

22ND
ANNUAL REPORT
2009-2010

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. Roopar, Punjab (India)	(India)

JAUSS POLYMERS LTD.

NOTICE

Notice is hereby given that the 22ND Annual General Meeting of the members of Jauss polymers Ltd., will be held on Thursday , 30th September 2010 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 Accounts of the Company prepared for the period ended on 31st March, 2010 Together with the Profit & Loss Account on that date along with the Auditors & Directors Report thereon.
2. To appoint a Director in place of Mr. Debashish Bhattacharya , Director , who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors of the Company to hold office from the Conclusion of this meeting until the conclusion of the next Annual General Meeting at a remuneration to be decided by the Board of Directors, M/s. V.K. Dhingra & Co., Chartered Accountants, New Delhi retire at this Annual General Meeting and being eligible, offer themselves for reappointment

By the Order of Board

Place New Delhi
Date : 3RD September 2010.

(Dildeep Singh Sethi)
Managing Director

Regd Office:

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

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.
2. The Register of Members and the Share Transfer Books of the Company shall remain closed from 29/09/2010 to 3/10/2010 (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. 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. 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.
7. The Company has paid the Listing Fees for the year 2010-2011 to The Bombay Stock Exchange Limited at which the Company's securities are presently listed . The Company has applied to the Delhi, Ludhiana, Jaipur & Kolkata Stock Exchanges for the delisting of its equity shares.

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Details of the Directors seeking appointment/ re-appointment in Annual General Meeting fixed on 30th September, 2010. (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	Twenty Years experience in Accounts & Finance
Qualifications	Graduate
Lists of Outside Directorship held	NIL
Chairman /Member of the committee of the Board of Directors of the company.	Member of 1) Audit Committee 2) Shareholders/Investors Grievance Committee
Chairman/Member of the Committee of the Board of Directors of other company	NIL

JAUSS POLYMERS LTD.

DIRECTORS' REPORT

TO THE MEMBERS

JAUSS POLYMERS LIMITED.

Your directors hereby present the 22ND Annual Report together with the Audited Accounts of the company for the Financial year ended on 31.03.10 .

1. FINANCIAL PERFORMANCE

PARTICULARS	(Rs. in Lacs)	
	31.03.2010 (CURRENT YEAR)	31.03.2009 (PREV YEAR)
INCOME		
Sales & Job Work (Net)	474.34	476.77
Other Income	7.69	0.87
Increase / (Decrease) in Stock	—	(4.67)
Total Income	487.03	472.97
EXPENDITURE		
Material Cost	—	2.24
Manufacturing Expenses	204.98	205.25
Payment & Benefits to Employee	101.44	86.14
Administrative, Selling & Other Expenses	26.74	83.84
Total	333.16	377.47
Profit Before Depreciation & Interest	148.87	95.50
Less: Depreciation	(70.22)	(67.21)
Less: Interest & Financial Charges	(7.37)	(3.84)
Earning before Tax & Extraord. Adj.	71.28	(24.45)
Extraordinary items / Prior Period adj.	171.14	20.45
Earning before Tax	242.42	44.90
Less: Provision for F.B.T.	—	(0.88)
E.A.T.	242.42	44.02

As it is quite evident from the figures shown above that JPL (Jauss Polymers Ltd) is making a turn around. The Profit before Interest & Depreciation increased by nearly 55% to Rs. 148.87 Lacs from Rs. 95.50 Lacs. The Management is quite hopeful of continuing this trend in the current Financial Year also.

2. FUTURE OUTLOOK:

The use of the PET in India is continuously increasing in the packaging market and most of the segments are growing steadily. It is estimated that the PET market will double by itself within the next 4 to 5 years . Accordingly your company can reasonably be sure that it will be able to maintain its operational performance at current levels and at the same time the Company's focus is aimed towards, increase in production and maintain the market share, will continue. 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

3. INSURANCE

All the Properties of the Company including its buildings Plant & Machinery and stocks are adequately insured.

4. BOARD OF DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Mr. Debashish Bhattacharya, Director who will be retiring by rotation, being eligible offers himself for re- appointment.

