

**22<sup>ND</sup>**  
**ANNUAL REPORT**  
**2009-2010**

**JAUSS POLYMERS LIMITED**

**BOARD OF DIRECTORS**

**Dildeep Singh Sethi**  
Managing Director

**Manoj Pandey**  
Director

**Debashish Bhattacharya**  
Director

**AUDITORS**

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

**INTERNAL AUDITORS**

**H. Kumar & Associates**

**REGISTERED OFFICE**

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

**WORKS :**

<b>Plant-I</b>	<b>Plant-II</b>
Chanaloh Kurali	Baddi, Himachal Pradesh
Dist. Roopar, Punjab (India)	(India)

## JAUSS POLYMERS LTD.

### NOTICE

Notice is hereby given that the 22ND Annual General Meeting of the members of Jauss polymers Ltd., will be held on Thursday , 30th September 2010 at Sanatan Dharam Mandir, Moti Nagar, New Delhi-110015. at 9.30 A.M. to transact the following business.

#### ORDINARY BUSINESS

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

By the Order of Board

Place New Delhi  
Date : 3RD September 2010.

**(Dildeep Singh Sethi)**  
Managing Director

**Regd Office:**  
1308, Vikrant Tower,  
Rajendra Place,  
New Delhi-110008

#### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company shall remain closed from 29/09/2010 to 3/10/2010 (both days inclusive).
3. Members attending the meeting are requested to bring their own copy of the Annual Report and attendance slips sent herewith duly filled and signed.
4. Members are requested to notify change in address, if any, to the Company at its Registered Office, quoting correct folio number(s).
5. In the case of Joint holders, if more than one holder intend to attend the meeting they must obtain additional admission slips on request from the Registered Office of the Company.
6. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in Respect of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting is separately annexed hereto.
7. The Company has paid the Listing Fees for the year 2010-2011 to The Bombay Stock Exchange Limited at which the Company's securities are presently listed . The Company has applied to the Delhi, Ludhiana, Jaipur & Kolkatta Stock Exchanges for the delisting of its equity shares.

## JAUSS POLYMERS LTD.

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### Details of the Directors seeking appointment/ re-appointment in Annual General Meeting fixed on 30th September, 2010. (In Pursuance of Clause 49 of the Listing Agreement)

Name of Directors	Mr. Debashish Bhattacharya
Date of Birth	28/06/1962
Date of Appointment	28/12/2001
Expertise in specific	
Functional area	Twenty Years experience in Accounts & Finance
Qualifications	Graduate
Lists of Outside Directorship held	NIL
Chairman /Member of the committee of the Board of Directors of the company.	Member of 1) Audit Committee 2) Shareholders/Investors Grievance Committee
Chairman/Member of the Committee of the Board of Directors of other company	NIL

# JAUSS POLYMERS LTD.

## DIRECTORS' REPORT

TO THE MEMBERS  
JAUSS POLYMERS LIMITED.

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

### 1. FINANCIAL PERFORMANCE

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

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

### 2. FUTURE OUTLOOK:

The use of the PET in India is continuously increasing in the packaging market and most of the segments are growing steadily. It is estimated that the PET market will double by itself within the next 4 to 5 years . Accordingly your company can reasonably be sure that it will be able to maintain its operational performance at current levels and at the same time the Company's focus is aimed towards, increase in production and maintain the market share, will continue. Further the company has a lot of potential to develop and manufacture international standard quality of PET Jars. To achieve greater operational efficiency , saving in cost and to exploit the inherent strength of the existing infrastructure, various measures have been introduced

### 3. INSURANCE

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

#### 4. BOARD OF DIRECTORS

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

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

#### 5. CORPORATE GOVERNANCE REPORT

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

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

On the basis of the compliance certificate received from the concerned executive of the Company, subject to the disclosures in the Annual Accounts and also on the basis of the discussions with the Statutory Auditors of the Company from time to time Your directors hereby confirm:

- i) that in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and
- iii) prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the company for that period. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) That the directors had prepared the annual accounts on a going concern basis.

#### 7. FIXED DEPOSITS:

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

#### 8. LISTING ON STOCK EXCHANGE

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

#### 9. INTERNAL CONTROL SYSTEMS

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

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

### 10. AUDITORS

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

### 11. OTS WITH PFC

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

### 12. AUDITORS' REPORT AND NOTES ON ACCOUNTS

Comments on the Auditors' Observations:

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

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

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

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

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

The Company is continuously taking several measures for its revival ,including settlement of the dues to the secured creditors on OTS basis and continues to carry on its operations in the normal course . Further the accounts have been prepared to comply with all material aspects with applicable accounting principles, the accounting standards issued by the Institute of Chartered Accountant of India and the relevant provisions of the Companies Act, 1956. Though the company is a sick industrial company as per the ( Sick Industrial (Special Provisions Act., 1985). The accounts have been prepared on the concept that the company will continue as a going concern.

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

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

### 14. CEO/CFO Certificate

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

### 15. CASH FLOW STATEMENT

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

### 16. PERSONNEL

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

## **JAUSS POLYMERS LTD.**

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

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

### **16. APPRECIATION**

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

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

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

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

**For and on behalf of the Board**

Place : New Delhi  
Date : 03/09/2010

**(Dildeep Singh Sethi)**  
Managing Director



# JAUSS POLYMERS LTD.

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

### 1. Philosophy of Corporate Governance

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

### 2. Composition of Board Of Directors ( As on 31.03.2010)

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

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

#### (a) Details of Board Meetings

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

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

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

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

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

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

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

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

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

### Board Committees

#### 3. Audit Committee

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

## JAUSS POLYMERS LTD.

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

#### 4. Remuneration Committee

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

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

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

The details of remuneration paid to Sh. Dildeep Singh Sethi during the period ended on 31. 03. 2010 is given as follows.

NAME	ANNUAL SALARY	PERQUISITES
Sh. Dildeep Singh Sethi	Rs. 7,20,000/-	NIL

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

#### 5. Shareholders Grievances cum Share Transfer Committee

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

Mr. Debashish Bhattacharya is the Chairman of the Shareholders Grievances Cum Share Transfer Committee. Mr. Manoj Pandey and Mr. Dildeep Singh Sethi are the Other Members of the Committee. All the complaints have been disposed off to the satisfaction of the shareholders. Moreover, all the valid requests for share transfer received during the year have been processed within 30 days by the company and no such transfer is pending as on 31.03.2010. MR Dildeep Singh Sethi ,Managing Director of the Company is the Compliance Officer of the company.and M/s Lekhraj & Associates, practicing Company Secretary during the year 2009-10 have carried out quarterly Secretarial Audit.

