

NOTICE OF 34TH ANNUAL GENERAL MEETING

To

The Members,

NOTICE is hereby given that the 34th Annual General Meeting of Members of JASCH INDUSTRIES LIMITED will be held on Monday, the 24th August 2020 at 10:00 hours IST through Video Conferencing/Other Audio Visual Means to transact the following business:

ORDINARY BUSINESS

ITEM NO. 1: To receive, consider and adopt the audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31st March 2020 and the Reports of the Directors and the Auditors thereon.

ITEM NO. 2: To appoint a Director in place of Shri Ramnik Garg (DIN : 00188843), a non-independent director, who retires by rotation, and being eligible, offers himself for re-appointment as non-independent director.

SPECIAL BUSINESS

ITEM NO. 3: To ratify remuneration of Cost Auditors for the financial year 2020-21 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 2020-21 on the recommendations of the Audit Committee for an annual remuneration of Rs. 50,000 plus GST, as applicable, plus out of pocket expenses, be and is hereby ratified."

ITEM NO. 4: To appoint Ms. Neetu as an Independent Director 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 the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, and other applicable laws, if any, Ms Neetu (DIN : 07039867), be and is hereby appointed as an Independent Director for a period of five years from the conclusion of this Annual General Meeting."

ITEM NO. 5: To appoint Shri Manish Garg as an Executive Director 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, appointment of Shri Manish Garg (DIN : 00188959) as an Executive Director of the Company, made by the Board for a period of three years from 01-10-2019 to 30-09-2022 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 other monetary and non-monetary benefits and on such terms and conditions as are contained in the Remuneration Policy of the Company earlier framed by the Nomination & Remuneration Committee and approved by the Board, details of which are contained in the explanatory statement annexed with the notice."

ITEM NO. 6: To amend Clause II of the Memorandum of Association of the Company 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 Section 13(4) of the Companies Act, 2013, Rule 30 of the Companies (Incorporation) Rules, 2014 and other applicable provisions, if any, of the laws (including any statutory modification or re-enactment thereof for the time being in force) and subject to approval of the Central Government and any other authority as may be required, the existing Clause II of the Memorandum of Association of the Company (which reads as "II. The Registered Office of the Company will be situated in the State of Haryana.") be altered and substituted with the following:

II. The Registered Office of the Company will be situated in the National Capital Territory of Delhi."

"RESOLVED FURTHER THAT to give effect to the aforesaid alteration, all the Directors and the Company Secretary of the Company be and are hereby severally authorized to file this special resolution with the Registrar of Companies, release necessary newspaper advertisements, finalise list of creditors, make an application to the Central Government, serve the requisite notice by registered post with acknowledgement due to the Registrar of Companies, the Securities & Exchange Board of India and other authorities/persons and also to do all such acts/deeds/things as may be necessary and/ or incidental for the purpose aforesaid."

NOTICE OF 34TH ANNUAL GENERAL MEETING

"RESOLVED FURTHER THAT the aforesaid authorised signatories of the Company, be and are hereby severally authorised to appear before the aforesaid authorities, to make corrections, additions, modifications, alterations in the aforesaid application or other documents under their signatures on behalf of the Company and to receive fresh Certificate of Incorporation from the Registrar of Companies."

"RESOLVED FURTHER THAT the aforesaid authorised signatories be and are hereby authorised to engage any professional(s) and delegate to him/her/them any of the authorities conferred by this Special Resolution."

