3,86,100
Packing Material	4,70,231	5,87,389
Fuel	5,19,926	5,00,248
<b>TOTAL (A)</b>	<b>17,93,73,393</b>	<b>14,35,73,946</b>
Goods-in-Transit	1,53,48,111	97,58,897
<b>TOTAL (B)</b>	<b>1,53,48,111</b>	<b>97,58,897</b>
<b>TOTAL (A + B)</b>	<b>19,47,21,504</b>	<b>15,33,32,843</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2017**

(Amount in ₹)

	As At 31 <sup>st</sup> March, 2017	As At 31 <sup>st</sup> March, 2016
<b>16 TRADE RECEIVABLES</b> (Unsecured and considered good)		
Over six months	3,67,47,393	39,294,744
Others	16,24,83,399	190,762,619
<b>TOTAL</b>	<b>19,92,30,792</b>	<b>230,057,363</b>
<b>16.1</b> Accounts balances of the customers, in whose case(s) confirmation / reconciliation has not been received have been 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.		
<b>17 CASH AND CASH EQUIVALENTS</b>		
(a) Balances With Banks	1,99,76,327	39,39,894
(b) Cash on Hand	8,20,183	2,55,343
(c) Balance In Bank as Unpaid Dividend Account	9,03,284	9,04,284
(d) Deposits with Bank	13,51,51,922	5,46,51,872
<b>TOTAL</b>	<b>15,68,51,716</b>	<b>5,97,51,393</b>
<b>17.1</b> Deposits with Bank held as margin money for L/c and Bank Guarantees provide by the bank.		
<b>18 SHORT TERM LOANS AND ADVANCES</b> (Unsecured and considered good)		
Advance to Suppliers	32,21,035	3,88,215
Balance With Revenue Authorities	30,79,910	32,57,270
Prepaid Expenses	18,22,906	12,94,384
Miscellaneous Receivables	43,68,724	24,41,959
<b>TOTAL</b>	<b>1,24,92,575</b>	<b>73,81,828</b>
<b>19 REVENUE FROM OPERATIONS</b>		
<b>Sale of Products</b>		
Synthetic Leather & Allied Products	84,20,19,934	83,21,45,904
Electronic Gauges	41,40,73,421	38,64,55,207
Sale of Services	3,07,44,403	2,83,76,572
	<b>1,28,68,37,758</b>	<b>1,24,69,77,683</b>
Less : Excise Duty / VAT / Service Tax	11,98,93,295	11,81,90,054
<b>TOTAL</b>	<b>1,16,69,44,463</b>	<b>1,12,87,87,629</b>
<b>20 OTHER INCOME</b>		
Interest Income (FDR)	35,55,050	14,16,865
Duty Drawback	15,63,018	9,73,240
Other Advance Forfeited	-	16,28,000
Exchange Fluctuation as per AS11	12,87,152	11,28,214
<b>TOTAL</b>	<b>64,05,220</b>	<b>51,46,319</b>
<b>21 COST OF MATERIAL CONSUMED</b>		
Raw Material	67,67,88,795	68,32,34,702
Consumables (Release Paper)	3,35,18,434	2,41,56,878
<b>TOTAL</b>	<b>71,03,07,229</b>	<b>70,73,91,580</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2017**

	(Amount in ₹)	
	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>22 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS</b>		
<b>Inventories (at Commencement)</b>		
Stock-in-Process	2,14,25,192	2,31,67,021
Finished Goods	1,62,55,683	1,42,92,465
	<b>3,76,80,875</b>	<b>3,74,59,486</b>
<b>Inventories (at Close)</b>		
Stock-in-Process	3,22,30,127	2,14,25,192
Finished Goods	2,22,78,158	1,62,55,683
	<b>5,45,08,285</b>	<b>3,76,80,875</b>
	<b>(1,68,27,410)</b>	<b>(2,21,389)</b>
Add/(Less) : Variation in Provision for Excise Duty on Opening and Closing Stock of Finished Goods	<b>(6,08,620)</b>	<b>2,55,627</b>
<b>TOTAL</b>	<b>(1,74,36,030)</b>	<b>34,238</b>
<b>23 EMPLOYEE BENEFITS EXPENSE</b>		
Salary, Wages, Gratuity & Bonus	12,99,92,268	12,45,18,786
Contribution to P. F. & Other Funds	17,63,251	16,08,474
Employee Welfare Expenses	86,85,651	75,64,732
<b>TOTAL</b>	<b>14,04,41,170</b>	<b>13,36,91,992</b>
<b>24 FINANCE COST</b>		
Interest on Cash Credit Facility	1,48,57,641	1,15,38,685
Interest on Term Loan	44,20,290	58,51,832
Interest on Vehicle Loan	7,84,257	7,70,707
Other Interest	26,03,046	28,15,234
Bank And Other Charges	41,45,439	34,55,711
<b>TOTAL</b>	<b>2,68,10,673</b>	<b>2,44,32,169</b>
<b>25 OTHER EXPENSES</b>		
<b>Manufacturing and Operating Cost</b>		
Power & Fuel	4,31,10,425	3,89,24,012
Consumables & Stores	33,07,639	28,61,223
Freight Inward	2,39,01,620	2,54,93,387
Repair & Maintenance (Plant)	1,28,65,993	1,15,37,630
Exchange Difference	(11,20,993)	23,85,476
<b>TOTAL (A)</b>	<b>8,20,64,684</b>	<b>8,12,01,728</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017**

