



23RD ANNUAL REPORT 2010 - 2011

BOARD OF DIRECTORS:	Mr. L. K. Bagla Mr. M. S. Bagla Mr. K.C. Dwivedi Mr. K. C. Gupta Mr. Pawan Sharma Mr. Suresh Ajila Mrs. Urmila Goenka
COMPANY SECRETARY:	Mr. S. S. Dua
AUDITORS:	M/s. Salarpuria & Partners Chartered Accountants, 1008 Chiranjiv Tower, 43, Nehru Place, New Delhi-110019
BANKERS:	IDBI Bank, Videocon Tower, Jhandewalan, New Delhi Allahabad Bank, International Branch, Parliament Street, New Delhi
SHARE TRANSFER & DEMAT AGENT:	Link Intime India Pvt. Ltd. A-40 2nd Floor, Naraina Industrial Area Phase-II, Near Batra Banquet, New Delhi-110028
REGISTERED OFFICE:	340/2-A, G. T. Road, Shahdara, Delhi-110095
FACTORY:	29th Mile Stone, Village Achheja, Tehsil-Dadri Distt.- Gautam Budh Nagar (U.P.) PIN - 203 207
SHARES LISTED AT:	Delhi, Mumbai, Calcutta & Jaipur Stock Exchanges

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NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the members of Hindustan Adhesives Limited will be held on Friday, the 30th September, 2011 at 11.30 A.M. at Parkash Place- 13, Wazirpur Press Area, Wazirpur, Delhi -110035 to transact the following business.

ORDINARY BUSINESS:

- To receive, consider and adopt the audited Balance Sheet of the Company as at March 31, 2011 and the Profit & Loss Account for the year ended on that date together with Report of Directors and Auditors thereon.
- To appoint a Director in place of Sh. Pawan Sharma, who retire by rotation and being eligible offers them selves for re-appointment.
- To appoint a Director in place of Sh. K.C. Dwivedi, who retire by rotation and being eligible offers them selves for re-appointment.
- To appoint the statutory auditors and to fix their remuneration.

SPECIAL BUSINESS

- To consider and if thought fit to pass with or without modification(s) if any, the following resolution as Special a Resolution.

"RESOLVED THAT pursuant to the provisions of the Section 314 and other applicable provisions of the Companies Act, 1956 approval be and is hereby accorded to pay sales commission upto the extent of 5% to the selling agent Mrs Gayathri Ajila."

By order of the Board of Directors of
Hindustan Adhesives Limited

Place : Delhi
Date : 03.09.2011

(L.K.BAGLA)
Chairman

NOTES

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE ANNUAL GENERAL MEETING.**
- Members/proxy should bring the attendance slip duly filled in for attending the meeting.
- The registers of members and shares transfer books of the company will remain closed from 27.09.2011 to 30.09.2011 (all inclusive).
- Members are requested to bring their copy of Annual Report at the meeting.
- The Explanatory Statement pursuant to section 173(2) of The Companies Act, 1956 is annexed and forms part of this Notice
- Members seeking any further information about the accounts are requested to write to the company at least 10 days before the date of Annual General Meeting so as to enable the Management to keep the information ready at the meeting.
- Copies of relevant Director's Report, Auditor's Report, Balance Sheet and Profit & Loss Account of the Company are enclosed herewith.



8. Shareholders are requested to address all communications regarding transfer/transmission of share, change of Address etc. to Link Intime India Pvt. Ltd., A-40, 2nd Floor, Naraina Industrial Area, Phase-II, Near Batra Banquet, New Delhi-110028.
9. Members are requested to quote their Folio number in all their correspondence with the Company Share transfer agent.
10. As per Draft Circular No- F. no. 17/218/2011 CL. V, Government of India, Ministry of Corporate Affairs, no gifts will be provided to the shareholders during the Annual General Meeting of the Company.

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

ITEM NO.5

Mrs Gayatri Ajila was appointed as selling Agent of the company and will be paid commission upto 5% of sales. She being wife of one of the Director of the Company falls under the ambit of place of Profit under Section 314 of the Companies Act, 1956 and the same requires approval of Shareholder by way of Special Resolution. Hence Board recommend the above resolution for your approval.

Mr Suresh Ajila being relative is interested in the resolution. None of the other Directors of the company is, in any way, concerned or interested in the said resolution.

INSPECTION

Copy of the Memorandum and Articles of Association of the Company together with the proposed alteration shall be open for inspection of Shareholders at the Company's Registered Office on any working day up to and inclusive of the date of Annual General Meeting between 10.00 A. M. to 1.00 P.M.

By order of the Board of Directors of
Hindustan Adhesives Limited

(L.K.BAGLA)
Chairman

Place : Delhi
Date : 03.09.2011



DIRECTOR'S REPORT

Dear Members,

Your Board of Directors presents this 23rd Annual Report along with audited accounts for the accounting period ended on 31st March 2011.

FINANCIAL RESULTS

Key Financial figures are as follows:

(Amount in lakhs)

Particulars	31.03.11	31.03.10
Total Income	6293.85	5280.89
Profit Before Interest, Depreciation & tax	602.99	661.49
Interest & Financial Charges	182.66	173.10
Depreciation	156.47	141.71
Profit / (Loss) before tax and extraordinary items	263.85	326.68
Depreciation due to change in Accounting Policy	Nil	97.08
Extraordinary items	Nil	Nil
Profit before Taxation	263.85	229.60
Less: - Provisions for Tax		
Income Tax	52.59	45.00
Wealth Tax	Nil	0.41
Add: - Excess Provision W/off	0.06	1.12
Add: - Mat Credit for Current Year for Earlier Year	(63.71)	74.35
Less: - Deferred tax Assets/ (liabilities)	29.60	(35.83)
Net profit after tax & Extra Ordinary items	177.20	223.83
Equity	511.63	511.63
Net worth	1022.38	845.17

DIVIDEND

Yours directors regret to inform you that on account of insufficient profit in the company no dividend is recommended for the year ended 31st March 2011.

OPERATIONS

During the year under review:

The Company continues to increase the sales of its primary finished product namely Carton Sealing Tapes and other specialty Adhesive Coated products by providing the customers an excellent quality product backed by dedicated customer services. The Company continues to add value to the product and has focus towards using self adhesive tapes as both a security feature and as well as a product branding tool which have resulted in higher sales and as well better contribution to the profits of the company in the current year and the same has been well appreciated by leading multinational companies now operating in India.

The Company has now the focus on converting 100% of the BOPP film production into adhesive tapes. To achieve this objective the company is installing one new adhesive coating machine which will become operational by September 2011. It has taken part in many International Trade shows in the current year and is hopeful of increasing the exports and thus increases the capacity utilization of its plant and machinery.

In the last financial year the company has substantially improved the total sales of the Company and it is further buoyant for the current year sales as the Indian economy is performing better than most of the global economies in the world and most Indian companies are flourishing and having impressive growth in sales thus increasing the demand for the product manufactured by the Company.

**CURRENT SCENARIO**

The growing sales of Carton Sealing Tapes and the acceptance of the new products developed by the Company for the Indian market and as well growth in the fast moving consumer goods sector in India for all manufactured products and services provides ample opportunity for the Company to utilize full capacities for production of Self Adhesive Tapes and be able to focus on building its Brand and Image as a quality supplier of Adhesive Coated Products in India.

The goodwill that the Company commands because of superior quality products makes it a preferred choice supplier to many new and existing multinational companies setting up facilities in India and also leading domestic companies who prefer to rely on the company for all of their requirements of packaging tapes.

The Company has decided to further leverage the goodwill that it commands from leading customers in India and is under the process of setting up a "Display Packaging" film commonly called Polyolefin shrink films. The total cost of the new investment being implemented at Roorkee in Uttarakhand is approximately RS 12.00 crores and has been financed by the Allahabad Bank to the extent of Rs 662 lakhs and the balance is being invested by internal accruals and unsecured loans being arranged by the promoters. The production of the new product will commence by October 2011, and will enable the company to take advantage of the 5 years income tax holiday and other benefits available in the State.

The good results of the company has been encouraging the management to expand and explore more opportunities in the terminal and packaging sector and in the future it would be able to take more advantage of the global network created by it over the last few years with consistent exports to various parts of the world for different types of packaging materials.

FINANCIAL RESULTS

The total income of the Company has increased substantially by about 19 %, whereas the PBIDT has decrease by 9% do to the steep rise in raw materials price during the year and the delay in getting the price increase from its customers.

The Company is confident of further improving the performance in the Current financial year and is pleased to inform you that it is moving towards greater success and prosperity and would keep looking for new opportunities to expand the business in the packaging industry.

RESPONSIBILITY STATEMENT

Pursuant to Section 217(2A) of the Companies (Amendment) Act, 2000, the Director's confirm that:

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed and that no material departures have been made from the same.
- Appropriate accounting policies have been selected and applied consistently and judgments and estimates that are reasonable and prudent has been made so as to give a true and fair view of the State of Affairs at the end of the Financial year and the profit of the Company for the Financial year ended March 31, 2011.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing the detecting fraud and other irregularities; and
- The annual accounts have been prepared on a going concern basis.

BOARD OF DIRECTORS

Sh. Pawan Sharma and Sh. K.C. Dwivedi are the directors that retire by rotation at the conclusion of forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

AUDITORS

M/S Salarpuria & Partners, Chartered Accountants, the retiring auditors of the Company have shown their willingness to be re-appointed as statutory auditors from conclusion of this annual general meeting till the conclusion of next annual general meeting. They have furnished a certificate to the effect that the appointment, if made, will be in accordance with sub-section (1B) of section 224 of the Companies Act, 1956.

**AUDITORS REPORT**

During the year company has given unsecured loan of Rs. 20 Lacs to one of its director, which was repaid by the director during the year its self to the extent of Rs. 17,53,979/- and the balance outstanding of Rs. 2,46,021/- on 31.03.2011 in the current financial year i.e. 2011-2012. The Board of Directors has decided to compound the offence under section 295 of the Companies Act, 1956.

