24th
Annual Report
2011-2012

HINDUSTAN ADHESIVES LIMITED

24TH ANNUAL REPORT
2011 - 2012

BOARD OF DIRECTORS:	Mr. L. K. Bagla Mr. M. S. Bagla Mr. D.P. Gupta 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, Indian Red Cross Society, 1 Red Cross Road, New Delhi Allahabad Bank, Internation 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 Stock Exchanges

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NOTICE

Notice is hereby given that the 24th Annual General Meeting of the members of Hindustan Adhesives Limited will be held on Saturday, the 29th September, 2012 at 10.00 A.M. at Parkash Place-13,Wazirpur Press Area, Wazirpur, Delhi -110035 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at March 31, 2012 and the Profit & Loss Account for the year ended on that date together with Report of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Urmila Goenka, who retire by rotation and being eligible offers themselves for re-appointment.
3. To appoint a Director in place of Mr. Suresh Shridhar Ajila, who retire by rotation and being eligible offers themselves for re-appointment.
4. To appoint the statutory auditors and to fix their remuneration.

SPECIAL BUSINESS:

5. **Confirmation of Mr. D.P.Gupta as Director of the Company**

   To consider and if thought fit, to pass with or without modification if any the following resolution as an ordinary resolution:

   "**RESOLVED THAT** Mr. D.P. Gupta, who was appointed as an Additional Director, pursuant to Section 260 of the Companies Act, 1956 at the meeting of the Board of Directors of the Company held on 31st October, 2011 whose term expires at the Annual General Meeting of the Company scheduled to be held on 29th September, 2012, be and is hereby appointed as a Director of the Company ".

6. **To Consider and Approve Revise the Managerial Remuneration of Mr. Suresh Shridhar Ajila**

   To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:-

   "**RESOLVED THAT** pursuant to the provisions of the Section 269 and Schedule XIII of the Companies Act, 1956 and subject to the approval of Shareholders at the ensuing Annual General Meeting of the Company and approval of Financial Institution and other statutory Authority as may required remuneration of Mr. Suresh Shridhar Ajila be and hereby revised for the remaining tenure w.e.f.01.04.2012 on following terms and conditions:

   Salary will be Basic Salary Rs.35000/- per month.

   He will be entitled to following perquisites.

   HRA - Rs. 7500/- per month.
   Education Allowance - Rs. 5000/- per month.
   Transport Allowance - Rs.2500/-per month.
   Leave Travel Concession: As per rule of the Company.
   Club Fees: Fees of club subject to maximum of two clubs. This will not include admission and life-membership fees.
   Personal Accident Insurance: Premium not to exceed Rs.4000/per month.
   Contribution to Provident Fund: As per Company rules.
   Gratuity: As per Company rules subject to maximum of half months salary for each completed year of service.
   Encashment of leaves - As per rules of the Company at the end of tenure.
   Field Expenses: Reimbursement of field expenses as per rules of Company.
   Bonus: As per rule of the Company.

   "**RESOLVED FURTHER THAT** in the absence or inadequacy of profits in any financial year, remuneration payable to the Whole-Time Director shall be governed by Section II of part II of schedule XIII to the Companies Act, 1956 as in force from time to time."

   "**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to alter and vary the aforesaid terms as to the remuneration (including perquisites) within the ceiling Limits in that behalf laid down in Schedule XIII to the Companies Act, 1956 as in force from time to time."

"**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be deemed necessary or desirable or to settle any question or difficulty that may arise in such manner as it may deem fit."

7. **To Consider and Approve Revise the Managerial Remuneration of Mrs. Urmila Goenka**

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:-

"**RESOLVED THAT** pursuant to the provisions of the Section 269 and Schedule XIII of the Companies Act,1956 and subject to the approval of Shareholders at the ensuing Annual General Meeting of the Company and approval of Financial Institution and other statutory Authority as may required Mrs. Urmila Goenka be paid monthly remuneration of Rs.20000/-per month w.e.f.01.10.2011 .

"**RESOLVED FURTHER THAT** in the absence or inadequacy of profits in any financial year, remuneration payable to the Whole-Time Director shall be governed by Section II of part II of schedule XIII to the Companies Act,1956 as in force from time to time."

"**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to alter and vary the aforesaid terms as to the remuneration (including perquisites) within the ceiling Limits in that behalf laid down in Schedule XIII to the Companies Act, 1956 as in force from time to time."

"**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be deemed necessary or desirable or to settle any question or difficulty that may arise in such manner as it may deem fit."

By order of the Board of Directors of
HINDUSTAN ADHESIVES LIMITED

Place : Delhi
Date : 04.09.2012

(L.K. BAGLA)
CHAIRMAN

NOTES

1. **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.**
2. Members/proxy should bring the attendance slip duly filled in for attending the meeting and hand over the same at the entrance of the Meeting Hall. The members who hold shares in dematerialized form are requested to bring their Client Master List/ Depository Participant Statement/ Delivery Instruction Slip, reflecting their Client ID and DP ID Nos. for easier identification of attendance at the meeting.
3. The registers of members and shares transfer books of the company will remain closed from 26.09.2012 to 29.09.2012 (all inclusive).
4. Members are requested to bring their copy of Annual Report at the meeting.
5. The Explanatory Statement pursuant to section 173(2) of The Companies Act, 1956 is annexed and forms part of this Notice
6. 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.
7. 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.***

11. In case of joint holders attending the meeting, only such joint holder whose name appears at the top in the hierarchy of names shall be entitled to vote.

12. Corporate Members are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote at the Annual General Meeting.

13. For security reasons, no article/baggage will be allowed at the venue of the meeting. The members/attendees are strictly requested not to bring any article/baggage etc. at the venue of the meeting.

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

ITEM NO. 5

Mr. D.P. Gupta was appointed as Additional Director of the company with effect from 31st October, 2011 and as per the provisions of the Section 260 of the Companies Act, 1956. His term of office expires at the ensuing Annual General Meeting.

Your Directors recommend the ordinary resolution for the approval of members.

None of the directors are interested in the resolution.

ITEM NO.6

The Board of Director in their meeting held on 30/04/2012 has increased remuneration of Mr. Suresh Shridhar Ajila w.e.f. 1st, April 2012 to Rs 35000 p m subject to approval by shareholder

However, all other terms and conditions of the appointment will remain unchanged. The increased remuneration will be subject to the overall limits as provided under Section 269 and in terms of Section I of Part II of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956.

Your Directors recommend the resolution for approval by the members of the Company.

None of the Director of the Company are concerned or interested in this resolution.

The following additional information as required by Schedule XIII to the Companies Act, 1956 is given below:

I. General Information:

(i) Nature of Industry: Sale of Carton Sealing Tapes and 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 a many new and existing multinational companies setting up facilities in India.

(ii) Date of Commencement of Activity: 08th June 1988

II. Information about the appointee:

(i) Background details: He has been working with the Company for almost 20years and has been elevated as the Sales Director, with the responsibility of promoting the sales of the Company and exploring new markets and products. He has vast experience in sales and the management thinks that with this additional responsibility he would be contributing further to enhance the performance of the Company.

(ii) Past remuneration drawn: Rs.30000/-

(iii) Recognition and Awards/Achievements: NIL

(iv) Job profile and suitability: Marketing

(v) Remuneration proposed: 35000/-P.M

(vi) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

The proposed Renumeration of Mr. Suresh Shridhar Ajila, who is a thorough Professional, possessing invaluable and rich knowledge, experience and insights complemented with the vast business experience, is comparable with Executive Directors of other Companies and is in parity with the Industry Standards for such a responsible position.