By Order of the Board of Directors
For JASCH INDUSTRIES LTD

S.K. VERMA
COMPANY SECRETARY

Place : Sonipat
Date : 13-06-2020

NOTES

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has, vide its circulars dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing/Other Audio Visual Means ("VC/OAVM"), without the physical presence of the Members at a common venue. Accordingly, the AGM of the Company is being held through VC/OAVM. Instructions for attending the meeting through VC/OAVM and remote e-voting are attached.
2. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act ("the Act"). Since physical attendance of Members has been dispensed with, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. Likewise, the Route Map is also not annexed with this Notice.
3. In line with the aforesaid MCA Circulars and SEBI Circular, Notice of the AGM, along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories ("DP"). Public notices were released by the Company, requesting all the members to intimate/update their email ids with their DPs/Registrars of the Company. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.jaschindustries.com, website of BSE Limited (www.bseindia.com) and website of Central Depository Services Ltd (evoting.cdsindia.com).
4. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to items of Special Business is attached and forms part of this notice.
5. Details in respect of the Director(s) seeking appointment/re-appointment at the AGM are contained in the Corporate Governance Report and the same form part of the notice. The Director(s) have furnished the requisite declarations for their appointment/re-appointment.
6. The Company has given a public notice and has also notified the Stock Exchange that the Register of Members and Share Transfer Books of the Company will remain closed from 24-07-2020 to 27-07-2020 (both days inclusive) in connection with the AGM.
7. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their DPs 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 of the Company.
8. All documents referred to in the accompanying Notice and the Explanatory statement shall be open for inspection at the Registered office of the Company during normal business hours (9:30 am to 5:00 pm) on all working days except Saturdays, up to and including the date of the AGM of the Company.
9. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking re-appointment at this AGM are annexed.
10. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorizations shall be sent to the Scrutinizer by email through its registered email address to cs.goelaakash@gmail.com with a copy marked to evoting@csdl.co.in
11. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.
12. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Company's Registrars in case the shares are held by them in physical form. Positive consent letter is also attached for giving consent to receive all future documents in electronic mode.
13. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFS Code, etc., to their DPs in case the shares are held by them in electronic form and to Company's Registrars in case the shares are held by them in physical form.
14. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their DPs in case the shares are held by them in electronic form and to Company's Registrars in case the shares are held in physical form.
15. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company's Registrars, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
16. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
17. Members seeking any information with regard to the accounts or any matter forming part of the business to be transacted at the AGM, are requested to contact to the Company on or before 17-08-2020 through email on skverma@jasch.biz. The same will be replied by the Company suitably.
18. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in. For details, please visit website of the Company www.jaschindustries.com.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Explanatory Statement in respect of Item No. 3 relating to ratification of Remuneration of Cost Auditors

Under Section 148 of the Companies Act, 2013, the Company is required to appoint Cost Auditors for the financial year 2020-2021. On the recommendations of the Audit Committee, the Board re-appointed M/s. Vipul Bhardwaj & Co., Cost & Management Accountants as the Cost Auditors of the Company for the Financial Year 2020-2021 for a remuneration of Rs. 50,000 (Rupees Fifty Thousand only) plus applicable GST. For the year 2019-2020, they were paid a remuneration of Rs. 45,000 plus applicable GST. Under provisions of Rule 14 of Companies (Audit & Auditors) Rules, 2014, this remuneration is subject to ratification by the shareholders.

The Board of Directors recommends the resolution set out at item no. 3 for the ratification of the shareholders of the Company as an ordinary resolution. None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item no. 3.

Explanatory Statement in respect of Item No. 4 relating to appointment of Ms. Neetu as an Independent Director

In terms of Section 149 of the Companies Act, 2013, every listed company is required to have at least one-third of the total number of its Directors as independent directors. Under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") a company having an executive chairman (as is the case of the Company), is required to have at least one-half of the total number of its Directors as independent directors and at least one of them should be a woman director. In accordance with law, an independent director shall hold office for a term upto five consecutive years but shall be eligible for re-appointment for another term of upto five years on passing a special resolution.

On the recommendation of the Nomination & Remuneration Committee, in the Board Meeting held on 14th August, 2019, Ms. Neetu was appointed by the Board as an Additional Director (Independent) with effect from 01st September 2019. In accordance with law, she holds office only upto the ensuing Annual General Meeting. Based on the performance evaluation of Ms. Neetu done by the Nomination & Remuneration Committee (as an Additional Director), which it found to be good, the Committee has recommended her appointment as an Independent Director for a term of five years with effect from the conclusion of the ensuing Annual General Meeting.

Ms. Neetu is a 40 years' old post-graduate in Economics and Chief Executive & Director of Sri Balaji Woven Labels Pvt Ltd. She has over 15 years' experience in the field of finance, purchase, marketing, working capital management, designing, production and HR. Besides this Company, she is not, as reported by her, on the Board or Committee of any other Company. Further, she is not reported to be holding any shares in the Company either in her individual capacity or beneficially for others and is not related to any Director of the Company. She has confirmed to the Board about her independence and adherence to Code of Conduct for Directors. In the opinion of the Board, she is a person of integrity and possesses relevant expertise and experience and is not related to any promoter of the Company. She fulfils the conditions for her eligibility to be appointed as independent director as specified in the Companies Act, 2013 and rules made thereunder as well as in the Listing Regulations and she is independent of the management. The directors are of the view that her appointment will be of immense benefit to the Company and recommends her appointment for a period of five years, as proposed in the Special Resolution. Proposed terms and conditions of her appointment are available at the website of the Company www.jaschindustries.com under the tab "Filings & Disclosures/Appointment & Training of IDs."

