



*21st*  
***Annual Report***  

---

***2008-2009***

**JAUSS POLYMERS LIMITED**

**BOARD OF DIRECTORS**

**Dildeep Singh Sethi**  
Managing Director

**Manoj Pandey**  
Director

**Debashish Bhattacharya**  
Director

**Kamal Singh Mehra**  
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, Rajindra Place,  
New Delhi-110008

**WORKS :**

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

## **JAUSS POLYMERS LTD.**

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

### **NOTICE**

Notice is hereby given that the 21st Annual General Meeting of the members of Jauss polymers Ltd., will be held on Wednesday , 30th September 2009 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 as ended on 31st March, 2009 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. Manoj Pandey, Director , who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration , M/s. V.K. Dhingra & Co., Chartered Accountants, New Delhi retire at this Annual General Meeting and being eligible, offer themselves for reappointment and to pass , with or without modifications, the following resolution, which will be proposed as an ordinary resolution

Place New Delhi  
Date : 2nd September 2009.

**By the Order of Board**  
(Dildeep Singh Sethi)  
Managing Director

### **NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. The Register of Members and the Share Transfer Books of the Company shall remain closed from 29/09/2009 to 3/10/2009 (both days inclusive).
3. Members attending the meeting are requested to bring their own copy of the Annual Report and attendance slips sent herewith duly filled and signed.
4. Members are requested to notify change in address, if any, to the Company at its Registered Office, quoting correct folio number(s).
5. Members are hereby informed that the Unclaimed Dividend for the year 1994 -95 has been duly deposited by the Company in the Investor Education & Protection Fund and any shareholder who has not yet received the Dividend for the above referred period can claim the same from the Registrar of Companies Delhi & Haryana.
6. In the case of Joint holders, if more than one holder intend to attend the meeting they must obtain additional admission slips on request from the Registered Office of the Company.

7. 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.

**Details of the Directors seeking appointment/ re-appointment in Annual General Meeting fixed on 30th September, 2009. (In Pursuance of Clause 49 of the Listing Agreement)**

Name of Directors	Mr. Manoj Pandey
Date of Birth	15/07/1972
Date of Appointment	28/12/2001
Expertise in specific Functional area	Ten Year Experience in Labour Management
Qualifications	Graduate
List 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

**CORPORATE GOVERNANCE REPORT OF JAUSS POLYMERS LTD**  
for the year ended 31st March, 2009.

**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**

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 2009 was as under :-

S.NO.	NAME	STATUS	Number of Directorships 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 4<sup>th</sup> April 2008, 30<sup>th</sup> April 2008, 15 May 2008, 25<sup>th</sup> June 2008, 30<sup>th</sup> July, 2008, 4<sup>th</sup> September 2008, 30 January 2009, 27<sup>th</sup> February 2009. The attendance of Directors at the above meetings was as following:-

Name	No. of Board Meetings Held	No. of Board Meetings Meetings Attended	Attended Last AGM
Sh. Dildeep Singh Sethi	8	8	YES
Sh. D. Bhattacharya	8	8	YES
Sh. Manoj Pandey	8	8	YES
Sh. Kamal Mehra	8	8	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 lessor 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 Company Constituted the Audit Committee in line with the requirements of Section 292A of the Companies Act, 1956 read with Clause 49 of the Listing Agreement .

The Audit Committee comprises of three Directors. Mr. Debashish Bhattacharya, who is non-executive and independent Director, is the Chairman of the Audit Committee. Mr. Manoj Pandey, non-executive independent Director and Mr. Kamal Mehra are the other members of the Committee. The Audit Committee met Four times on 30<sup>th</sup> April 2008, 30<sup>th</sup> July 2008, 30<sup>th</sup> October 2008, 30<sup>th</sup> January 2009.

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

### **4. Remuneration Committee**

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

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

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

The details of remuneration paid to Sh. Dildeep Singh Sethi during the period ended on 31. 03. 2009 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 31.03.2009. MR Dildeep Singh Sethi, Managing Director of the Company is the Compliance Officer of the company. M/s Lekhraj & Associates, practicing Company Secretary during the year 2008-2009 have carried out quarterly Secretarial Audit.

## 6. General Body Meeting

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

Year	Place	Date	Time	No. of Spl. Resolution
2008	Sanatan Dharam Mandir, Moti Nagar New Delhi-15	30.09.2009	9.30 A.M.	NIL
2007	Sanatan Dharam Mandir, Moti Nagar New Delhi-15	29.12.2007	9.30 A.M.	2
2006	Sanatan Dharam Mandir, Moti Nagar New Delhi-15	29.12.2006	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

## 7 Disclosures:

1. No transaction was entered by the Company with its promoters, the directors or The management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the company at large.
2. There has not been any non-compliance by the Company and no penalties Or structures have been imposed on the company by the stock exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years. The Companies share was suspended in 2004-2005 from BSE and the efforts are being made to revoke the suspension.
3. Listing Fee of Mumbai Stock Exchange has been paid till the year 2009-2010.

## 8. MEANS OF COMMUNICATION

The Company is not sending half-yearly report to each household of shareholders. The quarterly, half yearly and annual results are generally published by the Company in Millenium Post & Millenium Darpan Delhi. The Company 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.

## 9. GENERAL SHAREHOLDER INFORMATION

### Annual General Meeting to be held:

Date and Time : 30th September 2009 at 9.30 A.M.  
 Venue : Sanatan Dharam Manadir  
 Moti Nagar, New Delhi-110015

**10. Financial Calender 2009-2010 (tentative):  
(Unaudited Financial Results)**

Results for the quarter ending 30 <sup>th</sup> June 2009	30 <sup>th</sup> July, 2009
Results for the quarter ending Sep.30, 2009	30 October, 2009
Results for the quarter ending Dec 31., 2009	Last week of January, 2010
Results for the quarter ending March , 2010	Last week of April, 2010

**Book Closure Date** : 29<sup>th</sup> September, 2009 to 3<sup>th</sup> October, 2009

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

**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

**DEMATERERIALISATION OF SHARES**

The Members may please note that till date the Company's share is still in physical form only. The applications for the dematerialisation were submitted to the National Securities Depositories Ltd (NSDL) and the Central Depositories Ltd ( CDSL), however both the depositories refused to issue the ISIN NO. which is required to get the equity shares of the Company into Dematerialized Form for the reason best known to them. The company is still pursuing the matter and hopeful to get the shares in Demat form.