(vii) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any/ No Relationship with the Company:None

ITEM NO.7

The Board of Director in their meeting held on 31/10/2011 has fixed remuneration of Mrs. Urmila Goenka w.e.f. 31st, October 2011 to Rs 20000/- p m subject to approval by shareholder

However, all other terms and conditions of the appointment will remain unchanged. The increased remuneration will be subject to the overall limits as provided under Section 269 and in terms of Section I of Part II of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956.

Your Directors recommend the resolution for approval by the members of the Company.

None of the Director of the Company are concerned or interested in this resolution.

The following additional information as required by Schedule XIII to the Companies Act, 1956 is given below:

I. General Information:

(i) Nature of Industry: Sale of Carton Sealing Tapes and 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 a many new and existing multinational companies setting up facilities in India.

(ii) Date of Commencement of Activity: 08th June 1988

II. Information about the appointee:

(i) Background details: She is an independent Director of the Company and brings with her good management expertise with responsibility to overlook the Corporate Governance and enhance human relations within the organization.

(ii) Past remuneration drawn: NIL

(iii) Recognition and Awards/Achievements: NONE

(iv) Job profile and suitability: Marketing

(v) Remuneration proposed:20000/PM

(vi) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin): The proposed Renumeration of Mrs. Urmila Goenka, who is a thorough Professional, possessing invaluable and rich knowledge, experience and insights complemented with the vast business experience, is comparable with Executive Directors of other Companies and is in parity with the Industry Standards for such a responsible position.

(vii) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any/ No Relationship with the Company:None

RE-APPOINTMENT OF DIRECTORS

A Brief resume of Directors proposed to be re-appointed is given in terms of Clause 49 of the Listing Agreement

1.	Name	: Urmila Goenka
	Date of Birth & Age	: 06/11/1948 & 63years
	Date of Appointment	: 30/04/2010
	Qualification	: B.A
	Experience : 26 years	
	Other Directorships	: 1) SYNERGY COMMERCE PRIVATE LIMITED 2) SAPHIRE HOSPITALTY MANAGEMENT PRIVATE LIMITED 3) SURYA CONSUMER GOODS PRIVATE LIMITED
	No. of Equity Shares held	: NIL
	Member of Committees	: None
	Relationship with other Directors	: N.A
2.	Name	: Suresh Shridhar Ajila
	Date of Birth & Age	: 05/10/1960 & 51years
	Date of Appointment	: 30/04/2010
	Qualification	: Graduate
	Experience	: 30years
	Other Directorships	: No
	No. Of Equity Shares held	: NIL
	Member of Committees	: None
	Relationship with other Directors	: N.A

INSPECTION

Copy of the Memorandum and Articles of Association of the Company together with the proposed alteration shall be open for inspection of Sharehoiders 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

Place : Delhi
Date : 04.09.2012

(L.K. BAGLA)
CHAIRMAN

DIRECTOR'S REPORT

Dear Members,

Your Board of Directors presents this 24th Annual Report along with audited accounts for the accounting period ended on 31st March 2012.

FINANCIAL RESULTS

Key Financial figures are as follows: ***(Amount in lakhs)***

Particulars	31.03.12	31.03.11
Total Revenue	**6,692.37**	6300.16
Profit Before Interest, Depreciation & tax	**590.44**	602.99
Interest & Financial Charges	**210.45**	182.66
Depreciation	**153.13**	156.47
Profit before Taxation	**226.86**	263.85
Less: - Provisions for Income Tax	**45.39**	52.59
Add/(Loss): - Mat Credit Adjustments	**15.96**	(63.71)
Add/(Loss): - Deferred tax Assets/ (liabilities)	**(40.41)**	29.60
Net profit after tax & Extra Ordinary Items	**157.03**	177.20
Equity	**511.63**	511.63
Net worth	**1,183.91**	1,022.38

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 2012.

OPERATIONS

During the year under review:

The Company continues to increase the sales of 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.

The Company has now the focus on converting 100% of the BOPP film production into adhesive tapes and has undertaken an initiative to upgrade the quality of the film by some major changes in the critical components of the film plant which will become operational by June 2012. The installation of the new adhesive coating machine initiated last year is still under process and it will become operational by April 2012 helping to further covert more of the BOPP film into adhesive tapes.

The Company has commenced production of POF shrink films from 16th March, 2012 in the new location at Roorkee in Uttarakhand and this new product will also help significantly in improving the sales turnover of the company and enhancing its profits in the current financial year.

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 FMCG 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 and POF shrink films.

The good results of the company has been encouraging the management to expand and explore more opportunities in the terminal end 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 marginally by about 6.3% despite the slowdown in the global economy, whereas the PAT has decreased by about 11.59%, due to the volatility in raw material prices during the year and the higher rates of interest charged by the lenders.

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:

a) 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.

b) 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, 2012.

c) 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

d) The annual accounts have been prepared on a going concern basis.

BOARD OF DIRECTORS

Mrs. Urmila Goenka and Mr. Suresh Shridhar Ajila are the Whole time directors that retire by rotation at the conclusion of forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

Mr. D.P. Gupta was appointed as Additional Director w.e.f 31/10/2011 and being eligible offer himself for appointment as Director at the ensuing Annual General Meeting.

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

All the relevant notes an accounts are self-explanatory & therefore do not call for any further comments.

AUDIT COMMITTEE:

Audit Committee of the Company is duly constituted.

SHAREHOLDERS GRIEVANCE COMMITTEE:

Shareholders Grievances Committee of the Company is duly constituted.

REMUNERATION COMMITTEE

Remuneration 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 and Kolkata Stock Exchanges.

The Company has already delisted it's shares from the Jaipur Stock Exchange.

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.

By order of the Board of Directors of
HINDUSTAN ADHESIVES LIMITED

Place : Delhi
Date : 04.09.2012

(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 (DISCLOSUE OF PARTICULARS IN THE REPORT OF DIRECTOR) RULES 1988 FOR THE YEAR ENDED 31ST MARCH 2012.

A. CONSERVATION OF ENERGY

The Company is extremely thankful to both the UP Government and Uttarakhand State electricity boards 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. TECHONOLOGY ABSORPTION

1. R&D:

The Company continues to develop exciting new products based on customer feedback and requirements of safety, security and protection. With the available testing facilities the Company is also able to explore new raw materials for making the finished products and thus provide more options to the Company.

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 utilize fully the additional available capacities of Polyolefin shrink films, Adhesive Tapes and BOPP film from both its manufacturing locations and hence leverage the market goodwill and reach of the company and provide the customers quality products.

The Company would 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.

Efforts made:

Existing equipments were calibrated and latest testing equipments installed

a. 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.

b. ISO-9001 and ISO-14001 systems were further strengthened and this has helped the Company to produce consistent quality product of International standards. The Company is looking to getting Accreditation to the BRC-IOP norms for meeting the requirements of its overseas customers.

c. 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	Nil
Recurring	5,27,875.00
Total	**5,27,875.00**

Total R&D expenditure is 0.08% of the total turnover.

Technology absorption, adoption and innovation:

1. **Efforts Made:**

   (a) Existing equipments were calibrated and new testing equipments installed.