It is proposed to appoint Ms. Neetu as an Independent Director for a term of five years with effect from the conclusion of the ensuing Annual General Meeting. If appointed as independent director as proposed, she will not be liable to retire by rotation. The proposed appointee has also given her consent to act as director.

The Board of Directors recommends the resolution set out at item no. 4 for the approval of the shareholders of the Company as a special resolution. Except the proposed appointee, none of the Directors or key managerial personnel are concerned or interested, financially or otherwise, in the proposed special resolution.

Explanatory Statement in respect of Item No. 5 relating to appointment of Shri Manish Garg as an Executive Director

At the 31st Annual General Meeting of the Company held on 27.09.2017, Shri Manish Garg (DIN: 00188959) was re-appointed as Executive Director, for a period of three years i.e. from 29.09.2017. Consequent upon his acquiring Maltese Citizenship and renouncing Indian Citizenship, he temporarily lost eligibility to work in India until he obtained a work permit or Overseas Citizen of India ("OCI") status. Accordingly, he resigned from the executive post w.e.f. 01.06.2019, but continued to be a director of the Company.

Later, he obtained OCI status and, on the recommendation of the Nomination & Remuneration Committee, he was appointed Executive Director on whole time basis for a period of three years w.e.f. 01.10.2019. The fixed part of his remuneration was approved as Rs. 4,25,000. The variable part of his remuneration was in accordance with the Remuneration Policy of the Company (extracted below). The appointment and remuneration were subject to approval of the Annual General Meeting.

In accordance with Remuneration Policy of the Company, the remuneration of key managerial personnel (which term includes managing director and whole time directors) is divided into two parts: fixed and variable. In addition to the fixed part of the remuneration, the key managerial personnel are entitled to variable incentive pay and other monetary and non-monetary benefits. Details of these monetary and non-monetary benefits and terms & conditions of their employment, as contained in the Remuneration Policy, are given below:

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;

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

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.

The total annual remuneration of Shri Manish Garg, after taking into consideration both fixed pay, variable incentive pay and perks at annual profit level of the financial year 2019-20, will be Rs. 80,29,818 which, taken together with the remuneration of other executive directors/managing director, is well within the limits laid down by law in case of inadequacy of profit.

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

I. General Information :	
(a) Nature of Industry	Manufacture of Technical Textiles, PU resin & Electronic Gauges
(b) Date or expected date of commencement of commercial production	Not Applicable as the Company is already into commercial production since over two decades
(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
(d) Financial performance based on given indicators	Financial Year 2019-20 Gross Income: Rs. 13077.65 lakh Operating Profit: Rs. 858.48 lakh Profit after tax: Rs453.72 lakh Earnings per share of face value of Rs. 10 : Rs 4.00
(e) Foreign investment or collaborations, if any	Nil
II. Information about the appointee:	
1. Name : Shri Manish Garg	
(a) <u>Remuneration</u> : Rs. 4,25,000 plus incentive pay and perks details which are mentioned elsewhere in this statement.	
(b) <u>Background details, job profile, suitability & past remuneration</u> : Shri Manish Garg, 46, is a Post-Graduate in Electronics from the Indian Institute of Technology, Mumbai. He was initially appointed on 1 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. 29 July, 2002. His field of specialization is development of plant automation equipment(nucleonic non-contact industrial gauges) and management. His last re-appointment as executive director for a period of three years w.e.f. 29.07.2017 was approved by Annual General Meeting held on 27 th September 2017. In the opinion of the Nomination & Remuneration Committee and the Board, he is suitable to hold this position. He has not received any awards or recognitions. Shri Manish Garg also holds Directorship on the Board of Gesco Automation Ltd and Jasch Automation Ltd (both under voluntary strike off). The fixed part of his immediate past remuneration was Rs. 4,25,000 per month plus incentive pay and perks, details of which are contained elsewhere in this Explanatory Statement and form part of this "Additional Information". Comparative remuneration profile is not available as similar products (nucleonic non contact industrial gauges) are not being manufactured in India. Shri Manish Garg holds 12,91,969 shares in the Company as on 31st March, 2020. He has attended three out of four Board Meetings held in Financial Year 2019-2020. As regards inter se relationship between Shri Manish Garg and other directors, Shri Jai Kishan Garg (Managing Director) and Smt Kamlesh Garg promoter) are the parents and Shri Ramnik Garg and Shri Navneet Garg (Executive Directors) are the brothers of Shri Manish Garg.	
III: OTHER INFORMATION:	
(a) Reasons for loss or inadequate profits: During the year under report, the Company earned a profit of Rs. 1429lakh (as computed under Section 198). Keeping in view the "effective capital" of the Company which is in the range of Rs. 500 lakh– 10000 lakh, Schedule V permits payment of an annual remuneration not exceeding Rs. 84 lakh(or more after passing a special resolution), as against the aforesaid remuneration proposed to be paid to Shri Manish Garg. However, since the profit of the Company is inadequate to pay remuneration to managing director and whole time directors within the ceiling of 10% of profit, remuneration as prescribed under Schedule V is being paid to them. 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. Instead of appointing non-directors (whose remuneration may not have attracted provisions of law relating to 'managerial remuneration') as functional heads in each division, the Company has made these appointments at executive 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.	

