



Bagla Group

## HINDUSTAN ADHESIVES LIMITED

CIN: L74899DL1988PLC031191

Regd Office: 340/2A, G.T. ROAD, SHAHDRA, DELHI- 110095

### NOTICE

Notice is hereby given that the Twenty Sixth Annual General Meeting of the Members of Hindustan Adhesives Limited will be held on Friday, the 12th September, 2014 at 10.00 A.M at Ashok Avenue, Main Chattarpur Road, Asola Fatehpur Beri, New Delhi-110074 to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at March 31, 2014 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 (DIN 01165727), who retire by rotation and being eligible offers himself for re- appointment.
3. To appoint a Director in place of Mr. Suresh Shridhar Ajila (DIN 03203748), who retire by rotation and being eligible offers himself for re- appointment.
4. Appointment of Auditors.

To Consider and if thought fit pass with or without modification(s) the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provision, if any, of the Companies Act, 2013 and the rules framed thereunder, as amended from time to time, M/s Salarpuria & Partners, Chartered Accountants (firm Registration No 302113E), be and is hereby re-appointed as auditors of the Company to hold office from conclusion of this Annual General Meeting (AGM) till conclusion of the Twenty Ninth AGM of the Company to be held in the year 2017(subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out- of pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

#### SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass the following Resolution, with or without modification, as Ordinary Resolution:  
**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 161 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the provisions of Clause 49 of the Listing Agreement, including any modification or amendment thereof, Mr. Amit Kumar (DIN: 06902856), who was appointed as an Additional Director by the Board of Directors of the Company and who holds office as such only up to the date of this Annual General Meeting and in respect of whom the Company has received a notice, pursuant to the provisions of Section 160 of the Act, from a member signifying his intention to propose Mr. Amit Kumar as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the thirty first Annual General Meeting to be held in the calendar year 2019, not liable to retire by rotation."
6. To consider and, if thought fit, to pass with or without modification(s), the following Resolutions(s) as an **Ordinary Resolution**:  
**"RESOLVED THAT** pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Kailash Chandra Gupta (DIN 01649210), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from September 12, 2014 up to September 11, 2019."
7. To consider and, if thought fit, to pass with or without modification(s), the following Resolutions(s) as an **Ordinary Resolution**:  
**"RESOLVED THAT** pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Pawankumar Geetaram Sharma (DIN 01660557), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from September 12, 2014 up to September 11, 2019."



8. To consider and, if thought fit, to pass the following Resolution, with or without modification, as Special Resolution:
- “RESOLVED THAT** in supersession of the Ordinary Resolution No. 6 passed at the Annual General Meeting of the Company held on 13th November, 1998, and pursuant to Section 180(1)(a) and other applicable provisions, if any of the Companies Act, 2013, as amended from time to time, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations, if any, created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, in favour of Banks, Financial Institutions, Insurance companies, other lending/investing agencies or bodies / trustees for holders of debentures/bonds which may be issued to or subscribed to by all or any of the Banks, Financial Institutions, Insurance companies, other lending / investing agencies, or any other person(s)/bodies corporate by way of private placement or otherwise (hereinafter collectively referred to as “Lenders”) to secure rupee/foreign currency loans, debentures/bonds and/or such other borrowings (hereinafter collectively referred to as “Loans”) provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company in respect of the said Loans, shall not, at any time exceed the limit of 100 crores (Rupees one Hundreds crores only).
- “RESOLVED FURTHER THAT** Mr. Madhusudan Lalitkumar Bagla, Managing Director be and is hereby authorised to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to a Committee constituted by the Board and/or any member of such Committee with power to the said Committee to sub-delegate its powers to any of its members, to give effect to the above Resolution.”
9. To consider and, if thought fit, to pass the following Resolution, with or without modification, as Special Resolution:
- “RESOLVED THAT** in supersession of the Ordinary Resolution approved at the Annual General Meeting held on 29th September, 2001 and pursuant to the provisions of Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) subject to such approvals, consents, sanctions and permissions, as may be necessary, and the Articles of Association of the Company and all other provisions of applicable laws, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the “Board”, which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution) to borrow monies in excess of the aggregate of the paid-up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained / to be obtained from the Company’s Bankers in the ordinary course of business, shall not be in excess of **Rs. 100 crore.**
- “RESOLVED FURTHER THAT** the Board of the Company be and is hereby authorised to do or cause to be done all such acts, matters, deeds and other things as it may in its absolute discretion deem fit, required or considered necessary or incidental thereto, for giving effect to the aforesaid resolution.”
10. To consider and, if thought fit, to pass with or without modification(s), the following Resolutions(s) as an as Special Resolution:
- “RESOLVED THAT** pursuant to the provisions of the Sections 196 and 197 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 the approval of the Company be and is hereby accorded to the re-appointment of Mr. Suresh Shridhar Ajila (holding DIN 03203748) as a Wholetime Director of the Company for a period of three years effective from 30th September, 2014, on the terms and conditions of re-appointment and remuneration as contained in the Letter of Re-appointment, a copy whereof initialled by the Chairman for the purpose of identification is placed before the Meeting.”
11. To consider and, if thought fit, to pass with or without modification(s), the following Resolutions(s) as a Special Resolution:
- “RESOLVED THAT** pursuant to the provisions of the Sections 196 and 197 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 the approval of the Company be and is hereby accorded to the re-appointment of Mrs. Urmila Goenka (holding DIN 01165727) as a Wholetime Director of the Company for a period of three years effective from 30th September, 2014, on the terms and conditions of re-appointment and remuneration as contained in the Letter of Re-appointment, a copy whereof initialled by the Chairman for the purpose of identification is placed before the Meeting.”