   (b) 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 survive and grow despite global slow down and negative sentiments in the market by introducing some specialty products with higher value addition. 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:** **Rs. In Lakhs**

	31.03.2012	31.03.2011
Earnings:		
Export value of FOB basis	**664.16**	580.50
Expenditure:		
Capital Goods (CIF)	**823.70**	7.27
Raw Material (CIF)	**834.45**	697.70
Others	**28.81**	30.19

For and on behalf of Board of Directors
Hindustan Adhesives Limited

PLACE : New Delhi
DATE : 04.09.2012

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 2011-12, the board met 6 (Six) times (as against the minimum requirement of four meetings) on the following dates, namely:-

29th April 2011, 30th July 2011, 3rd September 2011, 31st October 2011, 31st January 2012, 13th February 2012.

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)	6	No
02.	Sh. M. S. Bagla	Managing Director (Executive-Director)	6	Yes
03.	Sh. Pawan Sharma	Director (Independent)	2	Yes
04.	Sh. K.C.Gupta	Director (Independent)	4	Yes
05.	Sh. Suresh Ajila	Director-(Executive Director)	2	No
06.	Mrs. Urmila Goenka	Director-(Executive Director)	2	No
07	Mr. D.P. Gupta	Director (Independent)	1	No

Note : Mr. K.C. Dwivedi resigned on 13th February, 2012
Mr. D.P. Gupta was appointed on 31st October, 2011

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	Mr. Suresh Shridhar Ajiia, Ex. Director	Mrs. Urmila Goenka Executive Director	Sh K.C. Dwivedi Executive Director
Salary and Allowance	30,00,000	4,45,500	1,20,000 (From Oct-March)	4,61,328
Contribution to Superannuation Fund (Rs,)	1,84,324	97,116	-	1,87,793
Bonus and performance linked Incentive (Rs.)	-	50,064	-	50,000

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	Mr. L.K.Bagla	NIL	NIL	NIL
2	Mr. D.P. Gupta	NIL	Nil	NIL
3	Mr. Pawan Sharma	NIL	Nil	NIL
4	Mr. K.C.Gupta	NIL	4000	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 2011-12, meetings of the Audit Committee were held 5 times i.e. on 29th April 2011, 30th July 2011, 3rd September 2011, 31st October 2011 and 31st January 2012.

Name of Chairman/ Member	Meetings held	Meeting Attended
Mr. Pawan Sharma	5	5
Mrs. Urmila Goenka	5	1
Mr. K.C. Gupta	5	4
Mr. D.P. Gupta	5	1

Note: Mr. D.P. Gupta was appointed as Audit Committee member on 31st October 2011

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:

a) Oversight of the company's financial reporting process and disclosure of its financial information.

b) Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.

c) Reviewing the adequacy of Internal Audit function.

d) Discussion with internal auditors any significant findings and follow up thereon.

e) 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.

f) 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 2011-12, meetings of the Shareholder Grievance Committee were held 5 times i.e. 29th April 2011, 30th July 2011, 3rd September 2011, 31st October 2011 and 31st January 2012.

Name of Chairman/ Member	Meetings held	Meeting Attended
Mr. M.S.Bagla	5	5
Mr. Kailash Chand Dwivedi	5	5

Note: Mr. Kailash Chand Dwivedi Resigned from the Shareholders Grievance Committee on 13th February 2012.

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 2011-12, a meeting of the Remuneration Committee was held on 31.10.2011.

Name of Chairman/ Member	Meetings held	Meeting Attended
Mr. Pawan Sharma	1	1
Mr. K.C. Gupta	1	1
Mr. D.P. Gupta	1	NIL

Note: Mr. D.P. Gupta was appointed as Remuneration Committee member on 31st October 2011.

6. GENERAL BODY MEETING

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

Financial year	Date	Time	Place
2008-2009	29.09.2009	10.00 A.M.	Ashok Avenue, Main Chattarpur Road, Asola Fatehpur Beri, New Delhi-110074
2009-2010	30.09.2010	10.00 A.M.	Prakash Place, 13, Wazirpur Press Area, Wazirpur, Delhi - 110 035
2010-2011	30.09.2011	11.30 A.M.	Prakash Place, 13, Wazirpur Press Area, Wazirpur, Delhi - 110 035

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

Financial year	Items
2008-2009	Resolution under section 314 of Companies Act,1956
2009-2010	NONE
2010-2011	Resolution under section 314 of Companies Act,1956

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	29th Sep. 2012 at 10.00 A.M.
Venue	Prakash Place-13, Wazirpur, Press Area, Delhi-110035

8.2 Financiai Calendar (2012-13)

Annual General Meeting for the next year ending 31st March 2013	Before 30th Sept., 2013
8.3 Book Closure date	26.09.12 to 29.09.12
8.4 Dividend Payment date	not applicable
8.5 Listing of Equity Shares on Stock Exchange at	DELHI, KOLKATA AND MUMBAI
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 Ind. 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 2012.

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 2012

No of Equity Shares Held	No of Shareholder	% of Shareholder	Number of Shares	% of Shareholding
1-250	6163	91.290	606120	11.847
251-500	335	4.962	135798	2.654
501-1000	130	1.926	107711	2.105
1001-2000	58	0.859	88875	1.737
2001-3000	14	0.207	32853	0.642
3001-4000	12	0.178	41056	0.802
4001-5000	7	0.104	32767	0.640
5001-10000	12	0.178	91088	1.780
10001 and above	20	0.296	3980032	77.791
Total	**6751**	**100**	**5116300**	**100**

8.10 Plant Location : (i) 29th Mile Stone, G.T. Road, Village-Achheja, Tehsil-Dadri, Distt. –Gautambudh Nagar U.P.

(ii) Plot No.15, KIE Industrial Estate, Opposite Uttam Sugar Mill, Village Mundiyaki, Pargana Manglore, Tehsil-Roorkee, Distt.-Haridwar-247667

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

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

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, 2012 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.

M/s SALARPURIA & PARTNERS
Firm Registration No.-302113E
Chartered Accountants

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

Place : New Delhi
Dated : 04.09.2012

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, 2012, 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, 2012, and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31st March, 2012 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 on Financial statements 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, 2012;

      (b) in the case of Profit and Loss Statement, 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

Place : 1008, Chiranjiv Tower,
43, Nehru Place, New Delhi-110 019
Date : 04.09.2012

(KAMAL KUMAR GUPTA)
Partner
M. No. 89190

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 5 (Five) 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.300.17 Lacs and the closing balance outstanding as on 31st March 2012 is Rs.186.17 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 4 (Four) such parties which has been recovered as stipulated The maximum amount involved in such loans during the year aggregates to Rs. 140.63 Lacs and the closing balance outstanding as on 31st March 2012 is Rs. Nil.