AUDIT COMMITTEE:

Audit Committee of the Company is duly constituted.

SHAREHOLDERS GRIEVANCE COMMITTEE:

Shareholders Grievances Committee of the Company is duly constituted.

FIXED DEPOSITS

During the year no deposit was accepted or renewed from the public pursuant to provisions of section 58A of the Companies Act, 1956 and rules made there under in this behalf.

STATUTORY STATEMENTS

There is no employee in the company drawing salary more than that prescribed under section 217(2A) of the Companies Act, 1956 read with The Companies (particulars of Employee) Rule, 1975.

Information as required under Section 217(1) (e) read with Companies Disclosure of Particulars in the Report of Board of Directors Rules 1988 is given in the Annexure forming part of this report.

LISTING

The Shares of the Company are listed with Bombay, Delhi, Kolkata and Jaipur Stock Exchanges. The Company is pursuing with Kolkata and Jaipur Stock Exchanges for voluntary delisting of its Shares.

INDUSTRIAL RELATIONS:

The relations between management and workers continued to be cordial throughout the year. The Directors wish to place on records their sincere appreciation for the sincere efforts of all the workers and executives of the company for improving the performance of the company.

ACKNOWLEDGEMENT

The Board of Directors wish to thank their Bankers and various Government Departments for their support and co-operation extended to the company. The Directors deeply acknowledge the continued trust and confidence reposed by all the shareholders, investors, suppliers and customers of the company.

For and on behalf of Board of Directors
Hindustan Adhesives Limited

PLACE : New Delhi
DATE : 03.09.2011

L.K. BAGLA
Chairman

**ANNEXURE-1 TO THE DIRECTORS REPORT**

INFORMATION AS PER SECTION 217(1) (e) OF THE COMPANIES ACT, 1956, READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF DIRECTOR) RULES 1988 FOR THE YEAR ENDED 31ST MARCH 2011.

A. CONSERVATION OF ENERGY

The Company is extremely thankful to the UP Government State electricity board for providing good quality and reasonably consistent power supplies which have been effectively used by the Company with the help of required transformers, voltage stabilizers and UPS systems so as to now run most of the operations with the help of state electricity as against usage of Diesel Generator sets. This has helped in conservation of high cost diesel fuels and also minimize the unit cost of power required for operations.

B. TECHNOLOGY ABSORPTION:**1. R&D:**

The Company continues to develop exciting new products based on customer feedback and requirements of safety, security and protection. It is also now developing products for enhancement of the visual aspect of the finished product and thus making the same more attractive to the consumers.

2. BENEFITS DERIVED:

The Company has been able to offer its valued customers with additional products that are innovative, developed with the expertise and experience of the Company and are based on the needs of the customer, and this has helped improve the image of the company, and retain the confidence of the customers thus enhancing the profitability of the Company.

3. FUTURE PLANS OF ACTION.

The company plans to produce Polyolefin shrink films at Uttarakhand and hence leverage the market goodwill and reach of the company and provide the customers new products, thus also ensuring the growth in the sales of the existing products whilst demonstrating its ability to introduce more innovative products for the growing retail segment in the country.

The Company would further like to continue to understand the imagination and needs of its customers and develop products which would be able to comply with their specific requests and give the packaging industry in India new inventions and opportunities.

Efforts made:

- Existing equipments were calibrated and latest testing equipments installed.
- Company is doing a lot of R&D efforts to introduce new products for the packaging industry and is hopeful of increasing its revenues from the same in the current year.
- ISO-9001 and ISO-14001 systems were further strengthened and this has helped the Company to produce consistent quality product of International standards.
- Clean room conditions were created in the production areas to meet the needs of the customers and to maintain the highest standards of qualities.

4. Expenditure on R&D:

	Amount in Rs.
Capital	15,51,000.00
Recurring	6,08,834.00
Total	21,59,834.00

Total R&D expenditure is 0.35% of the total turnover.

**Technology absorption, adoption and innovation:****1. Efforts Made:**

- Existing equipments were calibrated and new testing equipments installed.
- Company is doing a lot of R&D efforts to introduce new products for the packaging industry and is hopeful of increasing its revenues from the same in the current year.

2. Benefits derived:

Company has been able to improve its profitability in the last financial year because of efforts to reduce costs and as well introduce some specialty products with higher value addition. Also, the confidence of the customers in the Company has increased and opened new opportunities for the future. With the implementation of both ISO-9001 and ISO-14001 systems in the Company the confidence of the customers in the Company has been maintained and allows the Company to be the preferred vendor for most companies in the Country.

C. FOREIGN EXCHANGE EARNING AND OUTGO:**1. Total Foreign exchange earned and used:**

	31.03.2011	31.03.2010
Earnings:		
Export value of FOB basis	580.50	530.31
Expenditure:		
Capital Goods (CIF)	7.27	Nil
Raw Material (CIF)	697.70	465.63
Others	30.19	11.09

For and on behalf of Board of Directors
Hindustan Adhesives Limited

PLACE : New Delhi
DATE : 03.09.2011

L.K. BAGLA
Chairman



Annexure 'A' to Director Report

Report on Corporate Governance

(Pursuant to clause 49 of the Listing Agreement)

1. PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The Fundamental object of Corporate Governance is the enhancement of Shareholder value, keeping in view the interest of other stakeholders. It refers to a blend of law, regulations and voluntary practices, which enable the company to harness financial and human capital, perform efficiently and expediently, and thereby perpetuate it into generating long term association and economic value for its Shareholders, while respecting interests of other stakeholders and the society at large.

It aims to align interests of the company with its Shareholders and other key stakeholders. The principal Characteristics of Corporate Governance are-Transparency, Independence, Accountability, Responsibility, Social Responsibility

To sum, Corporate Governance focuses on equitable treatment of all shareholders and reinforces that it is "Your Company" as it belongs to you, the Shareholders.

The Chairman and Board of Directors are your fiduciaries and trustees pushing the business towards maximizing value for its shareholders.

2. BOARD OF DIRECTORS

The Board of Directors comprises of Seven Directors. The Composition of Board of Directors is as under:-

Executive Directors	3 Nos.
Non-Executive Directors	1 Nos.
Independent	3 Nos.
	7 Nos.

During the year 2010-11, the board met 8 (Eight) times (as against the minimum requirement of four meetings) on the following dates, namely:-

15th April 2010, 30th April 2010, 30th July,2010, 3rd September 2010, 26th October 2010, 6th December 2010,13th January 2011 and 31st January 2011.

The following table gives details of Directors, attendance of Directors at the Board meeting and at the last Annual General Meeting:-

Sl. No.	Name	Category Membership	Attendance Particulars	
			Board Meeting	Last AGM
01.	Sh. Lalit Kumar Bagla	Chairman (Non-Executive Director)	8	No
02.	Sh. M. S. Bagla	Managing Director (Executive-Director)	8	Yes
03.	Sh. K.C. Dwivedi	Director-(Executive Director)	8	Yes
04.	Sh. Pawan Sharma	Director (Independent)	4	Yes
05.	Sh. K.C.Gupta	Director (Independent)	3	No
06.	Sh. Suresh Ajila	Director-(Executive Director)	3	No
07.	Smt. Urmila Goenka	Director (Independent)	4	No



None of the directors is a member in more than ten committees across all companies in which he is a director.

Particulars	Mr. M.S. Bagla Managing Director	Sh K.C. Dwivedi Executive Director	Sh. Suresh Ajila Executive Director
Salary and Allowance	30,000,000	613,596	342,720
Contribution to Superannuation Fund (Rs.)	—	36,000	30,038
Bonus and performance linked Incentive (Rs.)	82,485	128,298	113,114

The Details of remuneration paid to Non-Executive Director and number of Shares held are given below.

S.No.	Name	Commission Payable (Rs.)	Sitting Fees	Shares held
1	Sh.L.K.Bagla	NIL	NIL	NIL
2	Smt. Urmila Goenka	NIL	Nil	NIL
3	Sh.Pawan Sharma	NIL	Nil	NIL
4	Sh.K.C.Gupta	NIL	3000.00	NIL

3. AUDIT COMMITTEE

The working of the Audit Committee of your Company and its composition and other details are given below:

During the financial year 2010-11, meetings of the Audit Committee were held 5 times i.e. on 30th April 2010, 30th July 2010, 3rd September 2010, 26th October 2010 and 31st January 2011.

Name of Chairman/ Member	Meetings held	Meeting Attended
Sh. Pawan Sharma	5	5
Smt. Urmila Goenka	5	4
Sh.K.C.Gupta	5	4

The constitution of the Audit committee also meets with the requirements of section 292A of the Companies Act, 1956 as introduced by the companies (Amendment) Act, 2000.

The terms of reference specified by the Board to the Audit Committee are in accordance with clause 49 of the listing Agreement. They are as follow:

- Oversight of the company's financial reporting process and disclosure of its financial information.
- Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
- Reviewing the adequacy of Internal Audit function.
- Discussion with internal auditors any significant findings and follow up thereon.
- Discussions with external auditors before the audit commences, the nature and scope of audit and also to hold post audit discussions to ascertain and area of concern.
- Reviewing the Company's various financial and risk management policies.

4. SHAREHOLDERS GRIEVANCE COMMITTEE

The working of the Shareholder Grievance Committee of your Company and its composition and other details are given below:



During the financial year 2010-11, meetings of the Shareholder Grievance Committee were held 5 times i.e. 30th April 2010, 30th July 2010, 3rd September 2010, 26th October 2010 and 31st January 2011.