12. To consider and, if thought fit, to pass with or without modification(s), the following Resolutions(s) as a Special Resolution:

**“RESOLVED THAT** in partial modification of Resolution No.5 passed at the Annual General Meeting of the Company held on 30th September 2013 for the appointment and terms of remuneration of Mr. Madhusudan Lalit Kumar Bagla, Managing Director of the Company and pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, as amended from time to time, read with Schedule V to the Act, consent of the Company be and is hereby accorded to the **revision in the terms of remuneration** of Mr. Madhusudan Lalit Kumar Bagla as the Managing Director of the Company, by way of change in the maximum amount of basic salary payable to Mr. Madhusudan Lalit Kumar Bagla (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with authority to the Board of Directors (hereinafter referred to as the “Board”, which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to fix his salary within such maximum amount, with effect from 1st August 2014 for the remainder of the tenure of his contract, as set out in the Explanatory Statement annexed to the Notice convening this meeting.

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

#### NOTES

- a) The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 is annexed hereto in respect of the business under Item Nos. 5 to 12 of the Notice, is annexed hereto.
- b) The relevant details as required under clause 49 of the listing Agreement entered into with the stock exchanges, of persons seeking appointment/reappointment as Directors under Item 2, 3 and Item 5 to 7 of the Notice, are also annexed.
- c) A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself. A proxy need not be member of the company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than 10 % of total share of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share Capital of the Company carrying voting rights, then such proxy shall not act a proxy for any other person or shareholder.
- d) Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- e) Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
- f) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- g) The Register of Members and Transfer Books of the Company will be closed from Monday, 05.09.2014 to Friday, 12.09.2014, both days inclusive
- h) Relevant documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, (except Saturdays, Sundays and Public Holidays) between 11.00 a.m. and 1.00 p.m. upto the date of the Meeting.
- i) Members/Proxies should bring their attendance slips duly completed for attending the Meeting.
- j) Members are requested to notify any change in their address, bank details, etc.:
  - (i) To their Depository Participants (DPs) in respect of shares held in demat form; and
  - (ii) To the Registrar & Share Transfer Agent of the Company in respect of shares held in physical form, quoting their folio numbers.
- k) The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to Link Intime India Private Limited Registrar and Share Transfer Agent of the Company.



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l) The Ministry of Corporate Affairs has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members who have not yet registered their e-mail address are requested to support this green initiative by registering their e-mail addresses with Link Intime India Private Limited in case the shares are held in physical form and with the Depository Participant in case the shares are held in demat form.

m) Voting through electronic means:

In terms of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and clause 35B of the listing agreement, the Company is providing facility to exercise votes on the items of business given in the notice through electronic voting system, to shareholders holding shares as on August 08, 2014 being the cut-off date ("Record date" for the purpose of Rule 20(3)(vii) of the said Rules) fixed for determining voting rights of shareholders entitled to participate in the e-voting process through the e-voting platform provided by Central Depository Services (India) Limited (CDSL). The e-voting rights of the shareholders/beneficiary owners shall be reckoned on the equity shares held by them as on Friday, August 08, 2014. The instructions for e-voting are as under

