

**23RD
ANNUAL REPORT
2010-2011**

JAUSS POLYMERS LIMITED

BOARD OF DIRECTORS

Dildeep Singh Sethi
Chairman and Managing Director

Kamal Singh Mehra
Non Executive Independent Director

Debashish Bhattacharya
Non Executive Independent Director

AUDITORS

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

INTERNAL AUDITORS

H. Kumar & Associates

REGISTERED OFFICE

4A/35 ,Old Rajinder Nagar,
New Delhi-110060

WORKS :

Village - Malpur, Baddi,
Hadbast No. 189, Paragna Dharmpur,
Tehsil Nalagarh, Baddi (H.P.) (India)

JAUSS POLYMERS LTD.

Regd Office: 4A/35 OLD RAJINDER NAGAR NEW DELHI, 110060

NOTICE

Notice is hereby given that the 23RD Annual General Meeting of the members of Jauss polymers Ltd., will be held on Friday, 30th December, 2011 at Sanatan Dharam Mandir, Moti Nagar, New Delhi-110015. at 4.30 P.M. to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the Company prepared for the period of fifteen months as ended on 30th June, 2011 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

SPECIAL BUSINESS

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

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 make an increase in the remuneration being paid 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 1st January 2011."

"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 should not exceed the ceiling limit as specified in Section II of part II of the Schedule XIII of the Companies Act 1956."

ALSO 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 23rd Annual General Meeting of the Company held on 30.12.2012 shall remain in full force."

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

RESOLVED THAT Mr. Kamal Singh Mehra who was appointed as Additional Director of the Company by the Board of Directors of the Company and who can hold the office of the Director up till the conclusion of this Annual General Meeting and in respect of whom the Company has received a request from a member along with a deposit of Rs 500, signifying his intention to propose the candidature of Mr. KAMAL SINGH MEHRA to be appointed as the Director of the Company, 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."

By the Order of Board

Place New Delhi
Date: 18 November, 2011.
Regd Office:
4A/35 OLD RAJINDER NAGAR
NEW DELHI, 110060

(Dildeep Singh Sethi)
Managing Director

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NOTES:

- 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.**
- The Register of Members and the Share Transfer Books of the Company shall remain closed from 29/12/2011 to 2/01/2012 (both days inclusive).
- Members attending the meeting are requested to bring their own copy of the Annual Report and attendance slips sent herewith duly filled and signed.
- Members are requested to notify change in address, if any, to the Company at its Registered Office, quoting correct folio number(s).
- 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.
- 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.
- The Company has paid the Listing Fees for the year 2011-2012 to The Bombay Stock Exchange Limited at which the Company's securities are presently listed. The Company has applied to the Delhi, Ludhiana, Jaipur & Kolkatta Stock Exchanges for the delisting of its equity shares.

Details of the Directors seeking appointment/ re-appointment in Annual General Meeting fixed on 30th December, 2011. (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
Name of Directors	Mr. Kamal Singh Mehra
Date of Birth	01.10.1971
Date of Appointment	19/01/2011
Expertise in specific Functional area	15 Years Administration
Qualifications	Graduate
Lists of Outside Directorship held	NIL
Chairman /Member of the committee of the Board of Directors of the company.	Chairman of Shareholders/Investors Grievance Committee
Chairman/Member of the Committee of the Board of Directors of other company	NIL

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

ITEM NO.4

At a meeting of the remuneration committee held on 30th April 2011 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 7,20,000 P.A to 10,20,000. 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 25 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 form : W.E.F 01.01.2011

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

1. Fixed Salary

A Rs 85000 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 Sing 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 5

On 19TH JANUARY, 2011 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 Singh 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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DIRECTORS' REPORT

TO THE MEMBERS

JAUSS POLYMERS LIMITED.

Your directors hereby present the 23RD Annual Report together with the Audited Accounts of the company for the Period of Fifteen Months ended on 30.06.11.