(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 Statue/ 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)	15,000/- 4,62,997/- 1,32,163/- 480/-	2006-07 2007-08 2007-08 1999-00	Deputy Commissioner, Trade Tax Noida Dy. Com. trade Tax, Noida Dy. Com. trade Tax, Noida Dy. (Sales Tax Assessment) V T O - Delhi
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

Place : 1008, Chiranjiv Tower,
43, Nehru Place, New Delhi-110 019
Date : 04.09.2012

(KAMAL KUMAR GUPTA)
Partner
M. No. 89190

BALANCE SHEET AS AT 31st MARCH, 2012

PARTICULARS	Notes	As At 31st Mar, 2012 (Rs.)	As At 31st Mar, 2011 (Rs.)
EQUITY & LIABILITIES			
SHAREHOLDER'S FUNDS			
Share Capital	A	**51,163,000**	51,163,000
Reserves and Surplus	B	**67,227,643**	51,074,700
		118,390,643	102,237,700
NON-CURRENT LIABILITES			
Long-term Borrowings	C	**115,927,559**	56,896,836
Deferred Tax Liabilities (Net)	D	**17,440,845**	13,400,235
Long-term Provisions	E	**5,780,727**	5,566,106
		139,149,131	75,863,177
CURRENT LIABILITIES			
Short term Borrowings	F	**120,913,517**	108,483,750
Trade Payables	G	**50,504,162**	63,723,954
Other Current Liabilities	H	**12,575,191**	11,032,450
Short term Provisions	I	**129,260**	668,714
		184,122,130	183,908,868
		441,661,904	362,009,745
ASSETS			
NON CURRENT ASSETS			
Fixed assets	J		
(i) Tangible Assets			
Gross Block		**432,485,674**	294,246,317
Less Depreciation		**204,976,278**	189,663,719
Net Block		**227,509,396**	104,582,598
(i) Capital work-in-progress		**11,636,489**	48,219,956
Non-Current Investments	K	**-**	-
Other Non-Current Assets	L	**5,393,413**	4,065,171
		244,539,298	156,867,725
CURRENT ASSETS			
Inventories	M	**80,723,714**	74,397,378
Trade receivables	N	**90,459,356**	100,400,271
Cash and Cash Equivalents	O	**4,778,005**	10,723,219
Short-term loans and advances	P	**14,257,324**	12,716,945
Other Current Assets	Q	**6,904,207**	6,904,207
		197,122,605	205,142,020
		441,661,904	362,009,745

Significant Accounting Policies & Other Notes to Financial statements Y
The notes 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)	**(S.S. DUA)**	**(L.K. BAGLA)**	**(M.S. BAGLA)**
Partner	Co. Secretary	Chairman	Mg. Director
M. No.- 89190			

Place : New Delhi
Date : 04.09.2012

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012

PARTICULARS	Notes	Year Ended 31st Mar, 2012 (Rs.)	Year Ended 31st Mar, 2011 (Rs.)
REVENUES			
Revenue From Operation	R	**669,151,479**	629,384,943
Other Income	S	**85,058**	631,172
Total Revenue		**669,236,537**	630,016,115
EXPENSES			
Cost of Materials Consumed	T	**440,353,721**	411,996,694
Purchase of Stock in Trade		**10,016,939**	1,978,961
Changes in inventories of finished goods, Work in Process and Stock-in-Trade	U	**(401,053)**	(675,296)
Employee Benefits Expenses	V	**38,076,250**	37,575,579
Finance Cost	W	**21,044,522**	18,266,269
Depreciation	J	**15,312,558**	15,647,454
Other Expenses	X	**122,147,114**	118,841,677
Total expenses		**646,550,049**	603,631,337
Profit before exceptional and extraordinary items and tax		**22,686,488**	26,384,778
Profit Before Tax		**22,686,488**	26,384,778
Less : Provision for Income Tax for current year		**(4,539,056)**	(5,258,619)
Less: Brought forward Mat Credit Used For current year Tax		**-**	(6,371,482)
Add : Mat Credit for Current Year		**1,595,706**	-
Less : Adjustment for Deferred Tax		**(4,040,610)**	2,960,280
PROFIT AFTER TAXATION		**15,702,528**	17,714,957
Earning per shares			
(a) Basic		**3.07**	3.46
(b) Diluted		**3.07**	3.46
Significant Accounting Policies & Other Notes to Financial statements		Y	
The notes 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)	**(S.S. DUA)**	**(L.K. BAGLA)**	**(M.S. BAGLA)**
Partner	Co. Secretary	Chairman	Mg. Director
M. No.- 89190			

Place : New Delhi
Date : 04.09.2012

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2012 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

PARTICULARS	As At 31st Mar, 2012 (Rs.)	As At 31st Mar, 2011 (Rs.)
NOTE 'A'		
SHARE CAPITAL		
AUTHORISED		
70,00,000 (70,00,000) Equity Share of Rs. 10/- each	**70,000,000**	70,000,000
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**	51,163,000
	51,163,000	51,163,000

A-1

DETAILS OF SHAREHOLDER HOLDING 5% OR MORE SHARES:

Name of Share holder	No. of Shares	%	No. of Shares	%
Mr. MADHUSUDAN BAGLA	812,419	15.88	812,419	15.88
Mrs. ANJU BAGLA	598,630	11.70	598,630	11.70
Master DHRUV BAGLA	314,580	6.15	314,580	6.15
Mr. NAKUL BAGLA	372,100	7.27	372,100	7.27
Mr. M S BAGLA -KARTA (M S BAGLA-HUF)	269,250	5.26	269,250	5.26

PARTICULARS	As At 31st Mar, 2012 (Rs.)	As At 31st Mar, 2011 (Rs.)
NOTE 'B'		
RESERVES AND SURPLUS		
Share Premium Account		
Balance Brought Forward	**21,259,500**	21,259,500
Investment Allowance Utilization Reserve		
Balance Brought Forward	**2,500,000**	2,500,000
Profit & Loss Account		
Balance B/F From Previous Year	**27,315,200**	9,594,747
Add/(Less) : Adjustment for income Tax for earlier years	**447,459**	5,496
Profit/(Loss) for the year	**15,702,528**	17,714,957
	67,224,687	51,074,700

Term Loan	Non Current	Current	Non Current	Current
NOTE 'C'				
LONG TERM BORROWINGS				
SECURED LOANS				
Allahabad Bank- Loan No. I	-	746,919	746,919	3,059,360
Allahabad Bank- Loan No. II	52,960,000	14,222,868	21,920,548	-
	52,960,000	14,969,787	22,667,467	3,059,360
Auto Loans				
HDFC Bank	146,131	358,641	504,772	322,880
ICICI Bank Ltd.	1,977,805	741,743	2,719,548	938,076
Indusind Bank Ltd	229,500	258,000	-	-
Tata Motors Finance Ltd	197,943	193,824	391,767	172,190
	2,551,379	1,552,208	3,616,087	1,433,146
UNSECURED LOAN				
From Bodies Corporate :	41,397,670	-	16,922,636	-
From Bodies Corporate				
From Directors	2,567,315	-	2,611,136	-
From Others (Including Deferred Credit)	16,451,195	-	11,079,510	-
	60,416,180	-	30,613,282	-
	115,927,559	16,521,995	56,896,836	4,492,506

(1) 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. Loan was repayble in monthly instalments of Rs.250000/- each together with the interest due on the balance.

(2) Term Loan 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 Mundiyaki,Pargana Mangalore, Tehsil, Roorkee, Distt. Haridwar. Loan is repayable in 20 Quarterly instalments of Rs. 33,10,000/- each and interest is on monthly basis on due amount.

(3) Auto Loans are secured by way of hypothecation of vehicles financed by the Banks.

(4) Loans are further guaranteed by Sh. M.S. Bagla and Sh. L .K.Bagla, Directors of the company.

