



*15th*  
***Annual Report***  

---

***2002-2003***

**CERTIFIED TRUE COPY**

For JAUSS POLYMERS LIMITED

DIRECTOR

**JAUSS POLYMERS LIMITED**

**BOARD OF DIRECTORS**

**Dildeep Singh Sethi**

Managing Director

**Amarjit Singh**

Nominee of PSIDC

**Manoj Pandey**

Director

**Debashish Bhattacharya**

Director

**AUDITORS**

**V.K. Dhingra & Co.**

Chartered Accountants

E-1/15, Jhandewalan

New Delhi-110 055

Report Junction.com

**INTERNAL AUDITORS**

H. Kumar & Associates

**REGISTERED OFFICE**

F-24, Village Bharthal, Brijwasan,  
Pushpanjali Farms, New Delhi-110 061

**WORKS**

**Plant-I**

Chanaloh Kurali  
Dist. Ropar, Punjab (India)

**Plant-II**

Baddi, Himachal Pradesh  
(India)



5. In the case of Joint holders, if more than one holder intend to attend the meeting they must obtain additional admission slips on request from the Registered Office of the Company.
6. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, annexed and forming part of the Notice, Convening the Fifteenth Annual General Meeting.
7. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting is separately annexed hereto.
8. AS PER THE AMENDED SECTION 205(C) OF THE COMPANIES ACT, 1956 THE COMPANY IS TO MAINTAIN UNPAID/ UNCLAIMED DIVIDEND ACCOUNT FOR A PERIOD OF SEVEN YEARS AND THEREAFTER TRANSFER IT TO INVESTOR EDUCATION AND PROTECTION FUND OF CENTRAL GOVERNMENT. HENCE MEMBERS WHO HAVE NOT ENCASHED/RECEIVED THEIR DIVIDEND WARRANTS MAY APPROACH THE COMPANY AT ITS REGISTERED OFFICE FOR FRESH PAY ORDER /DRAFTS OR CHEQUES, WHATEVER IS CONVENIENT TO THEM.

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

##### **Item no. 4.**

Mr. Dildeep Singh Sethi is a Promoter Director of the Company and was appointed as Managing Director of the Company in terms of the Provisions of the Companies Act 1956 w.e.f. 24.07.98 for a period of Five years on the terms and conditions as to remuneration etc. as approved by the Board of Directors and the members in the General Body meeting held on 30.03.1999. His term as Managing Director expired on 23.07.2003. However, keeping in view the key position held by Mr. Dildeep Singh Sethi the Board of Directors of the Company in their meeting held on 30.04.2003 approved his reappointment for a further period of five years, which is subject to the approval of the members of the Company on the revised terms and conditions as to remuneration etc. as detailed as under:

##### **I. REMUNERATION PACKAGE OF SH. DILDEEP SINGH SETHI**

Salary: Rs.30,000/- per month.

##### **II. PERQUISITES**

###### **CATEGORY 'A'**

- a) Housing: Company leased accommodation will be provided to him.
- b) Gas, Electricity, and Water: The Company will reimburse the expenses on gas, electricity and water subject to the maximum expenses of Rs. 3000/- per month.
- c) Medical Reimbursement:  
Expenses incurred for self and wife on actuals including premium for Medclaim subject to a maximum of Rs.25,000/- per annum
- d) LTC/LTA: LTC for self, wife, dependent children and dependent parent twice in a year and from any place in India upto a maximum of Rs.25,000/- per annum.

###### **CATEGORY 'B'**

- e) Corporate Membership of one Club.
- f) Motor Car- Reimbursement of car expenditure for official use incurred by the Director including normal wear and tear/ driver's salary, insurance of car etc. and personal use, if any, of car will be recovered @ Rs. 1500/- per month.
- g) Telephone - Provision of telephone at residence and a mobile telephone
- h) Provision of car for use on the Company's business and telephone at residence and mobile would not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose would be billed to the Executive Director.
- i) Personal Accident Insurance.