Name of Chairman/ Member	Meetings held	Meeting Attended
Sh. M.S.Bagla	5	5
Sh. K.C. Dwivedi	5	5

5. REMUNERATION COMMITTEE

The working of the Remuneration Committee of your Company and its composition and other details are given below:

During the financial year 2010-11, meetings of the Remuneration Committee was held on 30.04.2010

Name of Chairman/ Member	Meetings held	Meeting Attended
Smt. Urmila Goenka	1	1
Sh. Pawan Sharma	1	1
Sh.K.C.Gupta	1	1

6 GENERAL BODY MEETING

Detail of location, time and date of last three AGMs are given below:-

Financial year	Date	Time	Place
2007-2008	29.09.2008	10.00 A.M.	Ashok Avenue, Main Chattarpur Road, Asola Fatehpur Beri, New Delhi-110074
2008-2009	29.09.2009	10.00 A.M.	Same as Above
2009-2010	30.09.2010	10.00 A.M.	Prakash Place, 13, Wazirpur Press Area, Wazirpur, Delhi - 110 035

Special Resolutions passed at the last 3 (three) AGMs:

Financial year	Items
2007-2008	Delisting of Shares from Kolkata Stock Exchange
2008-2009	Resolution under section 314 of Companies Act,1956
2009-2010	NONE

7. DISCLOSURES

Disclosures on materially significant related party transaction i.e. transactions of the company of material nature 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.

None of the transactions with any of the related parties were in conflict with the interests of Company.

8. GENERAL SHAREHOLDER INFORMATION

8.1 Annual General Meeting

Date and Time	: 30th Sep. 2011 at 11.30 A.M.
Venue	: Prakash Place, 13, Wazirpur Press Area, Wazirpur, Delhi -110035

8.2 Financial Calendar (2011-12)

Annual General Meeting for the next year ending 31st March, 2012	: Before 30th Sept, 2012
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8.3 Book Closure date	: 27.09.11 to 30.09.11
8.4 Dividend Payment date	: Not applicable
8.5 Listing of Equity Shares on Stock Exchange at	: DELHI, CALCUTTA, MUMBAI AND JAIPUR
8.6 Stock Code (i) ISIN Numbers	: Equity Shares INE 074 C01013
8.7 Registrar and Share Transfer Agent	: Link Intime India Pvt. Ltd. A-40 2nd Floor, Naraina Industrial Area, Phase-II, Near Batra Banquets, New Delhi-110028

8.8 Share Transfer Systems:

Share transfers are presently registered within a maximum period of 30(thirty) days from the date of receipt provided the documents are complete in all respects. Board of Directors has authorised Registrar to approve all share transfers. Now, since the requirement of issuing option letter no more exist. The Registrar on receipt of Share transfer request, after confirming all details transfer the shares as per law and directly dispatches the same to the transferee.

8.9 Distribution of Share holding Pattern as on 31st March 2011.

Category	No. of Shares	% of Shares
Promoter's Holding (including foreign Promoters if any)	2813729	55%
Non Promoter's Holding	2302571	45%
TOTAL	5116300	100%

Distribution of Share holding as on 31st March 2011

No of Equity Shares Held	No of Shareholder	% of Shareholder	Number of Shares	% of Shareholding
1-250	6163	91.155	614475	12.010
251-500	338	4.999	137563	2.689
501-1000	137	2.026	113297	2.214
1001-2000	58	0.858	87379	1.708
2001-3000	14	0.207	33297	0.651
3001-4000	11	0.163	38050	0.744
4001-5000	5	0.074	23467	0.459
5001-10000	13	0.192	95697	1.870
10001 and above	22	0.325	3973075	77.655
Total	6761	100	5116300	100

8.10 Plant Location	: 29th Mile Stone, Village-Achheja, Tehsil-Dadri, Distt. -Gautambudh Nagar U.P.
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8.11 Address for Correspondence

Share Transfer and Demat	: Link Intime India Pvt. Ltd A-40 2ND Floor, Naraina Ind. Area Phase-II Near Batra Banquets, New Delhi-110028
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Note: Shareholders holding shares in electronic mode should address all correspondence to their respective depository participants.

Any query on Annual Report :	Secretarial Department Hindustan Adhesives Ltd. 340/2-A, G. T. Road, Shahdara, Delhi-110095
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AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the members of Hindustan Adhesives Ltd.

We have examined the compliance of the conditions of corporate governance by Hindustan Adhesives Limited for the year ended 31st March, 2011 as stipulated in clause 49 of the listing Agreement of the said company with stock exchange in India.

The compliance of 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 corporate governance.

It is neither an audit nor an expression of the opinion on the financial statements of company.

On the basis of our review and according to the information and explanations given to us and the representations made to us by the management, we state that to the best of our knowledge and belief, the company has complied in all material respects with the conditions of Corporate Governance stipulated in clause 49 of the mentioned listed agreements.

For SALARPURIA & PARTNERS
Firm Registration No.-302113E
Chartered Accountants

(Kamal Kumar Gupta)
Partner
M. No.- 89190

Place : New Delhi
Dated : 03.09.2011



AUDITOR'S REPORT

To The Members of HINDUSTAN ADHESIVES LIMITED

1. We have audited the attached Balance Sheet of M/s Hindustan Adhesives Limited as on 31st March, 2011, the Profit and Loss Account for the year ended on that date and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with 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 misstatement. 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, as amended, issued by the Central Government of India under sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph (4) & (5) of the said Order.
4. Further to our comments in Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) 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;
 - (iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors, as on 31st March, 2011, and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) Subject to our comments above, in our opinion and to the best of our information and according to the explanations given to us, the said statements of accounts read together with the Notes appearing in Schedule 'U' 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:
 - (a) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - (b) in the case of Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
 - (c) in case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For SALARPURIA & PARTNERS
Firm Registration No. 302113E
Chartered Accountants

(KAMAL KUMAR GUPTA)
Partner
M. No. 89190

Place : 1008, Chiranjiv Tower,
43, Nehru Place, New Delhi-110 019

Date : 03.09.2011



ANNEXURE TO THE AUDITOR'S REPORT
(Referred to in paragraph 3 of our Report of even date)

- (i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The management at reasonable intervals has physically verified the fixed assets, no material discrepancies were noticed on such verification.
- (ii) (a) The physical verification of inventory has been conducted by the management at reasonable intervals.
- (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) In our opinion the Company is maintaining proper records of inventory and the discrepancies noticed on physical verification were not material and have been properly dealt with in the books of accounts;
- (iii) In respect of loans, secured or unsecured, granted or taken by the company to or from companies, firms or other parties covered under the register maintained U/s. 301 of the Companies Act, 1956, according to the information and explanations given to us:
- (a) The Company has taken unsecured loans from 6 parties covered under the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved in such loans during the year aggregates to Rs. 157.17 Lacs and the closing balance outstanding as on 31st March 2011 is Rs. 41.61 Lacs.
- (b) In our opinion the terms and conditions of such loans taken by the company are *prima facie* not prejudicial to the interests of the company
- (c) There is no pre-determined schedule for repayment of unsecured loans.
- (d) As there is no schedule for repayment of unsecured loans taken by the company, therefore, we are not in a position to comment on steps, if any, taken by the company for repayment of the same.
- (e) The company has not granted any loans to companies, firms or other parties covered under the register maintained U/s. 301 of the Companies Act, 1956, except temporary advances given to one of its director which has been recovered as stipulated. The maximum amount involved in such loan during the year aggregates to Rs. 20 Lacs and the closing balance outstanding as on 31st March, 2011 in Rs. 2.46 Lacs.
- (iv) In our opinion and according to the information and explanations given to us the company has an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchases of inventory and fixed assets and for the sale of goods. There is no continuing failure or weakness in internal control system.
- (v) According to the information and explanation given to us, the transactions that need to be entered into the register in pursuance of section 301 of the Companies Act, 1956 has been so entered.
- In our opinion and according to the information & explanation given to us, there were no transactions made in pursuance of contracts or arrangements entered in the register mentioned under section 301 of the Companies Act exceeding the value of Rs. Five lacs in respect of any party during the year.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any public deposits for which the provisions for compliance U/s.58 and 58AA or any other relevant provisions of the Companies Act, 1956 applies.
- (vii) The Company has an internal audit system commensurate with its size and nature of its business.
- (viii) The Central Government has not prescribed maintenance of cost records for the company U/s.209 (1)(d) of the Companies Act, 1956.
- (ix) (a) The Company is generally regular in depositing undisputed applicable statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and any other statutory dues with the appropriate authorities. Except for certain cases of delays in deposits.



- (b) Following disputed dues of Sales Tax and Excise Duty/Cess have not been deposited: -

Sl. No.	Name of the Statute/ Nature of Dues	Amount (Rs.)	Period to which Amount Relates	Authority where dispute is pending
1.	The Central Sales Tax Act, 1956 (Central Sales Tax)	14,885/-	2005-06	Deputy Commissioner, Trade Tax, Noida do Com. Trade Tax, Noida Dy. do (Sales Tax Assessment) V T D - Delhi
		15,000/-	2006-07	
		4,62,997/-	2007-08	
		1,43,574/-	2007-08	
		480/-	1999-00	
2.	Sales Tax Officer- Delhi	3,337/-	2003-04	Sales Tax Officer, VAT Delhi
3.	The Central Excise Act, 1944 (Penalty for wrong MODVAT Credit)	1,95,000/-	March, 1998	High Court

- (x) The Company has been registered for a period of more than five years, and the company does not have any accumulated losses during the year under report.
- (xi) According to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institutions and banks during.
- (xii) The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statute applicable to Chit Fund, Nidhi /Mutual Benefit Fund/Societies are not applicable to this company.
- (xiv) The company is not dealing or trading in business of securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the company has given a corporate guarantee of Rs.14.63 crore to bank against loan taken by M/s Bagla Polifilms Ltd., for which approval from Central Government under section 295 of Companies Act, 1956 dated 19-03-2010 has been obtained by the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans obtained in earlier years and continued to remain outstanding during the financial year under report are applied 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 financial statements of the company and after placing reliance on the reasonable assumption made by the company for the classification of long term and short term use of funds we are of the opinion that, *prima-facie*, long term funds have not been utilised for short term purposes and vice-versa.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained U/s.301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures since inception.
- (xx) The company has not raised any money by public issue during the year.
- (xxi) According to the information and explanations given to us no fraud on or by the company has been noticed or reported during the year under report.

