



**18th
Annual Report
2005-2006**

JAUSS POLYMERS LIMITED



BOARD OF DIRECTORS

Dildeep Singh Sethi
Managing Director

Manoj Pandey
Director

Debashish Bhattacharya
Director

AUDITORS

V. K. Dhingra & Co.
Chartered Accountants
E-1/15, Jhandewalan,
New Delhi - 110055

INTERNAL AUDITORS

H. Kumar & Associates

REGISTERED OFFICE

1308, Vikrant Tower, Rajendra Place,
New Delhi - 110008

WORKS :

Plant-I	Plant-II
Chanaloh Kurali	Baddi, Himachal Pradesh
Dist. Ropar, Punjab (India)	(India)

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NOTICE

Notice is hereby given that the 18th Annual General Meeting of the members of Jauss Polymers Ltd., will be held on Saturday, 29th December 2006 at Sanatan Dharam Mandir, Moti Nagar, New Delhi - 110015 at 9.30 A.M. to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet for period of 15 months beginning from 01.04.05 to 30.06.06, together with the Profit & Loss Account as on that date alongwith the Auditors & Directors Report thereon for the same period.
2. To appoint a Director in place of Mr. Manoj Pandey, Director, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration, M/s.V.K. Dhingra & Co., Chartered Accountants, New Delhi retire at this Annual General Meeting and being eligible, offer themselves for reappointment and to pass, with or without modifications, the following resolution, which will be proposed as and ordinary resolution.

"RESOLVED THAT M/s V.K.Dhingra & Co, Chartered Accountants , be and are hereby re-appointed as Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and the Audit Committee of the Board of Directors of the Company be and is hereby authorized to determine the remuneration payable to the Companies Auditors".

SPECIAL BUSINESS

4. To consider, and if thought fit to pass with or without modifications the following resolution as **SPECIAL RESOLUTION.**
5. **"RESOLVED THAT** subject to the approval of the Central Government, if required, and such other consents, permissions and approvals as may be required, and pursuant to the provisions of Section 198,309,310 & 311 and all the other Applicable provisions of the Companies Act, 1956 (herein after referred to as the Act) read with Schedule XIII of the Act, the Company hereby accords its approval to the payment of enhanced remuneration to Mr. Dildeep Singh Sethi, Managing Director of the Company, as set out in the Explanatory Statement which shall be payable, if approved, to him with effect from is 1st April 2006."

"FURTHER RESOLVED THAT in the event where in any financial year during the tenure of Mr. Dildeep Singh Sethi, the Company has no profits or the profits are inadequate, it may pay a remuneration to Mr. Dildeep Singh Sethi the total of which may exceed the ceiling limit as specified in Section II (B) of the Schedule XIII of the Act."



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"FURTHER RESOLVED THAT all other terms and conditions of Mr. Dildeep Singh Sethi's appointment as contained in his Agreement with the Company and in the Notice and Explanatory Statement which has been approved by the shareholders at their 12th Annual General Meeting of the Company held on 30.09.04 shall remain in full force."

6. **To consider and if thought fit, to pass, with or without modification(s) the following resolution as and ordinary Resolution :**

"RESOLVED THAT Mr. Kamal Mehra, Additional Director, Appointed in accordance with Section 260 of the Companies Act, 1956 and Article of the Articles of Association of the Company to hold office till the conclusion of this Annual General Meeting and in respect of whom the Company has received a notice in writing alongwith a deposit of Rs.500 from a member of the Company under Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, whose period of the office shall be liable to determination by retirement of Directors by rotation."

7. **To consider, and if thought fit to pass with or without modifications the following resolution as SPECIAL RESOLUTION.**

"RESOLVED THAT pursuant to the provisions of Section 314(1), 314(1B) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company is be and is hereby accorded to Mrs. Shelly Sethi, Area Sales Manager wife of the Managing Director of the Company, to hold an office or place of profit as the AREA SALES MANAGER of the Company on the following terms & conditions":

1. Salary: Rs.40,000 Per Month, with a provision for increase in salary of not more than 25% per annum over the previous year.
2. Annual Bonus : Not exceeding one month salary.
3. Other Allowances.
 - a) Medical & Insurance premium as per company rules.
 - b) Leave in accordance with the leave rules of the company from time to time.