#### 6. Subsidiary Companies

The Company does not have any subsidiary Company

#### 7. Compliance Certificate

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

#### 8. General Body Meeting

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

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

A) Whether Special Resolution were put through postal ballot last year ? No

B) Is Special Resolution put through Postal Ballot this year? No

#### 9. Disclosures:

##### a. Related Party Transactions

No transaction was entered by the Company with its promoters, the directors or The management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the company at large.

## JAUSS POLYMERS LTD.

**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. The Company share was suspended in 2004-2005 from BSE and the efforts are being made to revoke the suspension.

**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 has not issued any Equity Shares/ Warrants /FCCBs.

**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 forth coming Annual General Meeting is being Included in the Notice convening the Annual General Meeting.

**10. 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.

**11. MEANS OF COMMUNICATION**

The Company is not sending half-yearly report to each household of shareholders. The quarterly, half yearly and annual results are generally published by the Company in Millenium Post & Millenium Darpan Delhi. The Company have its WEB Site i.e. [www.jausspolymers.com](http://www.jausspolymers.com). The Company does not display official news releases. The Management Discussion and Analysis Report forms part of this Directors report.

**12. GENERAL SHAREHOLDER INFORMATION**

**Annual General Meeting to be held**

Date and Time	:	30th September 2010 at 9.30 A.M.
Venue	:	Sanatan Dharam Manadir, Moti Nagar, New Delhi-110015

**13. Financial Calender 2009-2010 (tentative):**

**(Unaudited Financial Results)**

Results for the quarter ending 30th June 2010	30th July, 2010
Results for the quarter ending Sep.30, 2010	30 October, 2010
Results for the quarter ending Dec 31., 2010	Last week of January, 2011.
Results for the quarter ending March , 2011	Last week of April ,2011
<b>Book Closure Date</b>	: 29th September, 2010 to 3th October, 2010
<b>Dividend Payment Date</b>	: No Dividend has been recommended by the Board of Directors of the Company during the period under review.

## JAUSS POLYMERS LTD.

### 14. Listing on Stock Exchange:

The Company's shares are listed on the Bombay Stock Exchange

#### 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

### 15. DEMATERIALIZATION 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 .

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

### 17. Registrar and share Transfer Agent :

Beetal Financial & Computer Services Pvt Ltd  
Beetal House 3rd Floor ,99, Madangir, Behind Local Shopping Center ,  
Near Dada Harsukhdas Mandir , New Delhi 110062

### 18. 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. Beetal Financial & Computer Services Pvt Ltd has been appointed as Common Share Transfer Agent for effecting transfer of shares both in physically and electronic form during the year 2009 -2010.

SHARES HOLDING OF NOMINAL VALUE OF		SHAREHOLDERS		SHARE AMOUNT	% TO
RS	RS	NUMBER	TOTOTAL (%)	IN RS	TOTAL
UPTO	5000	13,741	94.99	2,19,06,320.00	34.5169
5001	10000	458	3.17	37,78,000.00	5.9528
10001	20,000	153	1.06	22,59,000.00	3.5594
20,001	30,000	42	0.29	10,63,000.00	1.6749
30,001	40,000	13	0.09	4,98,000.00	0.7847
40,001	50,000	7	0.05	3,14,000.00	0.4948
50,001	1,00,000	13	0.09	9,79,000.00	1.5426
1,00,001 &	Above	39	0.27	3,26,68,180.00	51.4739
<b>TOTAL</b>		<b>14466</b>	<b>100.00</b>	<b>63465500</b>	<b>100.00</b>

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

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

#### Plant Location:

Village Malpur, (Baddi), HadbastNo.189, Paragna Dharampur,  
Tehsil Nalahagarh, Distt; Solan, H.P.

### 21. Address for Correspondence:

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

**Registered Office:** 1308, Vikrant Tower, Rajendra Place, New Delhi-110008

The above report was placed before the Board at its meeting held on 3RD September, 2010 and the same was approved.

For JAUSS POLYMERS LTD

PLACE : New Delhi  
DATE : 3rd September 2010

(Dildeep Singh Sethi)  
Managing Director

## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. Business Review

The Indian economy is enjoying an upward trend in growth rates, with escalation of inputs in agriculture, industry and tertiary sectors. The growth movement has resulted in increased affluence. Overall economic growth has proved to be beneficial for the consumer goods market, with more products becoming affordable to a larger section of population. PET Packaging materials were the most commonly and vastly used means of packaging in India, accounting for more than 40% of the total demand for packaging materials in volume terms. Further the buoyant economy and increased demands leading to massive expansion and entry of new players catering to general needs of the customers. Encouraged by the demands and future prospects not only the existing players in the plastic Packaging Industry expanded their capacity, but a host of new entities entered the market both in organised and unorganised sector. The Company has the state-of-art manufacturing facility to manufacture quality jars and bottles at its plants in Baddi and Kurali and expertise to manufacture designs as per the requirements of ever-changing customers' demands

Further, more and more emphasis is/ focus to exploit the inherent capabilities of the Company and its personnel by taking the job work had a significant positive impact on the working and the profitability of the Company.

These factors coupled with sustained efforts of the management for improved performance has enabled the Company to perform better than the previous financial year despite overall slump in the plastic industry.

### 2. Opportunities and threats

The Indian Plastic Packaging market is highly competitive both for PET and BOPP films ( Used in the Flexible Packaging). Your Company faces stiff competition both from the international as well as domestic manufacturers. The competition is increasing with the addition of new capacities and emergence of new global players especially from China, which could affect our market shares.

Increased competition might lead price reduction of the Final products, decreased sales, lower profit margins thus adversely affecting the business and Financial conditions of the Company.

Your Company operates in the PET Packaging industry. Demand of our product is sensitive to changes in industry capacity and output level, cyclical changes in regional and global economic conditions and changes in consumer demand.

Despite growing competition which may cause downward pressure on prices and profit margins, the Company is expected to grow its sales and overall profits in future from its products and due to its excellent product quality, low cost of production, ability to offer competitive prices, aggressive marketing strategy and distribution network, innovative product structures for better suitability to its consumers in domestic market.

### 3. FUTURE OUTLOOK

The future outlook of the consumer packaging is quite encouraging and all pack types are anticipated to benefit greatly from the fast pace of economic growth. Packaged food will deliver the largest volume increases, the majority of which will be derived from the PET Packaging because of its relatively low cost and versatility in terms of its adaptability for use in wide variety and category in both Food and non Food segment. A rising number of smaller households and a growing snacking trend will contribute greatly to the anticipated increase in Pet packaging usage.

The future growth potential of the PET Packaging industry in India quite good and the same is expected to be driven by :

1. High GDP growth of the India economy
2. High growth of PET PACKAGING applications, such as in the consumer products industry.
3. Growth in telecom and other industrial applications.