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

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

**Registrar and share Transfer Agent :**

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

**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



SHARES HOLDING OF NOMINAL VALUE OF RS.	NUMBER OF SHAREHOLDER	% TO TOTAL	NO. OF SHARES	AMOUNT IN RS	% TO TOTAL
UP TO 5000	13,743	94.99	21,90,632	2,19,06,320	34.5169
5001 TO 10,000	458	3.17	3,77,800	37,78,000	5.9528
10,001 TO 20,000	153	1.06	2,25,900	22,59,000	3.5594
20,001 TO 30,000	42	0.29	1,06,300	10,63,000	1.6749
30,001 TO 40,000	13	0.09	49,800	4,98,000	0.7847
40,001 TO 50,000	7	0.05	31,400	3,14,000	0.4948
50,001 TO 1,00,000	13	0.09	97,900	9,79,000	1.5426
1,00,000 TO & Above	39	0.27	32,66,818	3,26,68,180	51.4739
<b>TOTAL</b>	<b>14,468</b>	<b>100.00</b>	<b>63,46,550</b>	<b>6,34,65,500</b>	<b>100.000</b>

**Distribution of Shareholders as on 31.03.2009:**

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

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

**Plant Location:**

Plant -I  
Chanaloh Kurali  
Dist. Ropar, Pujab (India)

Plant -II  
Baddi, Himachal Pradesh  
(India)

**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 2<sup>nd</sup> September, 2009 and the same was approved.

**For JAUSS POLYMERS LTD**

PLACE New Delhi  
DATE 2nd September 2009

**(DILDEEP SINGH SETHI)**  
Managing Director

## 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/ 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

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 consumers products industry.
3. Growth in telecom and other industrial applications.

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 expended 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 out extensive checks and tests and report non-compliance / weakness, if any, through Internal Audit Report and on the respective areas. These reports along with the reports on the compliance made thereafter are reviewed by the Audit committee of the Board. 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.

#### 5. 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:

PARTICULARS	(CURRENT YEAR)	(PREV YEAR)
<b>INCOME</b>		
Sales & Job Work (Net)	476.77	456.87
Other Income	0.87	8.52
Increase / (Decrease) in Stock	-4.67	0.36
<b>Total Income</b>	<b>472.97</b>	<b>465.76</b>
<b>EXPENDITURE</b>		
Material Cost	2.24	48.81
Manufacturing Expenses	205.25	137.34
Payment & Benefits to Employee	86.14	80.89
Administrative, Selling & Other Expenses	83.84	70.56
<b>Total</b>	<b>377.47</b>	<b>303.61</b>

Profit before Depreciation & Interest	58.55	49.19
Less: Depreciation	(67.21)	(49.11)
Less: Interest & Financial Charges	(3.84)	(11.49)
Earning before Tax & Extraord Adj.	24.45	(14.41)
Extraordinary Items / Prior Period Adj.	20.45	60.62
Earning before Tax	44.90	46.21
Less : Provision for F.B.T.	(0.88)	(0.68)
<b>E.A.T.</b>	<b>44.02</b>	<b>45.53</b>

## 6. 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 organizational 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 up gradation of technical and management skills.

## 7. 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.

## 8. ENVIRONMENT, OCCUPATIONAL HEALTH & 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.

## **DIRECTORS' REPORT**

### **TO THE MEMBERS JAUSS POLYMERS LIMITED.**

Your directors hereby present the 21<sup>st</sup> Annual Report together with the Audited Accounts of the company for the year ended on 31.03.09.

#### **1. FINANCIAL PERFORMANCE**

<b>PARTICULARS</b>	<b>(CURRENT YEAR) Ended 31.03.2008 (Rs. in Lacs)</b>	<b>(PREV YEAR) Ended 30.06.2007 (Rs. in Lacs)</b>
Sales	340.78	456.87
Other Income	5.22	8.52
Total	346.00	465.39
Profit before Financial Charges & Depreciation	46.19	128.16
Financial Charges	(11.49)	(23.24)
Depreciation	(49.11)	(62.53)
Extra ordinary / Prior Period Adjustments	60.62	417.79
Profit / (Loss) before Tax	46.21	460.18
Provision for F.B.T.	(.68)	(1.49)
Profit / (Loss) for the year	45.53	458.69
Profit / (Loss) Brought Forward	(1500.96)	(1959.65)
Net Profit / (Loss) carried to Balance Sheet	(1455.43)	(1500.96)

#### **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. Manoj Pandey, 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 21<sup>st</sup> Annual General Meeting.

## **5. CORPORATE GOVERNANCE REPORT**

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

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

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

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

## **7. FIXED DEPOSITS:**

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

## **8. LISTING ON STOCK EXCHANGE**

The Companies Share continues to be listed on Mumbai Stock Exchange and the Annual Listing Fees has been paid uptill 2009-10. Your Company initiated necessary action to delist its equity shares from the Ludhiana, Delhi, Jaipur and Kolkatta Stock Exchanges pursuant to the 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 trans-actions.

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 PSIDC**

Your Directors have pleasure to inform you that your company has successfully completed the One Time Settlement with PSIDC and after that only PFC is left as the only secured creditor and the management is quite hopeful of completing the OTS with PFC also.

## **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 court due to which the balance confirmation has not been taken from them.