Place: New Delhi
 Date : 5th December, 2006.

By the Order of the Board

(Dildeep Singh Sethi)
 Managing Director

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.



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2. The Register of Members and the Share Transfer Books of the Company shall remain closed from 29/12/2006 to 3/01/2007 (both days inclusive).
3. Members attending the meeting are requested to bring their own copy of the Annual Report and attendance slips sent herewith duly filled and signed.
4. Members are requested to notify change in address, if any, to the Company at its Registered Office, quoting correct folio number(s).
5. **Members are hereby informed that the Unclaimed Dividend for the year 1994–95 has been duly deposited by the Company in the Investor Education & Protection Fund and any shareholder who has not yet received the Dividend for the above referred period can claim the same from the Registrar of Companies Delhi & Haryana.**
6. 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.
7. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, Annexed and forming part of the Notice, Convening the Sixteenth Annual General Meeting.
8. 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.

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

ITEM NO.4

At a meeting of the remuneration committee held on 29th April 2006 the committee recommended that Mr. Dildeep Singh Sethi the founder promoter & Managing Director of the Company has taken several positive measures in turning around the company and it was now necessary to increase the remuneration package beyond the present Remuneration limit From Rs.4,80,000 P.A to 7,20,000. P.A.

While considering the increase in remuneration of Mr. Dildeep Singh Sethi, the Committee considered his initiatives to restructure and re-engineered the operations of the company to compete in the profoundly competitive market. The Committee also noted that Mr. D. S. SETHI is a veteran with more than 22 years of experience and is running the company since its inception. The committee also took into consideration the future challenges he is likely to face and his abilities, background, experience, past performance, past remuneration and the trend in the polymer industry as a whole. The Committee tried its level best to bring objectivity in determining the revised remuneration package of Mr. Dildeep Singh Sethi and at the same time strike a balance between the Company, the shareholders and immediate need to bring in financial operating discipline in the Company at all levels.

The Committee recommended the following revised remuneration package for Mr. Dildeep Singh Sethi.

Emoluments for : W.E.F. 01.04.2006

Subject to the overall limits as prescribed in the Schedule XIIIth of the Companies Act, 1956.

1. Fixed Salary

A Rs.60,000 P.M. with a provision for increase in salary of not more than 20% per annum over the previous year. The Remuneration Committee may review and determine from time to time and recommend to the Board necessary changes in salary during the tenure of appointment.

Mr. Dildeep Singh Sethi may be deemed to be concerned or interested in this resolution.

No other Director is interested in this resolution.

The Board recommends passing of this resolution.

The above should also be considered as an abstract of the terms of appointment of Mr. Dildeep Singh Sethi and a Memorandum as to the nature of concern or interest of the Director in the said appointment, as required under Section 302 of the Companies Act 1956.

ITEM NO. 6

On 15th March, 2006 the Board of Directors of the Appointed Mr. Kamal Mehra as Additional Director of the Company under Section 260 of the Companies Act 1956 to hold office until the next Annual General Meeting of the Company.

The Company received a notice in writing from a member proposing the candidature of Mr. Mehra as Director of the Company liable to retire by rotation in terms of Section 257 of the Companies Act, 1956. Brief profile Mr. Kamal Mehra is enclosed at the end of this notice.

None of the Directors except Mr. Kamal Mehra is interested in this resolution.


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ITEM NO. 8

The Company proposes to increase the salary of Mrs. Shelly Sethi, Area Sales Manager from the present Rs.19000 P.M. to Rs.40,000 P.M.. Mrs. Sethi has 15 years of Marketing Experience and is competent enough to receive this increase.

Since she is the wife of the Whole Time Director of the Company, the proposed increase requires the approval of the General body Meeting of the Company and the increase will take place only after the approval of the same.

Profile of Mrs. Shelly Sethi

Name	:	Shelly Sethi
Husband Name	:	Dildeep Singh Sethi
Date Of Birth	:	12.07.1969
Qualification & Experience	:	Graduate

The resolution is required to be passed as a Special Resolution. None of the Directors except Mr. Dildeep Singh Sethi, Managing Director of the Company, who is husband of Mrs. Shelly Sethi, is interested in this resolution.

