

JASCH INDUSTRIES LIMITED**Regd. Office & Works:**

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CIN : L24302HR1985PLC022758

JI/SE

27th May, 2017

The General Manager

Department of Corporate Services

BSE Limited, P J Tower, Dalal Street

Fort, Mumbai - 400 001es

Sub.: Outcome of Board Meeting

Dear Sir,

As you are aware, in the Board Meeting held on February 23, 2016 a Scheme of Demerger of Company's business of manufacturing of industrial gauges and equipment into its wholly owned subsidiary, namely, Jasch Automation Limited, was approved. Subsequently, upon receipt of "observation letter" dated 23rd June, 2016 from BSE Limited, a petition was filed with the High Court of Punjab & Haryana at Chandigarh and on Court's directions, meetings of the equity shareholders and unsecured creditors were convened. These meetings had approved the Scheme with requisite majority.

Filing of the second petition with the High Court for approving the Scheme of Demerger was delayed due to a Notification by the Central Govt by which this matter was notified to be transferred from High Court to National Company Law Tribunal (NCLT), NOIDA Bench. Subsequently, this notification was amended and the matter was notified to be transferred to NCLT, Chandigarh Bench. Immediately after the above said issue was resolved, the news that there is going to be a general consensus among the Indian States regarding Goods & Service Tax Act, gained momentum and it became necessary to assess the impact of new tax regime on proposed demerged entities. Another significant event that took place was that an offer was made by management of Automation & Control Technology (a company incorporated in the US and in the business of industrial automation) to take it over. Acquisition of assets of ACT has already been brought to your notice vide our letter dated 08-03-2017.

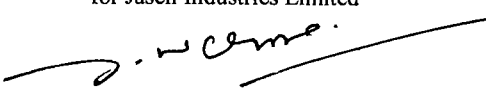
This matter was taken up in the Audit Committee Meeting and the Board Meeting held on 27th May, 2017. Both these Meetings felt that the effect of changed circumstances i.e. restructuring of taxation regime by the Central Government, the continuous downward trend of the US Dollar versus Indian Rupee and the trend of domestic and US economy cannot be predicted with reasonable accuracy at this stage. The cushioning impact of the non-availability of inter division cash flows for servicing the debt and interchangeability of excess/shortfall of interdivision tax credit input, may no longer be available to the Company post demerger. Moreover, after the proposed demerger, both these Companies will become too small to invest any significant amount abroad and will have to forego any further lucrative opportunities that the future may have to offer to them, which may not be in the best interests of the Company and the stakeholders.

After carefully reconsidering the matter, the Board has formed the opinion that the proposed Scheme of Demerger may no longer be in the beneficial interest of the Company and the stakeholders and accordingly has decided not to file the second petition with the NCLT. Accordingly, on the recommendations of the Audit Committee, the Board has decided to abort and not to proceed further with the Scheme of Demerger, subject to approval of BSE, High Court/NCLT, if such approvals are required.

This is for your information and record, please.

Thanking you,

Yours sincerely,
for Jasch Industries Limited



S K Verma
Vice President &
Company Secretary