For SALARPURIA & PARTNERS
Firm Registration No. 302113E
Chartered Accountants

(KAMAL KUMAR GUPTA)
Partner
M. No. 89190

Place : 1008, Chiranjiv Tower,
43, Nehru Place, New Delhi-110 019
Date : 03.09.2011



BALANCE SHEET AS AT 31st MARCH, 2011

	SCHEDULES	AS AT 31st March, 2011 (Rs.)	AS AT 31st March, 2010 (Rs.)
SOURCES OF FUNDS			
SHAREHOLDER'S FUNDS			
Share Capital	A	51,163,000.00	51,163,000.00
Reserves and Surplus	B	51,074,700.36	33,354,247.02
		<u>102,237,700.36</u>	<u>84,517,247.02</u>
LOAN FUNDS			
Secured Loans	C	134,767,304.18	115,598,033.40
Unsecured Loans	D	30,613,282.00	1,686,072.00
		<u>165,380,586.18</u>	<u>117,284,105.40</u>
DEFERRED TAX LIABILITIES			
		<u>13,400,235.00</u>	<u>16,360,515.00</u>
		<u>281,018,521.54</u>	<u>218,161,867.42</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	E	294,246,317.00	290,864,114.00
Less Depreciation		<u>189,663,719.00</u>	<u>177,155,635.45</u>
Total		104,582,598.00	113,708,478.55
Add :- Capital Work In Progress		<u>48,219,955.98</u>	-
Net Block		<u>152,802,553.98</u>	<u>113,708,478.55</u>
INVESTMENTS			
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	G	74,397,377.53	66,348,900.01
Sundry Debtors	H	100,400,271.44	79,139,868.12
Cash and Bank Balances	I	10,703,094.44	4,060,995.14
Loans and Advances	J	31,022,922.73	27,730,957.25
Other Current Assets	K	6,904,207.00	6,904,207.00
		<u>223,427,873.14</u>	<u>184,184,927.52</u>
Less: Current Liabilities and Provisions	L	<u>95,211,905.58</u>	<u>79,731,538.65</u>
NET CURRENT ASSETS		<u>128,215,967.56</u>	<u>104,453,388.87</u>
PROFIT AND LOSS ACCOUNT			
(Balance Dr. as per account annexed)		-	-
		<u>281,018,521.54</u>	<u>218,161,867.42</u>
Accounting Policies & Notes on Account	U		
The schedules referred here-in above form an integral part of Balance Sheet			

As per our report of even date attached

For **SALARPURIA & PARTNERS**
Firm Registration No.-302113E
Chartered Accountants

Kamal Kumar Gupta
Partner
M. No.- 89190

(S.S. DUA)
Co.Secretary

(L.K. BAGLA)
Chairman

(M.S. BAGLA)
Mg. Director

Place : New Delhi
Date : 03.09.2011



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

	SCHEDULES	YEAR ENDED 31st March, 2011 (Rs.)	YEAR ENDED 31st March, 2010 (Rs.)
INCOME			
Gross Sales (Refere Note No.4 in Schedule U)	M	675,632,999.45	559,130,453.36
Excise Duty		<u>46,248,056.56</u>	<u>31,041,529.59</u>
Net Sales		629,384,942.89	528,088,923.77
Other Income	N	631,172.28	37,189.00
Increase / (Decrease) in Stocks	O	675,295.76	7,924,504.16
		<u>630,691,410.93</u>	<u>536,050,616.93</u>
EXPENDITURE			
Materials Consumed & Manufacturing Expenses	P	49,076,0287.95	406,673,706.89
Employees Remuneration and Benefits	Q	33,186,000.00	27,273,885.75
Administrative and Other Expenses	R	25,603,958.52	20,682,527.24
Sales and Distribution Expenses	S	20,842,663.27	17,271,182.67
		<u>570,392,909.74</u>	<u>471,901,302.55</u>
OPERATING PROFIT		<u>60,298,501.19</u>	<u>64,149,314.38</u>
Interest and Financial Overheads	T	18,266,269.02	17,309,827.60
Depreciation	E	15,647,454.00	14,171,064.00
		<u>33,913,723.02</u>	<u>31,480,891.60</u>
PROFIT BEFORE CHANGE IN ACCOUNTING POLICY, EXTRA ORDINARY ITEMS AND TAXATION		<u>26,384,778.17</u>	<u>32,668,422.78</u>
Depreciation due to change in account policy		-	9,708,192.45
PROFIT AFTER CHANGE IN ACCOUNTING POLICY, EXTRA ORDINARY ITEMS BEFORE TAXATION		<u>26,384,778.17</u>	<u>22,960,230.33</u>
Add : Excess Provision for Taxation in earlier years written back		5,496.17	112,421.00
Less : Provision for Wealth Tax		-	(41,441.00)
Less : Provision for Income Tax for current year		(5,258,619.00)	(4,500,000.00)
Less : Brought Forward and Mat credit used for current year tax		(6,371,482.00)	-
Add : Mat Credit for Current Year for earlier Years		-	7,435,004.92
Less : Adjustment for Deferred Tax		2,960,280.00	(3,582,940.00)
		<u>17,720,453.34</u>	<u>22,383,275.25</u>
PROFIT AFTER TAXATION		<u>17,720,453.34</u>	<u>22,383,275.25</u>
Balance B/F From Previous Year		9,594,747.02	(12,788,528.23)
Balance Carried to Balance Sheet		<u>27,315,200.36</u>	<u>9,594,747.02</u>
Accounting Policies & Notes on Account	U		
The schedules referred here-in above form an integral part of Profit & Loss Account			

As per our report of even date attached

For **SALARPURIA & PARTNERS**
Firm Registration No.-302113E
Chartered Accountants

(Kamal Kumar Gupta)
Partner
M. No.- 89190

(S.S. DUA)
Co.Secretary

(L.K. BAGLA)
Chairman

(M.S. BAGLA)
Mg. Director

Place : New Delhi
Date : 03.09.2011



**SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2011 AND
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE**

ARTICULARS	AS AT 31st March, 2011 (Rs.)	AS AT 31st March, 2010 (Rs.)
SCHEDULE 'A' - SHARE CAPITAL		
AUTHORIZED		
70,00,000 (70,00,000) Equity Share of Rs. 10/- each	70,000,000.00	70,000,000.00
ISSUED, SUBSCRIBED AND PAID UP		
51,16,300 Equity share of Rs.10/- each (Out of Which: 1,029,000 Equity share of Rs.10/- each Fully paid up, issued as Bonus Share by Capitalisation of General Reserve)	51,163,000.00	51,163,000.00
	<u>51,163,000.00</u>	<u>51,163,000.00</u>
SCHEDULE 'B' - RESERVES AND SURPLUS		
Share Premium (Balance Brought Forward)	21,259,500.00	21,259,500.00
Investment Allowance Utilization Reserve (Balance Brought Forward)	2,500,000.00	2,500,000.00
Profit & Loss Account Balance as per account annexed)	27,315,200.36	9,594,747.02
	<u>51,074,700.36</u>	<u>33,354,247.02</u>
SCHEDULE 'C' - SECURED LOANS		
Term Loan		
Allahabad Bank- Loan No. I	3,806,279.00	-
Allahabad Bank- Loan No. II	21,920,548.00	-
	<u>25,726,827.00</u>	<u>-</u>
Working Capital Term Loans from Banks		
IDBI	10,639,974.00	17,835,016.48
Allahabad Bank	6,635,265.50	10,493,805.82
	<u>17,275,239.50</u>	<u>28,328,822.30</u>
Cash Credits from Banks		
Allahabad Bank	29,410,248.38	23,934,360.40
IDBI	57,305,756.68	58,191,037.41
	<u>86,716,005.06</u>	<u>82,125,397.81</u>
Auto Loans		
HDFC Bank	827,651.62	4,204,610.29
ICICI Bank Ltd.	3,657,624.00	939,203.00
Tata Motors Finance Ltd	563,957.00	-
	<u>5,049,232.62</u>	<u>5,143,813.29</u>
Grand Total	<u>134,767,304.18</u>	<u>115,598,033.40</u>

**NOTES**

- Term Loans No. I from Allahabad bank is secured by way of hypothecation of all movable & immovable assets financed by the said bank out of the proceeds from disbursal of the said loans.
- Term Loans No. II from Allahabad bank is secured by way of hypothecation of all movable & immovable assets financed by the said bank out of the proceeds from disbursal of the said loans and also equitable mortgage of land and building (to be constructed) situated at plot no. 15 village Mundiyaiki, Pargana Mangalore, Tehsil, Roorkee, Distt. Haridwar.
- Working Capital Term Loans and Cash Credit Loans are secured against hypothecation of entire stocks of Raw Materials, Work in Progress, Finished Goods, Stores & Spares, Book-Debts & First Charge on Fixed Assets of the Company.
- Auto Loans are secured by way of hypothecation of vehicles financed by the Banks.
- Loans are further guaranteed by Sh. M.S. Bagla and Sh. L.K. Bagla, Director of the company.

