

**24TH
ANNUAL REPORT
2011-2012**

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 Dharpur,
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 24th Annual General Meeting of the members of Jauss polymers Ltd., will be held on Thursday, 27th December, 2012 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 of fifteen months as ended on 30th June, 2012 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. Kamal Singh Mehra, 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: 29th November, 2012
Regd Office:
4A/35 OLD RAJINDER NAGAR
NEW DELHI, 110060

(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.**
2. The Register of Members and the Share Transfer Books of the Company shall remain closed from 26/12/2012 to 29/12/2012 (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 2012-2013 to The Bombay Stock Exchange Limited at which the Company's securities are presently listed.

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Details of the Directors seeking appointment/ re-appointment in Annual General Meeting fixed on 27th December, 2012. (In Pursuance of Clause 49 of the Listing Agreement)

Name of Directors	Mr. Kamal Singh Mehra
Date of Birth	01.10.1971
Date of Appointment	19/01/2011
Expertise in specific Functional area	16 Years Administration
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	NIL

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DIRECTORS' REPORT

TO THE MEMBERS
JAUSS POLYMERS LIMITED.

Your directors hereby present the 24th Annual Report together with the Audited Accounts of the company for the Period of Fifteen Months ended on 30.06.2012.

1. FINANCIAL PERFORMANCE

PARTICULARS	(Rs. in Lacs)	
	30.06.2012 (CURRENT YEAR) 12 MONTHS	30.06.2011 (PREV YEAR) 15 MONTHS
INCOME		
Revenue from operation	413.23	757.81
Other Income	2.15	2.58
Total Income	415.38	760.39
EXPENDITURE		
Material Cost	5.08	85.16
Administrative, Selling & Other Expenses	243.50	365.71
Payment & Benefits to Employee	105.04	164.36
Total	353.63	615.24
Profit Before Depreciation & Interest	61.75	145.15
Less: Depreciation	(57.42)	(79.20)
Less: Interest & Financial Charges	(10.14)	(5.45)
Earning before Tax & Extraord. Adj.	(5.81)	60.50
Extraordinary items / Prior Period adj.	23.09	174.44
Earning before Tax	17.28	234.94
Less: Provision for F.B.T.	—	—
E.A.T.	17.28	234.94

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 on 30.06.2012 was Rs. 413.23 Lacs as compared to Rs. 757.81 for the preceding Financial Year and the net profit before depreciation & Financial Charges was Rs. 61.75 Lacs as compared to Rs. 145.15 Lacs for the previous year. 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:

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 on 30.06.2012 was Rs. 413.23 Lacs as compared to Rs. 757.81 for the preceding Financial Year and the net profit before depreciation & Financial Charges was Rs. 61.75 Lacs as compared to Rs. 145.15 Lacs for the previous year. 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.

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. Kamal Singh Mehra, Director who will be retiring by rotation, being eligible offers himself for re- appointment.

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 24th Annual General Meeting.

None of the Directors of the Company is disqualified as per provisions of Section 274(1)(g) of the Companies Act, 1956. The Directors have made necessary disclosures as required under various provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

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 Bbaj & 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 2012-13. 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 Report.

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 continues 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. 1,37,690/- (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 COMPLIANCE WITH THE Code of Conduct laid down by the Board of Directors of the Company as on 30th June, 2012.

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 : 29.11.2012

(Dildeep Singh Sethi)
Managing Director

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CORPORATE GOVERNANCE REPORT OF JAUSS POLYMERS LTD. for the year ended 30th JUNE, 2012.

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 30.06.2012)

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 two Non Executive Independent Directors. The Composition of the Board of Directors of the Company as on 30th June, 2012 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

Six Board Meetings were held during the period under review. These Meetings were held on 30th July 2011, 15th September, 2011, 21st October, 2011, 31st October, 2011, 31st January 2012, 9th, May 2012.

Name	No. of Board Meetings Attended	Attended Last AGM
Sh. Dildeep Singh Sethi	06	YES
Sh. D. Bhattacharya	06	YES
Sh. Kamal Singh Mehra	06	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 transactions 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 2011, 30th July 2011, 3rd September, 2011, 30th October 2011, 30th January 2012 and 30th April, 2012.

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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 30.06.2012 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, 2012. 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
2011	Sanatan Dharam Mandir, Moti Nagar New Delhi-15	30.12.2011	4.30 P.M.	Nil
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

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.

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b. Penalties or strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority

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. However, the Company's share has been suspended by the Bombay Stock Exchange in the Financial year 2004-05 and the efforts are being made to revoke the suspension and the Company is quite hopeful of the revocation of suspension at the earliest.

c. Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent possible.

d. Proceeds from the issue of Equity Shares/ Warrants/ FCCBs

During the year under review the Company has issued 1,00,000 Equity Shares.

e. Management Discussion and Analysis

A Management Discussion Analysis Report forms part of this Annual Report and includes discussions on various matters specified under Clause 49 (IV)(F) of the Listing Agreement.

f. Particulars Of Directors to be appointed/re-appointed

Information pertaining to particulars of Directors to be appointed and re-appointed at the forthcoming Annual General Meeting is being included in the Notice convening the Annual General Meeting.

g. Disclosures of Risk Management

The Company has laid down procedures to inform the members of the Board about the risk assessment and minimization procedures. A Risk Management Committee consisting of senior Executives of the Company periodically reviews these procedures to ensure that executive management controls risk through properly defined framework. The Company has framed the risk assessment and minimization procedure, which is periodically reviewed by the Audit Committee and the Board.

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 Millennium Post & Millennium Darpan Delhi. The Company has its WEB Site i.e. www.jausspolymers.com. The Company does not display official news releases. The Management Discussion and Analysis Report forms part of this Directors report.

9. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting to be held

Date and Time : 27th December 2012 at 9.30 A.M.
Venue : Sanatan Dharam Mandir
Moti Nagar, New Delhi-110015

10. Financial Calendar 2012-2013 (tentative)

(Unaudited Financial Results)

Results for the quarter ending 30th June 2012	30th July, 2012
Results for the quarter ending Sep.30, 2012	30 October, 2012
Results for the quarter ending Dec 31, 2012	Last week of January, 2013.
Results for the quarter ending March, 2013	Last week of April, 2013
Book Closure Date	: 26th December, 2012 to 29th December, 2012
Dividend Payment Date :	No Dividend has been recommended by the Board of Directors of the Company during the period under review.

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11. Listing on Stock Exchange:

The Company's shares are 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, Ahmedabad	Do
3. The Calcutta Stock Exchange.	Do
4. The Ludhiana Stock Exchange.	Do
5. The Jaipur Stock Exchange.	Do

12. DEMATERERIALISATION OF SHARES

The Members may please note that till date the Company's share is still in physical form only.

Market Price Data: During the year under review the shares of the Company were not traded on any stock exchange.

13. Performance in Comparison to BSE Sensex, CRISIL index: Not Applicable

14. Registrar and share Transfer Agent :

During the year under review M/s Beetel Financial Management Services Ltd were the Registrar & Transfer Agent of the Company, but Since August 2011 all Share Transfer work is being done at the Registered Office of the Company

15. Share Transfer Operations : Presently Shares received for transfer are transferred within 10-12 days from the date of receipt subject to the documents being valid in all respects.

16. Distribution of Shareholders as on 30.06.2012:

SHARES HOLDING OF NOMINAL VALUE OF RS RS		SHAREHOLDERS		SHARE AMOUNT IN RS	% TO TOTAL
		NUMBER	TOTOTAL (%)		
Upto	2,500	13286	95.990	10278000	22.220
2,501	5,000	348	2.514	1448000	3.130
5,001	10,000	112	0.809	814500	1.761
10,001	20,000	42	0.303	607000	1.312
20,001	30,000	9	0.065	215000	0.465
30,001	40,000	2	0.014	63500	0.219
40,001	50,000	1	0.007	50000	0.108
50,001	1,00,000	6	0.043	387750	0.838
1,00,001	& Above	35	0.253	32392000	70.028
** TOTAL **		13,841	100.000	4,62,55,750	100.000

17. Dematerialisation: The shares of the company are in physical form and steps are being taken to get establish the connectivity with NSDL & CDSL

18. Outstanding GDRs / ADRs /Warrants or any Convertible Instruments: Not Applicable

19. Plant Location:

Village Malpur, (Baddi) Hadbast No.189, Paragna Dharampur, Tehsil Nalahagarh Baddi H.P.