	(Amount in ₹)	
	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>Note No. 25 Cont....</b>		
<b>Establishment Expenses</b>		
Insurance Expenses	17,27,575	16,74,995
Books, Printing & Stationery	13,56,914	8,80,585
Postage & Courier	15,86,927	11,10,390
Telephone & Communications	41,22,084	42,36,802
Travel (Inc. Foreign Travel) & Conveyance	1,66,25,532	1,36,63,213
Hotel, Boarding, Lodging	1,10,87,338	92,67,929
Vehicle Running & Maintenance	36,65,186	25,72,999
Fee & Subscription	42,28,315	41,91,825
Legal & Professional Charges	14,03,145	19,65,744
Rent, Rates and Taxes	83,48,163	71,93,032
Office Electricity Exp.	1,05,049	98,915
Technical Know How Fee	19,40,044	6,43,678
Charity & Donation	2,21,856	1,49,200
House Keeping Expenses	30,50,729	22,82,395
Electrical & General Repair & Maintenance	86,36,246	38,50,345
Directors' Sitting Fee	17,70,218	19,62,090
Statutory Auditor		
- For Financial Audit	1,15,000	85,875
- For Taxation and other Matters	46,000	28,625
Cost Audit Fee	37,950	34,350
Secraterial Audit Fee	37,950	30,150
Loss on Sale of Vehicle	16,070	15,701
Investment W/off	3,92,518	-
Miscellaneous	46,71,337	35,28,727
<b>TOTAL (B)</b>	<b><u>7,51,92,146</u></b>	<b><u>5,94,67,565</u></b>
<b>Selling and Distribution Expenses</b>		
Testing Charges	2,08,060	5,02,778
Discount & Rebates	52,36,231	87,14,008
Selling Expenses	47,11,272	19,30,095
Sales Commission	65,18,111	28,72,920
Bad Debts	27,35,238	58,67,915
Packing Material	94,07,838	94,25,731
Freight Outward	54,18,873	49,30,917
Advertising & Exhibition	25,73,426	67,46,810
Clearing & Forwarding (Export)	11,56,235	4,87,162
<b>TOTAL (C)</b>	<b><u>3,79,65,284</u></b>	<b><u>4,14,78,336</u></b>
<b>TOTAL (A+B+C)</b>	<b><u>19,52,22,114</u></b>	<b><u>18,21,47,629</u></b>
<b>26 EARNINGS PER SHARE (EPS)</b>		
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	5,87,05,751	2,92,42,740
Number of equity shares used as denominator for calculating EPS	1,13,30,000	1,13,30,000
Basic and Diluted Earnings per share	5.18	2.58
Face Value per equity share	10.00	10.00

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017**

(Amount in ₹)

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>27 ADDITIONAL INFORMATION PURSUANT TO PART I &amp; II OF THE SCHEDULE III OF THE COMPANIES ACT, 2013</b>		
<b>A CONTINGENT LIABILITIES AND COMMITMENTS (₹ in Lakh)</b>		
<b>(I) Contingent Liabilities</b>		
(A) Claim against the company / disputed liabilities not acknowledged as debts		
- Sales Tax Appeal Pending (2011-2012)	81.54	81.54
- Sales Tax Appeal Pending (2012-2013)	51.55	51.55
(B) Guarantees		
(i) Guarantees to Banks and Financial Institutions against credit facilities extended to third parties		
a) In Respect of Wholly Owned Subsidiary	-	-
b) In Respect of Others	-	-
(ii) Advance / Performance / Others Guarantees (Margin Money with Bank ₹ 45.78)	195.00	255.85
(iii) Outstanding guarantees furnished to Bank in respect of Letters of Credits (Margin Money with Bank ₹ 87.74)	671.94	615.56
(C) Other Money for which the company is contingently liable		
i) Liability in respect of bill discounted with bank	-	-
ii) Liability in respect of Sales Tax surety for third parties	8.00	8.00
(D) Un-hedged foreign currency exposure at the year end		
i) Trade receivables / Advances	206.65	258.55
ii) Trade Payables	285.11	312.49
<b>(II) Commitments</b>		
(A) Estimated amount of contracts remaining to be executed on capital account and not provided for :	421.45	-
(B) Other Commitments	-	-

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017****B. Disclosure in respect of Specified Bank Notes held and Transacted :**

Particulars	Specified Bank Notes (SBNs) (₹)	Other denomination notes (₹)	Total (₹)
Closing cash in hand as on 08.11.2016	16,37,000	2,11,302.60	18,48,302.60
(+) Permitted receipts	---	---	---
(-) Permitted payments	---	---	---
(-) Amount deposited in Bank	16,37,000	---	---
<b>Closing Cash in hand as on 30.12.2016</b>	---	---	---

Specified Bank Notes is defined as Bank Notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees.