PARTICULARS	As At 31st Mar, 2012 (Rs.)	As At 31st Mar, 2011 (Rs.)
NOTE 'D'		
DEFERRED TAX LIABILITIES (NET)		
On Timing Difference of Accounting of Depreciation	**(19,807,464)**	(15,765,762.00)
On Provision for Gratuity	**1,795,078**	1,808,220.00
On Adjustments of Statutory Dues under Section 43B of Income Tax Act,1961	**571,540**	557,306.00
Net Deferred Tax Assets (Liabilities)	**(17,440,846)**	(13,400,236)

PARTICULARS	As At 31st Mar, 2012 (Rs.)	As At 31st Mar, 2011 (Rs.)
NOTE 'E'		
LONG TERM PROVISIONS		
For Gratuity	**5,532,680**	5,319,858
For Leave Encashment	**248,047**	246,248
	5,780,727	5,566,106
NOTE 'F'		
SHORT TERM BORROWING		
Current Maturities of Long Term Loans		
Refer Note C Above	**16,521,995**	4,492,506
	16,521,995	4,492,506
Working Capital Term Loans from Banks		
IDBI	**4,159,974**	10,639,974
Allahabad Bank	**3,089,369**	6,635,266
	7,249,343	17,275,240
Cash Credits from Banks		
Allahabad Bank	**41,196,368**	29,410,248
IDBI	**55,945,811**	57,305,757
	97,142,179	86,716,005
	120,913,517	108,483,750

NOTES

(1) 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.

(2) Loans are further guaranteed by Sh. M.S. Bagla and Sh. L .K.Bagla, Directors of the company.

PARTICULARS	As At 31st Mar, 2012 (Rs.)	As At 31st Mar, 2011 (Rs.)
NOTE 'G'		
TRADE PAYABLES		
For Goods	**45,321,118**	60,078,158
For Job Work	**38,065**	-
For Services	**5,144,979**	3,645,796
	50,504,162	63,723,954

NOTE 'H'			
OTHER CURRENT LIABILITIES			
Advance From Customers	**2,938,537**		1,582,026
Payables For Capital Goods	**1,716,610**		942,873
Payable For employees	**2,782,375**		2,631,931
Statutory Dues	**1,563,812**		1,360,696
Other Liabilities	**3,573,857**		4,514,924
	12,575,191		11,032,450

NOTE 'I'			
SHORT TERM PROVISIONS			
For Leave Encashment	**129,260**		130,777
For Income Tax	**-**	**14,758,619**	
Less Payments for Income Tax		**(14,220,682)**	537,937
	129,260		668,714
	63,208,613		75,425,118

NOTE 'J'
FIXED ASSETS
Tangible Assets

(Rupees)

	GROSS BLOCK				DEPRECIATION WRITTEN OFF					NET BLOCK	
Particulars	As on 31.03.2011	Addition	Deduction/ Capitalized	As on 31.03.2012	As on 31.03.2011	For the Year	Adjustment (See note Below)	Adjustment on sale of assets	Up to 31.03.2012	As on 31.03.2012	As on 31.03.2011
Land (Free Hold)	2,664,804	-	-	2,664,804	-	-	-	-	-	2,664,804	2,664,804
Building	28,137,380	17,167,665	-	45,305,045	22,689,775	596,697	-	-	23,286,472	22,018,573	5,447,605
Plant & Machinery	228,386,329	102,986,828	-	331,373,157	151,802,388	10,879,855	-	-	162,682,243	168,690,914	76,583,941
Electric Installation	11,389,455	15,965,334	-	27,354,789	4,231,605	466,857	-	-	4,698,462	22,656,327	7,157,850
Furniture & Fixture	5,586,932	613,268	-	6,200,200	2,305,081	648,608	-	-	2,953,689	3,246,511	3,281,851
Air Conditioner	1,856,487	100,040	-	1,956,527	1,069,931	120,372	-	-	1,190,303	766,224	786,556
Office Equipment	913,031	9,000	-	922,031	677,790	37,268	-	-	715,058	206,973	235,241
Vehicles											
Car's / Bus	12,202,461	1,165,000	-	13,367,461	4,748,648	2,180,159	-	-	6,928,807	6,438,654	7,453,813
Delivery Trucks	1,327,005	-	-	1,327,005	858,934	139,647	-	-	998,581	328,424	468,071
Scooters	273,965	-	-	273,965	186,126	21,847	-	-	207,973	65,992	87,839
Cycle's	7,967	-	-	7,967	5,261	542	-	-	5,803	2,164	2,706
Computers	1,500,501	232,222	-	1,732,723	1,088,181	220,706	-	-	1,308,887	423,836	412,320
Total	**294,246,317**	**138,239,357**	**-**	**432,485,674**	**189,663,720**	**15,312,558**	**-**	**-**	**204,976,278**	**227,509,396**	**104,582,597**
	(290,864,114)	(11,963,216)	(8,581,013)	(294,246,317)	(177,155,636)	(15,647,454)	-	(3,139,370)	(189,663,720)	(104,582,597)	(113,708,478)
Capital Work in Progress										-	-
Plant And Machinery	7,682,673	11,636,489	7,682,673	11,636,489						11,636,489	7,682,673
Building Under Construction	10,050,343		10,050,343	-						-	10,050,343
Advances For Capital Goods	28,506,595		28,506,595	-						-	28,506,595
Pre Operative Expenses (Pending Allocation)	1,980,345		1,980,345	-						-	1,980,345
Total	48,219,956	-	48,219,956							11,636,489	48,219,956
Total	342,466,273	138,239,357								239,145,885	152,802,553

PARTICULARS	As At 31st Mar, 2012 (Rs.)	As At 31st Mar, 2011 (Rs.)
NOTE 'K'		
NON CURRENT INVESTMENTS		
INVESTMENTS (LONG TERM - TRADE)		
Unquoted		
10,000 (10,000) Equity share of Rs 10/-each Fully Paid up of Benares State Bank Limited	**100,000**	100,000
	100,000	100,000
Less : Provision for diminution in value	**100,000**	100,000
	-	-
NOTE 'L'		
OTHER NON CURRENT ASSETS		
Security Deposits	**4,749,582**	3,659,267
VAT on Capital Goods	**643,831**	405,904
	5,393,413	4,065,171
NOTE 'M'		
INVENTORIES		
(As taken, valued and certified by the management)		
Raw Materials	**34,127,873**	29,360,849
Traded Goods	**17,605**	17,605
Finished Goods	**12,525,304**	14,756,091
Work in Progress	**20,172,841**	17,605,926
Stores, Spares, Fuel and Packing Materials	**13,736,332**	12,578,073
Material in Transit	**143,759**	78,834
	80,723,714	74,397,378
NOTE 'N'		
TRADE RECEIVABLES		
(Unsecured, considered good unless otherwise stated)		
Debts Due Over Six month		
Considered good	**4,337,938**	4,660,811
Considered doubtful	**727,457**	987,141
Less Provision for doubtful debts	**-**	-
Other Debts		
Considered good	**85,393,961**	94,752,319
	90,459,356	100,400,271