20. Address for Correspondence:

The Investors may address their Communication/ Grievances /queries/suggestions to:

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

The above report was placed before the Board at its meeting held on 29.11.2011 and the same was approved.

For JAUSS POLYMERS LTD

PLACE : New Delhi
DATE : 29.11.2012

(Dildeep Singh Sethi)
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS**Forward Looking Statements**

In spite of the best care and improved business practices the forward looking statements of the Company reflect the current expectations regarding future results of operations, forward-looking statements involve a number of known and unknown risks, uncertainties and other factors that could cause industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements.

Economic Scenario and Outlook

Despite the relative sluggishness of the past years, PET remains the packaging choice for new products or for conversion from other packaging materials, due to its excellent mechanical and barrier properties and its good recycling capability. Emergence of new applications, changing lifestyles have also added to the rising demand of plastics & particularly that of the plastic packaging. During the year under review, demand for Pet in India is estimated at around 550k TPA against total World Pet Resin demand of 16,529k TPA. With increasing population, urbanization and health awareness among the people around the world, global PET resin demand is expected to clock a growth rate of around 7% by 2015, from a growth rate of 2% in 2008. However, relentless increase in feedstock purified terephthalic acid (PTA) and monoethylene glycol (MEG) values has resulted in a hike in PET spot prices around the world. Opportunity and Threats Pet packaging industry has grown and the consumption of PET is projected to increase owing to its cost, convenience, energy saving benefits and changing demand dynamics. The Indian PET packaging industry is presently at about USD 1 bn, growing at 22%-25% per year & is expected to sustain the growth rate due to wider scope of increased penetration in carbonated soft drinks, mineral water, fruit juices, health care and agro chemical segments. Some of the key threats to PET industry include sharp fluctuation in crude prices and PTA/MEG prices, which are the primary raw materials for the PET resin industry.

Opportunities and Threats

Indian food processing industry has seen significant growth and changes over the past few years, driven by changing trends in markets, consumer segments and regulations. These trends, such as changing demographics, growing population and rapid urbanization are expected to continue in the future and, therefore, will change the demand for value added products and thus for food processing industry in India.

The production base is being enlarged, modern methods of cultivation are being adopted thus improving the productivity and cutting the per unit cost. To some extent cold chain is being provided, which will help in retaining quality, freshness and reduce post-harvest losses. With the new hybrid varieties being added the production season is also being extended.

These developments shall result in the greater availability of quality raw materials to the Company thus resulting in better capacity utilization and producing a wider range of products and of international quality. The quality is now the watchword for success.

Threats

Certain major business threats are as under:

- ◆ Increase in the prices of raw materials, packing material and fuel
- ◆ Food inflation in general
- ◆ Non-availability of raw materials
- ◆ Exchange rate fluctuations
- ◆ Changes in fiscal benefits/laws
- ◆ Competitive environment with diverse players.

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To address these risks, the Company has a single point source supplier of Frozen/IQF (Individually Quick Frozen), Air Dried as well as Freeze Dried products to the customers as per their requirements with high quality mushrooms and herbs at a lower cost. Though the competition is fierce, the goodwill and the quality of the products offered by the Company are great plus factors and the Company expects to overcome the competition. The Company had expanded its product line both horizontally as well as vertically by establishing two new facilities of IQF and Air-drying.

The Company has been accredited with global standard for food safety (formerly BRC) in its revised standard at grade "A" for its manufacturing facilities. The Company mushroom farm is also accredited with ISO 22000:2005. Organic herbs grown by the Company are certified by Uttarakhand State Organic Certification Agency.

Future Outlook

Keeping in view the growth potential of PET Packaging Industry, the Company is exploring markets of retail pack in India and abroad. Further, global economy seems to be recovering after the recent economic shock and the Company expects high growth in export sales during the current financial year. Management is consistently keeping a close watch on the changing market scenario and review its business strategy regularly for achieving a consistent growth by meeting the tough international competition successfully. The Company will also be exploring some new areas for operation.

Risks & Concerns

Every business has inherent risks involved in its operations, which may be either external or internal. The external factors are coming into field more suppliers, fierce competition, availability of cheaper substitute products, Government policies regarding power tariffs and on-going political and economic changes in the importing countries. The Company may not have much control over such factors. However it is important to address these risks & concerns to mitigate their impact on the Company's business. Formal risk assessment and Management approach along with the regular monitoring mechanism in the Company ensures that these risks are duly addressed and well managed. High focus on safety of plant, its premises and people continuity and proactive management of related business environment are essential for the risk management in the overall supply chain and business in general.

Internal Control System & Their Adequacy

The Company has adequate system of internal controls to ensure that all activities are properly monitored and controlled as well as transactions are authorized, recorded and reported correctly. The Company has effective budgetary control system and the actual performance is reviewed with reference to the budget periodically by the Management. The Company ensures adherence to all internal control policies and procedures as well as compliance with all regulatory guidelines, which are supplemented by internal audit regularly.

The Audit Committee of the Board meets on quarterly basis and reviews the internal control systems as well as financial statements.

Human Resources/Industrial Relations

The Company lays due emphasis on sound Human Resource Management practices and appraisal systems with focus on cordial employee relations to ensure higher level of productivity and operational efficiency. Adequate efforts have been made to strengthen and develop its human resources as a key strength through continuous training inputs and focused development plan. As on 30TH June 2012, the total number of permanent employees in the Company were 145.

COMPANY'S FINANCIAL PERFORMANCE & ANALYSIS

A. FIXED ASSETS

The composition of assets are as under:

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B. Results Of Operations

The summary of operating performance for the year is given below:

PARTICULARS	Ended on 30.06.2012 (CURRENT YEAR) 12 Months	Ended on 30.06.2011 (PREVIOUS YEAR) 15 Months
INCOME		
Revenue from operation	413.23	757.81
Other Income	2.15	2.58
Total Income	415.38	760.39
EXPENDITURE		
Material Cost	5.08	85.16
Administrative, Selling & Other Expenses	243.50	365.71
Payment & Benefits to Employee	105.04	164.36
Total	353.63	615.24
Profit Before Depreciation & Interest	61.75	145.15
Less: Depreciation	(57.42)	(79.20)
Less: Interest & Financial Charges	(10.14)	(5.45)
Earning before Tax & Extraord. Adj.	(5.81)	60.50
Extraordinary items / Prior Period adj.	23.09	174.44
Earning before Tax	17.28	234.94
Less: Provision for F.B.T.	—	—
E.A.T.	17.28	234.94

ENVIRONMENT, OCCUPATIONAL HEALTH AND SAFETY

Your Company is committed to conducting its operations with due regard to the environment and providing a safe and healthy work place for employees. The collective endeavor of your company's employees at all levels is directed towards sustaining and continuously improving standards of environment, occupational health and safety in a bid to attain and exceed international benchmarks .

CAUTIONARY STATEMENT

Certain statements in this section may be forward looking and be based on expectations/projections about the future. Company's actual results, performance could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any of such statements on the basis of subsequent developments, information or events.

JAUSS POLYMERS LTD.