Brief resume of the Director seeking re-appointment at this Annual General Meeting, Nature of his expertise and other details as stipulated under Clause 49 of the Listing Agreement entered into with the Stock Exchanges are given in the Annexure to the Notice Convening the 21st Annual General Meeting .

5. CORPORATE GOVERNANCE REPORT

Your Directors reaffirms their continued commitment to good Corporate Governance practices. Your Company adheres to all major stipulations laid down in this regard, as provided in Clause 49 of the Listing Agreement entered into with the Stock Exchanges which relates to Corporate Governance. Report on Corporate Governance along with the Certificate from the Practicing Company Secretary M/s Lekhraj Bjaj & Co. certifying the due compliance with the said requirements, forms the part of this report.

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

On the basis of the compliance certificate received from the concerned executive of the Company, subject to the disclosures in the Annual Accounts and also on the basis of the discussions with the Statutory Auditors of the Company from time to time Your 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;
- ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and
- iii) 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. 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.

7. FIXED DEPOSITS:

During the period under review the Company has not accepted/renewed any Fixed Deposits within the meaning of Section 58A of the Companies Act, 1956.

8. LISTING ON STOCK EXCHANGE

The Companies Share continues to be listed on Mumbai Stock Exchange and the Annual Listing Fees has been paid uptill 2010-11. Your Company initiated necessary action to delist its equity shares from the Ludhiana, Delhi, Jaipur and Kolkatta Stock Exchanges pursuant to the Special Resolution passed at the Annual General Meeting held on 30.09.2004 and the same is still under consideration by them.

9. INTERNAL CONTROL SYSTEMS

The Company has an effective system of accounting and administrative controls which ensure that all assets of the company are safe guarded and protected against loss from unauthorized use or disposition. The Company has a well defined organizational structure with clear functional authority limits for the approval of all the transactions.

The company has a strong reporting system, which evaluates and forewarns the management on issues related to compliance. The performance is regularly reviewed by the Board of Directors and the Audit Committee to ensure that it is in keeping with the overall corporate policy and in line with the Companies objectives.

10. AUDITORS

M/s V.K. Dhingra & Co., Chartered Accountants, the Auditors of the Company hold office until the conclusion of ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The necessary certificate as required u/s 224 (2B) of the Companies Act, 1956 has been received from the above named auditors.

11. OTS WITH PFC

Your Directors have pleasure to inform you that your company has successfully completed the One Time Settlement with PFC.

12. AUDITORS' REPORT AND NOTES ON ACCOUNTS

Comments on the Auditors' Observations:

a. Reply to point no. 3 f (i) of the Auditors Report

The company has written to the parties for confirmation of all debit and credit balances to ensure that all the confirmations be received on time. Further the Company is into litigation with some of its unsecured creditors and the matter is pending in the courts due to which the balance confirmation is not available from them.

b. Reply to point no. 3 f (ii) of the Auditors Report

With regard to the non provisioning of the overdue interest, liquidated damages, penalty, the Board submit that the Company has settled all the dues of the Financial institutions under an OTS settlement without paying any of the above mentioned dues and in the case of the remaining Financial Institution (PFC&PSIDC) the Company is quite hopeful to make an OTS with them on the same terms.

c. Reply to point no. 3 f (iii) of the Auditors Report

The Company is continuously taking several measures for its revival ,including settlement of the dues to the secured creditors on OTS basis and continues to carry on its operations in the normal course . Further the accounts have been prepared to comply with 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 (Special Provisions Act., 1985). The accounts have been prepared on the concept that the company will continue as a going concern.

13. 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.

14. CEO/CFO Certificate

As required by the Clause 49 of the Listing Agreement ,the CEO/CFO certificate on the accounts is attached and forms part of the Annual Reoprt.

15. CASH FLOW STATEMENT

Cash Flow Statement in accordance with Accounting Standard (AS-3) issued by the Ministry of Corporate Affairs also forms the part of this report.

16. PERSONNEL

The industrial relations scenario continued to be stable during the year under review. The Company has been taking various initiatives for the HR development and this continue in this ensuing year as well.

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17. PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUT-GO Rs. 111391/- (P.Y. Rs.35936)

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

16. 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.