PARTICULARS		As At 31st Mar, 2012 (Rs.)	As At 31st Mar, 2011 (Rs.)
NOTE 'O'			
CASH AND CASH EQUIVALENTS			
Cash in Hand			
(As per books and certified)		**88,927**	121,173
DD / Cheque in hand		**-**	103,059
Balances with Scheduled Banks in:			
Current Accounts		**3,639,551**	3,130,995
Fixed Deposit Accounts		**1,049,214**	7,347,867
Interest Accrued but not due on fixed deposits		**313**	20,125
(Pledged Against Margin money and having maturity within 12 months)			
		4,778,005	10,723,219
NOTE 'P'			
SHORT TERM LOANS & ADVANCES			
(Unsecured, considered good)			
Advances recoverable in cash or in kind or for value to be received		**5,824,369**	10,604,851
VAT on Capital Goods		**561,766**	295,202
Balances with Excise Department		**5,570,333**	1,816,891
Income Tax Payment Income Tax Deducted at Source	**16,598,531**		
Less Provision for Income Tax	**(14,297,675)**	**2,300,856**	-
		14,257,324	12,716,945
NOTE 'Q'			
OTHER CURRENT ASSETS			
Discarded Fixed Assets held for Sales		**6,904,207**	6,904,207
		6,904,207	6,904,207
NOTE 'R'			
REVENUE FROM OPERATIONS			
[Sales including Interdivisional Transfer and (Net of Returns)]			
Domestic Sales		**634,170,511**	605,857,269
Trading Goods		**12,230,890**	7,965,752
Export Sales		**68,502,474**	59,146,688
Scrap Sales		**2,110,532**	2,351,413
Total Sales		**717,014,407**	675,321,122
Less Excise Duty		**49,756,529**	46,248,057
		667,257,878	629,073,065
Job Work Charges		**132,442**	
Foreign Exchange Fluctuation for Sales		**1,761,159**	311,878
		669,151,479	629,384,943

PARTICULARS	As At 31st Mar, 2012 (Rs.)	As At 31st Mar, 2011 (Rs.)
NOTE 'S'		
OTHER INCOME		
Claims Received	**51,057**	17,093
Miscellaneous Receipts	**34,001**	434,127
Sundry Balances Written back (Net)	**-**	179,952
	85,058	631,172
NOTE 'T'		
MATERIALS CONSUMED		
Raw Materials Consumed		
Opening Stocks	**29,360,849**	24,042,107
Add: Purchases	**445,360,310**	417,569,540
Foreign Exchange Fluctuation for Purchases	**(239,565)**	(254,105)
	474,481,593	441,357,543
Less :Closing Stocks	**34,127,873**	29,360,849
	440,353,721	411,996,694
NOTE 'U'		
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROCESS AND STOCK-IN-TRADE		
Opening Stocks:		
Work in Progress	**17,605,926**	13,058,885
Finished Goods Manufactured	**14,756,091**	14,780,177
Finished Goods Traded	**17,605**	3,944,098
Material in Transit	**78,834**	
	32,458,456	31,783,160
Closing Stocks:		
Work in Progress	**20,172,841**	17,605,926
Finished Goods Manufactured	**12,525,304**	14,756,091
Finished Goods Traded	**17,605**	17,605
Material in Transit	**143,759**	78,834
	32,859,509	32,458,456
	401,053	675,296

PARTICULARS	As At 31st Mar, 2012 (Rs.)	As At 31st Mar, 2011 (Rs.)
NOTE 'V'		
EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages and other Allowances	**27,482,963**	26,505,507
Contribution to Provident and other Allied Funds	**2,363,654**	2,085,515
Director's Remuneration	**4,184,135**	4,389,579
Staff Welfare and Benefits	**3,535,964**	3,580,736
Gratuity	**356,729**	834,867
Leave Encashment	**152,805.00**	179,375
	38,076,250	37,575,579
NOTE 'W'		
FINANCE COST		
Interest to Banks	**16,268,073**	13,943,975
Interest to Term Loan	**234,335**	-
Interest to Others	**2,990,208**	2,024,129
Bank Commission and Charges	**1,765,217**	2,432,612
	21,257,833	18,400,717
Less: Interest Received	**213,311**	134,448
	21,044,522	18,266,269
NOTE 'X'		
OTHER EXPENSES		
1. MANUFACTURING EXPENSES		
Power & Fuel Consumed	**41,450,270**	40,822,520
Store, Spares & Tools Consumed	**9,260,087**	8,838,181
Packing Expenses	**20,606,676**	19,526,409
Carriage Inward	**369,509**	310,088
Repairs and Maintenance:		
Building and Shed	**425,992**	664,547
Plant and Machinery	**6,563,558**	5,861,669
Others	**957,105**	761,219
	79,633,197	76,784,633

PARTICULARS		As At 31st Mar, 2012 (Rs.)	As At 31st Mar, 2011 (Rs.)
2. ADMINISTRATIVE AND OTHER OVERHEADS			
Rent, Rates and Taxes		**519,414**	471,294
Printing and Stationery		**686,559**	785,432
Travelling and Conveyance			
(including Director's Travelling Rs. 4,047,147 (Rs. 2,683,842)		**9,252,919**	7,090,259
Vehicle Running Maintenance		**1,984,995**	1,876,652
Postage & Telephone charges		**2,586,345**	2,557,188
Electricity and Water Overheads		**527,715**	530,065
Data processing Expenses		**442,674**	457,032
Legal and Professional Charges		**769,774**	937,985
Advertisement Expenses		**-**	69,426
Auditor's Remuneration :			
For Audit Fees	**50,000**		50,000
For Tax Audit Fees	**15,000**		15,000
For Other Matters	**18,100**	**83,100**	46,650
Fees & Subscription		**742,203**	304,002
Repairs and Maintenance Others)		**564,872**	106,469
Insurance Charges		**619,001**	520,823
General Expenses		**2,484,655**	4,265,294
Sundry Balances Written off (Net)		**1,469**	-
Previous year adjustment (Net)		**28,803**	18,834
Loss on Sale of Fixed Assets sold / discarded (Net)		**-**	1,111,975
		21,294,498	21,214,380
3 SALES AND DISTRIBUTION OVERHEADS			
Advertisement & Publicity		**191,380**	228,127
Freight and Carriage Outward		**13,608,855**	11,356,005
Discount, Rebates and Claims		**1,612,304**	3,112,439
Brokerage & Commission		**2,674,758**	2,097,947
Business Promotion Expenses		**2,387,560**	3,490,910
Turnover and Sales Tax		**112,393**	178,599
Exhibition & Conference Expenses		**632,169**	378,637
		21,219,419	20,842,663
Total (1+2+3)		**122,147,114**	118,841,677

NOTE : Y SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2012

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

(a) 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.

(b) Sales are inclusive of excise duty, interdivisional transfers and exchange gain/loss on export sales. Interdivisional transfers are recorded at estimated net realizable value.

(c) Realization from Scrap of Adhesives Tape Division is accounted for on cash basis.

(d) 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 lower of cost or market value
Work-in-progress & Finished Goods	Material Cost plus appropriate Attributable Production overheads, Duties as Applicable.
Rejected Materials/Scrap	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:

a) On Plant & Machinery and Electric Installations, on straight-line method

b) 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.

VIII 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.

IX EXPENDIITURE DURING CONSTRUCTION PERIOD

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

X BORROWING COST

Borrowing costs that are directly attributable to the acquisition or construction of fixed assets, which take substantial period of the time to get ready for its intended use, are capitalize until the time all substantial activities necessary to prepare such assets for their intended use are complete. Other borrowing cost are recognized as an expense in the year in which they are incurred.

XI 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.

XII CONTINGENT LIABILITES

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.

XIII 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 lows that have been enacted or substantively enacted as on the Balance Sheet date.

XIV 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.