PARTICULARS	AS AT 31st March, 2011 (Rs.)	AS AT 31st March, 2010 (Rs.)
SCHEDULE 'D' - UNSECURED LOAN		
From Bodies Corporate	16,922,636.00	234,493.00
From Directors	2,611,136.00	1,451,579.00
From Others (Including Deferred Credit)	11,079,510.00	-
	<u>30,613,282.00</u>	<u>1,686,072.00</u>

SCHEDULE - E : FIXED ASSETS

(Rupees)

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK			
	As on 31.03.2010	Addition	Deletions	As on 31.03.2011	As on 31.03.2010	For the Year	Adjustment (See note Below) @	Adjustment on sale of assets	Up to 31.03.2011	As on 31.3.2011	As on 31.3.2010
Land (Free Hold)	2,884,804	-	-	2,884,804	-	-	-	-	-	2,884,804	2,884,804
Building	26,137,380	-	-	26,137,380	22,064,480	605,295	-	-	22,669,775	5,447,805	6,952,900
Plant & Machinery	226,775,300	3,596,791	1,986,262	228,385,829	141,648,564	10,003,332	-	769,496	151,802,388	76,585,941	86,127,346
Electric Installation	11,389,455	-	-	11,389,455	3,795,847	456,758	-	-	4,231,605	7,157,850	2,593,608
Furniture & Fixtures	4,217,894	1,369,038	-	5,586,932	1,629,003	676,076	-	-	2,305,081	3,281,851	2,583,691
Air Conditioner	1,825,637	30,850	-	1,856,487	947,429	122,502	-	-	1,069,391	786,556	678,206
Office Equipment	913,051	-	-	913,051	837,820	98,970	-	-	877,790	235,241	275,211
Vehicles											
Cars	12,499,208	8,267,804	6,594,661	12,202,461	4,527,021	2,581,499	-	2,369,672	4,748,948	7,453,813	7,932,297
Delivery Trucks	899,067	427,838	-	1,327,005	825,809	33,125	-	-	856,934	466,071	73,258
Scoters	279,985	-	-	279,985	196,646	29,490	-	-	186,126	87,839	117,519
Cycle's	5,090	2,877	-	7,967	5,090	171	-	-	5,261	2,708	-
Computers	1,302,573	197,928	-	1,500,501	897,607	190,244	-	-	1,088,181	412,320	494,636
Total	290,864,114 (277,521,782)	11,963,216 (13,391,332)	6,581,013 (49,000)	294,246,317 (290,864,114)	177,155,636 (155,305,206)	15,647,454 (14,171,064)	- (3,706,192)	3,139,370 (28,827)	189,863,720 (177,155,635)	104,582,597 (113,706,479)	113,708,478 (124,216,578)
Capital Work in Progress											
Plant and Machinery										7,882,673	
Building under construction										10,950,343	
Advances for Capital Goods										26,506,595	
Pre operative Employees (Pending allocation)										1,980,345	
										<u>48,219,956</u>	
										<u>152,802,553</u>	<u>113,708,478</u>

Note : Adjustment on account of change in method of charging depreciation (refer Note No. B-2 in Schedule U)



PARTICULARS	AS AT 31st March, 2011 (Rs.)	AS AT 31st March, 2010 (Rs.)
SCHEDULE 'F' - INVESTMENT		
(Long Term - Trade)		
Unquoted		
10,000 (10,000) Equity share of Rs 10/-each Fully Paid up of Benares State Bank Limited	100,000.00	100,000.00
	<u>100,000.00</u>	<u>100,000.00</u>
Less : Provision for diminution in value	100,000.00	100,000.00
	<u>-</u>	<u>-</u>
	<u><u>100,000.00</u></u>	<u><u>100,000.00</u></u>
SCHEDULE 'G' - INVENTORIES		
(As taken, valued and certified by the management)		
Raw Materials	29,360,848.77	24,042,107.25
Traded Goods	17,604.71	3,944,098.08
Finished Goods*	14,756,090.73	14,780,177.36
Work in Progress	17,605,926.41	13,058,884.63
Stores, Spares, Fuel and Packing Materials	12,578,072.91	10,523,632.67
Material in Transit	78,834.00	-
	<u>74,397,377.53</u>	<u>66,348,900.01</u>
	<u><u>74,397,377.53</u></u>	<u><u>66,348,900.01</u></u>
* Finished Goods includes Goods in Transit Rs. NIL (2,88,985/-)		
SCHEDULE 'H' - SUNDRY DEBTORS		
(Unsecured, considered good unless otherwise stated)		
Debts Due Over Six month		
Considered good	4,660,811.00	6,191,169.64
Considered doubtful	987,141.44	3,493,047.64
Less Provision for doubtful debts	-	-
Other Debts		
Considered good	94,752,319.00	69,455,650.84
	<u>100,400,271.44</u>	<u>79,139,868.12</u>
	<u><u>100,400,271.44</u></u>	<u><u>79,139,868.12</u></u>
SCHEDULE 'I' - CASH AND BANK BALANCES		
Cash in Hand	121,172.71	522,199.71
(As per books and certified)		
DD / Cheque in hand	103,059.00	
Balances with Scheduled Banks in:		
Current Accounts	3,130,995.23	1,317,431.43
Fixed Deposit Accounts	7,347,867.50	2,221,364.00
(Pledged Against Margin money)		
	<u>10,703,094.44</u>	<u>4,060,995.14</u>
	<u><u>10,703,094.44</u></u>	<u><u>4,060,995.14</u></u>



PARTICULARS	AS AT 31st March, 2011 (Rs.)	AS AT 31st March, 2010 (Rs.)
SCHEDULE 'J' - LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	11,305,957.46	4,697,593.67
Interest Accrued but not due on fixed deposits	20,125.00	6,527.00
Balances with Excise Department	1,816,891.31	8,741.26
Income Tax Payment Income Tax Deducted at Source	14,220,681.96	19,817,678.32
Security Deposits	3,659,267.00	3,200,417.00
Inter Unit Balances	-	-
	<u>31,022,922.73</u>	<u>27,730,957.25</u>
	<u><u>31,022,922.73</u></u>	<u><u>27,730,957.25</u></u>
SCHEDULE 'K' - OTHER CURRENT ASSETS		
Discarded Fixed Assets held for Sales	6,904,207.00	6,904,207.00
	<u>6,904,207.00</u>	<u>6,904,207.00</u>
	<u><u>6,904,207.00</u></u>	<u><u>6,904,207.00</u></u>
SCHEDULE 'L' - CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors (Refer Note No 9 & 10 in Schedule U)	64,666,827.04	47,199,956.71
Due to Customers	1,582,025.84	4,416,912.84
Other Liabilities	8,507,550.70	8,766,592.10
	<u>74,756,403.58</u>	<u>60,383,461.65</u>
	<u><u>74,756,403.58</u></u>	<u><u>60,383,461.65</u></u>
PROVISIONS		
For Gratuity	5,319,858.00	4,650,789.00
For Leave Encashment	377,025.00	315,847.00
For Fringe Benefit Tax	-	640,000.00
For Wealth Tax	-	41,441.00
For Income Tax	14,758,619.00	13,700,000.00
	<u>20,455,502.00</u>	<u>19,348,077.00</u>
	<u><u>20,455,502.00</u></u>	<u><u>19,348,077.00</u></u>
	<u><u>95,211,905.58</u></u>	<u><u>79,731,538.65</u></u>



ARTICULARS	YEAR ENDED 31st March, 2011 (Rs.)	YEAR ENDED 31st March, 2010 (Rs.)
SCHEDULE 'M' - SALES		
Sales including Interdivisional Transfer (Net of Returns)]		
Domestic Sales	605,857,268.91	499,181,261.94
Trading Goods	7,965,752.19	5,287,010.47
Export Sales	59,146,687.40	54,049,779.00
	<u>672,969,708.50</u>	<u>558,518,051.41</u>
Scrap Sales	2,351,413.13	1,353,310.74
Foreign Exchange Fluctuation for Sales	311,877.82	(740,908.79)
	<u>675,632,999.45</u>	<u>559,130,453.36</u>
SCHEDULE 'N' - OTHER INCOME		
Claims Received	17,093.00	22,987.00
Miscellaneous Receipts	434,127.00	6,106.00
Undry Balances Written back (Net)	179,952.28	8,096.00
	<u>631,172.28</u>	<u>37,189.00</u>
SCHEDULE 'O' - INCREASE / (DECREASE) IN STOCKS		
Opening Stocks:		
Work in Progress	13,058,884.63	11,630,947.86
Finished Goods Manufactured	14,780,177.38	12,227,708.07
Finished Goods Traded	3,944,098.08	-
	<u>31,783,160.09</u>	<u>23,858,655.93</u>
Closing Stocks:		
Work in Progress	17,605,926.41	13,058,884.63
Finished Goods Manufactured	14,756,090.73	14,780,177.38
Finished Goods Traded	17,604.71	3,944,098.08
Material in Transit	78,834.00	-
	<u>32,458,455.85</u>	<u>31,783,160.09</u>
INCREASE / (DECREASE) IN STOCKS	<u>675,295.76</u>	<u>7,924,504.16</u>