The disclosures with respects to "Permitted Receipts", "Permitted Payments", "Amount Deposited in Bank" and Closing Cash in Hand as on 30.12.2016 is understood to be applicable in case of SBNs only.

- C. 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 Lakh)

	Current Year (2016-2017)			Previous Year (2015-2016)		
	Synthetic Leather Cloth & Allied Products Division	Electronic Thickness Gauge Division	Total	Synthetic Leather Cloth & Allied Products Division	Electronic Thickness Gauge Division	Total
<b>REVENUE</b>						
External Sales	8420.20	4448.18	12868.38	8321.46	4145.52	12466.98
Less : Excise Duty			1198.93			1179.10
Inter-segment Sales			---			---
Other Income	12.87	51.18	64.05	19.81	31.65	51.46
<b>Total Revenue</b>			<b>11733.50</b>			<b>11339.34</b>
<b>RESULTS</b>						
Segment Results	402.88	708.50	1111.38	412.22	355.15	767.37
Unallocated Corporate Expenses (Net)			---			---
Operating Profit			1111.38			767.37
Interest Expenses			268.11			244.32
Income Tax / Wealth Tax – Current			215.88			232.18
- Deferred & Previous Year Tax (+)			30.71			08.72
Profit from Ordinary Activities			596.68			299.59
Extra Ordinary Loss / CSR			09.62			7.16
<b>Net Profit</b>			<b>587.06</b>			<b>292.43</b>
<b>OTHER INFORMATION</b>						
Segment Assets	5953.64	3498.02	9451.66	5118.96	2840.86	7959.82
<b>Total Assets</b>			<b>9451.66</b>			<b>7959.82</b>
Segment Liabilities	8062.20	1389.46	9451.66	6580.45	1379.37	7959.82
<b>Total Liabilities</b>			<b>9451.66</b>			<b>7959.82</b>
Capital Expenditure			396.21			472.36
Depreciation			301.44			275.70
Non-cash Expenses other than Depreciation			62.68			122.29

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017**

## Form AOC-1

[Pursuant to first proviso to sub-section [3] of section 129 read with rule 5 of Companies [Accounts] Rules, 2014]

Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures

## Part "A" : Subsidiaries

[Information in respect of each subsidiary to be presented with amounts in ₹ Lakh]

Sr.No.	Particulars	Jasch North America Co. (WOS of JIL)	Indev Gauging Systems, Inc. (subsidiary of JNAC)	Jasch Automation Ltd. (Subsidiary of JIL)
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period and date of acquiring.	01-04-16 to 31-03-17 (07.12.2011)	01-04-16 to 31-03-17 (07.01.2012)	01-04-16 to 31-03-17 (16.02.2016)
2	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	US\$ B/S = 1 US\$ = INR 64.8386 P/L = 1 US\$ = INR 63.7147	US\$ B/S = 1 US\$ = INR 64.8386 P/L = 1 US\$ = INR 63.7147	INR
3	Share Capital	00.63	00.63	01.00
4	Reserve & Surplus	(06.43)	65.26	---
5	Total Assets	220.96	1426.04	15.87
6	Total Liabilities	220.96	1426.04	15.87
7	Investments	648.39	---	---
8	Turnover	12.86	1277.19	---
9	Profit before taxation	(02.97)	147.58	---
10	Provision for taxation	---	---	---
11	Profit after taxation	(02.97)	147.58	---
12	Proposed Dividend	---	---	---
13	% of shareholding	100 %	100 %	100 %

## Notes :

- Names of subsidiaries which are yet to commence operations : Jasch Automation Ltd.
- Name of subsidiaries which have been liquidated or sold during the year : None
- During the year, the company had no associates / joint ventures, hence Part B of this report is not applicable.
- In the above table JIL stands for Jasch Industries Ltd, JNAC stands for Jasch North America Co. WOS stands for Wholly Owned Subsidiary, B/S stands for Balance Sheet and P/L stands for Profit and Loss statement.

**JASCH INDUSTRIES LTD**  
(CIN : L24302HR1985PLC022756)  
REGD OFFICE : 43/5, BAHALGARH ROAD,  
P. O. BAHALGARH, DISTT. SONIPAT 131 021 (HARYANA)

Dear Shareholder(s),

Dated .....