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

In view of the continuous losses incurred by the company the lenders have been requested to waive the interest payable to them and the company is hopeful of getting the interest fully waived on outstanding ICD's ( Inter Corporate Deposits). Therefore, no provision of interest have been made in the account.

#### **c. Reply to point no. 3 f (iii) 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.

#### **d. Reply to point no. 3 f (iv) 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 Report

Cash Flow Statement in accordance with Accounting Standard (As-3) issued by the ministry of Corporate Affairs also from 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.

**17. PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUT-GO.**

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

**18. 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.

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

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

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

For & on Behalf of the Board

Place: New Delhi  
Date: 2nd SEPTEMBER 2009

**(DILDEEP SINGH SETHI)**  
Managing Director



## ANNEXURE TO THE DIRECTORS' REPORT

Particulars as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of Directors' Report for the year ended 31<sup>st</sup> March, 2009

### 1. CONSERVATION OF ENERGY

The Company emphasizes optimization of energy consumption in every possible area in its units. Various avenues are explored at periodic intervals and after careful analysis, planning, measures are initiated to minimize the consumption of energy through the optimal utilization of energy consuming equipments. During the year under review the following measures were adopted for conservation and optimum utilization of energy :

- i) Preventive maintenance for machines to reduce frictional losses and thereby improving efficiency
- ii) Creating awareness amongst all workers/ staff members to make maximum use of natural light and sensible use electrical appliances like fans, airconditioners etc.
- iii) Reviewing on a periodic basis all the measures initiated /adopted for conservation of energy.
- iv) Reducing wastages of water by using better methods of distribution and use.
- v) Frequent cleaning of all lighting equipment's like bulbs , tubes etc.
- vi) Reducing wastage / spillage of fuel like diesel.

### RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

#### a) Research & Development

It has been the endeavor of the Company to respond to the needs of its customers in the market with concurrent commitment to improve quality and productivity. During the period under review, the company had under taken the repairs of old mould and machinery. Thus, the Company has been able to save precious foreign exchange.

#### b) Technology Absorption

##### Efforts

- a) Continuous adaptation of advanced technology and technical know-how are being made for improving the quality of the product
- b) New systems were implemented for developing high quality soles.

##### Benefits

- a) Development of sophisticated products and new materials.
- b) Exposure to new techniques for production.

### 3. FOREIGN EXCHANGE EARNINGS AND OUTGO EARNING (Rs.)

Particulars	Current Year	Previous Year
Foreign Exchange Earning	NIL	NIL
Foreign Exchange Outgo	35936.00	98988.00

For & on Behalf of the Board

Place: New Delhi  
Date: 2<sup>nd</sup> September, 2009

(DILDEEP SINGH SETHI)  
Managing Director

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

To the Board of Directors  
**JUASS POLYMERS LTD**  
1308, Vkrant Tower, Rajendra Place,  
New Delhi-110008

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 31<sup>st</sup> March .2009 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 controls 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, contorls 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.
  - c) All the significant changes in accounting policies during the year, if any. And that the same have been disclosed in the notes to the financial statements.
  - d) Instances of significant fraud of which we are aware, that involve management or other employees who have a significant role in the Company's internal controls system.

Place: New Delhi  
Date: 18<sup>th</sup> August, 2009

**DILDEEP SINGH SETHI**  
Chairman & 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 31 March, 2009 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: 21/08/2009

For Lekhraj & Associates

(Lekhraj)  
C.P. No. :3716

## AUDITOR'S REPORT

The Members  
**JAUSS POLYMERS LTD.**

We have audited the attached Balance Sheet of **JAUSS POLYMERS LTD.** as at 31<sup>st</sup> March, 2009, and also 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) to (iii), 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 31<sup>st</sup> March 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2009 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. (6): 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. (10): 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. (11): regarding non- provision of overdue interest, liquidated damages, penalty etc. on loans from financial institutions and its impact on accounts not ascertainable in the absence of detail.

iv) 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 31<sup>st</sup> March, 2009;
- 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 period ended on that date.

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

**PLACE: NEW DELHI  
DATED: SEPTEMBER 02, 2009**

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

## **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 31<sup>th</sup> MARCH, 2009.**

- i) a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets except in certain items of fixed assets where the reconciliation /reconstruction of record is in process.
- 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. According to information and explanations given to us, no material discrepancies were noticed on such verification.
- c) There was no substantial disposal of 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 Rs.31.84 Lacs outstanding as on 31<sup>th</sup> March, 2009 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 Rs.37.32 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.
- viii) The Central Government has not prescribed maintenance of cost records under Section 209(1) (d) of the companies Act, 1956 for 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, Employees' State Insurance, Income-tax, Sales Tax, Cess and other statutory dues applicable to it. The extent of arrears of such dues as on 31<sup>st</sup> March, 2009 for a period of more than six months was Rs.129.12 Lacs.
- b) According to the information and explanation given to us and the records of the Company examined by us, the particulars of the dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Excise Duty and Cess as at 31<sup>st</sup> March, 2009 which have not been deposited on account of a dispute, are as follows:

Name of the statutory Due	Nature of Dues	Amount (Rs.) Lacs	Forum where dispute is pending
Sales Tax Act	Regular	16.68	Commissioner (Appeals)

- x) The accumulated losses of the company as at March 31<sup>st</sup>, 2009 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) The company is a sick industrial company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and had defaulted in re-payment of dues to financial institutions. Detail of such outstanding dues including the period and amount of default is given as hereunder:

Name of F.I. (Rs.) Lacs	Amount of default	Period to which relate
PFC / PSIDC	167.27	Since 1998

- 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 and vice versa, except for long term working capital.
- 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 by public issues 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**