Details of the Directors seeking appointment/ re-appointment in Annual General Meeting fixed on 29th December, 2006. (In Pursuance of Clause 49 of the Listing Agreement)

Name of Director Date of Birth Date of Appointment Expertise in specific Functional area Qualification Lists of Outside Directorship held Chairman /Member of the committee of the Board of Directors of the company Chairman/Member of the Committee of the Board of Directors of other company	Mr. Manoj Pandey 15/07/1972 28/12/2001 Ten Years experience in Labour Management Graduate NIL Member of 1) Audit Committee 2) Shareholders/Investors Grievance Committee NIL
Name of Director Date of Birth Date of Appointment Expertise in specific Functional area Qualification Lists of Outside Directorship held Chairman /Member of the committee of the Board of Directors of the company. Chairman/Member of the Committee of the Board of Directors of other company	Mr. Kamal Singh Mehra 01/10/1971 15/03/2006 05 Years Administration Graduate NIL Chairman of Shareholders/Investors Grievance Committee NIL


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CORPORATE GOVERNANCE REPORT OF JAUSS POLYMERS LTD.
for the year ended 30th June, 2006.
1. Philosophy of Corporate Governance

The Company philosophy of Corporate Governance is to enhance the long term shareholders value, achieve operational efficiencies and business results in all areas of company's operations, with compliance of all statutory and regulatory provisions. The believes in transparency, openness and disclosure of information consistent with the business environment in which the company operates.

2. Composition of Board

The Board of Directors of the Company consists of Executive, Non-executive and Independent Directors. The Composition of the Board of Directors of the Company as on 30th June 2006 was as under :-

S.NO.	NAME	STATUS	Other Directorship/ Comm. Membership
1	Sh. Dildeep Singh Sethi	Managing Director	NIL
2	Sh. D. Bhattacharya	Non-Executive & Independent Director	NIL
3	Sh. Manoj Pandey	Non-Executive & Independent Director	NIL
4	Sh. Kamal Singh Mehra	Non-Executive & Independent Director	NIL

(a) Directors Attendance at Board Meetings

Six Board Meetings were held during the financial year 2005-2006. These Meetings were held on 29th April, 2005; 30th July, 2005; 3rd September, 2005; 29th October, 2005; 30th January 2006, 15th March 2006, 25th April 2006; 30th April, 2006. The attendance of Directors at the above meetings was as following:-

Name	No. of Board Meetings Attended	Attended Last AGM
Sh. Dildeep Singh Sethi	8	YES
Sh. D. Bhattacharya	8	YES
Sh. Manoj Pandey	8	YES
Sh. Kamal Singh Mehra	2	NO

BOARD COMMITTEES
3. Audit Committee

The role and the powers of the Audit Committee are as per the provisions of the Companies Act , 1956 and the guidelines in the Listing Agreements with the Stock Exchanges. The Committee meets the statutory / Internal Auditors periodically and reviews the quarterly/ half yearly and Annual Auditors reports on Financial Statements and discusses their findings and suggestions and seeks clarifications thereon.

The Audit Committee comprises of three Directors. Mr. Debashish Bhattacharya, who is non-executive and independent Director, is the Chairman of the Audit Committee. Mr. Manoj Pandey, non-executive independent Director and Mr. Kamal Mehra are the other members of the Committee. The Audit Committee met on 29th April, 2005; 30th July, 2005; 29th October, 2005; 30th January 2006; 30th April, 2006.

The terms of reference of Audit Committee are in conformity with the requirements of the Clause 49 of the listing agreement and also Section 292A of the Companies Act, 1956.



4. Remuneration Committee

The terms of reference of remuneration Committee consists of reviewing the compensation policy, service agreements and other employment conditions of the Managing Director.

The Company pays managerial remuneration to its Managing Director, the only executive Director, as approved by the Board of Directors, shareholders. The details thereof are given in the note to the Accounts. No remuneration is paid to any other Directors

The Company has constituted a Remuneration Committee Which consists of two Non Executive Independents Directors viz. Shri Debashish Bhattacharya, Shri Manoj Pandey.