**Sub. : Service of Documents through Electronic Mode**

The Ministry of Corporate Affairs, Government of India, has notified Section 101 of the Companies Act, 2013 and the other rules governing the said Act. As per Rule 18(3)(1) of Chapter VII and Rule 11 of Chapter IX, the Company is requesting for a positive consent from its members to receive Notices of General Meeting/Postal Ballot, Annual Report and other shareholders communication. This will enable you to receive such notice(s)/Annual Reports(s)/documents(s)/Communications(s) etc., promptly and without loss in postal transit.

Once we receive your positive consent, henceforth, Notices of Meetings, Annual Reports, Directors' Report, Auditors' Report and other shareholders communication will be sent to you electronically to your email address as provided by you AND/OR made available to the Company by the Depositories viz. National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL).

As and when there are changes in your e-mail address, you may update the same with your Depository Participant (DP). For shares held in physical form, you can register your e-mail address with the Company's Registrar M/s. Alankit Assignments Ltd, (Unit : Jasch), 2E/21, Jhandewalan Extension, New Delhi 110055" mentioning your name(s) and folio Number.

Please note that if you still wish to get a physical copy of the above documents, the Company will send the same, free of cost, upon receipt of a request from you.

We look forward to your support.

Thanking you,

Yours faithfully,  
For Jasch Industries Ltd  
Sd/-  
S.K. Verma  
Company Secretary

---

To,  
M/s. Alankit Assignments Ltd,  
(Unit : Jasch),  
2E/21, Jhandewalan Extension,  
New Delhi 110055

Dear Sir,

As per your letter dated \_\_\_\_\_, I/We submit to you as under:

- 1) I/We hereby give my/our CONSENT to the Company to use my/our registered email id in my/our demat account with the Depository Participant for serving members related documents, under the Companies Act, 2013 (Please tick mark (✓) appropriately)

DP ID/Client ID: \_\_\_\_\_

Yes  NO

- 2) Kindly use my/our Email Id: \_\_\_\_\_ for serving the documents for Physical

Folio No. \_\_\_\_\_

Yes  NO

Thanking You,  
Yours faithfully

Name of Sole/First Holder: \_\_\_\_\_ Signature: \_\_\_\_\_

DP ID	
Client ID	

**JASCH INDUSTRIES LTD**  
Registered Office : 43/5, Bahalgarh Road  
P. O. Bahalgarh-131021, Distt. Sonipat (HARYANA)

L. F. No.	
No. of Shares held	

**ATTENDANCE SLIP**

I/We being the shareholder/valid proxy of the shareholder (strike off whichever is not applicable) hereby record my/our presence at the Annual General Meeting of Jasch Industries Ltd held at its Registered Office at 43/5, BAHALGARH ROAD, P. O. BAHALGARH-131021, DISTT. SONIPAT (HARYANA), INDIA on ..... at 10.00 A.M.

NAME OF THE SHAREHOLDER	
NAME OF THE PROXY, (applicable if a valid proxy has been lodged)	

Tear Here

**FORM NO. MGT-11 (PROXY FORM)**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management & Administration) Rules, 2014]

CIN	L24302HR1985PLC022758
Name of the Company	JASCH INDUSTRIES LTD
Registered Office	43/5 Bahalgarh Road, Sonipat, Haryana 131021
Name of the Shareholder	
Registered Address	
Email ID	
Folio No./Client ID	
DP ID	

I/We being the shareholders of \_\_\_\_\_ shares of the above named company, hereby appoint :

1	Name	
	Address	
	Email ID	
	Signature	

Or failing him

2	Name	
	Address	
	Email ID	
	Signature	

Or failing him

3	Name	
	Address	
	Email ID	
	Signature	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the \_\_\_\_\_th Annual General Meeting of the Company to be held on \_\_\_\_\_ day the \_\_\_\_\_ of \_\_\_\_\_ at \_\_\_\_\_ hours at the Registered Office of the Company at 43/5, Bahalgarh Road, Sonipat, Haryana and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.	Subject matter of Resolution	Voted For or against (please tick)	
		For	Against
1	Adoption of Annual Accounts for the Financial Year 2016-17		
2	Approval of re-appointment fo Shri Navneet Garg, retiring director		
3	Appointment of Statutory Auditor & fixing their remuneration		
4	Approval of re-appointment and remuneration of Shri Manish Garg as Executive Director		
5	Ratification of remuneration of Cost Auditors		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

Signature of shareholder :

NOTE : This form of proxy in order to be effective should be completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

Please Affix  
₹ 1/  
Revenue  
Stamp  
and sign across it



REGISTERED BOOK POST

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 : 011-66173923

Website : [www.jaschindustries.com](http://www.jaschindustries.com)