**PLACE: NEW DELHI  
DATED: SEPTEMBER 2, 2009**

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



**BALANCE SHEET AS AT 31st March, 2009**

	SCHEDULE NO.	AS AT 31.03.2009 (RS.)		AS AT 31.03.2008 (RS.)	
<b>SOURCES OF FUNDS</b>					
<b>Shareholders Fund</b>					
Share Capital	A	64,888,500		64,883,500	
Reserves & Surplus	B	<u>36,271,163</u>	101,159,663	<u>36,271,163</u>	101,154,663
<b>Loan Fund</b>					
Secured Loans	C	51,355,931		38,595,291	
Unsecured Loans	D	<u>22,856,664</u>	74,212,595	<u>28,064,871</u>	66,660,162
<b>TOTAL</b>			<u><b>175,372,258</b></u>		<u><b>167,814,825</b></u>
<b>APPLICATION OF FUNDS</b>					
<b>Fixed Assets</b>					
Gross Block	E	164,419,926		164,282,272	
Less: Depreciation & Impairment		<u>129,399,053</u>		<u>122,678,275</u>	
Net Block			35,020,873		41,603,997
<b>Current Assets, Loans &amp; Advances</b>	F				
Inventories		-		594,563	
Sundry Debtors		1,931,459		1,981,384	
Cash & Bank Balance		11,375,317		939,668	
Loans & Advances		<u>9,498,732</u>		<u>7,088,469</u>	
		<b>22,805,508</b>		<b>10,604,084</b>	
Less: Current Liabilities & Provisions					
Current Liabilites	G	22,689,628		28,721,940	
Provision		<u>904,632</u>	(788,752)	<u>1,214,117</u>	(19,331,973)
<b>Profit &amp; Loss Account</b>			141,140,137		145,542,802
<b>TOTAL</b>			<u><b>175,372,258</b></u>		<u><b>167,814,825</b></u>

**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 2, 2009

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31.03.2008**

PARTICULARS	SCHEDULE NO.	FOR THE YEAR ENDED ON 31.03.2009 (RS.)	FOR THE PERIOD ENDED ON 31.03.2008 (RS.)
<b>I. INCOME</b>			
Job Work Income		47,676,956	33,361,097
(TDS Rs.2,12,443/-, P.Y. Rs.1,03,164/-)			
Sales (Gross)	81,697		836,011
Less : Excise Duty	10,297	71,400	119,543
Other Income	H	86,697	522,011
<b>TOTAL</b>		<b>47,835,053</b>	<b>34,599,576</b>
<b>II. EXPENDITURE</b>			
Material Cost/Cost of Goods Sold	I	691,119	692,130
Manufacturing Expenses	J	23,216,885	14,659,918
Selling & Distribution Expenses		2,262,555	1,239,569
Other Expenses	K	12,114,812	13,388,941
Financial Charges	L	383,737	1,149,408
<b>TOTAL</b>		<b>38,669,108</b>	<b>31,129,966</b>
Profit before Depreciation		9,165,944	3,469,610
Depreciation		6,720,778	4,910,682
Profit before Tax & Extraordinary/Prior Period Adj.		2,445,166	(1,441,072)
Extraordinary items Prior Period Adj.		2,045,203	6,062,347
<b>Profit for the year before taxation</b>		<b>4,490,369</b>	<b>4,621,275</b>
Less: Provision for Fringe Benefit Tax		(87,706)	(67,908)
<b>Profit for the year</b>		<b>4,402,663</b>	<b>4,553,367</b>
(Loss) as per Last Year		(145,542,800)	(150,096,169)
<b>(Loss) carried over to Balance Sheet</b>		<b>(141,140,137)</b>	<b>(145,542,802)</b>
<b>NOTES TO ACCOUNTS</b>	M		
Earning per Share (See Note No. -19)			
Basic and Diluted			
(After exceptional item in Rs.)		0.73	0.75
Basic and Diluted			
(Before exceptional item in Rs.)		(0.39)	(0.25)
Face Value Per Share in Rs.		10.00	10.00

Schedules referred to above form an integral part of this Profit & Loss Account

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 2, 2009

**SCHEDULE: A - SHARE CAPITAL**

	AS AT 31.03.2009 (RS.)	AS AT 31.03.2008 (RS.)
<b>AUTHORISED</b>		
a) 7500000 Equity shares of Rs. 10/- each	75,000,000	75,000,000
b) 50,000 10% Cumulative Convertible Preference share of Rs. 100/- each	5,000,000	5,000,000
<b>TOTAL</b>	<b>80,000,000</b>	<b>80,000,000</b>
<b>ISSUED</b>		
a) 67,43,450 Equity shares of Rs. 10/- each	67,434,500	67,434,500
b) 44,000 10% Cumulative Convertible Preference shares of Rs. 100/- each	4,400,000	4,400,000
<b>TOTAL</b>	<b>71,834,500</b>	<b>71,834,500</b>
<b>SUBSCRIBED &amp; PAID UP</b>		
a) 63,46,550 Equity shares of Rs. 10/- each (including 40,000 Equity shares held by PSIDC)	63,465,500	63,465,500
Less: Allotment money in arrear	2,977,000	2,982,000
	<b>60,488,500</b>	<b>60,483,500</b>
b) 44,000 10% Cumulative Convertible Preference shares of Rs. 100/- each	4,400,000	4,400,000
<b>TOTAL</b>	<b>64,888,500</b>	<b>64,883,500</b>

NOTE: 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

**SCHEDULE : B - RESERVE & SURPLUS**

	AS AT 31.03.2009 (RS.)	AS AT 31.03.2008 (RS.)
<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
Waviver of Principal Loan by Bank/Finnancial Institutions	27,610,933	27,610,933
<b>TOTAL</b>	<b>36,271,163</b>	<b>36,271,163</b>

**SECURED LOANS**

	AS AT 31.03.2009 (RS.)	AS AT 31.03.2008 (RS.)
<b>i) FROM BANKS / FINANCIAL INSTITUTIONS :</b>		
b) P.S.I.D.C.	3,736,000	3,736,000
c) P.F.C.	1,641,133	1,641,133
Interest accrued & due	11,350,053	10,984,222
<b>ii) FROM OTHERS :</b>		
a) Tata Motors Finance Ltd.	187,745	292,936
b) O.K. Play India Limited (Refer Note 12 of Schedule 'M')	34,441,000	21,941,000
<b>TOTAL</b>	<b>51,355,931</b>	<b>38,595,291</b>