**INSTRUCTION FOR E-VOTING**

**In case of members receiving e-mail:**

- (i) Open Your web browser during the voting period and Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" to cast your vote(s).
- (iii) Now, select the "**Hindustan Adhesives Limited**" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID).  
Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the captcha code as displayed and click on login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) For Shareholders holding shares in physical form and first time users holding shares in electronic form, the steps given below are to be followed:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department. <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of Demat account the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. eg. If your name is Ramesh Kumar and Folio number 1 then enter RA00000001 in the PAN Field.</li> </ul>
DOB#	Enter the Date of Birth as recorded in your demat account or in the company's records for the said demat account in dd/mm/yyyy format or folio.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company's records for the said demat account or folio.  Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for

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resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the Hindustan Adhesives Limited on which you choose to vote.
- (xi) On the voting page, you will see "Resolution Description" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If an electronic account holder has forgotten the set password, then he has a 'Forgot password' option to reset the password.
- (xvii) Note for Institutional Shareholders:
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details, they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.

**In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on Saturday, September 6, 2014(9:00 a.m IST) and ends on Monday, September 8, 2014 (6:00 p.m IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on, August 08, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**Other Instructions:**

- (i) The e-voting period commences on Saturday, 6th September 2014 (9.00 a.m. IST) and ends on Monday, 8th September 2014 (6.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in electronic form, as on **August 8, 2014**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast and confirmed by the Member, he shall not be allowed to change it subsequently.
- (ii) The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on **August 8, 2014**.
- (iii) **Mr. Puneet Kumar Pandey**, Practicing Company Secretary (Membership No. A29848), has been appointed as the Scrutinizer to conduct the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- (iv) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of atleast two witnesses not in the employment of the Company and submit a Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.



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- (v) The results declared alongwith the Scrutinizer's Report shall be placed on the website of CDSL [www.evoting.cdsl.com](http://www.evoting.cdsl.com) within two days of the passing of the resolutions at the Twenty Sixth AGM of the Company on 12th September 2014 and communicated to BSE Limited and Delhi stock Exchange Limited & Calcutta Stock Exchange where the shares of the Company are listed.

By Order of the Board  
**HINDUSTAN ADHESIVES LIMITED**

**New Delhi, August, 13 2014**  
CIN : L74899DL1988PLC031191

**(Lalit Kumar Bagla)**  
Chairman

**Registered Office:**

340/2-A, G.T.Road Shahdara, Delhi-110095  
Email: [info@bagla-group.com](mailto:info@bagla-group.com)

**EXPLANATORY STATEMENT**

**Pursuant to section 102 of the Companies Act, 2013**

As Required by section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 5 to 12 of the accompanying Notice.

**Item No. 5**

Mr. Amit Kumar was appointed as an additional director on the Board of the Company with effect from 12th July, 2014 to hold office only up to the date of the ensuing Annual General Meeting.

The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the "Act") from a Member signifying his intention to propose the candidature of Mr. Amit Kumar as a Director of the Company.

Mr. Amit Kumar is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Section 149 of the Act inter alia stipulates the criteria of independence for appointment of an Independent Director on the Company's Board. An Independent Director can hold office for a term up to 5 (five) consecutive years on the Board of the Company and he shall not be included in the total number of directors liable to retire by rotation.

The Company has received a declaration from Mr. Amit Kumar that he meets the criteria of independence as prescribed both under subsection (6) of Section 149 of the Act and Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Amit Kumar fulfils the conditions for his appointment as an Independent Director as specified in the Act, the Rules made thereunder and the Listing Agreement. Mr. Amit Kumar is independent of the management.

A copy of the draft letter of appointment of Mr. Amit Kumar as an Independent Director setting out the terms and conditions is available for inspection by the Members at the registered office of the Company on all working days (except Saturdays, Sundays and Public Holidays) between 10:00 am to 1:00 pm up to the date of the AGM.

None of the Directors, Key Managerial Personnel and their relatives other than Mr. Amit Kumar and his relatives are concerned or interested in the said resolution.

The resolution as set out in Item no. 5 of this Notice is accordingly commended for your approval.

**Item nos.: 6 to 7**

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mr. Kailash Chandra Gupta and Mr. Pawankumar Geetaram Sharma as Independent Directors at various times, in compliance with the requirements of the clause.