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

CEO / CFO CERTIFICATION IN TERMS OF CLAUSE 49(V) OF THE LISTING AGREEMENT

To the Board of Directors
JAUSS POLYMERS LTD
4A/35, OLD RAJINDER NAGAR,
NEW DELHI-110060

Dear Sir,

1. I Dildeep Singh Sethi, Chairman and Managing Director of the Company hereby certify that I have reviewed the Balance Sheet, Profit & Loss Account and all its Schedules and Notes and Accounts as well the Cash Flow Statement as at 30TH JUNE 2012 and certify that to the best of our knowledge and belief:
 - 1) These Statements do not contain any materially untrue statement of omit any Material fact or contain any Statement that might be misleading.
 - 2) These Statements read together present a true and fair view of Companies affair and are in Compliance with existing Accounting Standards ,applicable laws and regulations.
2. We further certify that , to the best of our knowledge and belief , no transactions have been entered into by the company during the year under review which are fraudulent, illegal or voliative of the Company's Code of Conduct.
3. We are responsible for establishing and maintaining disclosure control s and procedures and internal controls over financial reporting for the Company and we have:
4.
 - a) designed such disclosure controls and procedures to ensure that material information relating to the Company is made known to us by others within the Company, particularly during the period in which this report is being prepared.
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.
 - c) evaluated the effectiveness of the Company's disclosures, controls and procedures. d) disclosed in the report any change in the Company's internal control over financial reporting that occurred during the Company's most recent financial year that has materially affected, or is reasonably likely or materially affect, the Company's internal control over financial reporting.
5. We have disclosed based on our most recent evaluations, wherever applicable, to the Company's auditors and the Audit Committee of the Company 's Board (and performing the equivalent functions)
 - a) all deficiencies in the design or operation of the internal controls , which could adversely affect the Company's ability to record ,process ,summaries and report financial data, and have identified for the Company's auditors, any material weakness in internal controls over financial reporting including any corrective actions with regard to deficiencies.
 - b) Significant changes in internal controls during the year covered by this report.
 - a) All the significant changes in accounting policies during the year , if any. And that the
 - b) same have been disclosed in the notes to the financial statements.
 - c) Instances of significant fraud of which we are aware, that involve management or other
 - d) employees who have a significant role in the Company's internal controls system.

Place: New Delhi
Date : 29th November, 2012

Dildeep Singh Sethi
Managing Director

JAUSS POLYMERS LTD.

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

CERTIFICATE OF CORPORATE GOVERNANCE

To the Members of
JAUSS POLYMERS LTD.

1. We have examined the compliance of conditions of Corporate Governance by **JAUSS POLYMERS LTD.** for the Period ended on 30th June, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.
2. The Compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring the Compliance of the conditions of the Corporate Governance. It is neither an Audit nor expression of opinion on the financial statement of the company.
3. In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the Conditions of Corporate Governance as stipulated in the mentioned Listing Agreements.
4. We state that no investor grievance is pending for a period exceeding one month against the company as per the records maintained by the Shareholders Grievance - Cum - Share Transfer Committee.
5. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness.

Place : Delhi
Date : 15/11/2012

For Lekhraj & Associates
(Lekhraj)
C.P.No. 3716

JAUSS POLYMERS LTD.

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

AUDITORS' REPORT

The Members
JAUSS POLYMERS LTD.

1. We have audited the attached Balance Sheet of **JAUSS POLYMERS LIMITED** as at 30th June, 2012, and also the statement of Profit & Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003(as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks of books and records of the Company as we consider appropriate and according to the information and explanations given to us during the course of audit, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of those books;
 - c) The Balance Sheet, statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, statement of Profit & Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable to the Company under the circumstances;
 - e) On the basis of written representations received from directors, as on 30th June 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 30th June 2012 from being appointed as a director in terms of clause (g) of subsection (1) of Section 274 of the Companies Act, 1956.
 - f) Without qualifying our report, attention is drawn to the following Notes of Schedule 'M':
 - i) Note No.5 (b) - regarding increase in remuneration of Managing Director which is subject to the approval of members.
 - ii) Note No. 7- regarding unconfirmed/unreconciled balances in some of the parties accounts.
 - iii) Note No.18- regarding the accounts of the Company being prepared on going concern basis.
 - g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with the significant accounting policies and other notes thereon as per Schedule 'M', give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 30th June, 2012;
 - ii) in the case of the statement of Profit & Loss, of the Profit of the Company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For V. K. DHINGRA & CO.
CHARTERED ACCOUNTANTS
Firm Registration No. 000250N

PLACE: NEW DELHI
DATED: 29/11/2012

(V.K.DHINGRA)
PARTNER
M. No. : 014467

ANNEXURE TO THE AUDITORS' REPORT**REFERRED TO IN PARAGRAPH (3) OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS OF JAUSS POLYMERS LIMITED FOR THE PERIOD ENDED ON 30th JUNE, 2012**

- i) a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- b) Major portion of the fixed assets have been physically verified by the management during the period as per the phased programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its business. No material discrepancies were noticed on such verification.
- c) There was no disposal of fixed assets during the period.
- ii) a) The inventory has been physically verified during the period by the management. In our opinion, the frequency of verification is reasonable.
- b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. No material discrepancies were noticed on verification between the physical stocks and the book records.
- iii) a) The Company has not granted any loan-secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the clauses 4(iii) (b) to (d) of the Order are not applicable.
- b) The terms and conditions of unsecured interest free loans taken during the period from the parties covered in the register maintained under Section 301 of the Companies Act, 1956 are not prima facie, prejudicial to the interest of the Company.

There were unsecured loans of ₹5.84 Lacs outstanding as on 30th June, 2011 in case of six parties covered in the register maintained u/s 301 of the Companies Act, 1956, the maximum amount due during the period was ₹84.79 Lacs. The repayment of principal amount of those loans was regular wherever stipulated.

- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and with regard to the sale of goods and services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have not come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedures.
- v) According to the information and explanations given to us, no contracts or arrangements were entered into during the period as referred to in Section 301 of the Companies Act, 1956. Therefore, the provisions of clause (v) of the said Order are not applicable to the Company under the circumstances.
- vi) The Company has not accepted any deposits from the public during the period to which the directives issued by the Reserve Bank of India and the provisions of Sections 58 A and 58 AA of the Companies Act, 1956 and the rules framed there under are applicable.
- vii) The Company has an internal audit system which, in our opinion, is commensurate with the size of the Company and nature of its business.
- viii) The Central Government has not prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 for any of the product of the Company.

JAUSS POLYMERS LTD.

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

- ix) a) According to the records of the Company examined by us, the Company is generally regular during the period in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Wealth tax, Sales Tax, Cess and other statutory dues applicable to it. The extent of arrears of such dues as on 30th June, 2011 for a period of more than six months was ₹ 19.21Lacs which have been paid subsequently.
- b) According to the information and explanation given to us and the records of the Company examined by us, there was no disputed amount payable in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance Fund, Sales Tax, Income Tax, Custom Duty, Wealth Tax, Excise Duty and Cess as at 30th June, 2011.
- x) The accumulated losses of the Company as at 30th June, 2011 were more than fifty percent of its net worth. The Company has not incurred cash losses during the period covered by our audit and in the immediately preceding financial year.
- xi) On an examination of the records of the Company and according to information and explanation given to us, the Company has not defaulted in the repayment of dues to any bank or financial institutions during the period.
- xii) Based on our examination of documents and records, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the provisions of any special statute applicable to chit fund/nidhi/mutual benefit/societies are not applicable to the Company.
- xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the period.
- xvi) According to the information and explanations given to us, the Company applied term loans and the same were utilised for the purpose for which the loans were obtained.
- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short term basis have not been used for long term investment.
- xviii) In our opinion and according to the information and explanations give to us, the price at which the Company has made the preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956, during the period was not prima facie prejudicial to the interest of the Company.
- xix) The Company has not issued any debentures during the period.
- xx) The Company has not raised any money through public issue during the period.
- xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the period, nor have we been informed of such case by the management.

For V. K. DHINGRA & CO.
CHARTERED ACCOUNTANTS
Firm Registration No. 000250N

PLACE: NEW DELHI
DATED: 29/11/2012

(V.K.DHINGRA)
PARTNER
M. No. : 014467

JAUSS POLYMERS LTD.