**NOTES:**

- Loans from P.S.I.D.C and P.F.C., ranking pari passu interest are secured by deposits of title deeds of Factory land together with building constructed there on and plant and machinery, equipment, furniture & fixtures, vehicles etc. installed and to be installed thereon.
- Loan from P.S.I.D.C & P.F.C. are personal guaranteed by Managing Director and past two Directors of the company.
- Loan from Tata Motors Finance Limited is Secured against Hypothecation of vehicle.
- 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.
- Loan from O.K. Play India Ltd. is secured against the assignment of all rights 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.

**SCHEDULE : D - UNSECURED LOANS**

	AS AT 31.03.2009 (RS.)	AS AT 31.03.2008 (RS.)
From Companies	12,823,730	18,144,443
From Directors	137,781	521,677
From Others	9,895,153	9,398,751
<b>TOTAL</b>	<b>22,856,664</b>	<b>28,064,871</b>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET**

**SCHEDULE: E - FIXED ASSETS**

(Figures in Rs.)

S. NO.	PARTICULARS	GROSS BLOCK			DEPRECIATION				WRITTEN DOWN VALUE	
	AS AT 01.04.2008	ADDITIONS DURING THE YEAR	SALE / ADJUST- MENTS	TOTAL AS AT 31.3.2009	AS AT 1.04.2008	FOR THE CURRENT YEAR	ADJUST- MENT	TOTAL AS AT 31.3.2009	AS AT 31.03.2009	AS 31.03.
1	Land	1,067,276	-	-	1,067,276	-	-	-	1,067,276	1,067
2	Building	11,265,916	-	-	11,265,916	9,869,708	43,422	-	9,913,130	1,352,786
3	Plant & machinery	101,504,646	-	-	101,504,646	70,440,530	5,359,445	-	75,799,975	25,704,671
4	Moulds	40,821,065	-	-	40,821,065	34,886,013	1,037,780	-	35,923,793	4,897,272
5	Furniture & Fixture	2,993,957	-	-	2,993,957	2,934,463	-	-	2,934,463	59,494
6	Cables & power equipments	1,084,941	-	-	1,084,941	838,103	51,535	-	889,638	195,303
7	Electrical equipment	284,869	-	-	284,869	212,080	13,531	-	225,611	59,258
8	Vehicles	886,259	-	-	886,259	152,055	84,195	-	236,250	650,009
9	Office equipments	1,607,475	108,988	-	1,716,463	996,944	80,554	-	1,077,498	638,965
10	Air conditioner	828,238	-	-	828,238	704,001	6,529	-	710,530	117,708
11	Computers	1,937,630	28,666	-	1,966,296	1,644,378	43,787	-	1,688,165	278,131
<b>TOTAL</b>		<b>164,282,272</b>	<b>137,654</b>	<b>-</b>	<b>164,419,926</b>	<b>122,678,275</b>	<b>6,720,778</b>	<b>-</b>	<b>129,399,053</b>	<b>35,020,873</b>
<b>PREVIOUS YEAR</b>		<b>161,894,335</b>	<b>2,637,937</b>	<b>250,000</b>	<b>164,282,272</b>	<b>118,005,375</b>	<b>4,910,682</b>	<b>237,781</b>	<b>122,678,275</b>	<b>41,603,997</b>

**SCHEDULE : F - CURRENT ASSETS, LOANS & ADVANCES**

	AS AT 31.03.2009 (RS.)		AS AT 31.03.2008 (RS.)	
<b>A) CURRENT ASSETS</b>				
I) INVENTORIES				
(As taken, valued and certified by the management)				
Packing Materials	-		127,819	
Finished Stock	-		466,744	594,563
II) SUNDRY DEBTORS				
(Unsecured considered good)				
Debts outstanding for a period not exceeding six months	1,931,459	1,931,459	1,981,384	1,981,384
III) CASH & BANK BALANCE				
Cash in hand	173,168		469,725	
Balance with Scheduled Banks in				
-Current Accounts	1,202,149		469,943	
-Cheque-in-hand	10,000,000	11,375,317	-	939,668
<b>B) LOANS &amp; ADVANCES</b>				
(Unsecured considered good)				
I) Advances Recoverable in Cash or in kind or for value to be received	2,225,858		2,287,903	
II) Other Loans & Advances	2,034,456		1,500,000	
Advance against capital assets	528,200		-	
III) Security Deposits				
a) With Government departments	947,631		847,431	
b) With Others	3,343,000		2,048,000	
IV) Balance with Excise	1,135		3,143	
V) Income Tax Deducted At Source	418,452	9,498,732	401,992	7,088,469
<b>TOTAL</b>		<b>22,805,508</b>		<b>10,604,084</b>

**SCHEDULE : G - CURRENT LIABILITIES & PROVISIONS**

	AS AT 31.03.2009 (RS.)		AS AT 31.03.2008 (RS.)	
<b>A) CURRENT LIABILITIES</b>				
I) Sundry Creditors	5900,936		7,303,365	
II) Advance from Customers	835,951		599,951	
III) Due to Directors in current account	5,351		41,883	
IV) Security Deposits from Customers	190,000		190,000	
V) Interest Accrued But Not Due	32,386		178,463	
VI) Other Liabilities	15,725,004		20,253,224	
VII) Book Overdraft	-		155,054	
<b>B) PROVISIONS</b>				
For Gratuity and Leave Encashment	878,743		1,168,558	
For Fringe Benefit Tax	25,889		45,559	
<b>TOTAL</b>		<b>23,594,260</b>		<b>29,936,057</b>

