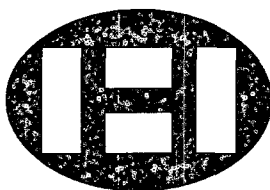


16th
Annual Report
2006 - 2007

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HANSAFLON PLASTO CHEM LTD.

BOARD OF DIRECTORS

Shri. Rajeev S. Aggarwal	Managing Director
Smt. Rajni	Director
Shri. Vinod Pant	Independent & Non Executive Director
Shri. Shyam Sunder Mitra	Independent & Non Executive Director

AUDITORS

M/s. Alok Mittal & Associates
Chartered Accountants
New Delhi.

BANKERS**HDFC BANK LTD**

Safdarjung Enclave,
New Delhi.

HEAD OFFICE

B-1/45, Safdarjung Enclave,
New Delhi – 110 029

REGD. OFFICE AND WORKS

9 K.M. Gurgaon Sultanpur, Vill. Budhera,
Opp. Daya Vihar, Gurgaon
(Haryana)

ANNUAL GENERAL MEETING TO BE HELD ON SATURDAY, THE 29th DAY
OF SEPTEMBER AT 11.30 A.M. AT 9.K.M. GURGAON SULTANPUR ROAD,
VILL. BUDHERA OPP. DAYA VIHAR, GURGAON, (HARYANA)

To facilitate registration, ATTENDANCE SLIP is enclosed with this report. Shareholders attending the AGM are requested to bring it with them and hand it over at the venue.

NOTICE

Notice is hereby given that the 16th ANNUAL GENERAL MEETING of the shareholders of the Company will be held on Saturday the 29th day of September 2007 at 11.30 a.m. at factory premises at 9 km Gurgaon Sultanpur Road, Vill. Budhera, Opp. Daya Vihar, Gurgaon, Haryana to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the company for the year ended 31st March 2007 along with the Auditor's report and the Directors report thereon.
2. To appoint director in place of Ms. Rajni Aggarwal, who retires by rotation and being eligible offer herself for reappointment.
3. To appoint Auditors and authorize the Board of Directors to fix their remuneration.



By the order of Board
For HANSAFLON PLASTO CHEM LTD

Sd/-
RAJEEV S. AGGARWAL
(MANAGING DIRECTOR)

Place : New Delhi
Date : 28.08.07

DIRECTOR'S REPORT

The Shareholders.

Your Directors have the pleasure in presenting the Sixteenth Annual Report and that of the Auditors together with the audited Balance Sheet as at 31st March 2007 and the Profit and Loss account for the year ended on that date.

FINANCIAL RESULTS**Rs. IN LACS**

Particular	Year Ended 31.3.2007	Year Ended 31.3.2006
1. Sales/Income from Operation and Other Income	1856.54	278.85
2. Total Expenditure	739.16	227.43
3. Tax	0.06	0.05
4. Net Profit	1117.32	51.37

COURSE OF BUSINESS AND OUTLOOK

During the year company has progressed well and is on the verge of coming out of sickness and will be on the path of becoming a profitable company. The board of directors have plans for the year which will increase the turnover of the company and in turn will improve profitability of the company as well.

However, there are great challenges ahead not only for your company but for the industry as a whole. With the continued confidence of all our associates, we will aggressively meet those challenges with renewed faith in our company and the future that we all share.

FIXED DEPOSIT

The Company has not accepted any fixed deposit during the year.

DIRECTORS

Mrs. Rajni Aggarwal, Director of the Company retires at ensuing Annual General Meeting and being eligible, offer herself for re-appointment. The Board recommends her appointment.

AUDITORS

M/s. Alok Mittal & Associates, statutory Auditors of the company retire at the conclusion of the ensuing Annual General Meeting and are being eligible for re-appointment. Accordingly a resolution is being submitted to the members for their re-appointment and to fix their remuneration for the current year. The Board recommends their re-appointment.

STATUTORY DISCLOSURES

Foreign Exchange earning and outgo: The total foreign exchange outgo during the year was Rs. Nil towards the import of raw materials, components and traveling. During the year the foreign exchange earning were nil.