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

Balance Sheet as at 30 June, 2012

Particulars	Note No.	As at 30 June, 2012 (₹)	As at 30 June, 2011 (₹)
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	50,655,750	40,655,750
(b) Reserves and surplus	3	(20,970,490)	(22,698,868)
(c) Money received against share warrants	23	—	2,500,000
2 Non-current liabilities			
(a) Long-term borrowings	4	23,602,469	36,309,779
(b) Other long-term liabilities	5	268,610	555,509
(c) Long-term provisions	6	1,187,687	1,046,959
3 Current liabilities			
(a) Short-term borrowings	7	6,886,109	1,174,025
(b) Trade payables		1,409,333	1,735,202
(c) Other current liabilities	8	4,838,766	14,780,471
(d) Short-term provisions	9	200,991	186,417
Total		68,079,226	76,245,245
II ASSETS			
1 Non-current assets			
(a) Fixed assets	10		
(i) Tangible assets		39,780,099	44,315,892
(b) Long-term loans and advances	11	18,618,384	19,417,701
2 Current assets			
(a) Inventories	12	276,197	127,252
(b) Trade receivables	13	4,554,727	6,824,329
(c) Cash and bank balances	14	2,776,716	3,831,024
(d) Short-term loans and advances	15	2,073,102	1,729,047
Total		68,079,226	76,245,245
Significant accounting policies	1		
Additional notes forming part of the financial statements	23-41		

In terms of our report of even date attached.

For and on behalf of the Board of Directors

For V.K.DHINGRA & Co.

CHARTERED ACCOUNTANTS

(V.K.DHINGRA)
PARTNER**(DILDEEP SINGH SETHI)**
MANAGING DIRECTOR**(D.BHATTACHARYA)**
DIRECTOR

PLACE : NEW DELHI

DATE : 29/11/2012

JAUSS POLYMERS LTD.

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

Statement of Profit and Loss for the year ended 30 June, 2012

Particulars	Note No.	Year ended 30.06.2012 (₹)	Period ended 30.06.2011 (₹)
I Revenue from operations	16	41,323,281	75,781,180
II Other income	17	215,074	258,672
III Total revenue (I+II)		41,538,355	76,039,852
IV Expenses:			
Cost of materials consumed	18	508,128	8,516,332
Employee benefits expense	19	10,504,374	16,436,142
Finance costs	20	1,014,412	544,900
Depreciation and amortisation expense	10	5,742,374	7,920,715
Other expenses	21	24,350,516	36,571,587
Total expenses		42,119,804	69,989,676
V Profit/(Loss) before exceptional items and tax (III - IV)		(581,449)	6,050,176
VI Exceptional items	22	(2,309,827)	(17,444,817)
VII Profit for the year (V - VI)		1,728,378	23,494,993
VIII Earnings per equity share (Face value of ₹10/- each) :	32		
(a) Basic		0.43	3.87
(b) Diluted		0.38	3.60
Significant accounting policies	1		
Additional notes forming part of the financial statements	23-41		

In terms of our report of even date attached.

For and on behalf of the Board of Directors

For V.K.DHINGRA & Co.

CHARTERED ACCOUNTANTS

(V.K.DHINGRA)
PARTNER**(DILDEEP SINGH SETHI)**
MANAGING DIRECTOR**(D.BHATTACHARYA)**
DIRECTOR

PLACE : NEW DELHI

DATE : 29/11/2012

JAUSS POLYMERS LTD.

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

Cash Flow Statement for the year ended 30 June, 2012

(Amount in ₹)

Particulars	Year ended 30.06.2012	Period ended 30.06.2011
A. Cash Flow from Operating activities		
Net Profit/(Loss) before exceptional items and tax	(581,449)	6,050,176
<i>Adjustments for:</i>		
Depreciation and amortisation expenses	5,742,374	7,920,715
Finance costs	1,014,412	544,900
Interest income	(28,425)	(39,020)
Operating profit/(loss) before working capital changes	6,146,911	14,476,771
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	(148,945)	9,771
Trade receivables	2,269,602	(3,967,802)
Short-term loans and advances	(344,055)	(62,932)
Long-term loans and advances (Excluding Capital advances)	1,569,346	100,000
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	(325,868)	613,303
Other current liabilities	(9,941,704)	3,805,975
Other long-term liabilities	(286,900)	(2,977,550)
Short-term provisions	14,574	76,795
Long-term provisions	140,728	268,770
<i>Net changes in working capital</i>	(7,053,223)	(2,133,669)
Cash flow from operating activities before exceptional items	(906,311)	12,343,102
Exceptional items (other than profit on sale of fixed assets)	(76,699)	17,444,817
Cash generated from operations	(983,010)	29,787,919
Net income tax (paid) / refunds	—	—
Net cash flow from / (used in) operating activities (A)	(983,010)	29,787,919
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(4,039,084)	(18,387,759)
Proceeds from sale of fixed assets	4,449,000	—
Interest received	28,425	39,020
Net cash flow from / (used in) investing activities (B)	438,341	(18,348,739)
C. Cash flow from financing activities		
Proceeds from issue of warrants converted into equity	7,500,000	2,500,000
Proceeds from issue of equity shares	—	7,500,000
Increase in capital reserve (Central Investment Subsidy)	—	2,361,447
Repayment of long-term borrowings	(12,707,310)	(26,266,499)
Repayment of short-term borrowings	—	(3,880,780)
Proceeds from short-term borrowings	5,712,084	—
Finance cost	(1,014,412)	(544,900)
Net cash flow from / (used in) financing activities (C)	(509,638)	(18,330,732)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(1,054,307)	(6,891,552)
Cash and cash equivalents at the beginning of the year	3,831,024	10,722,576
Cash and cash equivalents at the end of the year	2,776,716	3,831,024

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Cash and cash equivalents at the end of the year comprises (Refer note 14) :

(a) Cash on hand	120,005	349,274
(b) Balances with banks		
In current accounts	2,656,711	3,481,749
	<u>2,776,716</u>	<u>3,831,024</u>

Notes:

- (i) The above Cash Flow Statement is prepared under the indirect method set out in the AS-3, as prescribed by Companies (Accounting Standards) Rules, 2006.
- (ii) Figures in the brackets indicate Cash Outgo.
- (iii) Figures for the previous period are regrouped in pursuant to application of revised schedule VI, hence cash flow statement may not be comparable with previous period figures.

In terms of our report of even date attached.

For and on behalf of the Board of Directors

For V.K.DHINGRA & Co.

CHARTERED ACCOUNTANTS

(V.K.DHINGRA)
PARTNER

(DILDEEP SINGH SETHI)
MANAGING DIRECTOR

(D.BHATTACHARYA)
DIRECTOR

PLACE : NEW DELHI

DATE : 29/11/2012

Notes forming part of the financial statements**Note 1: Significant accounting policies****1.1 Basis of preparation of financial statements**

The financial statements are prepared under historical cost convention, on a going concern basis and in accordance with the applicable accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards and relevant provisions of the Companies Act, 1956. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.2 Use of Estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Differences between actual results and estimates are recognized in the period in which they materialize.

1.3 Sale/Revenue Recognition

Revenue (income) is recognized where no significant uncertainty as to determination or realization exists. Sales are recognized ex works and are including of excise duty but net of trade discounts and sales tax. Job work income is recognized on delivery of finished goods.

1.4 Inventories

Raw Material, Packing Materials : At Cost*.

Finished Goods : Cost* or Net realizable value, Whichever is lower.

* Cost is determined on the basis of first in first out (FIFO) method.

1.5 Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation and impairment loss, if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred up to the date when the assets are ready to use and share issue expenses related to funds raised for financing the project.

1.6 Depreciation/ Amortisation

- i) Depreciation on fixed assets is provided on straight line method as per Schedule-XIV of the Companies Act, 1956.
- ii) Depreciation is provided on pro-rata basis from the date on which assets are put to use in case of addition and provided upto the date of sale/disposal in case of sale/disposal.
- iii) Leasehold improvement assets are amortised over the period of lease.