**SCHEDULE : H - OTHER INCOME**

	YEAR ENDED 31.03.2009 (RS.)	YEAR ENDED 31.03.2008 (RS.)
Misc. Receipts	61,134	334,231
Excess Provision written back	25,563	
Profit on Sale of Fixed Assets	-	187,780
<b>TOTAL</b>	<b>86,697</b>	<b>522,011</b>

**SCHEDULE : I - MATERIALS CONSUMED/COST OF GOODS SOLD**

	YEAR ENDED 31.03.2009 (RS.)	YEAR ENDED 31.03.2008 (RS.)
<b>A) Material Consumed :</b>		
Opening Stock		
Raw Materials (including caps)	-	130,270
Packing Materials	127,819	149,229
	<b>127,819</b>	<b>279,499</b>
Add: Purchases		
Raw Materials (including caps)	-	534,414
Packing Materials	96,556	386,457
	<b>96,556</b>	<b>920,871</b>
Less: Closing Stock		
Packing Materials	-	127,819
<b>TOTAL (A)</b>	<b>224,375</b>	<b>1,072,551</b>
<b>B) (INCREASE)/ DECREASE IN FINISHED GOODS</b>		
Opening Stock	466,744	86,323
Less: Closing Stock	-	466,744
<b>TOTAL (B)</b>	<b>466,744</b>	<b>(380,421)</b>
<b>TOTAL: (A) + (B)</b>	<b>691,119</b>	<b>692,130</b>

**SCHEDULE : J - MANUFACTURING EXPENSES**

	YEAR ENDED 31.03.2009 (RS.)	YEAR ENDED 31.03.2008 (RS.)
Wages and Other Benefits to Workers	2,315,385	1,735,650
Contribution to Provident & Other Funds	376,300	269,233
Freight & Cartage	53,712	149,490
Machine Utility Charges	600,000	450,000
Repair & Maintenance (Machinery)	1,742,032	1,116,741
Power & Fuel	12,303,285	7,918,344
Rent Factory	3,315,000	1,500,000
Repair & Maintenance (building)	401,736	136,258
Stores Consumed	769,728	667,485
Job Charges Paid-Machinery Repair	1,339,707	716,717
<b>TOTAL</b>	<b>23,216,885</b>	<b>14,659,918</b>

**SCHEDULE : K - OTHER EXPENSES**

	YEAR ENDED 31.03.2009 (RS.)	YEAR ENDED 31.03.2008 (RS.)
Salaries & Allowances	4,440,612	3,758,696
Contribution to provident & other funds	174,354	136,174
Staff Welfare Expenses	247,611	223,334
Rent Paid	468,820	387,130
Security Service Expenses	339,770	277,754
Managing Directors Remuneration	720,000	540,000
Auditors Remuneration-Audit fees	110,300	67,416
Legal & Professional Charges	801,104	691,069
Insurance	150,893	113,627
Postage, Telegram & Telephone	281,072	206,261
Repair & Maintenance (Others)	376,111	393,083
Travelling & Conveyance Expenses	585,539	651,359
Supervision Charges	2,121,089	1,509,615
Miscellaneous Expenses	441,023	629,512
Fees & Taxes	849,854	342,115
Amount Written Off	6,660	157,776
Shifting Expenses	---	3,304,021
<b>TOTAL</b>	<b><u>12,114,812</u></b>	<b><u>13,389,941</u></b>

**SCHEDULE : L - FINANCIAL CHARGES**

	YEAR ENDED 31.03.2009 (RS.)	YEAR ENDED 31.03.2008 (RS.)
<b>Interest paid :</b>		
To Financial Institutions	219,754	826,216
To Others	135,653	290,577
Bank Charges	28,331	32,615
<b>TOTAL</b>	<b><u>383,737</u></b>	<b><u>1,149,408</u></b>



## **SCHEDULE – M – NOTES ON ACCOUNTS**

### **NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2009 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR PERIOD 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 realizable 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.
  - 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 realizable estimate. 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.
- 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.

## 2. CONTINGENT LIABILITIES EXIST IN RESPECT OF

	AS ON 31.03.2009 (Rs.)	AS ON 31.03.2008 (Rs.)
a) Claims against the Company not acknowledged as debt-penal interest, liquidated damages etc. of financial Institutions, Banks, other parties against leading, labour cases etc.	Amount Indeterminate	Amount Indeterminate
b) Sales Tax demands made by the authorities.	16,67,907	24,80,589
c) 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.a) Legal and professional charges include the amount paid / payable to auditors : (including service tax wherever applicable)		

	AS ON 31.03.2009 (Rs.)	AS ON 31.03.2008 (Rs.)
For Tax Audit	22,060	44,944
For Income Tax Matters	NIL	23,034
For Others Serivecs	NIL	2,247

### b) Managerial Remuneration under section 198 of the Companies Act, 1956 to the Managing Director (Minimum Remuneration)

	AS ON 31.03.2009 (Rs.)	AS ON 31.03.2008 (Rs.)
Salary & Allowances	7,20,000	4,72,500
Perquisite	----	67,500
Total	7,20,000	5,40,000

5. 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.
6. Balances outstanding in some of the accounts of sundry creditors, loans & advances and other personal accounts are subject to confirmation / reconciliation and consequent impact on accounts upon confirmation / reconciliation not ascertainable in the absence of details.