1. FINANCIAL PERFORMANCE

PARTICULARS	(Rs. in Lacs)	
	30.06.2011 (CURRENT YEAR) 15 MONTHS	31.03.2010 (PREV YEAR) 12 MONTHS
INCOME		
Sales & Job Work (Net)	757.69	476.77
Other Income	2.71	0.87
Increase/(Decrease) in Stock	(0.31)	-4.67
Total Income	760.09	472.97
EXPENDITURE		
Material Cost	84.85	2.24
Manufacturing Expenses	320.54	205.25
Payment & Benefits to Employee	170.09	86.14
Administrative, Selling & Other Expenses	39.18	83.84
Total	614.66	377.47
Profit Before Depreciation & Interest	145.43	95.50
Less: Depreciation	(79.21)	(67.21)
Less: Interest & Financial Charges	(5.72)	(3.84)
Earning before Tax & Extraord. Adj.	60.50	(24.45)
Extraordinary items / Prior Period adj.	174.45	20.45
Earning before Tax	234.95	44.90
Less: Provision for F.B.T.	—	(0.88)
E.A.T.	234.95	44.02

2. OPERATIONS:

As it appears from the figures given above that your Company maintained the trend of higher production and sales and the capacity utilization were maintained close to the maximum level. The total turnover for the period ended ended on 30.06.2011 was Rs. 757.69 Lacs as compared to Rs. 476.77 (12 months period) and the net profit before depreciation & Financial Charges was Rs. 145.43 Lacs as compared to Rs. 95.50 Lacs for the previous year (12 Months period). Also With regard to Sales and the customers satisfaction, your company continues to enjoy support from the customers due to the excellent quality of its products from the Unit situated at Baddi . The Company's thrust is to increase the domestic market share and to explore the profitable export possibilities.

3. 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.

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4. INSURANCE

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

5. BOARD OF DIRECTORS

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

Further during the year under review Mr. Manoj Pandey , Director tendered his resignation from the Directorship of the Company. The Board placed on record its appreciation for the services rendered by Mr. Pandey during his tenure as Director. The Brief resume of the Director seeking re-appointment at this Annual General Meeting alongwith 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 23rd Annual General Meeting .

6. 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.

7. 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.

8. 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.

9. LISTING ON STOCK EXCHANGE

The Companies Share continues to be listed on Mumbai Stock Exchange and the Annual Listing Fees has been paid uptill 2011-12. 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.

10. 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.

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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.

11. 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.

12. 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.

13. 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.

14. 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.

15. 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.

16. PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS Rs. Nil (P.Y. Rs. Nil) AND OUT-GO. Rs. 65,323/- (P.Y. Rs. Nil)

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

17. 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.

18. 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 TH Code of Conduct laid down by the Board of Directors of the Company as on 30th June, 2011.

This CERTIFICATE IS BEING GIVEN IN Compliance with the Requirement s 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 : 18.11.2011

(Dildeep Singh Sethi)
Managing Director

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CORPORATE GOVERNANCE REPORT OF JAUSS POLYMERS LTD. for the year ended 30TH JUNE, 2011.

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 30.06.2011)

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 30TH June, 2011 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. Kamal Mehra	Non-Executive Independent Director	1

(a) Details of Board Meetings

Twelve 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 30th April,2010, 15th July,2010, 30th July,2010, 3rd September,2010, 15th September,2010,30th October,2010,15th November,2010, 19th January,2011,25th January,2011,30th January,2011,30th April,2011,15th June,2011:

Name	No. of Board Meetings Attended	Attended Last AGM
Sh. Dildeep Singh Sethi	12	YES
Sh. D. Bhattacharya	12	YES
Sh. Manoj Pandey	08	YES
Sh.Kamal Singh Mehra	04	NO

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. Kamal Singh Mehra, non-executive independent Director is the other member of the Audit Committee. The Audit Committee met Six times on 30th April 2010, 30th July 2010, 3rd September,2010,30th October 2010, 30th January 2011 and 30th April, 2011.

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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 Kamal Singh Mehra

The details of remuneration paid to Sh. Dildeep Singh Sethi during the period ended on 30.06.2011 is given as follows.

NAME	ANNUAL SALARY	PERQUISITES
Sh. Dildeep Singh Sethi	Rs.9,00,000/-	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. Kamal Singh Mehra 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 30th June, 2011. 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 2010-11 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 M/s Lekhraj & Associates, Secretarial Auditor of the Company is annexed herewith.

8. General Body Meeting

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

Year	Place	Date	Time	No. of Resolution
2010	Sanatan Dharam Mandir, Moti Nagar New Delhi-15	30.09.2010	9.30 A.M.	Nil
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

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.