##### **OTHER TERMS:**

- j) Sitting Fees: He will not be entitled to sitting fees for attending meetings of the Board or Committee(s) thereof.
- k) Reimbursement of Expenses: Reimbursement of travelling, entertainment and other expenses incurred by him during the course of business of the Company.
- l) Earned Leave: 15 days leave with full pay and allowance for every completed 12 months service. However, unavailed leave accumulated during the tenure, as Managing Director will be allowed to be encashed on cessation of employment as Managing Director.
- m) The remuneration as aforesaid shall be paid as minimum remuneration to Sh. Dildeep Singh Sethi in the event of absence or inadequacy of profits in any financial year during the tenure of the appointment.

The Board of Directors may increase the remuneration of Sh. Dildeep Singh Sethi, Managing Director of the Company from time to time during his tenure. However, his total remuneration shall not exceed the limit admissible under the Companies Act, 1956.

**JAUSS POLYMERS LTD.**  
***Fifteenth Annual Report***

None of the Directors except Mr. Dildeep Singh Sethi is interested in this Resolution .

This Should be considered as an abstract of the terms of the appointment of Shri Dildeep Singh Sethi as Managing Director of the Company and a Memorandum as to the nature of the concern or the interest of the Directors in the said appointment as required under Section 302 of the Companies Act ,1956

**ITEM NO. 5**

The Equity Shares of the Company are presently listed on the following Six Stock Exchanges in India :

- The Delhi Stock Exchange Association Limited, Delhi (DSE)
- The Jaipur Stock Exchange
- The Stock Exchange , Mumbai (BSE)
- The Stock Exchange Ahmedabad
- Calcutta Stock Exchange Association Limited,
- The Ludhiana Stock Exchange.

Since the members are aware that there has been no trading of the Companies Equity Shares on the any Stock Exchange for the last several years, and in view of the continuous tough conditions prevailing in the market it will be beneficial for the company to get its share delisted from all the Stock Exchanges except Mumbai Stock Exchange Most/majority of the trading of the equity shares is being done through BSE and BSE have extensive networking of trading terminals, which facilitates trading by Members/Investors across the Country. The trading volumes in the Company's shares on the other Stock Exchanges are either nil or insignificant. Continued listing on such Stock Exchanges neither serves the interest of the Members/investors nor that of the Company.

In view of the above and further to avoid incurring of unproductive cost and interaction with so many Stock Exchanges, it is felt desirable to discontinue the listing of the equity shares of the Company from some of the Stock Exchanges. Accordingly the Board of Directors of your Company ("the Board") at its Meeting held on 4th September ,2003 have recommended for the approval of the Members, the proposal to voluntarily delist the Company's shares from the Stock Exchanges at Ahmedabad, Ludhiana, Jaipur , Kolkatta and Delhi. The Company's shares will however continue to be listed on the BSE.

In accordance with the Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003, consent of the Members by way of a Special Resolution is required for voluntary delisting of the Company's shares from the aforesaid Stock exchanges.

The Board of Directors recommend the Resolution for your approval.

None of the Directors is concerned or interested in the Resolution.

By the Order of the Board  
On Behalf of the Jauss Polymers Ltd.

PLACE : New Delhi  
DATE : 4th September, 2003

(Dildeep Singh Sethi)  
Managing Director

**Details of the Directors seeking appointment / re-appointment in Annual General Meeting fixed on 30th September, 2003. (In Pursuance of Clause 49 of the Listing Agreement)**

Name of Directors	Mr. Debashish Bhattacharya
Date of Birth	28/06/1962
Date of Appointment	28/12/2001
Expertise in specific functional area	Accounts & Finance
Qualification	B. Com. (P)
Chairman / Member of the committee of the Board of Directors of the company	(i) Member of Audit Committee (ii) Chairman of Shareholders Grievance cum-Share Transfer Committee
Chairman / Member of the committee of the Board of Directors of other company	Nil

## DIRECTORS' REPORT

### TO THE MEMBERS JAUSS POLYMERS LIMITED.

Your directors hereby present the 15th Annual Report together with the Audited Accounts of the company for the financial year 2002-2003.