1.7 Employee Benefits

- a) Contribution to the Provident Fund and Employees State Insurance is deposited in accordance with the provisions of the relevant acts and is charged to profit and loss account.
- b) Provision for gratuity and leave encashment is made on the basis of actuarial valuation at the end of the year. Actuarial gains or losses are recognized in the Statement of Profit and Loss.

1.8 Provisions

A provision is made based on a realizable estimate made. It is probable that an outflow of resources embodying economic benefits will be realized to settle an obligation. Contingent liabilities, if material, are disclosed by way of notes to accounts. Contingent assets are not recognized or disclosed in the financial statements.

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Note 2: Share capital

Particulars	As at 30 June, 2012		As at 30 June, 2011	
	Number of shares	₹	Number of shares	₹
Authorised:				
Equity shares of ₹ 10 each	7,500,000	75,000,000	7,500,000	75,000,000
Convertible preference shares of ₹ 100 each	50,000	5,000,000	50,000	5,000,000
TOTAL	80,000,000		80,000,000	
Issued, Subscribed and paid up				
Equity shares of ₹ 10 each	4,625,575	46,255,750	3,625,575	36,255,750
Convertible preference shares of ₹ 100 each	44,000	4,400,000	44,000	4,400,000
TOTAL	50,655,750		40,655,750	

(A) Details of shares held by each shareholder holding more than 5% shares of the company at the end of the year:

Particulars	As at 30 June, 2012		As at 30 June, 2011	
	No. of shares	% of Holding	No. of shares	% of Holding
Equity shares:				
Dildeep Singh Sethi	1,215,043	26.27	973,843	26.86
Arshdeep Singh Sethi	196,200	4.24	196,200	5.41
Paramjit Kaur Sethi	249,315	5.39	249,315	6.88
M/S Darsh Polymers Pvt Ltd	758,800	16.4	—	—
Convertible preference shares:				
O. K . Play India Ltd.	33,000	75.00	33,000	75.00
ICICI Bank Ltd.	11,000	25.00	11,000	25.00

(B) Reconciliation of the number of shares and amount outstanding at the beginning and as at 30th June, 2012:

Particulars	As at 30 June, 2012		As at 30 June, 2011	
	No. of Equity shares	Amount (₹)	No. of Equity shares	Amount (₹)
Opening balance	3,625,575	36,255,750	6346550	60,488,500
Less: Forfeiture during the year (Refer Note "C" below)	—	—	(595,400)	(2,977,000)
Less: Reduction (Refer Note "D" below)	—	—	(2,875,575)	(28,755,750)
Add: Issued during the year (Refer Note "E" below)	1,000,000	10,000,000	750,000	7,500,000
Closing Balance as at balance sheet date	4,625,575	46,255,750	3,625,575	36,255,750

(C) Details of forfeited shares:

Class of shares	As at 31 March, 2012		As at 30 June, 2011	
	No. of shares	Amount originally paid up	No. of shares	Amount originally paid up
Equity shares (₹ 5/- paid up each)	—	—	595,400	2,977,000
	—	—	595,400	2,977,000

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- (D) In terms of the Scheme of BIFR, to give effect to the reduction in face value of paid up share capital from ₹ 10 to ₹ 5, the equity share capital of the company was restructured during the previous period from 57,51,150 equity shares of ₹ 10 each to equity shares of ₹ 5 each. Further, the equity share capital after such reduction was consolidated from 57,51,150 shares of ₹ 5 each to 28,75,575 shares of ₹ 10 each fully paid up.
- (E) During the year, the Company converted 20,00,000 share warrants of ₹ 5 each issued during the previous period into 10,00,000 equity shares of ₹ 10 each fully paid-up as per the Sanctioned Scheme of the Board for Industrial and Financial Reconstruction (BIFR). During the previous period, the Company issued 7,50,000 equity shares of ₹10 each fully paid-up to the promoters as per the Sanctioned Scheme. Out of the above, 1,50,000 equity shares of ₹ 10 each had been allotted to one of the promoter directors as fully paid-up pursuant to contract without payment being received in cash towards settlement of debt of the Company in court as per compromise.
- (F) The holders of equity shares are entitled to receive dividend as declared from time to time and are entitled to voting rights proportionate to their shareholding at the meeting of shareholders.
- (G) Convertible Preference Shares are convertible into Equity Shares at par at the option of the shareholders and subject to the approval of the relevant authorities.

Note 3 Reserves and surplus

Particulars	As at 30 June, 2012 (₹)	As at 30 June, 2011 (₹)
(a) Capital reserve		
Opening balance	4,791,677	31,010,039
Add: Additions during the year		
Central Investment Subsidy	—	2,361,447
Transfer from surplus in statement of profit and loss*	13,828,437	—
Less: Transferred to surplus in statement of profit and loss during the year (Refer Note 34)	—	28,579,809
Closing balance	<u>18,620,114</u>	<u>4,791,677</u>
(b) General reserve		
Opening balance	—	5,600,000
Less: Transferred to surplus in statement of profit and loss during the year (Refer Note 34)	—	5,600,000
Closing balance	<u>—</u>	<u>—</u>
(c) Surplus / (Deficit) in statement of profit and loss		
Opening balance	(27,490,545)	(116,898,097)
Add: Profit during the year as per statement of profit and loss	1,728,378	23,494,993
Transfer from capital reserve (Refer Note 34)	—	28,579,809
Transfer from general reserve (Refer Note 34)	—	5,600,000
Transfer from share capital account (Refer Note 34)	—	28,755,750
Transfer from share forfeited account (Refer Note 34)	—	2,977,000
Less: Transfer to capital reserve*	13,828,437	—
Closing balance	<u>(39,590,604)</u>	<u>(27,490,545)</u>
Total (a+b+c)	<u>(20,970,490)</u>	<u>(22,698,868)</u>

* Unsecured loans written back as per the order of BIFR and credited to "Profit & Loss Account" under the head "Extraordinary Items/Prior Period adjustments during the period ended June 30, 2011 (Refer Note 34) have now been taken to capital reserve being capital in nature. Also includes ₹ 67,000/- on account of waiver given by other parties during the year ended June 30, 2012.

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Note 4: Long-term borrowings

Particulars	As at 30 June, 2012 (₹)	As at 30 June, 2011 (₹)
(a) Term loans from other parties - secured*	589,970	571,370
(b) Other loans and advances		
Secured**	21,841,000	31,841,000
Unsecured	3,208,319	5,742,075
	25,639,289	38,154,445
Less: Current Maturities of long term debts (Refer note no. 8)	2,036,820	1,844,666
	23,602,469	36,309,779

* Term Loans from other parties are secured against hypothecation of vehicles.

** Secured other loans and advances from O.K. Play India Ltd. is secured against the assignment of all rights of financial institutions including hypothecation of movable assets and deposit of title deeds of immovable properties in favour of O.K. Play India Ltd. upon one time settlement of all dues of the company with these financial institutions in earlier years.

(i) Details of Repayment of Loans as on Balance Sheet date :

Particulars of Loan	Commencement month	No. of left Monthly Installments	Maturity month	Amount
(a) Term loans from other parties - secured*				
Tata Motors Finance Limited - Car Loan	July, 2011	24	June, 2014	260,599
Tata Motors Finance Limited - Truck Loan	Oct, 2010	13	Aug, 2013	329,370
(b) Other loans and advances				
Secured				
O K Play India Ltd.***				21,841,000
Unsecured				
Bigur Finance Ltd.	March, 2012	32	March, 2015	1,146,446
Other parties as per BIFR Scheme****				2,061,873
	Total			25,639,289
Less: Current Maturities of long term debts (Refer note no. 8)				2,036,820
				23,602,469

*** Secured loan from O.K. Play India Ltd. was payable over a period of five years from the cut off date (i.e.31-03-2010) along with interest accruing after one year from the date of sanction of Scheme as per the order of Board for Industrial and Financial Reconstruction(BIFR).Further,the outstanding amount has been paid in full without interest subsequent to the balance sheet date as per the settlement.

**** Unsecured loans from Other parties as per BIFR Scheme are repayable over a period of 3 years in 12 quarterly installments commencing from September, 2011 without carrying any interest as per the order of BIFR.