## JAUSS POLYMERS LTD.

The demand for PET packaging and other plastic products are still on a rise and at the same time the competition is also hotting up. To compete and sustain the growth , the Company need more volume through expansion of manufacturing facilities and to have an even and equal platform with the best of world logistic and infrastructure facilities. Accordingly ,keeping in view the growth potential of PET packaging industry and to facilitate future growth , the company has expensed its business by putting up additional manufacturing facilities at Kurali Plant.

#### 4 INTERNAL CONTROLS AND SYSTEMS.

The Company ensures existence of adequate internal control through policies and procedures to be followed by the executives at various levels in the organization. While operating Managers ensure compliance within the areas, Internal Auditors carry our extensive checks and tests and report non-compliance /weakness, if, any, through Internal Audit Report and on the respective areas. The Audit committee of the Board reviews these reports along with the reports on the compliance made thereafter. The Committee regularly reviews and discussions with the Auditors and the management regarding issues in the Audit Report and financial matters. It reinforces the impact of the internal controls in the company.

#### 6. COMPANY'S FINANCIAL PERFORMANCE & ANALYSIS

##### A. FIXED ASSETS

The composition of assets are as under:

##### B. Results Of Operations

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

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

#### 7. HUMAN RESOURCES DEVELOPMENT /INDUSTRIAL RELATIONS

The Company Human Resources philosophy is to establish and build a strong performance and competency driven culture with greater sense of accountability and responsibility. The company has taken pragmatic steps for strengthening organisational competency through involvement and development of employees as well as installing effective systems for improving the productivity /quality and accountability at all levels through company's training and upgradation of technical and management skills.

### **8. RISK MANAGEMENT.**

While risk is an inherent aspect of any business , your company is conscious of the need to have an effective monitoring mechanism and has put in place appropriate measures for its mitigation including business portfolio risks , financial risks , legal and statutory risks and internal process risks.

### **9. ENVIORMANT, OCCUPATIONAL HEALTH AND SAFETY**

Your Company is committed to conducting its operations with due regard to the enviormant 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 enviormant, occupational health and safety in a bid to attain and exceed international benchmarks.



## JAUSS POLYMERS LTD.

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

To the Board of Directors  
JAUSS POLYMERS LTD

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 31st March. 2010 and certify that to the best of our knowledge and belief:
  - i) These Statements do not contain any materially untrue statement of omit any Material fact or contain any Statement that might be misleading :
  - ii) 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.
    - i) All the significant changes in accounting policies during the year , if any. And that the
    - ii) same have been disclosed in the notes to the financial statements.
    - iii) Instances of significant fraud of which we are aware, that involve management or other
    - iv) employees who have a significant role in the Company's internal controls system.

Place: New Delhi  
Date:16th August .2010

**Dildeep Singh Sethi**  
Managing Director



**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 year ended on 31st March 2010, 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 with which the management has conducted the affairs of the Company.

Place : Delhi  
Date : 25/08/2010

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

# JAUSS POLYMERS LTD.

## AUDITORS' REPORT

The Members

**JAUSS POLYMERS LTD.**

We have audited the attached Balance Sheet of JAUSS POLYMERS LTD. as at 31st March, 2010, the Profit & Loss Account and the Cash Flow Statement of the Company 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.

1. 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.
2. As required by the Companies (Auditor's Report) Order, 2003 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 paragraph 4 and 5 of the said order, to the extent applicable to the Company.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
  - a) Subject to our comments in paragraphs 3(f) (i) and (ii), 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, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Profit and Loss Account 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 31st March 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of subsection (1) of Section 274 of the Companies Act, 1956.
  - f) Attention is invited to the following notes in Schedule-'M'.
    - i) **Note No. (7): regarding non-confirmation/reconciliation of balances of some of sundry creditors, loans and advances and other personal accounts, the effect of which on accounts upon confirmations and reconciliation of the same not ascertainable.**
    - ii) **Note no. (11): regarding non-provision of interest on accrual basis on unsecured loans from companies and others and its impact on accounts not ascertainable in the absence of details.**
    - iii) **Note No. (21): regarding the accounts of the company prepared on going concern basis.**

Subject to the foregoing, 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, 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 31st March, 2010;
- ii) in the case of the Profit and Loss Account, 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: September 3, 2010**

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

## JAUSS POLYMERS LTD.

### ANNEXURE TO THE AUDITORS' REPORT

#### REFERRED TO IN PARAGRAPH (2) OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS OF JAUSS POLYMERS LIMITED FOR THE YEAR ENDED ON 31ST MARCH, 2010.

- 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 year as per the regular 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 substantial disposal off fixed assets during the period.
- ii) a) The inventory has been physically verified during the year 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. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of accounts.
- 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 year 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 ₹54.58 Lacs outstanding as on 31st March, 2010 in case of six parties covered in the register maintained u/s 301 of the Companies Act, 1956, the maximum amount due during the year was ₹63.64 Lacs. The repayment of principal amount of those loans was regular as 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, 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) a) On the basis of the audit procedures performed by us, and according to the information and explanations and representations given to us, we are of the opinion that the transactions that need to be entered in pursuance of Section 301 of the Act have been so entered.
- b) In our opinion and according to the information and explanations given to us the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act have been made at prices which are reasonable having regard to the prevailing market prices at that relevant time.
- vi) The Company has not accepted any deposits from the public during the year 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) In our opinion, the company has an internal audit system which is commensurate with the size of the Company and nature of its business.

## JAUSS POLYMERS LTD.

- 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.
- 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 31st March, 2010 for a period of more than six months was ₹28.26Lacs.
- b) According to the information and explanation given to us and the records of the Company examined by us, 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 31st March, 2010 except the following:

Name of the statutory Due	Nature of Dues	Amount (Rs.) Lacs	Forum where dispute is pending
Sales Tax Act	Regular	36.91	Commissioner (Appeals)

- x) The accumulated losses of the company as at 31st March, 2010 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, during the year, defaulted in the repayment of dues to any financial institutions.
- 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 year.
- 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) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.
- xix) The Company has not issued any debentures during the year.
- xx) The Company has not raised any money through public issue during the year.
- 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 year, 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: September 3, 2010**