B OTHER NOTES ON ACCOUNTS

1. 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 (Previous year Rs Nil) and procurement of raw material from domestic supplier Rs. 8.22 Lac (Previous year Rs. 41.93 Lac)

(c) Sales Tax demand pending appeals Rs. 5.61 Lacs (Previous year Rs. 6.40 Lacs)

(d) Excise Duty demand pending appeals at High Court Rs 1.95 Lacs. (Previous year at Rs. 1.95 Lacs)

2. In accordance with company's consistent practice, no provision has been made for excise duty aggregating Rs. 8.77 Lacs (Previous year Rs. 4.84 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.

3. Sales of finished goods and raw material consumed include Rs. 10,86,69,384/- on account of interdivisional Transfer (Previous year Rs 10,66,30,161/-).

4. Accrued benefits of duty free imports available to the company in form of transferable advance import licenses for completed export obligations, which are utilized / availed for own imports in subsequent financial year , have not been accounted for as the same has no impact on financial statements of the company .

5. 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.

6. 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.

7. 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.

8. The Roorkee Unit of Company has been registered under the Central Capital Subsidy Scheme 2003. The Company is eligible for a Capital Subsidy amounting to Rs.30.00 lacs (maximum) under the said scheme which will be accounted for in the year of receipt.

9. Pre-operative expenses (pending allocation) shown in schedule "E" comprises of the following expenses incurred for the new Plant site at Roorkee, Haridwar:

S. No.	Particulars	Upto 31/03/2011	During 2011-12	Total capitalised during the year
		Amount		
i)	Salaries, Wages and other Benefits	1,53,169	501,407	654,576
ii)	Administrative and other overheads	1,14,436	678,476	792,912
iii)	Exhibition & Conference Expenses	7,27,713	Nil	727,713
iv)	Promotion Expenses	54,363	Nil	54,363
v)	Interest and Financial Charges	10,17,899	9,917,811	10,935,710
	Interest Earned	(87,235)	(46,207)	(133,442)
	Total	**19,80,345**	**11,051,487**	**13,031,832**

10. Amount paid to Directors as remuneration:

A. Managing Director	Full Time	
	2011-2012	2010-2011
a) No. of Persons	**One**	(One)
b) Salary & Allowances	**30,00,000/-**	30,00,000/-
c) Perquisites	**184,324/-**	82,485/-
B. Whole Time Director	**Full Time**	
	2011-2012	**2010-2011**
a) No. of Persons	**Three**	Two
b) Salary & Allowances	**10,26,828/-**	9,56,316/-
c) Contribution to P.F & other funds	**67,116/-**	66,038/-
d) Perquisites	**3,17,857/-**	2,41,442/-

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

11.

Earnings per share (EPS):	2011-2012	2010-2011
Profit/(Loss) after Tax (Rs. in Lacs)	**157.03**	177.21
Average number of Equity Shares (Face Value of Rs.10/-)	**51,16,300**	51,16,300
Basic and Diluted EPS (in Rupees per Share)	**3.07**	3.46

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

1 Defined contribution Plans

PARTICULARS	2011-12	2010-2011
The Group has recognized the following amounts in the profit and loss account:-Contribution to Provident Fund and -Family Pension Fund	16,54,757/-	15,11,233/-

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.

Pariculars	Gratuity		Leave Encashment	
	2011-12	2010-11	2011-12	2010-11
Current Service Cost	4,24,490	4,31,444	39,091	47286
Interest Cost	4,64,488	3,82,639	32,990	25986
Actuarial Losses(Gains	(5,33,249)	20,784	73,482	104557
Total Expenses recognized in the P& L A/c	3,56,729	8,34,867	1,45,563	177829

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

Pariculars	Gratuity		Leave Encashment	
	2011-12	2010-11	2011-12	2010-11
Present Value of Defined Benefit Obligation	**55,32,679**	**53,19,858**	3,77,307	3,77,025
Net Asset/(Liability) recognized in the Balance Sheet	**55,32,679**	**53,19,858**	3,77,307	3,77,025

III **Charge in Defined Benefit Obligation during the year.**

Pariculars	Gratuity		Leave Encashment	
	2011-12	2010-11	2011-12	2010-11
Present Value of defined Benefit obligation as at the beginning of year	**53,19,858**	**48,50,789**	3,77,025	3,15,847
Current Service Cost	**4,24,490**	**4,31,444**	39,091	25,986
Interest Cost	**4,65,488**	**3,82,839**	32,990	47,286
Actuarial Losses/(Gains)	**-5,33,250**	**20,784**	73,482	1,04,557
Benefits paid	**-1,43,907**	**-1,85,798**	-1,45,281	-1,16,651
Present value of Defined Benefit obligation as the end of the year	**55,32,679**	**53,19,858**	3,77,307	3,77,025

IV. **Actuarial Assumptions**

Particulars	Current Year	Previous Year
Discount Rate	**8.75%**	8.25%
Salary escalation Rate	**5.00.%**	5.00.%

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

13. There are no saparately reportable segments in terms of Accounting Standard AS-17.

14. 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.)
   Alora Trading Company Ltd

2. **Key Management Personnel:**
   Mr. Lalit Kumar Bagla - Chairman
   Mr. Madhu Sudan Bagla - Mg. Director
   Mr. Suresh Ajila – Whole time Director
   Mr. K.C. Dwivedi - Whole time Director (Resigned in Feb-2012)
   Mrs. Urmila Goenka - Whole time Director

3. **Relative of Key Management Personnel**
   (With whom transactions taken place during the year)
   Mrs. Anju Bagla
   Mrs. Gayathri Ajila
   Mr. Nakul Bagla

4. **Others**
   Shree Shree Iswar 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)	
		2011-12	2010-11	2011-12	2010-11
Where Control Exists	Loans & Advances Received	44,00,000	96,80,000	44,00,000	15,50,000
	Loans & Advances Given	2,22,63,581	1,37,16,221	NIL	(43,96,133)
	Hire charges Paid	10,80,000	8,10,000	NIL	NIL
	Purchases	5,32,460	5,83,564	NIL	60,573
	Rent Paid	1,32,000	1,32,000	NIL	NIL
	Technical Know how purchased	40,00,000	NIL	NIL	NIL
	Job Work payment	64,56,359	3,82,140	NIL	NIL
	Sales	1,19,24,038	60,99,491	NIL	NIL
Key Management Personal	Managing Director's Remuneration & Perquisites	31,84,324	30,82,485	NIL	NIL
	Loan & Advance given	7,58,979	NIL	NIL	NIL
	Director's Remuneration	14,11,801	12,63,796	44,400	66,190
	Loans & Advances Received	6,00,000	57,95,000	25,00,000	25,00,000
	Interest Paid	3,00,000	1,23,485	67,315	1,11,136
Relative of Key Management Personal	Salary	3,00,000	30,00,010	Nil	Nil
	Loans given	2,50,000	NIL	NIL	NIL
	Loans Received	30,00,000	35,00,000	NIL	25,00,000
	Interest Paid	3,00,000	80,117	67,315	80,127
	Commission paid	4,80,000	6,19,450	NIL	Nil
Others	Rent Paid	24,000	24,000	Nil	Nil
	Loan Received	1,81,00,000	NIL	1,16,50,000	NIL