PARTICULARS	YEAR ENDED 31st March, 2011 (Rs.)	YEAR ENDED 31st March, 2010 (Rs.)
SCHEDULE 'P' - MATERIALS CONSUMED & MANUFACTURING EXPENSES		
Raw Materials Consumed		
Opening Stocks	24,042,107.25	21,635,108.86
Add: Purchases	417,569,540.40	331,466,736.92
	<u>441,611,647.65</u>	<u>353,101,845.78</u>
Less :Closing Stocks	29,360,848.77	24,042,107.25
	<u>412,250,798.88</u>	<u>329,059,738.53</u>
Cost of Trading Goods	1,978,961.00	8,214,629.08
Foreign Exchange Fluctuation for Purchases,	(254,105.15)	(2,222,527.72)
Power & Fuel Consumed	40,822,519.70	39,483,064.22
Store, Spares & Tools Consumed	8,838,181.36	7,675,269.38
Packing Material Expenses	19,526,408.70	16,650,091.40
Carriage Inward	310,088.00	209,606.00
Repairs and Maintenance:		
Building and Shed	664,547.00	289,680.00
Plant and Machinery	5,861,669.46	6,287,676.00
Others	761,219.00	1,026,480.00
	<u>490,760,287.95</u>	<u>406,673,706.89</u>
Total	<u>490,760,287.95</u>	<u>406,673,706.89</u>
SCHEDULE 'Q' - EMPLOYEE'S REMUNERATION AND BENEFITS		
Salaries, Wages and other Allowances	26,505,507.00	21,263,664.00
Contribution to Provident and other Allied Funds	2,085,515.00	1,673,191.00
Staff Welfare and Benefits	3,580,736.00	3,125,462.75
Gratuity	834,867.00	1,097,318.00
Leave Encashment	179,375.00	114,250.00
	<u>33,186,000.00</u>	<u>27,273,885.75</u>
SCHEDULE 'R' - ADMINISTRATIVE AND OTHER OVERHEADS		
Rent, Rates and Taxes	471,294.00	512,978.00
Printing and Stationery	785,432.04	774,156.00
Traveling and Conveyance	7,090,258.65	4,792,644.05
Vehicle Running Maintenance	1,876,652.23	967,532.50
Postage & Telephone charges	2,557,187.61	2,075,290.38
Electricity and Water Overheads	530,065.00	448,634.00
Data processing Expenses	457,032.00	311,386.00
Legal and Professional Charges	937,985.00	1,188,369.00
Director's Remuneration	4,389,578.51	3,983,904.00
Advertisement Expenses	69,426.00	45,610.00
Auditor's Remuneration :		
For Audit Fees	50,000.00	50,000.00
For Tax Audit Fees	15,000.00	15,000.00
For Other Matters	46,650.00	43,720.00
	<u>111,650.00</u>	<u>108,720.00</u>
Fees & Subscription	304,002.00	272,084.00
Repairs and Maintenance (others)	106,469.24	675,769.00
Insurance Charges	520,823.00	372,881.00
General Expenses	4,265,293.76	4,137,396.31
Previous year adjustment (Net)	18,834.00	-
Loss on Sale of Fixed Assets sold / discarded (Net)	1,111,975.48	15,173.00
	<u>25,603,958.52</u>	<u>20,682,527.24</u>



PARTICULARS	YEAR ENDED	YEAR ENDED
	31st March, 2011 (Rs.)	31st March, 2010 (Rs.)
SCHEDULE 'S' - SALES AND DISTRIBUTION OVERHEADS		
Advertisement & Publicity	228,127.00	232,320.00
Freight and Carriage Outward	11,356,004.70	10,230,999.00
Discount, Rebates and Claims	3,112,439.10	2,747,219.78
Brokerage & Commission	2,097,947.00	1,407,260.00
Business Promotion Expenses	3,490,909.66	1,979,565.89
Remover and Sales Tax	178,599.00	518,063.00
Exhibition & Conference Expenses	378,636.81	155,755.00
	<u>20,842,663.27</u>	<u>17,271,182.67</u>
SCHEDULE 'T' - INTEREST AND FINANCIAL CHARGES		
Interest to Banks	13,943,975.32	13,613,240.22
Interest to Others	2,024,129.21	1,935,451.65
Bank Commission and Charges	2,432,612.49	1,813,670.73
	<u>18,400,717.02</u>	<u>17,362,362.60</u>
Less: Interest Received	134,448.00	52,535.00
	<u>18,266,269.02</u>	<u>17,309,827.60</u>



SCHEDULE 'U' OF ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2011 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

A. SIGNIFICANT ACCOUNTING POLICIES

I. a) BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 1956, and applicable Accounting Standards except otherwise stated.

b) USE OF ESTIMATES

The preparation of financial statements in under generally accepted accounting principal (GAAP) requires management to make estimates and assumptions that effect the reported statements of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses during the year. The actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

II. RECOGNITION OF INCOME AND EXPENDITURE

- All revenues costs, assets and liabilities are accounted for on accrual basis except excise duty payable on uncleared finished goods, which is accounted as and when they fall due by clearance of goods from factory.
- Sales are inclusive of excise duty, interdivisional transfers and exchange gain/loss on export sales. Interdivisional transfers are recorded at estimated net realizable value.
- Realization from Scrap of Adhesives Tape Division is accounted for on cash basis.
- With a view to show the value of output (inclusive of captive consumption) of the Company as a whole, interdivisional transfers of BOPP Film consumed in manufacturing of Adhesive Tapes are reflected in the Profit & Loss Account at the value at which the transfer was affected in the accounts.

III. INVENTORIES

Raw Materials, stores and spares are valued at cost. Work-in-progress and finished goods are valued at lower of cost or net realizable value.

The bases of determining cost for various categories of Inventories are as follows:

Stores & Spares, Raw Material & Packing Materials	First in first out
Work-in-progress & Finished Goods	Material Cost plus appropriate Attributable Production overheads, Duties as Applicable.
Rejected Materials	At estimated realizable Value

IV. INVESTMENTS

Long Term Investments are stated at cost. Diminution of permanent nature in the value of investments has been provided for.

V. FIXED ASSETS & DEPRECIATION

Fixed assets are stated at cost less depreciation. Cost of acquisition or construction is inclusive of freight, duties and other incidental expenses, till the assets are put to use.

Depreciation has been provided computers at the rates and basis prescribed in schedule XIV to the Companies Act, 1956 as under:

- On Plant & Machinery and Electric Installations, on straight-line method
- On Building, Office Equipments, Air conditioners, furniture & fixtures and vehicles on written down value method

VI. RESEARCH & DEVELOPMENT EXPENSES

Research & Development expenses of revenue nature are charged to revenue when incurred. Expenditure of capital nature is capitalized and depreciation is charged thereon as per the company's policy.

VII. FOREIGN CURRENCY TRANSACTIONS

Foreign currency loans/deferred credit availed to acquire fixed assets are accounted for at the exchange rates prevailing on the dates of disbursement. Transactions in foreign currency are recorded at the exchange rate prevailing on the transaction date. The assets & liabilities outstanding at the close of the year are translated into Indian Currency at the exchange rate prevailing on the Balance Sheet date and/or forward cover rate.

The differences arising out of conversion of loans for fixed assets are adjusted in the value of respective fixed assets and in respect of other liabilities and assets the foreign exchange fluctuation is debited / credited to the Profit & Loss Account.

**I. EXCISE DUTY**

Liability for excise Duty in respect of finished goods and scrap not cleared from factory premises for sale is accounted for at the time of clearance from the factory premises. The policy has however, no impact on operating results and net current assets of the Company.

EXPENDITURE DURING CONSTRUCTION PERIOD

All expenses including interest incurred up to the date of installation are capitalized together with the other direct costs.

EMPLOYEE BENEFITS:

- (i) **Defined Contribution Plans:** The Group's Contributions to the Provident Fund and Superannuation Fund are charged to the profit and loss accounts
- (ii) **Defined Benefit plan/ long term Compensated Absences:** The Group's liability towards gratuity and compensated absences is determined on the basis of the year end actuarial valuation done by an independent actuary. The actuarial gains or losses determined by the actuary are recognized in the profit and loss account as income or expense.

CONTINGENT LIABILITIES

Contingent Liabilities are disclosed by way of notes and are not recognized as an item of expense in the profit and loss account. Contingent gains are recognized. Provision are recognized as liability only when they can be measured by using a substantial of which is expected to result in as outflow of resources embodying economic benefits. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimated.

TAXES ON INCOME

Tax expenses for the year comprises of current tax, deferred tax and fringe benefit tax.

- a) Current tax is determined on the amount of tax payable in respect of taxable income for the period using the applicable tax rates and tax laws in accordance with the provisions of Indian income Tax Act, 1961.
- b) Deferred tax is recognized, subject to consideration of prudence, on timing differences, being difference between taxable and accounting income / expenditure that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the Balance Sheet date.
- c) Fringe Benefit tax is provided in accordance with the provisions of Income Tax Act, 1961.

IMPAIRMENT OF ASSETS

Impairment of assets is assessed at Balance Sheet date and if any indicators of impairment exist, the same is assessed and provided for.

NOTES ON ACCOUNTS

Contingent liabilities not provided for in respect of:

- (a) Bank Guarantees given by the company Rs 0.90 Lacs (Previous year Rs. 0.90)
- (b) Foreign Letter of Credit opened with IDBI Bank for import of raw material etc. worth Rs. Nil Lacs (Previous year Rs.17.62 Lacs)and procurement of raw material from domestic supplier Rs. 41.93 Lacs (Previous year Rs. Nil)
- (c) Sales Tax demand pending appeals Rs. 6.40 Lacs (Previous year Rs. 34.40 Lacs)
- (d) Excise Duty demand pending appeals at High Court Rs 1.95 Lacs. (Previous year at Rs. 1.95 Lacs)

During the previous year 2009-2010 the Company had changed its accounting policy with regard to charging depreciation on Building, Office Equipments, Air conditioners, furniture & fixtures and vehicles on written down value method, which were hitherto, depreciated on straight line basis. As a result of the change the depreciation for that year was higher by Rs. 1,02,38,411/- and profit for that year was lower by Rs.1,02,38,411.

In accordance with company's consistent practice, no provision has been made for excise duty aggregating Rs.4.84 Lacs (Previous year Rs. 7.78 Lacs) on finished goods lying at the factory premises, which are accounted for on clearance thereof. However, this will neither affect the Profit / loss nor net current assets for the year.

Sales of finished goods and raw material consumed include Rs. 10,66,30,161/- on account of interdivisional Transfer (Previous year Rs. 10,38,51,827/-).

Accrued benefits of duty free imports available to the company in form of transferable advance import licenses for completed export obligations amounting to Rs. Nil, which have been utilized / availed in subsequent financial year, have not been accounted for.