(ii) Details of default in repayment Unsecured Loans and interest (if any) as on Balance Sheet date:

Particulars of loan	No. of Installment defaults	Principal amount
Other parties as per BIFR Scheme	4	488,125
Total		488,125

(iii) Company has no default in repayment of Term loans from other parties and interest thereon as on Balance Sheet date.

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Note 5: Other long-term liabilities

Particulars	As at 30 June, 2012 (₹)	As at 30 June, 2011 (₹)
(a) Trade Payables	268,610	537,219
(b) Others	—	18,290
Total	268,610	555,509

Note 6: Long-term provisions

Particulars	As at 30 June, 2012 (₹)	As at 30 June, 2011 (₹)
Provision for employee benefits:		
(i) Provision for gratuity (net)	934,848	783,937
(ii) Provision for Leave encashment	252,839	263,022
Total	1,187,687	1,046,959

Note 7: Short-term borrowings (Unsecured)

Particulars	As at 30 June, 2012 (₹)	As at 30 June, 2011 (₹)
(a) Loans and advances from related parties	586,109	583,525
(b) Other loans and advances	6,300,000	590,500
Total	6,886,109	1,174,025

Note 8: Other current liabilities

Particulars	As at 30 June, 2012 (₹)	As at 30 June, 2011 (₹)
(a) Current maturities of long-term debt (refer note no. 4)	2,033,794	1,844,666
(b) Current maturities of finance lease obligations	—	700,992
(c) Interest accrued but not due on borrowings (refer note no.4)	3,026	—
(d) Other payables:		
(i) Statutory dues (Contributions to PF and ESIC, TDS, VAT, Service Tax, etc.)	121,731	1,620,782
(ii) For purchase of fixed assets	156,047	2,506,948
(iii) Others	2,524,169	8,107,082
Total	4,838,766	14,780,471

Note 9: Short-term provisions

Particulars	As at 30 June, 2012 (₹)	As at 30 June, 2011 (₹)
Provisions for employee benefits:		
For gratuity	33,594	12,279
For leave encashment	167,397	174,138
Total	200,991	186,417

Note 10: Fixed Assets
(Figures in ₹)

S. Particulars No.	GROSS BLOCK				DEPRECIATION			WRITTEN DOWN VALUE	
	AS AT 01.07.2011	Addition during the period	Sales/ Adjust- ments	As At 30.06.2012	As At 01.07.2011	For the Current period	Written back/ Adjustment	As At 30.06.2012	As At 01.07.2011
Tangible Assets									
1 Land	1,067,276	—	152,688	914,588	—	—	—	914,588	1067276
2 Building: Freehold Leasehold Improvement	11,265,916	—	1,278,193	9,987,723	4,700,434	—	928,217	959,389	1309365
3 Plant and Equipment	630,331	—	—	630,331	191,950	152,421	—	285,960	438381
4 Furniture & Fixture	165,612,053	2,671,312	52,664,249	115,619,116	126,935,712	5,163,698	51,343,664	34,863,370	38676341
5 Office equipments	3,280,540	—	—	3,280,540	2,190,893	18,141	—	296,560	314701
6 Vehicles	4,944,569	83,100	—	5,027,669	3,407,502	182,089	—	1,030,826	1129815
	1,856,518	514,643	375,969	1,995,192	476,505	226,025	136,745	1,429,406	1380013
TOTAL	188,657,203	3,269,055	54,471,099	137,455,159	137,902,996	5,742,374	52,408,626	39,780,099	44,315,892
PREVIOUS YEAR	(171,301,466)	(17,355,737)	—	(188,657,203)	(129,982,281)	(7,920,715)	—	(44,315,892)	

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Note 11: Long-term loans and advances

(Unsecured, considered good)

Particulars	As at 30 June, 2012 (₹)	As at 30 June, 2011 (₹)
(a) Capital advances		
To related parties	16,265,000	16,094,971
To others	600,000	—
(b) Security deposits		
with Government Departments	828,956	913,731
with Others	924,428	2,408,999
	18,618,384	19,417,701

Note 12: Inventories

(Inventories are valued at cost or net realisable value, whichever is lower)

Particulars	As at 30 June, 2012 (₹)	As at 30 June, 2011 (₹)
Raw materials		
Preforms	—	106,088
Poly propylene	269,925	—
Packing Materials	6,272	21,164
	276,197	127,252

Note 13: Trade receivables

(Unsecured, considered good)

Particulars	As at 30 June, 2012 (₹)	As at 30 June, 2011 (₹)
Trade receivables outstanding for a period not exceeding six months from the date they were due for payment	4,554,727	6,824,329
	4,554,727	6,824,329

Note 14: Cash and bank balances

Particulars	As at 30 June, 2012 (₹)	As at 30 June, 2011 (₹)
Cash and cash equivalents:		
(a) Cash on hand	120,005	349,274
(b) Balances with banks		
- In current accounts	2,656,711	3,481,749
Total	2,776,716	3,831,024

Note 15: Short-term loans and advances

(Unsecured, considered good)

Particulars	As at 30 June, 2012 (₹)	As at 30 June, 2011 (₹)
(a) Loans and advances to related parties	14,221	6,221
(b) Loans and advances to employees	2,788	29,875
(c) Prepaid expenses	68,245	99,395
(d) Balances with government authorities:		
(i) CENVAT credit receivable	1,135	1,135
(ii) VAT credit receivable	19,041	669
(iii) TDS Receivable	344,812	554,580
(e) Others	1,622,860	1,037,172
Total	2,073,102	1,729,047

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Note 16: Revenue from operations

(Unsecured, considered good)

Particulars	Year ended 30.6.2012 (₹)	Period ended 30.6.2011 (₹)
Sale of products	1,842,571	14,629,352
Job work	39,464,367	60,839,477
Other operating revenues	16,343	312,351
Total	41,323,281	75,781,180

Note 17: Other income

Particulars	Year ended 30.6.2012 (₹)	Period ended 30.6.2011 (₹)
Interest income	28,425	39,020
Other non-operating income:		
Liabilities/provisions no longer required written back	186,648	219,652
Total	215,074	258,672

Note 18: Cost of materials consumed

Particulars	Year ended 30.6.2012 (₹)	Period ended 30.6.2011 (₹)
Opening stock	106,088	137,023
Add: Purchases	671,965	8,485,397
	778,053	8,622,420
Less: Closing stock	269,925	106,088
Cost of material consumed	508,128	8,516,332
Material consumed comprises:		
Preform	508,128	8,516,332
Total	508,128	8,516,332

Note 19: Employee benefits expense

Particulars	Year ended 30.6.2012 (₹)	Period ended 30.6.2011 (₹)
Salaries and wages	9,660,227	15,057,416
Contributions to provident and other funds	235,135	397,225
Staff welfare expenses	609,012	981,501
Total	10,504,374	16,436,142

Note 20: Finance costs

Particulars	Year ended 30.6.2012 (₹)	Period ended 30.6.2011 (₹)
Interest expense on:		
(i) Borrowings	525,710	537,406
(ii) Others		
Interest on TDS, Service Tax and Sales Tax etc.	488,702	7,494
Total	1,014,412	544,900

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Note 21: Other expenses

Particulars	Year ended 30.6.2012 (₹)	Period ended 30.6.2011 (₹)
Consumption of stores and spare parts	70,923	190,083
Consumption of packing materials	872,378	4,326,571
Power and fuel	10,357,189	12,760,996
Rent including lease rentals	3,893,871	6,828,144
Repairs and maintenance - Buildings	930,630	806,387
Repairs and maintenance - Machinery	1,779,319	2,299,048
Insurance charges	29,762	60,543
Rates and taxes, excluding taxes on income	75,932	107,343
Travelling and conveyance expenses	460,986	522,954
Freight and forwarding charges	1,847,112	3,716,230
Legal and professional charges	1,136,615	1,717,244
Postage, telegram and telephone expenses	394,243	343,891
Business promotion expenses	1,038,496	653,756
Security services expenses	333,920	672,725
<u>Auditors Remuneration</u>		
Audit fees	112,360	137,875
Income Tax matters	22,472	22,060
Other services	23,163	14,891
Miscellaneous expenses	971,144	1,390,846
Total	24,350,516	36,571,587