The details of remuneration paid to Sh. Dildeep Singh Sethi during the period ended on 30. 06. 2006 is given as follows :-

NAME	ANNUAL SALARY	PERQUISITES
Sh. Dildeep Singh Sethi	Rs. 6,60,000/-	NIL

No sitting fees was paid to any directors for attending the Board or any Committee Meetings.

5. Shareholders Grievances cum Share Transfer Committee

The investor / Shareholders grievances Committee deals with various matters relating to transfer / Transmissions of Shares, issues of duplicate share certificates, Exchange of new Certificates in lieu of old certificates and all other related matters, monitors expeditious redressal of investors grievances and all other matters related to shares.

Mr. Debashish Bhattacharya is the Chairman of the Shareholders Grievances Cum Share Transfer Committee. Mr. Manoj Pandey and Mr. Dildeep Singh Sethi are the Other Members of the Committee. All the complaints have been disposed off to the satisfaction of the shareholders. Moreover, all the valid requests for share transfer received during the year have been processed within 30 days by the company and no such transfer is pending as on 30.06.2006. Mr. Dildeep Singh Sethi, Managing Director of the Company is the Compliance Officer of the company. Lekhraj & Associates, practicing Company Secretary during the year 2005-2006 have carried out quarterly Secretarial Audit.

6. General Body Meeting

Location and time of last three Annual General Meetings are as under:

Year	Place	Date	Time	No. of Resolution
2005	F-24, Village Bharthal, Bijwasan, Pushpanjali Farms New Delhi-61	30.09.2005	9.30 A.M.	2
2004	F-24, Village Bharthal, Bijwasan, Pushpanjali Farms New Delhi-61	30.09.2004	9.30 A.M.	2
2003	F-24, Village Bharthal, Bijwasan, Pushpanjali Farms New Delhi-61	30.09.2003	9.30 A.M.	NIL

A) Whether Special Resolution were put through postal ballot last year ?

No

B) Is Special Resolution put through Postal Ballot this year?

No


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7 Disclosures:

1. No transaction was entered by the Company 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.
2. There has not been any non-compliance by the Company and no penalties or structures have been imposed on the company by the stock exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
3. Listing Fee of Mumbai Stock Exchange has been paid till the year 2006-2007 Listing fees of the other stock exchange are pending since 1995-96.

8. MEANS OF COMMUNICATION

The Company is not sending half-yearly report to each household of shareholders. The quarterly, half yearly and annual results are generally published by the Company in Millenium Post & Millenium Darpan Delhi. The Company does not have its own WEB Site. The Company does not display official news releases. The presentations to institutional investors or to the analysts is not applicable to the company. The Management Discussion and Analysis Report forms part of this report.

9. GENERAL SHAREHOLDER INFORMATION
Annual General Meeting to be held:

Date and Time : 29th December 2006 at 9.30 A.M.
 Venue : **Samuday Bhawan, Near Sanatan Dharam Mandir**
Moti Nagar, New Delhi

10. Financial Calender 2006-2007 (tentative):
(Unaudited Financial Results)

Results for the quarter ending 30 th June 2006	30 th July, 2006
Results for the quarter ending Sep.30, 2006	30 October, 2006
Results for the quarter ending Dec 31, 2006	Last week of January, 2007.
Results for the quarter ending March , 2007	Last week of April, 2007

Book Closure Date : 29th December, 2006 to 3th January, 2006

Dividend Payment Date : No Dividend has been recommended by the Board of Directors of the Company during the year under review.

Listing on Stock Exchange:

The Company's share is listed on the Stock Exchange, Mumbai Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001

Delisting Status

1. Delhi Stock Exchange Ass. Ltd.	Delisting Approval Awaited
2. The Stock Exchange, Mumbai	Do
3. The Stock Exchange, Ahmedabad	Do
4. The Calcutta Stock Exchange	Do
5. The Ludhiana Stock Exchange	Do
6. The Jaipur Stock Exchange.	Do