6. In the opinion of the Board and to the best of their knowledge and belief, the value on realization of current assets, loans and advances including amount recoverable from Income Tax, Central Excise, Service Tax, VAT and deferred credit from suppliers all are in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet, all these debit/credit balances are subject to confirmations and adjustments, if any. The management is hopeful of recovering the debit balances, which are outstanding since a long.
7. During the year the company suo moto has deposited Rs.1,22,740 and Interest thereon Rs. 36,670 towards excess CENVAT credit taken in earlier years. The amount have been charged to Raw material consumption and interest to others respectively
8. Working Capital Term loans due (Principal amount) within one year are 133.08 Lacs (Previous year 103.08 Lacs).
9. Dues to Small Scale Industrial Undertaking could not be identified because necessary information from the suppliers are yet to be received, in absence of which amount outstanding as on Balance Sheet date and names of parties could not be given.
10. Additionally, the company is in the process of identifying Micro, Small and Medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Therefore, it is not possible for the company to ascertain whether payment to such enterprises has been done within 45 days from date of acceptance of supply of goods or services rendered by such enterprise and to make requisite disclosure.
11. Loans & Advances include due from Directors Rs.2,46,021 (Previous year Rs. 1,63,132) Maximum amount outstanding at any time during the year Rs.21,63,132 (Previous year Rs. 1,63,132) which also subject to approval by the shareholders and Central Government pursuant to Section 295 of the Companies Act 1956.
12. Traveling & Conveyance includes Director's Travelling of Rs.26,83,842)
13. Brokerage and Commission paid includes Rs. 4,69,450 paid to a relative of a director which is subject to approval by the shareholders.
14. Preoperative expenses (pending allocation) shown in schedule "E" comprises of the following expenses incurred for the new Plant site at Roorkee, Haridwar:

S.No.	Particulars	Amount
i)	Salaries, Wages and other Benefits	1,53,169
ii)	Administrative and other overheads	1,14,436
iii)	Exhibition & Conference Expenses	7,27,713
iv)	Promotion Expenses	54,363
v)	Interest and Financial Charges	10,17,899
	Interest Earned	(87,235)
	Total	19,80,345

15. Amount paid to Directors as remuneration:

A. Managing Director	Full Time	
	2010-2011	2009-2010
a) No. of Persons	One	(One)
b) Salary & Allowances	30,00,000/-	30,00,000/-
c) Perquisites	82,485/-	1,16,514/-
B. Whole Time Director	Full Time	
	2010-2011	2009-2010
a) No. of Persons	Two	(One)
b) Salary & Allowances	9,56,316/-	5,53,596/-
c) Contribution to P.F & other funds	66,038/-	36,000/-
d) Perquisites	2,41,442/-	2,77,794/-

The above remuneration is subject to approval of member in the Annual General Meeting.



Earnings per share (EPS):	2010-2011	2009-2010
Profit/(Loss) after Tax (Rs. in Lacs)	177.21	223.83
Average number of Equity Shares (Face Value of Rs.10/-)	51,16,300	51,16,300
Basic and Diluted EPS (in Rupees per Share)	3.46	4.37

Deferred Tax Assets/Liabilities has been created on following:

Sl.No.	Particulars	2009-10	For the year	2010-11
1	Depreciation	(1,83,24,527)	25,58,765	(1,57,65,762)
2	On Provision for Gratuity	15,80,803	2,27,417	18,08,220
3	Unabsorbed Losses	NIL	NIL	NIL
4	On Adjustments of Sec. 43B	383,208	1,74,098	5,57,307
	Net Deferred Tax Assets(Liabilities)	(16,360,516)	29,26,280	(134,00,235)

Details of Employee Benefits as required by the Accounting Standard -15 "Employee Benefits" are as follows:

1 Defined contribution Plans

PARTICULARS	2010-11	2009-2010
The Group has recognized the following amounts in the profit and loss account: — Contribution to Provident Fund and Family Pension Fund	15,11,233/-	12,20,817/-

2 Defined Benefit Plan (unfunded)

(a) A General description of the employees Benefit Plan:

The Company has obligation towards gratuity, a funded defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

(b) Details of defined benefit plan as per Actuarial Valuation are as follows:

I. Components of employer expenses

Charge in Defined Benefit Obligation during the year.

Particulars	Gratuity		Leave Encashment	
	2010-11	2009-10	2010-11	2009-10
Current Service Cost	4,31,444	3,82,746	47,286	37,038
Interest Cost	3,82,639	2,87,000	25,986	23,957
Actuarial Losses(Gains)	20,784	4,22,627	1,04,557	52,235
Total Expenses recognized in the P & L A/c	8,34,867	10,92,373	1,77,829	1,13,230

II. Net Asset/ (Liability) recognized in the Balance sheet

Particulars	Gratuity		Leave Encashment	
	2010-11	2009-10	2010-11	2009-10
Present Value of Defined Benefit Obligation	53,19,858	46,50,789	3,77,025	3,15,847
Net Asset / (Liability) recognized in the Balance Sheet	53,19,858	46,50,789	3,77,025	3,15,847



III. Charge in Defined Benefit Obligation during the year.

Particulars	Gratuity		Leave Encashment	
	2010-11	2009-10	2010-11	2009-10
Present value of defined Benefit obligation as at the beginning of year	46,50,789	35,97,357	3,15,847	3,00,281
Current Service Cost	4,31,444	3,82,746	25,986	23,957
Interest Cost	3,82,639	2,87,000	47,286	37,038
Actuarial Losses/(Gains)	20,784	4,22,628	1,04,557	52,235
Benefits paid	-1,65,798	-38,942	-1,16,651	-97,664
Present value of Defined Benefit obligation as the end of the year	53,19,858	46,50,789	3,77,025	3,15,847

IV. Actuarial Assumptions

Particulars	Current Year	Previous Year
Discount Rate	8.25%	8%
Salary escalation Rate	5.00%	5%

V. The assumption of the future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factor.

19 There are no separately reportable segments in terms of Accounting Standard AS-17.

20 Related Party Disclosure as per Accounting Standard AS-18 (As certified by the Management) is as follows:

A). List of Related Parties

1. Where Control Exist:

Hindustan Foils Ltd.
Agarwal Tracom Pvt. Ltd.
Bagla Polifilms Ltd. (Formerly Known As Rani Sati Enterprises Pvt. Ltd.)
Surya Consumer Goods Pvt. Ltd.
Alora Trading Company Ltd

2. Key Management Personal:

Mr. Lalit Kumar - Chariman
Mr. Madhu Sudan Bagla - Mg. Director
Mr. Suresh Ajila - Whole time Director
Mr. K.C. Dwivedi - Whole Time Director

3. Relative of Key Management Personnel

(With whom transactions taken place during the year)
Mrs. Anju Bagla
Mr. Dhruv Bagla (U/G. M.S.Bagla)
Mrs. Gayathri Ajila

4. Others

Shree Shree Ishwar Satya Narayanjee & Other deities
Ms. Sonam Goenka



B). Transactions with Related Parties:

Type of Related Party	Nature of Transaction	Volume of Transactions		Amount Payable / (Recoverable)	
		2010-11	2009-10	2010-11	2009-10
Where Control Exists	Loans & Advances Received	9660000	2800000	1550000	Nil
	Loans & Advances Given	13716221	2795851	(4396133)	Nil
	Hire charges Paid	810000	Nil	Nil	Nil
	Purchases	583564	Nil	60573	Nil
	Rent Paid	132000	132000	Nil	Nil
	Job Work payment	382140	Nil	Nil	Nil
	Sales	6099491	5676119	Nil	1613897
Key Management Personal	Managing Director's Remuneration & Perquisites	3082485	3116514	Nil	200000
	Director's Remuneration	1263796	867387	66190	2133
	Loans & Advances Received	5795000	5572000	2500000	901579
	Interest Paid	123485	731092	111136	Nil
Relative of Key Management Personal	Salary	300000	270000	Nil	24197
	Loans repaid	550000	Nil	Nil	550000
	Loans Received	3500000	Nil	2500000	Nil
	Interest Paid	80127	Nil	80127	Nil
	Commission paid	469450	Nil	Nil	Nil
Others	Rent Paid	24000	24000	Nil	Nil
	Commission paid	150000	Nil	Nil	Nil

21. Derivative Instruments and Unhedged Foreign Currency disclosure:

Class of Goods	2010-2011		2009-2010	
	Rs.	Value in Foreign Currency	Rs.	Value in Foreign Currency
Receivables				
Export Sales	50,71,845	USD 1,12,949	42,77,434	USD 93,377
Total	50,71,845		42,77,434	
Payables				
import- Raw Material	1,17,42,374	USD 2,61,756	NIL	NIL
import- Machine	4,18,67,600	EUR 6,55,000	NIL	NIL
Mopp film	3,49,744	EUR 55,559	20,319	USD 436.20
Printing Ink	21,594	GBP 293	19,31,861	USD 41,456.25
Adhesives	3,99,765	USD 8,700		
Total	5,43,81,077		19,52,180	

22. The figures for the previous year have been regrouped and recast where necessary and the figures in brackets represent previous year figures.



23 A. CAPACITY AND PRODUCTION

Class of Goods	Unit	Installed Capacity* (Per Annum)	Production
SELF ADHESIVE TAPES	SQM	62,000,000 (62,000,000)	44,875,134 (44,805,956)
BOPP FILM	MT	1,750 (1,750)	1,056.49 (1,108.89)

* Installed Capacity not verified by Auditor being a technical matter.