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

## JAUSS POLYMERS LTD.

### BALANCE SHEET AS AT 31ST MARCH, 2010

	SCHEDULE No.	AS AT 31.03.2010 (₹)	AS AT 31.03.2009 (₹)	
<b>SOURCES OF FUNDS</b>				
Share Capital	A	64,888,500	64,888,500	
Reserves & Surplus	B	36,610,039	101,498,539	36,271,163
				101,159,663
<b>Loan Fund</b>				
Secured Loans	C	44,607,978	51,355,931	
Unsecured Loans	D	23,023,106	67,631,084	22,856,664
				74,212,595
<b>TOTAL</b>		<b>169,129,623</b>		<b>175,372,258</b>
<b>Fixed Assets</b>				
Gross Block	E	171,301,466	164,419,926	
Less: Depreciation		136,420,596	129,399,053	
Net Block		34,880,870	35,020,873	
<b>Current Assets, Loans &amp; Advances</b>				
Inventories	F	137,023	—	
Sundry Debtors		2,856,527	1,931,459	
Cash & Bank Balance		10,722,576	11,375,317	
Loans & Advances		20,151,794	9,498,732	
		34,880,870	35,020,873	
<b>Less: Current Liabilities &amp; Provisions</b>				
Current Liabilities	G	15,629,453	22,689,628	
Provisions		887,811	17,350,656	904,632
				(788,752)
<b>Profit &amp; Loss Account</b>		<b>116,898,097</b>		<b>141,140,137</b>
<b>TOTAL</b>		<b>169,129,623</b>		<b>175,372,258</b>

#### NOTES TO ACCOUNTS M

Schedules referred to above form an integral part of this Balance Sheet

As per attached Report of even date

**For V.K.DHINGRA & Co.**  
CHARTERED ACCOUNTANTS

(V.K.DHINGRA)  
PARTNER

(DILDEEP SINGH SETHI)  
MANAGING DIRECTOR

(D.BHATTACHARYA)  
DIRECTOR

PLACE : NEW DELHI  
DATE : September 3, 2010

## JAUSS POLYMERS LTD.

### PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 31ST MARCH, 2010

PARTICULARS	SCHEDULE NO.	FOR THE YEAR ENDED ON 31.03.2010 (₹)	FOR THE YEAR ENDED ON 31.03.2009 (₹)
<b>I. INCOME</b>			
Job Work Income (TDS ₹ 89,973/- , Previous Year- ₹ 2,12,443/-)		47,073,808	47,676,956
Sales - Scrap	360,000		81,697
Less: Excise Duty	—	360,000	10,297
Other Income	H	769,307	86,697
<b>TOTAL</b>		<b>48,203,115</b>	<b>47,835,053</b>
<b>II. EXPENDITURE</b>			
(Increase)/ Decrease in Finished Goods	I	—	691,119
Material Cost/Cost of Goods Sold	J	19,877,190	23,216,885
Selling & Distribution Expenses		2,673,723	2,262,555
Other Expenses	K	10,765,243	12,114,812
Financial Charges	L	737,365	383,737
<b>TOTAL</b>		<b>34,053,521</b>	<b>38,669,108</b>
Profit before Depreciation		14,149,594	9,165,944
Depreciation		7,021,543	6,720,778
Profit for the year before Tax & Extraordinary/Prior Period Adjustments		7,128,050	2,445,166
Extraordinary items / Prior Period Adjustments (Refer Note 18 of Schedule M)		17,113,989	2,045,203
<b>Profit before Tax</b>		<b>24,242,040</b>	<b>4,490,369</b>
<b>Less: Provision for Fringe Benefit Tax</b>		—	(87,706)
<b>Profit after Tax</b>		<b>24,242,040</b>	<b>4,402,663</b>
<b>(Loss) as per Last Year</b>		<b>(141,140,137)</b>	<b>(145,542,800)</b>
<b>(Loss) carried over to Balance Sheet</b>		<b>(116,898,097)</b>	<b>(141,140,137)</b>
<b>NOTES TO ACCOUNTS</b>			
	<b>M</b>		
<b>Earnings per Share (See Note No.-19)</b>			
<b>Basic and Diluted</b>			
<b>(After exceptional item in ₹)</b>		4.01	0.73
<b>Basic and Diluted</b>			
<b>(Before exceptional item in ₹)</b>		1.18	0.39
<b>Face Value per Share in Rs.</b>		10	10

As per attached Report of even date

**For V.K.DHINGRA & Co.**  
CHARTERED ACCOUNTANTS

**(V.K.DHINGRA)**  
PARTNER

**(DILDEEP SINGH SETHI)**  
MANAGING DIRECTOR

**(D.BHATTACHARYA)**  
DIRECTOR

PLACE : NEW DELHI

DATE : September 3, 2010

## JAUSS POLYMERS LTD.

	AS AT 31.03.2010 (₹)	AS AT 31.03.2009 (₹)
<b>SCHEDULE: A - SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
a) 7500000 Equity shares of ₹ 10/- each	75,000,000	75,000,000
b) 50,000 10% Cumulative Convertible Preference share of ₹ 100/- each	5,000,000	5,000,000
<b>TOTAL</b>	<b><u>80,000,000</u></b>	<b><u>80,000,000</u></b>
<b>ISSUED</b>		
a) 63,46,550 (Previous Year-67,43,450) Equity shares of ₹ 10/- each	63,465,500	67,434,500
b) 44,000 10% Cumulative Convertible Preference shares of ₹ 100/- each	4,400,000	4,400,000
<b>TOTAL</b>	<b><u>67,865,500</u></b>	<b><u>71,834,500</u></b>
<b>SUBSCRIBED &amp; PAID UP</b>		
a) 63,46,550 Equity shares of ₹ 10/- each	63,465,500	63,465,500
Less: Allotment money in arrear	<u>2,977,000</u>	<u>2,977,000</u>
b) 44,000 10% Cumulative Convertible Preference shares of ₹ 100/- each	4,400,000	4,400,000
<b>TOTAL</b>	<b><u>64,888,500</u></b>	<b><u>64,888,500</u></b>
<b>NOTE:</b> 10% Cumulative Convertible Preference Shares are convertible into Equity Shares at par at the option of the Shareholders and subject to the approval of relevant authorities		
<b>SCHEDULE: B- RESERVES &amp; SURPLUS</b>		
<b>General Reserve</b>		
Balance as Per Last Account	5,600,000	5,600,000
<b>Capital Reserve</b>		
Subsidy from Director of Industries, Punjab	1,500,000	1,500,000
Subsidy from Director of Industries, Uttar Pradesh	930,230	930,230
Central Interest Subsidy from Government of India	630,000	630,000
Waiver of Principal Loan by Financial Institutions / Bank	27,949,809	27,610,933
<b>TOTAL</b>	<b><u>36,610,039</u></b>	<b><u>36,271,163</u></b>
<b>SCHEDULE : C - SECURED LOANS</b>		
<b>i) FROM BANKS / FINANCIAL INSTITUTIONS :</b>		
a) P.S.I.D.C.	—	3,736,000
b) P.F.C.	—	1,641,133
Interest accrued & due	—	11,350,053
<b>ii) FROM OTHERS :</b>		
Tata Motors Finance Limited	66,978	187,745
O.K. Play India Limited (Refer Note 12 of schedule 'M')	44,541,000	34,441,000
<b>TOTAL</b>	<b><u>44,607,978</u></b>	<b><u>51,355,931</u></b>

## JAUSS POLYMERS LTD.

### NOTES:

1. Loan from Tata Motors Finance Limited is secured against Hypothecation of vehicle.
2. O.K. Play India Ltd. has the option to convert upto 20% of their loan into fully paid up equity shares of the company, at par, in the event of default in payment of interest or repayment of three consecutive installments of principle amount by the company or in the event they are of the opinion that the affair of the company are being managed in a manner which is likely to affect their interest prejudicially.
3. Loan from O.K. Play India Ltd. is secured against the assignment of all rights of financial institutions (IDBI and IFCI) 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.