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

- (b) **Steps taken or proposed to be taken for improvement:** The Company has increased the length of the oven/heaters used for manufacturing PVC coated fabrics. This has increased the speed of production. The Company is also concentrating more on PU coated fabrics segment where margins are high. Moreover, steps are being taken to expand the market size. In this direction, the Company has obtained ISO 14001:2015 certification relating to environment, An ISO 9001:2008 certification relating to quality management systems and IATF 16949 : 2016 certification which the buyer in Automotive Sector insist upon before placing any order. New products development and innovations are also expected to enable the Company to produce quality products at higher speed and low cost and higher profit margin.
- (c) **Expected increase in productivity and profits in measurable terms:** Due to the scare of Covid-19 pandemic and the attendant adverse economic conditions, the management does not expect that there will be any increase in productivity and profits during the year 2020-21, inspite of the above efforts. In fact, the revenues and profits may be substantially lower than that of the year under report.
- IV: **Disclosures:** As mandated, disclosures relating to all elements of remuneration package and other terms of all the whole time directors, required to be mentioned in Board's Report under the head "Corporate Governance", are so mentioned in "Corporate Governance Report" which forms part of the Board's Report.

The Board of Directors recommends the resolution set out at item no. 5 in relation to the appointment of and payment of remuneration to Shri Manish Garg as an Executive Director for the approval of the shareholders of the Company as special resolution.

The proposed appointee himself, Shri Jai Kishan Garg (Managing Director), Shri Ramnik Garg and Shri Navneet Garg, Executive Directors (being relatives of proposed appointee) may be deemed to be concerned or interested in this resolution. No other Director or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the proposed resolution.

Explanatory Statement in respect of Item No. 6 relating to amendment of Clause II of the Memorandum of Association of the company.

A registered office is the official address of an incorporated company. It forms part of the public record. The State in which the registered office of a company will be situated, is required to be mentioned in the Memorandum of Association of Companies. A return in prescribed form is also required to be filed with the Ministry of Corporate Affairs, intimating the exact address of the registered office within the State mentioned in the Memorandum of Association. This address is the place where others can send official documents, legal notices, etc and also determines the jurisdiction of various authorities under the law.

At present, the Company's Registered Office is situated at Sonipat in the State of Haryana. Till sometime ago, the Delhi office of the Registrar of Companies had jurisdiction over the Company. But now, with the changes brought out by Government of India, the Chandigarh Office of the Registrar of Companies has this jurisdiction.

In terms of the provisions of section 13 of the Companies Act, 2013, the registered office of the Company may be shifted from one state to another state e.g. from the State of Haryana to the NCT of Delhi after obtaining approval of the members and confirmation of the Central Government and completion of other formalities.

The border of the National Capital Territory (NCT) of Delhi starts at the distance of about 20 KMs from the registered office of the Company, whereas Chandigarh is at a distance of about 200 KMs from the Registered Office of the Companies, which will make it difficult to liaise with the latter office. Moreover, situation of Registered Office is one of the deciding factors where the legal proceedings by or against a Company can be launched.

A substantial majority of companies clients (for raw materials and finished goods) are located in Delhi and beyond and the Company does not have much clientele northward towards Chandigarh. It is, therefore, proposed to shift the Registered Office of the Company from the State of Haryana to the NCT of Delhi. This requires the approval of the proposed amendment in the Memorandum of Association of the Company by means of a special resolution, approval of Central Government and completion of other formalities.

The Board of Directors recommends the aforesaid resolution for the approval by the members as special resolution. None of the Director or key managerial personnel of the company and their relatives are concerned or interested, financially or otherwise in the proposed resolution.