HANSAFLON PLASTO CHEM LTD.

DIRECTORS RESPONSIBILITY STATEMENT

Directors hereby declare

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
3. that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities subject to the inherent limitations that should be recognized in weighing the assurance;
4. The directors have prepared the annual accounts on a going concern basis.

EMPLOYEE RELATIONS

Employee relations throughout the company were harmonious. The board wishes to place on record its sincere appreciation of the devoted efforts of all employees in advancing the company's vision and strategy to deliver another record performance.

AUDIT COMMITTEE

It comprises of Mr. Vinod Pant & Mr. Rajeev S. Aggarwal Directors of the Company. The audit committee shall meet at least thrice a year. One meeting shall be held before finalization of annual accounts and one every six months.

LISTING OF EQUITY SHARES

Shares of your Company are listed on the Mumbai Stock Exchange.

ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the support and co-operation of all the shareholders. On behalf of all the company's stakeholders who benefit from the hard work of the employees and continued assistance received from various state and central government authorities, financial institutions and banks.

On behalf of the Board of Directors

Sd/-

RAJEEV S. AGGARWAL
(MANAGING DIRECTOR)

Place: New Delhi

Date: 28.08.07

AUDITORS REPORT

To the Members of **HANSAFLON PLASTOCHEM LTD.**

We have audited the attached Balance Sheet of **HANSAFLON PLASTOCHEM LTD** as at 31st March 2007 and the Profit and Loss Account and also the cash statement for the year ended on that date annexed thereto. The 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.

We 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.

As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government in terms of Sec. 227 (4A) of The Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraph 4 and 5 of the said order.

Further to our comments in the annexure referred to in above paragraph, we report that :

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit.
- b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from examination of the books;
- c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account;
- d) In our opinion the Profit & Loss Account and the Balance Sheet comply with the accounting standards specified by the Institute of Chartered Accountants of India referred to in sub section (3C) of section 211 of the Companies Act, 1956.
- e) On the basis of written representation received from the directors as on 31.03.2007, none of the directors are disqualified as on 31st March 2007 from being appointed as directors in terms of clause (g) of sub –section (1) of Section 274 of The Companies Act 1956.
 - i. Earlier, the company had appealed in AAIFR against the order of BIFR dated 16.03.2004 in which BIFR had recorded that it is just & equitable to wound up the company. The appeal was heard on 04.05.2007 and above-mentioned order was set aside with order dated 15.05.2007. The opinion held by AAIFR was that the company is capable of being revived as well as is actively interested in revival given the fact that a substantial sum of money has been spent in settling with its secured creditors.

HANSAFLON PLASTO CHEM LTD.

- ii. As stated in Note 6 of the Notes forming part of the Accounts, Debtors/Creditors/advances are subject to reconciliation/confirmation.
- iii. As stated in Note 8 of the Notes forming part of the Accounts, company has not transferred Rs. 21,956.22 from the unpaid dividend account to the General Revenue Account of the Central Government in pursuance to sub section (5) of section 205A of the Companies Act 1956.
- iv. The company had filed an appeal-dated 28.07.2005 against a sales tax demand of Rs.3.20 crores raised by Sales Tax Authorities in Gurgaon. This amount has been waived off wide decision dated 01.09.2006 by Jt. Excise & Taxation Commissioner (Appeals), Faridabad.
- v. Subject to the matters referred to the items f (i), (ii) , (iii) & (iv) above, in our opinion, and to the best of our information and according to the explanation given to us, the accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view;
 - i) In the case of Balance Sheet, the state of the affairs of the Company as at 31st March, 2007;
 - ii) In the case of Profit & Loss account, of the Profit of the Company for the year ended on 31st March 2007.;and
 - iii) in the case of the cash flow statement ,of the cash flows for the year ended on that date.

For ALOK MITTAL & ASSOCIATES
CHARTERED ACCOUNTANTS

ALOK K. MITTAL
(PARTNER)
M No. 71205

Place : New Delhi
Date : 28.08.07