	AS AT 31.03.2010 (₹)	AS AT 31.03.2009 (₹)
<b>SCHEDULE : D - UNSECURED LOANS</b>		
From Companies	10,717,004	12,823,730
From a Director	2,730,955	137,781
From Others	9,575,147	9,895,153
<b>TOTAL</b>	<b>23,023,106</b>	<b>22,856,664</b>

### SCHEDULE - E FIXED ASSETS

(Figures in ₹)

	GROSS BLOCK			DEPRECIATION			WRITTEN DOWN VALUE	
	AS AT 01.04.2009	ADDITIONS DURING THE YEAR	TOTAL AS AT 31.03.2010	AS AT 01.04.2009	FOR THE CURRENT YEAR	TOTAL AS AT 31.03.2010	AS AT 31.03.2010	AS AT 31.03.2009
1 Land	1,067,276	—	1,067,276	—	—	—	1,067,276	1,067,276
2 Building	11,265,916	478,879	11,744,795	9,913,130	139,197	10,052,327	1,692,468	1,352,786
3 Plant & Machinery	101,504,646	4,444,630	105,949,276	75,799,975	5,473,361	81,273,336	24,675,940	25,704,671
4 Moulds	40,821,065	1,250,376	42,071,441	35,923,793	1,146,124	37,069,917	5,001,524	4,897,272
5 Furniture & Fixture	2,993,957	286,583	3,280,540	2,934,463	13,235	2,947,698	332,842	59,494
6 Cables & power equipments	1,084,941	—	1,084,941	889,638	—	889,638	195,303	195,303
7 Electrical equipment Vehicles	284,869	—	284,869	225,611	—	225,611	59,258	59,258
8 Office equipments	886,259	—	886,259	236,250	84,195	320,445	565,814	650,009
10 Air conditioner	1,716,463	149,695	1,866,158	1,077,498	86,396	1,163,894	702,264	638,965
11 Computers	828,238	95,674	923,912	710,530	10,810	721,340	202,572	117,708
	1,966,296	175,703	2,141,999	1,688,165	68,225	1,756,390	385,609	278,131
<b>TOTAL</b>	<b>164,419,926</b>	<b>6,881,540</b>	<b>171,301,466</b>	<b>129,399,053</b>	<b>7,021,543</b>	<b>136,420,596</b>	<b>34,880,870</b>	<b>35,020,873</b>
PREVIOUS YEAR	164,282,272	137,654	164,419,926	122,678,275	6,720,778	129,399,053	35,020,873	—



## JAUSS POLYMERS LTD.

	AS AT 31.03.2010 (₹)		AS AT 31.03.2009 (₹)	
<b>SCHEDULE : F - CURRENT ASSETS, LOANS &amp; ADVANCES</b>				
<b>A) CURRENT ASSETS</b>				
<b>I) INVENTORIES</b>				
(As taken, valued and certified by the management)				
Raw Materials	137,023		—	
<b>II) SUNDRY DEBTORS</b>				
(Unsecured considered good)				
Debts outstanding for a period not exceeding six months	2,856,527	2,856,527	1,931,459	1,931,459
<b>III) CASH &amp; BANK BALANCE</b>				
Cash in hand	475,126		173,168	
Balance with Scheduled Banks in				
— Current Accounts	247,450		1,202,149	
— Cheques-in-hand	10,000,000	10,722,576	10,000,000	11,375,317
<b>B) LOANS &amp; ADVANCES</b>				
(Unsecured considered good)				
I) Advances Recoverable in Cash or in kind or for value to be received	2,696,564		2,210,858	
II) Other Loans & Advances				
Advance against Capital Assets	13,728,949		2,577,656	
II) Security Deposits				
a) With Government departments	913,731		947,631	
b) With Others	2,508,999		3,343,000	
III) Balance with Excise	1,135		1,135	
IV) Income Tax Deducted At Source	302,416	20,151,794	418,452	9,498,732
<b>TOTAL</b>		<b>33,867,920</b>		<b>22,805,508</b>
<b>SCHEDULE : G - CURRENT LIABILITIES &amp; PROVISIONS</b>				
<b>A) CURRENT LIABILITIES</b>				
I) Sundry Creditors	5,444,927		5,235,259	
II) Advance from Customers	375,951		835,951	
III) Due to Directors-in current account	21,609		5,351	
IV) Security Deposits from Customers	—		190,000	
V) Interest Accrued But Not Due	—		32,386	
VI) Other Liabilities	9,783,971		16,390,681	
VII) Book overdraft	2,995		—	
<b>B) PROVISIONS</b>				
i) For Gratuity	637,286		634,813	
i) For Leave Encashment	250,525		243,930	
ii) For Fringe Benefit Tax	—		25,889	
<b>TOTAL</b>		<b>16,517,264</b>		<b>23,594,260</b>

## JAUSS POLYMERS LTD.

	AS AT 31.03.2010 (₹)	AS AT 31.03.2009 (₹)
<b>SCHEDULE : H - OTHER INCOME</b>		
Misc. Receipts	12,361	13,717
Liabilities Written back	756,946	72,980
<b>TOTAL</b>	<b>769,307</b>	<b>86,697</b>
<b>SCHEDULE : I - MATERIALS CONSUMED/COST OF GOODS SOLD</b>		
<b>A) Material Consumed :</b>		
Opening Stock		
Packing Materials	—	127,819
	—	<b>127,819</b>
Add: Purchases		
Raw Materials	137,023	—
Packing Materials	—	96,556
	<b>137,023</b>	<b>96,556</b>
Less: Closing Stock		
Raw Materials	137,023	—
Packing Materials	—	—
<b>TOTAL (A)</b>	<b>—</b>	<b>224,375</b>
<b>B) (INCREASE)/ DECREASE IN FINISHED GOODS</b>		
Opening Stock	—	466,744
Less: Closing Stock	—	—
<b>TOTAL (B)</b>	<b>—</b>	<b>466,744</b>
<b>TOTAL: (A) + (B)</b>	<b>—</b>	<b>691,119</b>
<b>SCHEDULE : J - MANUFACTURING EXPENSES</b>		
Wages and Other Benefits to Workers	3,408,733	2,315,385
Contribution to Provident & Other Funds	251,522	376,300
Freight & Cartage	68,946	53,712
Machine Utility Charges	—	600,000
Repair & Maintenance (Machinery)	1,605,539	1,742,032
Power & Fuel	8,297,429	12,303,285
Rent - Genrator	1,297,755	—
Rent - Machinery	840,000	—
Rent Factory	2,758,622	3,315,000
Repairs & Maintenance (Building)	469,367	401,736
Stores Consumed	547,820	769,728
Job Charges Paid	331,458	1,339,707
<b>TOTAL</b>	<b>19,877,190</b>	<b>23,216,885</b>