#### 1. FINANCIAL HIGHLIGHTS

	(Current Year)	(Rs. In lacs) (Previous Year)
SALES AND OTHER INCOME	229.23	(381.65)
PROFIT (LOSS) BEFORE FINANCIAL CHARGES AND DEPRECIATION	37.92	(23.08)
DEPRECIATION	109.98	139.66
FINANCIAL CHARGES	283.07	(309.20)
PROFIT (LOSS) FOR THE YEAR	(355.13)	(444.83)
BALANCE (LOSS)/ PROFIT CARRIED TO BALANCE SHEET	(2805.62)	(2449.35)

#### 2. OPERATIONS

As you are already aware that the company is passing through a difficult period which has further worsened due to the ongoing recessionary conditions prevailing in the market. On account of severe competition in the PET market the company had to work on lower margins in order to ensure business volumes.

During the year under review the company achieved a turnover of Rs.225.57 ( 12 Months)Lacs as compared to the previous year turnover of Rs.378.32 Lacs(15Months) showing a major decline . During the year under review the company has incurred net loss of Rs 355.13 Lacs and the total accumulated losses till March 31st, 2003 are Rs.2805.62 Lacs. The Company has made cash profit of Rs. 37.92 Lacs during the year as compared to cash profit of Rs. 23.08 Lacs in the previous year.

#### 3. FUTURE OUTLOOK

During the year under review the company has initiated various cost saving measures to improve the net sale margins. Further the company has a lot of potential to develop and manufacture international standard quality of PET Jars. To achieve greater operational efficiency, saving in cost and to exploit the inherent strength of the existing infrastructure various measures have been introduced. Special emphasis is being given to improve timely services to the customer.

#### 4. BOARD OF DIRECTORS

During the year under review, Mr. Manoj Pandey and Mr. Debashish Bhattacharya were appointed Directors of the Company. Mr. Debashish Bhattacharya, Director who will be retiring by rotation, being eligible offers himself for re-appointment.

#### 5. Audit Committee

During the year under review an Audit Committee was constituted by the Board of Directors consisting of three non executive Directors viz. Mr. Manoj Pandey, Mr. Amarjit Singh and Mr. Debashish Bhattacharya.

The Audit Committee ,reviews the audit plans ,observations and and reports of the internal Audit department and follows up with the implementations with necessary corrective action. It also oversees the Company's Financial reporting process and the disclosures made in the Financial statements and ascertains from the Company's statutory Auditors their views as to the adequacy of t internal control systems. The recommendations of the Audit Committee are submitted to the Board of Directors of the Company.

#### 6. CORPORATE GOVERNANCE REPORT

The company has been taking steps to attain higher level of transparency, accountability and equity in order to enhance customer satisfaction and stakeholders value. Efforts are being made not only to comply with the regulatory requirement but also by being responding to the stake holders and customer needs. The company has already established an audit committee and a committee to look after their various activities. The detailed Corporate Report and Auditors certificate thereon are being attached with the Annual Report.

#### 7. DIRECTORS RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217(2AA) OF THE COMPANIES ACT, 1956.

The directors hereby confirm:

- i) that in the preparation of annual accounts the applicable accounting standards had been followed along with proper explanation relating to material departures;





## **JAUSS POLYMERS LTD.**

### ***Fifteenth Annual Report***

- ii) that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.
- iii) that the directors had taken proper and sufficient care for the 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 fraud and other irregularities;
- iv) that the directors had prepared the annual accounts on a going concern basis.

#### **8. NOTE ON REFERENCE TO B.I.F.R**

As the members are already aware that the accumulated losses of the company have exceeded the net worth in the Financial Year 1998-99. Consequently the your company was referred to the BIFR (Board of Industrial & Financial Reconstruction) and has been duly registered with the same and in this regard IDBI was appointed as an Operating Agency.

The scheme of rehabilitation of the company is under consideration of BIFR and the company is examining various options available in consultation with the operating agency IDBI. The members of the Company will be informed in this regard as and when the proposal is accepted by the BIFR. Further the company is in advance stage of negotiations and consultation with its creditors to make the networth of the Company positive within a reasonable time frame.