## 7. Particulars regarding capacity, production, sales and stocks:.

	UNIT	AS ON 31.03.2009	AS ON 31.03.2008
A) Licenced Capacity		N.A.	N.A.
B) Installed capacity	(in M. Tons)	864	864
* (As certified by the management but not verified by the Auditors being technical matter)			
C) Actual production: Including	*Pet bottles\		
1,96,03,874 Pcs (Previous year	Jars (In Pcs)		
1,28,82,850 Pcs) towards Job Work		1,96,03,874	1,29,76,850*

**D) FINISHED GOODS**

Description	As on 31.03.2009		As on 31.03.2008	
	Quantity	Value (Rs.)	Quantity	Value (Rs.)
<b>Opening stock</b>				
PET Bottles/Jars etc.	42,636	4,66,744	7,905	86,223
<b>Sales</b>				
PET Bottles/Jars (Solid as Scrap)	42,636	71,400	59,269	7,16,468
<b>Closing Stock</b>				
PET Bottles / Jars etc.	--	---	42,636	4,66,744

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

Description	As on 31.03.2009		As on 31.03.2008	
	Quantity (Kgs)	Value (Rs.)	Quantity (Kgs)	Value (Rs.)
<b>Raw materials :</b>				
Pet chips / pet flakes	-	-	7,032	6,64,864
Packing Materials	-	2,24,375	-	4,07,867
Consumable Stores	-	7,69,728	-	6,67,485

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

		As on 31.03.2009		As on 31.03.2008	
		Percentage	Amount (Rs.)	Percentage	Amount (Rs.)
Raw materials:	Imported	-	-	-	-
	Indigenous	-	-	100	6,64,684
	<b>TOTAL</b>	-	-	<b>100</b>	<b>6,64,684</b>
Stores consumed:	Imported	-	-	-	-
	Indigenous	100	7,69,728	100	6,67,485
	<b>TOTAL</b>	<b>100</b>	<b>7,69,728</b>	<b>100</b>	<b>6,67,485</b>

9. 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.

10. 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.

11. The balance of secured loan from P.F.C. is subject to confirmation and reconciliation and consequential adjustments. The company has made one time settlement of its dues with P.S.I.D.C during the year. Pending compliance of the terms and conditions of the settlement, neither provision for interest on outstanding balance has been made nor adjustment entries between book balance and settled amount has been made.

12. The company had made one time settlement of its dues with Industrial Development Bank of India (IDBI)/ Industrial Financial Corporation of India Ltd (IFCI) during the previous years. The entire security under the charge of IFCI/IDBI has been assigned in favour of. O.K. Play India Limited.

13. Accounting Standard 15-"Employee Benefits", 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 Rs.4,38,680/- (previous year Rs.4,10,684/-) has been recognized as expenses for the year.
- ii) Employer's contribution to Employees State Insurance paid Rs.1,11,974/- (previous year Rs.1,05,791/-) 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 recognises 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.

I. Changes in present Value of obligations*				(Rupees)
	Gratuity (Unfunded) 2008-2009	Gratuity (Unfunded) 2007-2008	Leave Encashment (Unfunded) 2008-2009	Leave Encashment (Unfunded) 2007-2008
Present Value Obligation at beginning of the year	874,160	856,119	294,398	336,097
Interest Cost	42,279	56,987	15,489	23,015
Current Service Cost	74,200	116,201	59,715	91,127
Benefits Paid	(6,20,867)	(287,553)	(175,760)	(96,823)
Actuarial (Gain)/Loss on obligation	265,041	132,406	(50,088)	(59,018)
Present Value Obligation	634,813	874,160	243,930	294,398

**II. Amount to be recognized in the balance sheet and statement of profit & loss account\***

Present Value of obligation at the end of I.V.P.	643,813	874,160	243,930	294,398
Fair Value of Plan Assets at the end of the I.V.P.	-	-	-	-
Funded Status	(643,813)	(874,160)	(243,930)	(294,398)

Unrecognized Actuarial (Gain)/ Loss

at the end of the I.V.P.

Net Asset/(Liability) Recognized in the Balance Sheet	634,813	874,160	243,930	294,398
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### III. Expenses recognized in the statement of P & L A/c\*

Current Service Cost	74,200	116,201	59,715	91,127
Interest Cost	42,279	56,987	15,489	23,015
Expected Return on Plan Assets	(-)	(-)	(-)	(-)
Net Actuarial (Gain)/ Loss recognized for the year	265,041	132,406	50,088	59,018
Expenses recognized in the statement of P & L A/c	381,520	305,594	125,292	55,124

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

Opening Net Liability	874,160	856,119	2,94,398	336,097
Expenses as above	381,520	305,594	125,292	55,124
Contribution paid	(620,867)	(287,553)	(1,75,760)	(96,823)
Closing Net Liability	634,813	874,160	243,930	294,398

### 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	7.50%	8.00%	7.50%	8.00%
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	21.08 years	24.55 years	21.08 years	24.55 years

### 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.  
Auram Polymers Pvt. 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. Gurpreet Kaur Sethi  
Mrs. Paramjeet Kaur Sethi

Nature and Volume of Transactions	Enterprises Over which significant influence		Key Managerial Personnel and their Relatives	
	2008 – 2009	2007 - 2008	2008 – 2009	2007 - 2008
Managerial Remuneration				
a) Salaries	-	-	7,20,000	4,72,500
b) Perquisites and allowances	-	-	-	67,500
Salary Paid	-	-	4,58,640	4,58,640
Balances Debit/(Credit) (net)	25,62,656	(8,14,344)	(31,84,351)	1,81,624
Loan (taken) /repaid (net)	(3,31,000)	20,80,144	1,12,506	(8,14,344)

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 31.03.2009. 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 31.03.2009	As on 31.03.2008
<u>Debits</u>		
Professional Charges	32,896	-
Others	7,696	-
<b>TOTAL (A)</b>	<b>40,592</b>	<b>-</b>
<u>Credits</u>		
Waiver of Interest	-	60,62,347
Sales Tax Reversals	20,85,795	-
<b>TOTAL (B)</b>	<b>20,85,795</b>	<b>60,62,347</b>
<b>NET (A – B) Debit/(Credit)</b>	<b>20,45,203</b>	<b>60,62,347</b>

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

Particulars		31.03.2009	31.03.2008
Profit/(Loss) attributable to the Shareholders			
- After exceptional item	A	44,02,663	45,53,367
- Before exceptional item	B	23,57,460	(15,08,980)
Weighted average number of Equity Shares outstanding during the year*	C	60,44,500	60,44,500
Nominal value of Equity Shares (Rs.)		10	10
Basic/Diluted Earning / (Loss) per Share (Rs.)			
- after exceptional item	A/C	0.73	0.75
- before exceptional item	B/C	0.39	(0.25)

\*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.