## JAUSS POLYMERS LTD.

	AS AT 31.03.2010 (₹)	AS AT 31.03.2009 (₹)
<b>SCEDULE : K - OTHER EXPENSES</b>		
Salaries & Allowances	4,098,510	4,440,612
Contribution to provident & other funds	146,586	174,354
Staff Welfare Expenses	570,777	247,611
Rent Paid	345,850	468,820
Security Service Expenses	616,388	339,770
Managing Directors Remuneration	720,000	720,000
Auditors Remuneration - Audit Fees	110,300	132,360
Legal & Professional Charges	801,874	779,044
Insurance	93,149	150,893
Postage, Telegram & Telephone	227,131	281,072
Repair & Maintenance (Others) + (Electricity)	342,115	376,111
Travelling & Conveyance Expenses	1,036,070	585,539
Supervision Charges	—	2,121,089
Miscellaneous Expenses	404,688	441,023
Fees & Taxes	399,001	849,854
Amount Written Off	852,804	6,660
<b>TOTAL</b>	<b>10,765,243</b>	<b>12,114,812</b>
<b>SCHEDULE : L - FINANCIAL CHARGES</b>		
<b>Interest paid :</b>		
To Financial Institutions	332,315	219,754
To Others	360,867	135,653
Bank Charges	44,184	28,331
<b>TOTAL</b>	<b>737,365</b>	<b>383,737</b>

## JAUSS POLYMERS LTD.

### SCHEDULE - M - NOTES ON ACCOUNTS

#### NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

##### 1. SIGNIFICANT ACCOUNTING POLICIES

- a) The Company generally follows accrual basis of accounting, except otherwise stated specifically and wherever it is not possible to determine the quantum of accrual with reasonable certainty e.g. insurance/other claims, overdue interest payable/receivable and liquidated damages, these continue to be accounted for on settlement basis.
- b) 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.
- c) Inventories
- |                                 |   |  |
|---------------------------------|---|--|
| Raw Material, Packing Materials | : | At Cost.                                     |
| Finished Goods                  | : | At lower of cost or net<br>realisable value. |
- Cost is determined on First in First out (FIFO) method.
- d) Fixed assets / depreciation
- i) Fixed assets are stated at cost less accumulated depreciation.
- ii) Depreciation on fixed assets is provided on straight line method as per Schedule-XIV of the Companies Act, 1956 except on building constructed on leased premises which is depreciated over the lease period.
- iii) 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.
- e) Employee benefits
- i) Company's contribution to Government administered Provident Fund and Employee's State Insurance Corporation are charged to Profit & Loss Account.
- ii) Defined benefit contributions in respect of gratuity and leave encashment are provided on the basis of actuarial valuation made at the end of the financial year. Actuarial gains or loss arising from such valuations are charged to revenue in the year in which they arise.
- f) A provision is made based on a reasonable estimate. It is probable that an outflow of resources embodying economic benefits will be realised to settle an obligation. Contingent liabilities, if material, are disclosed by way of notes to accounts. Contingent assets are not recognised or disclosed in the financial statement.
- g) Impairment loss assessment is done at the balance sheet date to determine whether there is any indication of impairment and in the carrying amount of the company's fixed assets. If any such indication exists, the assets recoverable amount is estimated. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. After recognition of impairment loss, the depreciation charge for the assets is adjusted in future periods to allocate the assets revised carrying amount, less its residual value (if any), on straight line basis over its remaining useful life.

## JAUSS POLYMERS LTD.

### 2. CONTINGENT LIABILITIES EXIST IN RESPECT OF

	AS ON 31.03.2010 (₹)	AS ON 31.03.2009 (₹)	
a) Claims against the Company not acknowledged as debt-penal interest, liquidated damages etc. of financial institutions banks, other parties against lending, labour cases etc.	Amount Indeterminate	Amount Indeterminate	
b) Arrears of dividend on cumulative preference shares.	44,00,000	44,00,000	
3. In view of unabsorbed losses, no provision for income tax has been considered necessary.			
4. Estimated amount of contracts remaining to be executed on capital accounts and not provided for, net of advances, if any paid - ₹ 21,50,219/- (Previous Year- NIL ).			
5. a) Legal and professional charges include the amount paid / payable to auditors: (including service tax wherever applicable)			
	AS ON 31.03.2010 (₹)	AS ON 31.03.2009 (₹)	
For Tax Audit	22,060	22,060	
For Income Tax Matters	16,545	—	
b) Managerial Remuneration under section 198 of the Companies Act, 1956 to the Managing Director (Minimum Remuneration)			
	AS ON 31.03.2010 (₹)	AS ON 31.03.2009 (₹)	
Salary & Allowances	7,20,000	7,20,000	
<b>Total</b>	<b>7,20,000</b>	<b>7,20,000</b>	
6. There is no impairment of cash generating assets during the year in terms of AS-28 'Impairment of Assets' issued by the Institute of Chartered Accountants of India.			
7. Balances standing to the account of sundry creditors, unsecured loans, loans & other personal accounts are subject to confirmation / reconciliation and consequent impact on accounts upon confirmation / reconciliation not ascertainable in the absence of details.			
8. Particulars regarding capacity, production, sales and stocks:			
	UNIT	As on 31.03.2010	As on 31.03.2009
a) <b>Licensed capacity</b>		N.A.	N.A.
b) <b>Installed capacity*</b>	(in M. Tons)	1760	864
* (As certified by the management but not verified by the Auditors being technical matter)			
c) <b>Actual production:</b>			
(Job Work in Pcs.)			
- Pet Bottles/Jars		1,82,58,349	1,96,03,874
- Caps		76,14,925	NIL

## JAUSS POLYMERS LTD.

d) **FINISHED GOODS**

Description	As on 31.03.2010		As on 31.03.2009	
	Quantity (Pcs.)	Value (₹)	Quantity (Pcs.)	Value (₹)
<b>Opening stock</b>				
PET Bottles/Jars etc.	—	—	42,636	4,66,744
<b>Sales</b>				
PET Bottles/Jars (Sold as Scrap)	—	—	42,636	71,400

e) **RAW MATERIALS & COMPONENTS CONSUMED:**

Description	As on 31.03.2010		As on 31.03.2009	
	Quantity (Pcs.)	Value (₹)	Quantity (Pcs.)	Value (₹)
Packing Materials	—	—	—	2,24,375
Consumable Stores	—	5,47,820	—	7,69,728