#### **9. FIXED DEPOSITS**

The liability of account of fixed deposits was Rs.6,01,000/- at the beginning of the financial year. In spite of financial constraints, the Company is repaying the depositors on demand. Further during the year under review company has not accepted any fixed deposits. Total outstanding balance of the fixed deposits on 31.03.2003 was Rs. 571,000/-.

#### **10. LISTING ON STOCK EXCHANGE**

Names of the Stock Exchanges in which the shares of the Company are currently listed for trading:

##### **Stock Exchange**

The Delhi Stock Exchange Association Limited  
 The Stock Exchange, Mumbai  
 The Stock Exchange, Chennai  
 The Stock Exchange, Ahmedabad  
 The Kolkatta Stock Exchange Association Limited  
 The Ludhiana Stock Exchange Association Limited

#### **11. INTERNAL CONTROL SYSTEMS**

Your company's internal control system comprise of management reporting system as well as inspection of the operations of the company by internal audit checks carried out on regular basis.

#### **12. AUDITORS**

M/s V.K. Dhingra & Co., Chartered Accountants, the Auditors of the Company hold office until the conclusion of this Annual General Meeting and being eligible offer themselves for re-appointment. The necessary certificate as required u/s 224 (1B) of the Companies Act, 1956 has been received from the above named auditors.

#### **13. AUDITORS' REPORT AND NOTES ON ACCOUNTS**

##### **Comments on the Auditors' Observations:**

##### **a. Reply to point no. 3 F(I) of the Auditors Report**

Regarding non confirmation of balances the company had sent letters to most of the parties but the confirmation from them were not received except in few cases. However, from the current year the company will be writing to all the parties for confirmation of all debit and credit balances to ensure that all the confirmations be received on time.

##### **b. Reply to point no. 3 F(II) of the Auditors Report**

The company has intimated the shareholders through news papers and individual letters about their unclaimed dividend. The company has paid those shareholders who have approached the company and is again sending letters to them. The shareholders who have not received their unclaimed dividend are requested to immediately contact the company. Thereafter company will transfer the remaining unclaimed dividend to the account of Investor Education & Protection Fund.

##### **c. Reply to point no. 3 F(III) of the Auditors Report**

In view of the continuous losses incurred by the company the lenders have been requested to waive the interest payable to them and the company is hopeful of getting the interest fully waived on outstanding ICD's therefore, no provision of interest have been made in the account. Further during the year under review the company has also settled some of the ICD's.

**d. Reply to point no. 3 F(iv) & (v) of the Auditors Report**

With regard the provision of interest liability as referred by the auditors, the Director's states that this liability shall finally be worked out as a part of the Rehabilitation package as the exact amount of such liability is not ascertainable as on date. Therefore, the required provision could not be made in the books of accounts. Further the company is in the process of entering into a fresh consent terms with the financial institutions for total dues including interest and the terms and conditions of which are under negotiation. The additional liability on this account occurring, if any, is ascertainable at present. Further the company is also negotiating One Time Settlements with the leading financial institutions, which is under implementation and will yield substantial benefit to the company.

**e. Reply to point no. 3F(vi) of the Auditors Report**

The company is in the process of identifying the suppliers covered under the "interest" on delayed payments to small scale and ancillary undertakings. However, the company has not received any claim for interest on delayed payments from its vendors and hence there is no liability of this account.

**f. Reply to point no. 3F(vii) of the Auditors Report**

The accounts have been prepared to comply in all material aspects with applicable accounting principles, the accounting standards issued by the Institute of Chartered Accountant of India and the relevant provisions of the Companies Act, 1956. Though the company is a sick industrial company as per the Sick Industrial companies (Special Provisions) Act., 1985. The accounts have been prepared on the concept that the company will continue as a going concern.

**g. Reply to point no. 1 Annexures to the Auditors Report:**

Company is in the process of preparation of the Fixed Assets Register and the necessary steps have already been taken in this regard.