	31.03.2009 (Rs.)	31.03.2008 (Rs.)
20. i) Expenditure in Foreign Currency Subscription	35,936	98,988
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 Rs.25,62,656/- (Previous year Rs. nil) being amount due from two private companies in which a director is a director/member.		
23. Other Liabilities include Rs.3,94,173/-(Previous Year : Rs. 3,94,173/-) being the unpaid dividend on CCPS which shall be credited to Investor Education & Protection Fund in the event of non-compliance of the terms and conditions of the settlement of dues with financial institutions.		
24. The figures for the previous year are for the period from 01.07.2007 to 31.03.2008 and therefore, are not comparable with the current years figures to that extent.		
25. Previous year figures have been regrouped/recast where-ever considered necessary to make them comparable with those of current year's classification.		

23. Figures have been rounded off to the nearest rupee.

Signature to A to M annexed to and forming part of the Balance Sheet as at and Profit & Loss Account for the period ended on 31st March, 2009.

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

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

**PLACE : NEW DELHI  
DATED : SEPTEMBER 2, 2009**

**For JAUSS POLYMERS LTD.**

**DILDEEP SINGH SETHI  
(MANAGING DIRECTOR)**

**D. BHATTACHARYA  
(DIRECTOR)**



**CASH FLOW STATEMENT FOR THE PERIOD YEAR ENDED 31ST, MARCH 2009**

	FOR THE YEAR ENDED 31.03.2009	FOR THE YEAR ENDED 31.03.2008
<b>A. Cash Flow from Operating activities</b>		
Net profit/ (Loss) before tax and extra ordinary items	(2445166)	(1441072)
Adjustments for:		
Amount Written Off	6660	157776
Depreciation	6720778	4910682
Profit on sale of Assets	0	(187780)
Interest Expense	383737	1149408
Liabilities/Excess Prov. Written Back	(72980)	(336240)
Profit before extra ordinary items	9483362	4252774
Extra ordinary item	2085795	0.00
Prior Period Adjustments	(40592)	0.00
Operating Profit/(Loss) before working capital changes	11528565	4252774
Adjustment for:		
Trade and Other Receivables	(2366997)	281791
Intrest Accrued on term loan	0	0
Inventories	594563	(228741)
Trade Payable & Other Liabilities	(6268817)	(3076997)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>3487314</b>	<b>1228827</b>
FBT paid	(87706)	(67908)
<b>NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>3399608</b>	<b>1160919</b>
<b>B. Cash Flow from Investing Activities</b>		
Sale Consideration	0.00	200000
Purchase of Fixed Asset	(137654)	(2637937)
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(137654)</b>	<b>(2437937)</b>
<b>C. Cash Flow from Financing Activities</b>		
Increase / (Repayments) of Unsecured Loans	(5208207)	815483
Increase / (Repayments) in Secured Loan	12760640	(815061)
Interest paid	(383737)	(323192)
Allotment money received	5000	38500
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>7173695</b>	<b>(284270)</b>
Net Increase / (Decrease) in cash & cash equivalents (A + B + C)	10435649	(1561288)
Cash & Cash equivalents as at 01.04.2008	939668	2500956
Cash & Cash equivalents as at 31.03.2009	11375317	939668

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

**Notes:**

- 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.
- Figures in the Brackets indicate Cash Outgo.
- Cash and Cash Equivalents of Rs.11,375,317/- as on 31st, March 2009 include balances with Schedule banks in Current A/cs - Rs.1,202,149/- and Cash in Hand of Rs.1,73,168/- and cheque in had of Rs. 10,000,000/- which are available for use.
- Previous Period 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.

(DILDEEP SINGH SETHI)  
MANAGING DIRECTOR

CHARTERED ACCOUNTANTS  
(V. K. DHINGRA)  
PARTNER  
PLACE : NEW DELHI  
DATE : SEPTEMBER 02 , 2009

(D. BHATTACHARYA)  
DIRECTOR

Regd. Folio No.....

No. of Share held.....

I/We.....

of.....

in the district of.....being the member/members of the above named company

hereby appoint.....of.....District

of.....or failing him.....of

.....in the district of.....as my/our proxy

to vote for me/us on behalf at the 21st Annual General Meeting of the Company to be held on Wednesday., 30th  
September 2000 at 9.30 a.m. at Sanatan Dharam Mandir, Moti Nagar, New Delhi-110015 and any adjournment thereof.

Signed this.....day of.....2009

Signature.....

Affix  
Revenue  
Stamp

**NOTE: THIS FORM SHOULD BE SIGNED ACROSS THE STAMP AS PER SPECIMEN SIGNATURE REGISTERED  
WITH THE COMPANY. THE PROXY MUST REACH THE REGISTERED OFFICE OF THE COMPANY NOT  
LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR HOLDING THE AFORESAID MEETING.**



## JAUSS POLYMERS LIMITED

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

### ATTENDANCE SLIP

Full Name of Shareholder/Member.....

(IN BLOCK LETTERS)

Regd. Folio No.....No. of Share held.....

if Proxy, full name of proxy.....

(IN BLOCK LETTERS)

I hereby record my presence at the 19th Annual General Meeting of the Company to be held on Wednesday, 30th  
September 2009 at 9.30 a.m. at Sanatan Dharam Mandir, Moti Nagar, New Delhi-110015

Signature.....

### **IMPORTANT**

This attendance slip duly filled in may please be handed over at the entrance of the Meeting hall.

**BOOK POST**



**JAUSS POLYMERS LIMITED**

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