9. VALUE OF IMPORTED & INDIGENOUS RAW MATERIALS AND STORES CONSUMED & PERCENTAGE OF EACH TO TOTAL CONSUMPTION:

Unit	As on 31.03.2010		As on 31.03.2009	
	Percentage	Amount (₹)	Percentage	Amount (₹)
Stores consumed:				
Imported	—	—	—	—
Indigenous	100	5,47,820	100	7,69,728
<b>Total</b>	<b>100</b>	<b>5,47,820</b>	<b>100</b>	<b>7,69,728</b>

10. In the opinion of management, the value on realization of current assets, loans and advances 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.
11. In respect of unsecured loans taken from Companies and other parties, some of the lenders have filed suits against the Company for recovery of their dues. Pending settlement of cases, the company continues to provide interest and other charges on actual payment basis and neither interest due on such loans have been worked out nor provided for in these accounts.
12. The company had, during the year, made one time settlement of its dues with Punjab Financial Corporation (PFC)/ Punjab State Industrial Development Corporation (PSIDC) and the surplus of ₹3,38,876/- arising on account of principal amount has been transferred to Capital Reserves in the Balance Sheet and ₹1,13,82,439/- arising on account of interest provision has been transferred to Extraordinary Items/Prior Period Adjustments Account in Profit & Loss Account.
13. Accounting Standard 15-"Employee Benefits"(Revised), the disclosures of Employee Benefits as defined in the accounting standard are given below:

a) **Defined Contribution Plan :**

- i) Employer's contribution to provident fund paid ₹3,12,607/- (previous year ₹ 4,38,680/-) has been recognized as expenses for the year.
- ii) Employer's contribution to Employees State Insurance paid ₹85,501/- (previous year ₹1,11,974/-) has been recognized as expenses 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.

## JAUSS POLYMERS LTD.

(₹)

### I. Changes in present Value of obligations\*

	Gratuity (Unfunded) 2009-2010	Gratuity (Unfunded) 2008-2009	Leave Encashment (Unfunded) 2009-2010	Leave Encashment (Unfunded) 2008-2009
Present Value Obligation at the beginning of the I.V.P.	634,813	874,160	243,930	294,398
Interest Cost	48,699	42,279	18,286	15,489
Current Service Cost	112,639	74,200	81,193	59,715
Benefits Paid	(123,765)	(6,20,867)	(57,590)	(175,760)
Actuarial (Gain)/Loss on obligation	(35,100)	265,041	(35,294)	(50,088)
Present Value Obligation at the end of the I.V.P.	637,286	634,813	250,525	243,930

### II. Amount to be recognized in the balance sheet\*

Present Value of obligation at the end of I.V.P.	637,286	634,813	250,525	243,930
Fair Value of Plan Assets at the end of the I.V.P.	—	—	—	—
Funded Status	(637,286)	(634,813)	(250,525)	(243,930)
Unrecognized Actuarial (Gain) /Loss at the end of the I.V.P.	—	—	—	—
Net Asset/(Liability) Recognized in the Balance Sheet	637,286	634,813	250,525	243,930

### III. Expenses recognized in the statement of P & L A/c\*

Current Service Cost	112,639	74,200	81,193	59,715
Interest Cost	48,699	42,279	18,286	15,489
Expected Return on Plan Assets	(—)	(—)	(—)	(—)
Net Actuarial (Gain)/ Loss recognized for the year	(35,100)	265,041	(35,294)	50,088
Expenses recognized in the statement of P & L A/c	126,238	381,520	64,185	125,292

### IV. Movements in the Liability recognized in Balance Sheet\*

Opening Net Liability	634,813	874,160	243,930	2,94,398
Expenses as above	126,238	381,520	64,185	125,292
Contribution paid	(123,765)	(620,867)	(57,590)	(1,75,760)
Closing Net Liability	637,286	634,813	250,525	243,930

### V. Actuarial assumptions\*

Mortality Table	LIC 1994-96 (ultimate)	LIC 1994-96 (ultimate)	LIC 1994-96 (ultimate)	LIC 1994-96 (ultimate)
Attrition Rate	5.00%	5.00%	5.00%	5.00%
Imputed rate of interest	8.50%	7.50%	8.50%	7.50%
Salary Rise	5.00%	5.00%	5.00%	5.00%
Return on Plan Assets	N.A.	N.A.	N.A.	N.A.
Remaining Working Life	24.87 years	21.08 years	24.87 years	21.08 years

## JAUSS POLYMERS LTD.

### 14. Related party disclosures :

Related parties and their relationship as identified by the management and relied upon by the auditors are hereunder:

- i) Enterprise over which Key Management Personnel and their relatives are able to exercise significant influence : Anka India Ltd.  
Darsh Polymers Pvt. Ltd.  
DTG India P. Ltd.  
Auram Polymers P. Ltd.
- ii) Key Management Personnel and their relatives : Mr. D.S. Sethi,  
Mr. D. Bhattacharya  
Mr. A.S. Sethi  
Mr. H.S. Sethi  
Mrs. Shelly Sethi  
Mrs. Paramjeet Kaur Sethi

Figures in ₹

Nature and Volume of Transactions	Enterprises Over which significant influence		Key Managerial Personnel and their Relatives	
	2009 - 2010	2008 - 2009	2009 - 2010	2008 - 2009
Managerial Remuneration				
a) Salaries	—	—	7,20,000	7,20,000
Salary Paid	—	—	4,80,000	4,58,640
Lease rent Paid	8,40,000	—	—	—
Balances Debit/(Credit) (net)	1,39,00,419	25,62,656	(54,57,520)	(31,84,351)
Loan taken/(paid) (net)	(1,00,03,763)	(3,31,000)	29,00,680	1,12,506

15. The company has unabsorbed depreciation and carried forward losses under the Tax Laws. In the absence of virtual certainty of sufficient future taxable income, net deferred tax asset has not been recognized by way of prudence in accordance with Accounting Standard-22 "Accounting for taxes on income" issued by The Institute of Chartered Accountants of India.
16. The operations of company pre-dominantly consist of one segment i.e. Job Work and accordingly segment wise reporting as per AS -17 "Segmental Reporting" issued by Institute of Chartered Accountants of India is not applicable.
17. There are no Micro, Small & Medium Enterprises to whom the company owed dues which outstanding for more than 45 days as at 31.03.2010. This information as required to be disclosed under the Micro, Small and Medium Enterprises Developments 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 auditors.
18. Extraordinary items / Prior Period adjustments (net) represent the following :