**h. Reply to point no. 10. Annexures to the Auditors Report:**

This observation of the auditors have been already explained in the report under the heading Fixed Deposits.

**i. Reply to Point no. 12 Annexures to the Auditors Report.**

During the year under review the company conducted self assessment of overall internal control environment through self assessment audits. However, your Director's have taken note of the auditor's comment that the internal audit system needs to be strengthened to be commensurate with the company size and nature of business. Appropriate steps will be taken in this regard.

**j. Reply to point no. 14. Annexures to the Auditors Report:**

The Management has already instructed that priority should be given for payment of PF & ESI dues despite which small delays have arisen on account of financial stringency and lack of working capital. Further, steps would be taken to ensure that PF & ESI amounts are deposited on time with the appropriate authorities. As far as sum of Rs. 6,05,670/- is concerned which amount belongs to previous year figures and the company has made a proposal in the Rehabilitation Scheme submitted to BIFR to make a part of the Rehabilitation Package. No dues is pending as on 31.03.2003 for the current year. Further there is no default in payment of P.F. dues for the current year.

**k. Reply to Point No. 15 Annexure to the Auditors' Reports**

Efforts are being made to deposit the outstanding amount of TDS and Sales Tax.

**14. PARTICULARS OF EMPLOYEES U/S 217 (2A) OF THE COMPANIES ACT, 1956.**

During the year under review, no employee whether employed for the whole year or part of the year, was drawing remuneration exceeding the limits as laid down under section 217(2A) of the Companies Act, 1956. Therefore, the information as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is not required to be given.

**15. PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUT-GO.**

The information pertaining to the captioned areas are briefed in the ANNEXURE to this report.

**APPRECIATION**

Your Directors wish to place on record their appreciation for the valued Co-operation and assistance extended by various Government Agencies, Bankers of the Company, IDBI, loyal & dynamic executive staff and other workers of the Company. The Board also takes this opportunity to express its deep gratitude for the continuous support received from the shareholders of the Company.

Place : New Delhi  
Date : 4th September, 2003.



For and on behalf of the Board

(Dildeep Singh Sethi)  
Managing Director



**JAUSS POLYMERS LTD.**  
***Fifteenth Annual Report***

**ANNEXURE TO THE DIRECTORS' REPORT**

Particulars as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of Directors' Report for the year ended 31st March, 2003

**1. CONSERVATION OF ENERGY**

The Company is making continuous efforts for reducing energy costs at various levels. The various measures taken by the Company include inter-alia:

- i) PL-9 light fixtures have been installed instead of ordinary bulbs.
- ii) Better monitoring/control on the consumption of electricity/power.
- iii) Close energy audit has been conducted to curb any excess energy & cost.
- iv) Restriction of timing of Air conditioners, and close monitoring of the timings of the air conditioners has helped to reduce the energy cost.
- v) Intensified vigil against wastage and towards conservation awareness.

**2. RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION**

**a) Research & Development**

The Company has indigenously developed moulds, which are being imported by the other Companies in the Industry. During the period under review the company had under taken the repairs of old mould and machinery. Thus, the Company has been able to save precious foreign exchange.

**b) Technology Absorption**

**Efforts**

- a) Continuous adaptation of advanced technology and technical know-how are being made for improving the quality of the product.
- b) New systems were implemented for high quality and productivity.

**Benefits**

- a) Development of sophisticated products and new materials.
- b) Greater participation in Exports.
- c) Exposure to new techniques for production.

**3. FOREIGN EXCHANGE EARNINGS AND OUTGO**

**EARNINGS (Rs.)**

Particulars	Current Year	Previous Year
Exports Sales (F.O.B)	NIL	NIL
<b><u>OUTGO (Rs.)</u></b>		
Travelling	NIL	NIL
Raw Materials	NIL	NIL
Consumable Stores	NIL	NIL
Plant & Machinery	NIL	NIL

For and on behalf of the Board

Place : New Delhi  
Date : 4th September, 2003.

**CERTIFIED TRUE COPY**



(Dildeep Singh Sethi)  
Managing Director