17. DECLARATION REGARDING COMPLIANCE BY THE BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that all the members of the Board of Directors of the Company and Senior Management Personnel have affirmed their COMPLIANCES WITH THE Code of Conduct laid down by the Board of Directors of the Company as on 31st March, 2009.

This CERTIFICATE IS BEING GIVEN IN Compliance with the Requirements of Clause 49(1)(D) of the Listing Agreement entered into with the Stock Exchanges.

For and on behalf of the Board

Place : New Delhi
Date : 03/09/2010

(Dildeep Singh Sethi)
Managing Director

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CORPORATE GOVERNANCE REPORT OF JAUSS POLYMERS LTD for the year ended 31st March, 2010

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 Of Directors (As on 31.03.2010)

The Composition of the Board of Directors of the Company is in line with Clause 49 of the Listing Agreement, it has one Managing Director and three Non Executive Independent Directors. The Composition of the Board of Directors of the Company as on 31st March 2010 was as under: -

S. NO.	NAME	STATUS	Number of Directorship/ Held in Other Companies
1	Sh. Dildeep Singh Sethi	Promoter & Managing Director	2
2	Sh. D. Bhattacharya	Non-Executive Independent Director	NIL
3	Sh. Manoj Pandey	Non-Executive Independent Director	NIL
4	Sh. Kamal Mehra	Non-Executive Independent Director	1

(a) Details of Board Meetings

Eight Board Meetings were held during the period under review. The Maximum gap between the two Board Meetings was less than 3 Months These Meetings were held on 7th April,2009 30th April,2009,, 8th June,2009, 30th July, 2009, 4th September,2009, 30th October,2009 15th December,2009, 30January2010 15th March,2010 . The attendance of Directors at the above meetings was as following:-

Name	No. of Board Meetings Attended	Attended Last AGM
Sh. Dildeep Singh Sethi	9	YES
Sh. D. Bhattacharya	9	YES
Sh. Manoj Pandey	9	YES
Sh. Kamal Mehra	9	YES

As mandated by the revised clause 49 , all the independent Directors on the Company's Board are Non-Executive and:

Do not have any material pecuniary relationships or transaction s with the Company , its promoters , its Directors, its senior management and associates , which may affect independence of the Directors.

Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.

Have not been Executive of the company in the immediately preceding three Financial years of the Company.

Are not partner or executive of the or were not partner or executive of the Statutory Audit Firm or the Internal Audit Firm and legal Firms ,Consulting Firms , which have association with the Company.

Are not material suppliers, services providers customers or lesser or lessee of the Company, which may affect independence of the Directors

Are not substantial shareholders of the Company i.e. do not own two percent or more of the block of voting shares.

Board Committees

3. Audit Committee

The Audit Committee comprises of two members viz. Mr. Debashish Bhattacharya, who is non-executive and independent Director, is the Chairman of the Audit Committee. Mr. Manoj Pandey, non-executive independent Director of the Committee. During the year the Audit Committee met Four times on 30th April 2009, 30th July 2009,30th October 2009, 30th January 2010.

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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 Director

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 31. 03. 2010 is given as follows.

NAME	ANNUAL SALARY	PERQUISITES
Sh. Dildeep Singh Sethi	Rs. 7,20,000/-	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 31.03.2010. MR Dildeep Singh Sethi ,Managing Director of the Company is the Compliance Officer of the company.and M/s Lekhraj & Associates, practicing Company Secretary during the year 2009-10 have carried out quarterly Secretarial Audit.

6. Subsidiary Companies

The Company does not have any subsidiary Company

7. Compliance Certificate

Compliance Certificates for Corporate Governance from Auditors of the Company is annexed

8. General Body Meeting

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

Year	Place	Date	Time	No. of spe. Resolution
2009	Sanatan Dharam Mandir, Moti Nagar New Delhi-15	30.09.2009	9.30 A.M.	Nil
2008	Sanatan Dharam Mandir, Moti Nagar New Delhi-15	29.12.2008	9.30 A.M.	Nil
2007	Sanatan Dharam Mandir, Moti Nagar New Delhi-15	30.09.2007	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

9. Disclosures:

a. Related Party Transactions

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.