15. Derivative Instruments and Unhedged Foreign Currency disclosure:

Class of Goods	2011-2012			2010-2011		
	Rs.	Value in Foreign Currency		Rs.	Value in Foreign Currency	
Receivables						
Export Sales	**42,76,513**	**USD**	**87,269**	50,71,845	USD	1,12,949
Advance paid for Raw material	**20,59,232**	**USD**	**41,877**	NIL		NII
Total	**63,35,745**			50,71,845		
Payables						
import- Raw Material	**25,26,064**	**USD**	**50,320**	1,17,42,374	USD	2,61,756
import- Machine	**3,35,597**	**EUR**	**5,167**	4,18,67,600	EUR	6,55,000
Mopp film	**1690150**	**USD**	**25,473.25**	3,49,744	EUR	55,559
Printing Ink	NIL		NIL	21,594	GBP	293
Adhesives	NIL		NIL	3,99,765	USD	8,700
Total	**45,51,811**			**5,43,81,077**		

16. A. STOCK AND TURNOVER

Class of Goods	Opening Stock Value (Rs.)	Closing Stock Value (Rs.)	Turnover Value (Rs.)
MANUFACTURED FINISHED GOODS			
SELF ADHESIVE TAPES	11,930,676	7,503,596	568,872,908
	(9,912,280)	(11,930,676)	(554,757,720)
BOPP FILM	2,904,249	3,870,407	131,349,245
	(4,867,897)	(2,904,249)	(110,246,236)
POF FILM	-	1,295,060	2,450,833
	-	-	-
TRADED FINISHED GOODS			
Polypropylene	-	-	12,230,890
	(3,944,098)	(5,041,818)	(6,672,467)
Others	17,605	17,605	-
	(17,605)	(17,605)	(1,293,285.00)
	14,852,530	12,686,668	714,903,876
	(18,741,880)	(19,894,348)	(672,969,708)

Class of Goods	Value (Rs.)
TRADED FINISHED GOODS	
Polypropylene	10,016,939
	(778,259)
Others	-
	(1,200,702)
	10,016,939
	(1,978,961)

B. OPENING STOCK

	Current Year Value (Rs.)	Previous Year Value (Rs.)
OPENING STOCK		
SELF ADHESIVES TAPES	**15,028,285**	12,924,286
BOPP FILM	**2,577,641**	134,599
	17,605,926	13,058,885
CLOSING STOCK		
SELF ADHESIVES TAPES	**18,581,045**	15,028,285
BOPP FILM	**1,591,796**	2,577,641
	20,172,841	17,605,926

C RAW MATERIAL CONSUMED

	Current Year Value (Rs.)	Previous Year Value (Rs.)
Bopp & other films	**138,096,526**	133,442,912
Polypropylene Granules	**110,550,938**	81,144,111
Adhesives & Chemicals	**190,946,911**	196,103,363
Paper	**759,347**	1,560,413
	440,353,721	412,250,799

Including Interdivisional Transfer 1015.31 MT equivalent to 42070729 SQM (Previous year 1045.39 MT equivalent to 43251197 SQM) valuing Rs.1086.69 Lacs (Previous Year Rs.1066.30 Lacs)

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

	CURRENT YEAR		PREVIOUS YEAR	
	%	Value (Rs.)	%	Value (Rs.)
RAW MATERIALS				
Imported	**18.13**	**79,823,800**	16.24	66,943,945
Indigenous	**81.87**	**360,529,921**	83.76	345,306,854
	100.00	**440,353,721**	100.00	412,250,799
STORE & SPARES & LOOSE TOOLS				
Imported	**3.25**	**162,798**	7.38	374,583
Indigenous	**96.75**	**4,840,860**	92.62	4,704,000
	100.00	**5,003,658**	100.00	5,078,583

E CIF VALUE OF IMPORTS

	Current Year Value (Rs.)	Previous Year Value (Rs.)
Raw Materials	**83,445,426**	69,769,786
Capital Work in Progress	**4,643,495**	-
Capital Goods	**77,563,788**	244,970
Store & Spare	**162,798**	482,416

F EXPENDITURE IN FOREIGN CURRENCY

	Current Year Value (Rs.)	Previous Year Value (Rs.)
Traveling Expenses	**2,444,996**	1,346,173
Exhibition, Meeting & Conference, Professinal	**121,122**	1,211,910
Others (Donation, Commission & Bank Charges)	**315,178**	460,465

G EARNING IN FOREIGN CURRENCY

	Current Year Value (Rs.)	Previous Year Value (Rs.)
FOB Value of Exports	**66,416,340**	58,049,908

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

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 : 04.09.2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

		Currenct Year (Rs.)	Previous Year (Rs.)
A	**Cash Flow From Operating Activities**		
	Net Profit / (Loss) As per Profit & loss Account	**22,686,488**	26,384,778
	Adjustment For:		
	Depreciation	**15,312,558**	15,647,454
	Loss on Sales of Fixed Assets Sold / discarded (Net)	**-**	1,111,976
	Interest Paid /Received Net	**21,044,521**	18,266,269
	Provision for Gratuity & Leave	**213,104**	730,247
	Operating Profit Before Working Capital Change	**59,256,671**	62,140,724
	Adjustment For:		
	Trade & Other Receivables	**9,373,150**	(30,129,240)
	Inventories	**(6,326,336)**	(8,048,478)
	Trade Payable	**(11,677,051)**	14,372,942
	Cash Generated by Operating Activities	**50,626,434**	38,335,948
	Less : Income Tax Payments	**(5,331,727)**	(5,650,431)
	Net Cash Generated by Operating Activities	**45,294,707**	32,685,517
B	**CASH FLOW FROM INVESTMENT ACTIVITIES**		
	Purchases of Fixed Assets	**(101,655,890)**	(60,183,172)
	Sales of Fixed Assets	**-**	4,329,668
	Net Cash Flow from investment Activities	**(101,655,890)**	(55,853,504)
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds /(Repayment) from Secured Loans	**41,657,592**	19,169,271
	Proceeds /(Repayment) from Unsecured Loans	**29,802,898**	28,927,210
	Interest	**(21,044,521)**	(18,266,269)
	Net cash used in Financing Activities	**50,415,969**	29,830,212
	NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENT	**(5,945,214)**	6,662,224
	Cash & Cash equivalents opening Balance	**10,723,219**	4,060,995
	Cash & Cash equivalents Closing Balance	**4,778,005**	10,723,219

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

(Kamal Kumar Gupta)	**(S.S. DUA)**	**(L.K. BAGLA)**	**(M.S. BAGLA)**
Partner	Co.Secretary	Chairman	Mg. Director
M. No.- 89190			

Place : New Delhi
Date : 04.09.2012

HINDUSTAN ADHESIVES LIMITED

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

24TH ANNUAL GENERAL MEETING

ATTENDANCE SLIP

DPID/Client/ID No. .....

Folio No. .....

No. of Shares held .....

I hereby record my presence at the 24th Annual General Meeting of the Company to be held on Saturday 29th September, 2012 at 10.00 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		:	.....

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

Member's/Proxy's Signature

Note :

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

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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 at attend and vote for me/us, on my/our behalf on the 24th Annual General Meeting, of the company to be held on Saturday, 29th September, 2012 at 10.00 A.M. Prakash Place-13, Wazirpur Press Area, Wazirpur Delh-110035 and at any adjournment thereof.

Signed this.....day of.....2012

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.

If Undelivered please return to :

HINDUSTAN ADHESIVES LIMITED

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