Note 22: Exceptional items

Particulars	Year ended 30.6.2012 (₹)	Period ended 30.6.2011 (₹)
Loss on sale of fixed asstes	(1,010,810)	—
Prior period items-net credit/(debit) (Refer Note 33)	3,253,637	(2,637,284)
Sales Tax written off	—	3,670,869
Sundry creditors written back (Refer Note 34)	—	2,649,795
Unsecured loans written back (Refer Note 34)	67,000	13,761,437
Total	2,309,827	17,444,817

23 Monies received against share warrants

As per the Sanctioned Scheme of BIFR, the promoters have to bring in ₹ 100 lacs by way of share warrants, out of which the company received 25% upfront money amounting to ₹ 25,00,000 against the allotment of 20,00,000 warrants of ₹ 5/- each during the period ended June 30,2011 and further received balance amount of ₹ 75,00,000 during the year ended June 30,2012. These share warrants have been converted into 10,00,000 equity shares of ₹ 10/- each fully paid up during the year ended June 30, 2012. The issue of fresh equity shall however, be subject to lock-in period of three years as per SEBI guidelines.

24 Contingent liabilities and commitments (to the extent not provided for)

	As at 30 June, 2012 (₹)	As at 30 June, 2011 (₹)
(a) Claims against the Company not acknowledged as debt	NIL	NIL
(b) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance)	1,625,000	NIL
	1,625,000	NIL

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- 25 There are no Micro, Small & Medium Enterprises to whom the company owned dues with outstanding for more than 45 days as at 30th June, 2012. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act,2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the the auditors.
- 26 The operations of Company pre-dominantly consist of one segment i.e. Job Work and sale of PET jars and caps. Therefore, segment wise reporting as per AS –17 “Segmental Reporting” as prescribed by the Companies (Accounting Standards) Rules, 2006 is not applicable.
- 27 Based on an overall assessment of the fixed assets, in the opinion of the management there is no impairment of cash generating assets during the year in terms of AS-28 ‘Impairment of Assets’ as prescribed by the Companies (Accounting Standards) Rules, 2006.
- 28 In the opinion of Board and to the best of their knowledge, value on realisation of assets, other than fixed assets in the ordinary course of business shall not be less than the amount at which they are stated in the balance sheet (except expressly disclosed elsewhere in the notes) and provision for all known liabilities has been made and contingent liabilities disclosed properly.
- 29 Disclosure of Employee Benefits defined in AS-15 (Revised), as prescribed by the Companies (Accounting Standards) Rules, 2006 is as follows:
- a) **Defined Contribution Plan :**
- (i) Employer’s contribution to provident fund paid ₹ 2,35,135/- (previous year ₹ 3,97,225/-) has been recognized as expense for the year.
- (ii) Employer’s contribution to Employees State Insurance paid ₹ 1,13,212/- (previous year ₹1,52,773/-) has been recognized as expense for the year.

b) **Defined Benefit Plan :**

Present value of gratuity and leave encashment obligation based on actuarial valuation using the projected unit credit method which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each units separately to built up the final obligation. The Company has made provision as per actuarial valuation in accordance with Accounting Standard 15-“Employee Benefits” (Revised).

Particulars	Gratuity	Gratuity	Leave	Leave
	(Unfunded)	(Unfunded)	Encashment (Unfunded)	Encashment (Unfunded)
	2011-2012	2010-2011	2011-2012	2010-2011
I. Changes in present Value of obligations				
Present Value Obligation at the beginning of the I.V.P.	796,216	637,286	437,160	250,525
Interest Cost	65,785	50,780	35,728	21,063
Current Service Cost	207,177	260,822	220,501	196,241
Benefits Paid	(62,539)	(318,704)	(43,425)	(104,577)
Actuarial (Gain)/Loss on obligation	(38,197)	166,032	(397,125)	73,908
Present Value Obligation at the end of the I.V.P.	968,442	796,216	2,52,839*	437,160
II. Amount to be recognized in the balance sheet				
Present Value of obligation at the end of I.V.P.	968,442	796,216	2,52,839*	437,160
Fair Value of Plan Assets at the end of the I.V.P.	—	—	—	—
Funded Status	(968,442)	(796,216)	(2,52,839)*	(437,160)
Unrecognized Actuarial (Gain)/ Loss at the end of the I.V.P.	—	—	—	—
Net Asset/(Liability) Recognized in the Balance Sheet	968,442	796,216	2,52,839*	437,160

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Particulars	Gratuity	Gratuity	Leave	Leave
	(Unfunded)	(Unfunded)	Encashment (Unfunded)	Encashment (Unfunded)
	2011-2012	2010-2011	2011-2012	2010-2011
III. Expenses recognized in the statement of Profit & loss				
Current Service Cost	207,177	260,822	220,501	196,241
Interest Cost	65,785	50,780	35,728	21,063
Expected Return on Plan Assets	—	—	—	—
Net Actuarial (Gain)/Loss recognized for the year	(38,197)	166,032	(397,125)	73,908
Expenses recognized in the statement of Profit & loss	234,765	477,634	(140896)**	291,212

IV. Actuarial assumptions

Mortality Table	LIC 1994-96	LIC 1994-96	LIC 1994-96	LIC 1994-96
	(ultimate)	(ultimate)	(ultimate)	(ultimate)
Attrition Rate	5.00%	2.00%	5.00%	2.00%
Imputed rate of interest	8.60%	8.50%	8.60%	8.50%
Salary Rise	9.50%	9.50%	9.50%	9.50%
Return on Plan Assets	N.A.	N.A.	N.A.	N.A.
Remaining Working Life	24.79 years	24.05 years	24.79 years	24.05 years

* This pertains to long term liability worked in respect of deferred leave only. After considering expected short term liability of ` 1,67,397/-, the total liability is ` 4,20,236/-.

** This pertains to long term liability only, after considering actual payments of ` 43,425/-, the balance ` 97,471/- has been credited to Other Income.

30 Related party disclosures:

Related party disclosures in accordance with the AS -18 on 'Related Party Disclosure' as prescribed by the Companies (Accounting Standards) Rules, 2006 are given as hereunder:

(i) Enterprise over which Key Management Personnel and their relatives are able to exercise significant influence:

Darsh Polymers Pvt. Ltd.
DTG India P. Ltd.
Auram Polymers P. Ltd.

(ii) Key Management Personnel and their relatives:

Mr.D.S.Sethi,	Managing Director
Mr. D.S. Sethi, HUF	HUF of Mr. D. S. Sethi
Mr. D. Bhattacharya	Director
Mr. Kamal Mehra	Director
Mr. A.S. Sethi	Brother of Mr. D. S. Sethi
Mr. H.S. Sethi	Brother of Mr. D. S. Sethi
Mrs. Shelly Sethi	Wife of Mr. D. S. Sethi
Mrs. Sujata Bhattacharya	Wife of Mr. D. Bhattacharya
Mrs. Paramjeet Kaur Sethi	Mother of Mr. D. S. Sethi
Mrs. G.K. Sethi	Wife of Mr. H. S. Sethi
Mrs. Puja Sethi	Wife of Mr. A. S. Sethi

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Nature and Volume of Transactions	Enterprises Over which significant influence		Key Managerial Personnel and their Relatives	
	Current year (₹)	Previous year (₹)	Current year (₹)	Previous year (₹)
Directors Remuneration	—	—	970,000	990,000
Salary paid	—	—	720,000	1,800,000
Lease rent paid	—	840,000	—	—
Equity Shares allotted	—	—	2,547,000	7,500,000
Share Warrant allotted	5,691,000	1,897,000	1,809,000	603,000
Balances Debit/(Credit) (net)	15,678,891	15,931,919	(8,272)	(420,473)
Loan and advances receipts/(payment)(Net)	253,028	(2,031,500)	(561,589)	(5,077,046)

Note:- Related parties and their relationship are as identified by the management and relied upon by the auditors.