Pursuant to the provisions of section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

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The Nominations Committee has recommended the appointment of these directors as Independent Directors from September 12, 2014 up to September 11, 2019.

Mr. Kailash Chandra Gupta and Mr. Pawankumar Geetaram Sharma non-executive directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, (except Saturdays, Sundays and Public Holidays) between 10:00 am to 1:00 pm up to the date of the AGM.

None of the Directors and key Managerial Personnel of the Company nor their relatives are concerned or interested, in the resolutions at item Nos. 6 and 7 of the accompanying Notice.

The resolution as set out in Item no. 6 to 7 of this Notice is accordingly commended for your approval.

### Item No. 8 & 9

The members of the Company had at its General Meeting, passed an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956, granting their consent for availing borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time should **not exceed 40 crores over** and above the paid up share capital and free reserves of the Company prevailing from time to time.

To facilitate future business expansion, your Company would be requiring further infusion of funds, either in the form of equity or debt from financial institution, Bank or other. It is thereof, proposed to enhance the borrowing **limits to Rs. 100 Crore by** seeking appropriate approval from the member of the Company.

Section 180(1)(c) of the Companies Act, 2013 ('Act'), provides for the consent to be sought from members by way of a Special Resolution. Hence the resolution at item no. 9 of the accompanying Notice, which your Board recommends for your approval.

In order to secure the borrowings / financial assistance referred to in the resolution at item no. 9 of the accompanying Notice, the Company may be required to create security by way of mortgage/charge and/or hypothecation of its assets and properties both present and future. The terms of such security may include a right in certain events of default, to take over management or control of the whole or substantially the whole of the undertaking(s) of the Company. As per section 180(1)(a) of the Act, consent of the Company by Special Resolution is required to be obtained by the Board of Directors to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking(s) of the Company. Since mortgaging or charging the movable and/or immovable properties and assets of the Company with the right of taking over management or control in certain events of default may be considered to be disposal of the Company's undertaking within the meaning of section 180(1)(a) of the Act, it is proposed to seek approval of the shareholders for creating such mortgages and/or charges on the assets and properties of the Company, both present and future. Hence the resolution at item no. 8 of the accompanying Notice, which your Board recommends for your approval.

None of the Directors and Key Managerial Personnel of the Company nor their relatives are concerned or interested, financially or otherwise, in the resolutions at Item Nos. 8 and 9 of the accompanying Notice.

The resolution as set out in Item no. 8 to 9 of this Notice is accordingly commended for your approval.

### Item No. 10

Mr. Suresh Shridhar Ajila was appointed as a Whole Time Director of the Company w.e.f. 01.10.2011. and was confirmed by the Shareholders at the Meeting held on 29th September 2012. In terms of the appointment Mr. Suresh Shridhar Ajila was appointed for a period of 3 years w.e.f 01.10.2011. As such his tenure as a Whole time director would come to an end on 30.09.14.

Keeping in view his contribution in the growth of the Company and his leadership qualities supported by experience, the Board of Director in their meeting held August 13, 2014 has re-appointed Mr. Suresh Shridhar Ajila as a Whole-time Director for a further period of three years from the date of expiry of his earlier term, i.e., w.e.f. September 30, 2014 on the following remuneration, as approved by the Remuneration Committee

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**Basic Salary-** 35000/- per month

**He will be entitled to following Perquisite:**

**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

The Board considers that, his re-appointment is in the interest of the Company and commends the Resolution for your approval as Special Resolution.

None of the Directors except Mr. Suresh Shridhar Ajila, key managerial personnel or their relatives is interested or concerned in this resolution.

**The following additional information as required by Schedule V to the Companies Act, 2013 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 22 years 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.35000/- pm
- (iii) **Recognition and Awards/Achievements:** NIL
- (iv) **Job profile and suitability:** Marketing
- (v) **Remuneration proposed:** Same as Past Remuneration
- (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 remuneration offered to Mr. Suresh Shridhar Ajila as a Whole Time Director of the Company is commensurate with remuneration offered by other Companies in the similar industry and size of the Company.