B. STOCK AND TURNOVER

Class of Goods	Unit	Opening Stock		Closing Stock		Turnover	
		(Qty)	Value (Rs.)	(Qty)	Value (Rs.)	(Qty)	Value (Rs.)
MANUFACTURED FINISHED GOODS							
SELF ADHESIVE TAPES	SQM	1,202,072 (1,004,388)	9,912,280 (8,431,881)	1,028,373 (1,202,072)	11,930,676 (9,912,280)	45,048,833 (44,408,271)	554,757,720 (447,751,631)
BOPP FILM	MT	47.61 (45.38)	4,867,897 (3,956,978)	26.36 (47.61)	2,904,249 (4,867,897)	1,077.74 (1,107.00)	110,246,236 (105,479,410)
TRADED FINISHED GOODS							
Polypropylene	MT	51.25 (-)	3,944,098 (-)	- (67.33)	- (5,041,818)	60.12 (54.00)	6,672,467 (5,109,866)
Others	Nos.	-	-	1,325.00	17,605	81,350.00 (13,040.00)	1,293,285 (177,344.00)
TRADED FINISHED GOODS							
Polypropylene	MT	9.00 (-)	778,259 (-)	-	14,852,530 (19,821,995)	-	672,969,708 (558,518,051)
Others			1,200,702				
			1,978,961				

C. WORK IN PROGRESS

		CURRENT YEAR		PREVIOUS YEAR	
		Qty.	Value (Rs.)	Qty.	Value (Rs.)
OPENING STOCK					
SELF ADHESIVES TAPES	SQM	1,734,917	12,924,286	1,386,239	11,394,644
BOPP FILM	MT	5.55	134,599	9.78	236,304
			13,058,885		11,630,948
CLOSING STOCK					
SELF ADHESIVES TAPES	1,578,464	15,028,285	1,734,917	12,924,286	
BOPP FILM	29,382.26	2,577,641	5.55	134,599	
			17,605,926		13,058,885



D RAW MATERIAL CONSUMED

		CURRENT YEAR		PREVIOUS YEAR	
		Qty.	Value (Rs.)	Qty.	Value (Rs.)
Bopp & other films	KGS#	1,230,019	133,442,912	1,232,204	125,570,882
Polypropylene Granules	MT	1,118,000	81,144,111	1,134,826	74,060,777
Adhesives & Chemicals	KGS/LITERS	2,130,212	196,103,363	2,095,553	128,636,299
Paper	Kgs.	84,564	1,560,413	3,821	791,781
			412,250,799		329,059,739

Including Interdivisional Transfer 1045.39 MT equivalent to 43251197 SQM (Previous year 1091.13 MT equivalent to 45141011 SQM) valuing Rs.1066.30 Lacs (Previous Year Rs.1038.52 Lacs).

E VALUE OF IMPORTED RAW MATERIALS AND STORE & SPARE PARTS CONSUMED

PARTICULARS	CURRENT YEAR		PREVIOUS YEAR	
	(%)	Value (Rs.)	(%)	Value (Rs.)
RAW MATERIALS				
Imported	16.24	66,943,945	12.01	39,507,249
Indigenous	83.76	345,306,854	87.99	289,552,490
	100.00	412,250,799	100.00	329,059,739
STORE & SPARES & LOOSE TOOLS				
Imported	7.38	374,583	10.03	461,442
Indigenous	92.62	4,704,000	89.97	4,137,243
	100.00	5,078,583	100.00	4,598,685

F CIF VALUE OF IMPORTS

PARTICULARS	CURRENT YEAR		PREVIOUS YEAR	
	(%)	Value (Rs.)	(%)	Value (Rs.)
Raw Materials		69,769,786		46,562,708
Capital Goods		244,970		-
Store & Spare		482,416		-

G EXPENDITURE IN FOREIGN CURRENCY

PARTICULARS	CURRENT YEAR		PREVIOUS YEAR	
	(%)	Value (Rs.)	(%)	Value (Rs.)
Traveling Expenses		1,346,173		794,681
Exhibition, Meeting & Conference, Professional		1,211,910		-
Others (Donation, Commission & Bank Charges)		460,465		313,869

H EARNING IN FOREIGN CURRENCY

PARTICULARS	CURRENT YEAR		PREVIOUS YEAR	
	(%)	Value (Rs.)	(%)	Value (Rs.)
FOB Value of Exports		58,049,908		53,031,384

4 Figures of previous year have been re-grouped/re-arranged/re-cast wherever considered necessary.



25. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

	Current Year Value (Rs.)	Previous year Value (Rs.)
A. REGISTRATION DETAILS		
Registration No.	55-31191	55-31191
State Code	55	55
Date of Balance Sheet	3/31/2011	3/31/2010
B. CAPITAL RAISED DURING THE YEAR		
Public Issue	-	-
Right Issue	-	-
Bonus Issue	-	-
Private Placement	-	-
C. POSITION OF MOBILIZATION AND DEPLOYMENT OF FUNDS		
Total Liabilities	281,019	218,162
Total Assets	281,019	218,162
SOURCES OF FUNDS		
Paid up Capital	51,163	51,163
Reserves And Surplus	51,075	33,354
Secured Loans	134,767	115,598
Unsecured Loans	30,613	1,686
APPLICATION OF FUNDS		
Net Fixed Assets	152,803	113,708
Investments	-	-
Net Current Assets	128,216	104,453
Deferred Tax Assets	(13,400)	(16,361)
Accumulated Losses	-	-
D. PERFORMANCE OF COMPANY		
Turnover (including Interdivisional Transfer)	629,385	528,089
Other Income	1,306	7,962
Total Income	630,691	536,050
Total Expenditure	604,307	503,382
Profit Before Tax	26,385	32,668
Profit After Tax	17,720	22,383
Earning per share (In Rs)	3.46	4.37
Dividend Rate(%)	NIL	NIL
E. GENERIC NAMES OF THREE PRINCIPAL		
Products/Services of Company (As per Monetary Terms)		
Product	Items Code	Items Code
Self Adhesives Tapes	3919 10 00	3919 10 00
BOPP Film	3920 20 20	3920 20 20

As per our report of even date attached

For SALARPURIA & PARTNERS

Firm Registration No.-302113E

Chartered Accountants

(Kamal Kumar Gupta)

Partner

M. No. 89190

(S.S. DUA)

Co.Secretary

(L.K. BAGLA)

Chairman

(M.S. BAGLA)

Mg. Director

Place : New Delhi

Date : 03.09.2011



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	Current Year (Rs.)	Previous Year (Rs.)
A Cash Flow From Operating Activities		
Net Profit / (Loss) As per Profit & loss Account	26,384,778	22,960,230
Adjustment For:		
Depreciation	15,647,454	23,879,256
Loss on Sales of Fixed Assets Sold / discarded (Net)	1,111,976	15,173
Interest Paid /Received Net	18,266,269	17,309,828
Provision for Gratuity & Leave	730,247	1,068,998
Operating Profit Before Working Capital Change	62,140,724	65,233,485
Adjustment For:		
Trade & Other Receivables	(30,149,365)	(343,914)
Inventories	(8,048,478)	(13,479,008)
Trade Payable	14,372,942	21,166,775
Cash Generated by Operating Activities	38,315,823	72,577,338
Less : Income Tax Payments	(5,650,431)	(2,357,112)
Net Cash Generated by Operating Activities	32,665,392	70,220,226
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchases of Fixed Assets	(60,183,172)	(13,391,332)
Sales of Fixed Assets	4,329,668	5,000
Net Cash Flow from investment activities	(55,853,504)	(13,386,332)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds /(Repayment) from Secured Loans	19,169,271	(1,949,869)
Proceeds /(Repayment) from Unsecured Loans	28,927,210	(37,539,229)
Interest	(18,266,269)	(17,309,828)
Net cash used in Financing Activities	29,830,212	(56,798,926)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT	6,642,099	34,968
Cash & Cash equivalents opening Balance	4,060,995	4,026,027
Cash & Cash equivalents Closing Balance	10,703,094	4,060,995

As per our report of even date attached
For SALARPURIA & PARTNERS
Firm Registration No.-302113E
Chartered Accountants

(Kamal Kumar Gupta)
Partner
M. No. - 89190

(S.S. DUA)
Co.Secretary

(L.K. BAGLA)
Chairman

(M.S. BAGLA)
Mg. Director

Place : New Delhi
Date : 03.09.2011

HINDUSTAN ADHESIVES LIMITED

340/2-A, G.T. Road, Shahdara, Delhi - 110 095

23RD ANNUAL GENERAL MEETING

ATTENDANCE SLIP



DPID/Client/ID No.

Folio No.

No. of Shares held

I hereby record my presence at the 23rd Annual General Meeting of the Company to be held on Friday 30th September, 2011 at 11.30 A.M. Prakash Place-13, Wazirpur Press Area, Wazirpur Delhi-110035 and my adjournment thereof.

ALL PARTICULARS SHOULD CONFIRM WITH THAT OF COMPANY'S RECORD

Member's Name (Sole Applicant) :
(1st Joint Holder) :
(2nd Joint Holder) :

Father's Name :

Complete Address :

Proxy's Name :

Clarify that I am registered shareholder / proxy for the registered shareholder of the company.

Member's/Proxy's Signature

Note :

- Attendance slip which is not complete in all respect shall not be accepted
- Attendance slip shall be produced at the registration counter for verification.
- The Registration counter will remain open between 9.00 A.M to 10.00A.M
- The members holding shares in Dematerialized (D Mat) Form are advised to bring with them their DPID and client ID Number

HINDUSTAN ADHESIVES LIMITED

340/2-A, G.T. Road, Shahdara, Delhi - 110 095

PROXY FORM

(To be filled in by the shareholders)



I/We.....

of..... being a

member of Hindustan Adhesives Limited, hereby appoint Mr..... of

..... of failing him

as my/our proxy to attend and vote for me/us, on my/our behalf on the 23rd Annual General Meeting, of the company to be held on Friday, 30th September, 2011 at 11.30 A.M. Prakash Place-13, Wazirpur Press Area, Wazirpur Delhi-110035 and at any adjournment thereof.

Signed this.....day of.....2011

Signature of the Shareholders

Affix
Re. 1/-
Revenue
Stamps

Note : The proxy form duly completed may please be deposited at the Company's Registered Office at 340/2-A, G.T. Road, Shahdara, Delhi-110 095, not less than 48 hours before the time fixed for holding the Meeting.