	As on 31.03.2010(₹)	As on 31.03.2009(₹)
<u>Debits</u>		
Professional Charges	54,073	32,896
Others	1,92,047	7,696
<b>TOTAL (A)</b>	<b>2,46,120</b>	<b>40,592</b>
<u>Credits</u>		
Waiver of Interest	1,13,82,439	—
Sales- tax	59,77,670	20,85,795
<b>TOTAL (B)</b>	<b>1,73,60,109</b>	<b>20,85,795</b>
<b>NET (A-B) Debit /(Credit )</b>	<b>(1,71,13,989)</b>	<b>( 20,45,203)</b>



## JAUSS POLYMERS LTD.

19. Earning/(Loss) per share as per AS - 20 is as follows :

Particulars		31.03.2010	31.03.2009
Profit/(Loss) attributable to the Shareholders			
- After exceptional item (₹)	A	2,42,42,040	44,02,663
- before exceptional item (₹)	B	71,28,050	23,57,460
Weighted average number of Equity Shares outstanding during the year*			
	C	60,44,500	60,44,500
Nominal value of Equity Shares (₹)			
		10	10
Basic/Diluted Earning / (Loss) per Share (₹)			
- after exceptional item	A/C	4.01	0.73
- before exceptional item	B/C	1.18	0.39

\*Partly paid equity shares are treated as fraction of an equity share to the extent that was entitled to participation in dividend relating to fully paid-up equity shares during the year.

	31.03.2010 (₹)	31.03.2009 (₹)
20. i) Expenditure in Foreign Currency		
- Subscription	1,11,391	35,936
ii) C.I.F. Value of Imports	NIL	NIL
iii) Earnings in Foreign Exchange	NIL	NIL
21. The net worth of the company is in negative and the Company has no intention to discontinue its operations considering this, the accounts of the company have been prepared on "Going Concern Basis".		
22. Loans and advances include ₹1,39,00,419/- (Previous year ₹25,62,656/-) being amount due from three private companies in which a director is a director/member. Maximum balance due at any time during the year ₹2,90,23,831/- (Previous Year ₹53,15,656/-).		
23. Other Liabilities include ₹3,94,173/- (Previous Year ₹3,94,173/-) being the unpaid dividend on CCPS which shall be credited to Investor Education & Protection Fund.		
24. Previous year's figures have been regrouped/recast where-ever considered necessary to make them comparable with those of current year's classification.		
25. Figures have been rounded off to the nearest rupee.		

Signatures to schedules A to M annexed to and forming part of the Balance Sheet as at and Profit & Loss Account for the year ended on 31st March, 2010.

**For V.K.DHINGRA & Co.**  
CHARTERED ACCOUNTANTS

**For JAUSS POLYMERS LTD.**

**(V. K. DHINGRA)**  
PARTNER

**(DILDEEP SINGH SETHI)**  
MANAGING DIRECTOR

**(D. BHATTACHARYA)**  
DIRECTOR

PLACE : NEW DELHI  
DATE : September 3, 2010

## JAUSS POLYMERS LTD.

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010.

	FOR THE YEAR ENDED 31.03.2010(₹)	FOR THE YEAR ENDED 31.03.2009(₹)
<b>A. Cash Flow from Operating activities</b>		
Net profit / (Loss) before tax and extra ordinary items	7128051	2445166
Adjustments for:		
Depreciation	7021543	6720778
Interest Expense	737365	383737
Liabilities/Excess Prov. Written Back	—	(72980)
<b>Profit before extra ordinary items</b>	14886959	9476702
Extra ordinary item	17360109	2085795
Prior Period Adjustments	(246119)	(40592)
<b>Operating Profit/(Loss) before working capital changes</b>	32000948	11521905
<b>Adjustment for:</b>		
Trade and Other Receivables	(11578129)	(2360337)
Inventories	(137023)	594563
Trade Payable & Other Liabilities	(7044611)	(6268817)
Cash Generated From Operations	13241185	3487314
FBT paid	—	(87706)
<b>Net Cash Flow From / (Used In) Operating Activities</b>	13241185	3399608
<b>B. Cash Flow from Investing Activities</b>		
Purchase of fixed assets	(6881540)	(137654)
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	(6881540)	(137654)
<b>C. Cash Flow from Financing Activities</b>		
Increase / (Repayments) of Unsecured Loans	166442	(5208207)
Increase / (Repayment) in Secured Loan ( Note : 4 )	(6441463)	12760640
Interest paid	(737365)	(383737)
Allotment money received	—	5000
<b>Net Cash Used In Financing Activities</b>	(7012386)	7173695
<b>Net Increase / (Decrease) in cash &amp; cash equivalents (A+B+C)</b>	(652741)	10435649
<b>Cash &amp; Cash equivalents as at 01.04.2009</b>	11375317	939668
<b>Cash &amp; Cash equivalents as at 31.03.2010</b>	10722576	11375317

Schedule 'M' - Notes on Accounts annexed to form an integral part of the Cash Flow Statement.

**NOTES:-**

1. The above Cash Flow Statement has been prepared under the indirect method set out in the AS-3 issued by the Institute of Chartered Accountants of India.
2. Figures in the Brackets indicate Cash Outgo.
3. Cash and Cash Equivalents of ₹1,07,22,576/- as on 31st, March 2010 include balances with Schedule banks in Current A/cs ₹2,47,450/-, Cash in Hand of ₹4,75,126/- and cheques-in-hand of ₹1,00,00,000/- which are available for use.
4. Increase/(Repayment) in Secured Loan includes ₹1,13,50,053/- (Previous year-NIL ) being interest reversal on account of settlement of dues with financial institutions credited to Extra ordinary/Prior Period Adjustment Account in Profit & Loss Account.
5. Previous Years' figures have been regrouped/recast wherever considered necessary to conform to the current years' classification.

As per attached Report of even date

**For V.K.DHINGRA & Co.**  
CHARTERED ACCOUNTANTS

**For JAUSS POLYMERS LTD.**

(V. K. DHINGRA)  
PARTNER

(DILDEEP SINGH SETHI)  
MANAGING DIRECTOR

(D. BHATTACHARYA)  
DIRECTOR

PLACE : NEW DELHI  
DATE : September 3, 2010

## JAUSS POLYMERS LTD.

Regd. Off. : 1308, Vikrant Tower, Rajendra Place, New Delhi-110008

### 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 22nd Annual General Meeting of the Company to be held on Thursday, 30th September, 2010 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 of .....2010.

**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. : 1308, Vikrant Tower, Rajendra Place, New Delhi-110008

### 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 22nd Annual General Meeting on Thursday, 30th September, 2010 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 :*

**JAUSS POLYMERS LTD.**

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