- 31** Disclosure in respect of operating leases under Accounting Standard -19 on 'Leases' are as under :
- (a) The company has entered into lease agreements for lease of factory building, head office building and plant & equipments generally for a period of 5 years, resulting in operating lease which are cancellable on prior notice.

	As at 30 June, 2012 (₹)	As at 30 June, 2011 (₹)
(b) Total future minimum lease payments under operating leases:		
(i) Not later than one year	2,993,304	3,678,871
(ii) Later than one year and not later than five years	4,357,557	6,495,079
(iii) Later than five years	—	—
(c) Lease payment recognised in the statement of profit and loss for the year	3,893,871	6,978,144

- 32** Disclosure of Earnings per share in accordance with the Accounting Standard-20, as prescribed by Companies (Accounting Standards) Rules, 2006 is as follows:

Particulars		As at 30 June, 2012 (₹)	As at 30 June, 2011 (₹)
Profit/(loss) attributable to the Shareholders			
After exceptional item	A	1,728,378	23,494,993
Before exceptional item	B	(581,449)	6,050,176
Weighted average number of Equity Shares outstanding during the year	C	4,058,722	6,073,850
Potential number of Equity Shares	D	440,000	448,333
Nominal value of Equity Shares		10	10
Basic Earning per Share			
After exceptional item	A/C	0.43	3.87
Before exceptional item	B/C	(0.14)	1.00
Diluted Earning per Share			
After exceptional item	A/(C+D)	0.38	3.60
Before exceptional item	B/(A+D)	(0.13)	0.93

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33 Prior period items includes:	As at 30 June, 2012	As at 30 June, 2011
Prior period debits	(143,699)	(2,637,284)
Prior period credits	3,397,336	—

- 34** Board for Industrial and Financial Reconstruction vide its order dated 28.03.2011 sanctioned a Rehabilitation Scheme (Sanctioned Scheme) for revival of the company under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985.

Pursuant to sanction of the Rehabilitation Scheme, the necessary effects were given in the accounts during the previous period as under:

- (a) Amounts credited in Statement of Profit & Loss under the head "Exceptional items"

(₹)

- Sundry creditors written back	2,649,795
- Unsecured loans written back	13,761,437

- (b) Amounts credited to reserve and surplus under the head 'Surplus in statement of profit and loss':

- Transfer from capital reserve	28,579,809
- Transfer from general reserve	5,600,000
- Transfer from share capital on account of reduction in share capital	28,755,750

(As per Sanctioned Scheme paid up share capital of the company has been reduced by 50% and after reduction, every two equity shares of ₹ 5/- each fully paid up have been converted into one equity shares of ₹ 10/- each fully paid up.)

- Transfer from forfeited share account	2,977,000
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- (c) Apart from above, the effect of various reliefs and concessions as envisaged in the Scheme have been given as and when the requisite approvals were received.

- 35** Balances standing to the account of some parties are subject to confirmation/ reconciliation and consequential adjustments if any, upon confirmation/ reconciliation.

- 36** The net worth of the company (share capital+free reserves) has become positive as on 30 June, 2011. Though the accumulated losses exceed 50 % of the net worth of the Company, the accounts have continued to be prepared on going concern basis.

- 37** The Company has unabsorbed depreciation and carried forward losses under the Income-tax law. In the absence of virtual certainty of sufficient future taxable income, net deferred tax asset has not been recognised by way of prudence in accordance with Accounting Standard - 22 " Accounting for taxes on income" as prescribed by Companies (Accounting Standards) Rules, 2006. No provision for income-tax has also been considered necessary in view of the unabsorbed depreciation and based on judicial pronouncements, non applicability of tax on book profits u/s115JB of the Income-tax Act,1961 at present.

- 38** Additional Information pursuant to the provisions of part II of Schedule VI of the Companies Act,1956 to the extent applicable, is given as hereunder:

- (a) (Amount in ₹)

Particulars	Purchases	
	Year ended 30.6.2012	Period ended 30.6.2011
Raw materials		
(i) Preform	402,040	8,485,397
(ii) Poly propylene	269,925	—
Packing materials	857,487	4,347,735
Stores and spares parts	70,923	190,083

JAUSS POLYMERS LTD.

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	(Amount in `)			
	Year ended 30.6.2012		Period ended 30.6.2011	
(b) Value of Imports on CIF Basis	NIL		NIL	
(c) Expenditure in foreign currency				
Foreign travel	137,690		NIL	
(d) Earnings in foreign currency	NIL		NIL	
(e) Details of consumption of imported and indigenous items				
Particulars	Year ended 30.6.2012		Period ended 30.6.2011	
	%	Amount (`)	%	Amount (`)
<u>Indigenous</u>				
Raw material- Preform	100	508,128	100	8,516,332
Packing material	100	872,378	100	4,326,571
Stores and spares parts	100	70,923	100	190,083
		<u>1,451,429</u>		<u>13,032,986</u>
<u>Imported</u>	NIL		NIL	

- 39** Current year comprises of twelve months i.e. period commencing from 1st July, 2011 to 30th June, 2012 as against corresponding previous period which comprised of fifteen months from 1st April, 2010 to 30th June, 2011. Therefore, the current year figures may not be comparable with those of previous period figures to that extent.
- 40** Consequent to the notification of revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended 30th June, 2012 have been prepared as per revised Schedule VI. Accordingly, the previous period's figures have also been reclassified to confirm to this year's classification. The adoption of revised Schedule VI for previous period figures does not impact recognition and measurement principal followed for the preparation of financial statements.
- 41** Figures have been rounded of to the nearest rupee.

For V.K.DHINGRA & Co.
CHARTERED ACCOUNTANTS

(V.K.DHINGRA)
PARTNER

(DILDEEP SINGH SETHI)
MANAGING DIRECTOR

(D.BHATTACHARYA)
DIRECTOR

PLACE : NEW DELHI
DATE : 29/11/2012

JAUSS POLYMERS LTD.

Regd. Off. : 4A/35 ,Old Rajinder Nagar, New Delhi-110060

PROXY FORM

I/We.....of.....in the district of.....being a member(s) of the above named company, hereby appoint Mr./Miss/Mrs.....of.....in the district of..... or failing him/her, Mr./Miss/Mrs.....of.....in the district of..... as my/our proxy to vote, for me/us on my/our behalf at the 24th Annual General Meeting of the Company to be held on Thursday, 27th December, 2012 at 9.30 A.M. or at any adjournment thereof.

No. of shares held..... Registered Folio No.....

D.P.ID No.#..... Client ID No.#.....

Signed this.....day of2012.

Note: The proxy form must be deposited duly stamped, completed and signed at the Registered Office of the company not less than 48 hours before the time for holding the meeting.

For members holding shares in dematerialised mode.

JAUSS POLYMERS LTD.

Regd. Off. : 4A/35 ,Old Rajinder Nagar, New Delhi-110060

ATTENDANCE SLIP

Name of the shareholders :
(IN BLOCK LETTERS)

Registered Folio No. :

D.P.ID No.#..... Client ID No.#.....

I hereby record my presence at the 24th Annual General Meeting on Thursday, 27th December, 2012 at 9.30 A.M. at Sanatan Dharam Mandir, Moti Nagar, New Delhi-110015. I certify that I am a registered shareholder/proxy* for the registered shareholder of the company.

.....
(Name of the Proxy)

.....
(Signature of the member/proxy* to be signed at the attendance counter)

*Delete whichever is not applicable

#For members holding shares in dematerialised mode.

Notes:

1. For their own convenience, the members are requested to deliver their attendance slips at the attendance counter in a queue.
2. Incomplete attendance slips will not be accepted at the attendance counter. For any problem or information, please contact the enquiry counter, before proceeding to attendance counter.
3. **No gifts/coupons shall be distributed at the meeting.**

BOOK - POST

If undelivered, please return to :

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