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

### III. Other Information

- (1) **Reason of Inadequate Profit:** Lower capacity utilisation and unfavorable market conditions.
- (2) **Step taken or proposed to be taken :** Marketing efforts have been increased as post elections demand has started increasing.
- (3) **Expected increase in the productivity and profit in measurable term:** 10% - 15%



**Item No. 11**

Mrs. Urmila goenka was appointed as a Whole Time Director of the Company w.e.f 01.10.2011 and was confirmed by the Shareholders at the Meeting held on 29th September, 2012. In terms of the appointment Mrs. Urmila goenka was appointed for a period of 3 years w.e.f 01.10.2011. As such his tenure as a Whole time director would come to an end on 30.09.2014.

Keeping in view his contribution in the growth of the Company and his leadership qualities supported by experience, the Board of Director in their meeting held August 13, 2014 has re-appointed Mrs. Urmila goenka as a Whole-time Director for a further period of three years from the date of expiry of his earlier term, i.e.,w.e.f. September 30, 2014 on the following remuneration, as approved by the Remuneration Committee.

**Basic Salary-** 20000/- per month

**Perquisite:** N. A

The Board considers that, his re-appointment is in the interest of the Company and commends the Resolution for your approval as Special Resolution.

None of the Directors except Mrs. Urmila goenka, key managerial personnel or their relatives is interested or concerned in this resolution.

**The following additional information as required by Schedule V to the Companies Act, 2013 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 Executive 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:** 20000/- pm
- (iii) **Recognition and Awards/Achievements:** None
- (iv) **Job profile and suitability:** Marketing
- (v) **Remuneration proposed:** Same as Past Remuneration
- (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 remuneration offered to Mrs. Urmila Goenka as a Whole Time Director of the Company is commensurate with remuneration offered by other Companies in the similar industry and size of the Company.
- (vii) **Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any/ No Relationship with the Company:** None

**III. Other Information**

- (1) **Reason of Inadequate Profit:** Lower capacity utilisation and unfavorable market conditions.
- (2) **Step taken or proposed to be taken :** Marketing vefforts have been increased as post elections demand has started increasing.
- (3) **Expected increase in the productivity and profit in measurable term:** 10% - 15%

**Item No. 12**

The Board of Directors at its meeting held on 13th August, 2014 have, pursuant to the recommendation of Remuneration Committee approved revision of remuneration of Mr. Madhusudan Lalit Kumar Bagla. The salary and perquisites for the rest of his tenure are mentioned hereinbelow

- 1 Salary will be Rs.3 25,000/- per month.
- 2 He will be entitled to following perquisites subject to a maximum of Rs.30, 00,000/- per annum.

**HINDUSTAN ADHESIVES LIMITED**

- 3 **Medical Reimbursement:** Expenses incurred for the appointee and his family subject to a ceiling of one month salary in one year.
- 4 **Leave Travel Concession:** As per rule of the Company.
- 5 **Club Fees:** Fees of club subject to maximum of two clubs. This will not include admission and life-membership fees.
- 6 **Personal Accident Insurance:** Premium not to exceed Rs.4000/per month.
- 7 **Contribution to Provident Fund:** As per Company rules.
- 8 **Gratuity:** As per Company rules subject to maximum of half months salary for each completed year of service.
- 9 **Encashment of leaves-** As per rules of the Company at the end of tenure.

The Managing Director shall be entitled to have reimbursement of car expenses. Further, that the company will arrange to deposit the Margin Money, if required to obtain finance for the vehicle for the use of Managing Director.

The Margin Money as aforesaid shall be adjusted / recovered from the director after the full and final settlement of the vehicle loan taken by the director.

The Board considers that, his re-appointment is in the interest of the Company and commends the Resolution for your approval as Special Resolution.

Mr. Madhusudan Lalit Kumar Bagla & Mr. Lalit Kumar Bagla being relative of Mr. Madhusudan Lalit Kumar Bagla key managerial personnel are interested or concerned in this resolution.

**The following additional information as required by Schedule V to the Companies Act, 2013 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 an industrialist since the beginning of his business career having associated with a manufacturing concern namely Hindustan Foils Limited from the age of 18 Years for the Conversion of hot rolled stainless steel coils to cold rolled stainless steel way back in 1981-82. Had also been the main promoter to set up the Company Hindustan Adhesives Limited under the guidance of his father during the years 1988-89 and has since then been managing the day to day affairs of the Company with the assistance of the Board of Directors and executives of the Company. From conception of the Company and after he first few years of success was involved in the expansion and Public Listing of the Company at a Premium in the year 1994. Has gained rich experience in the business after seeing good times, bad times and eventually turning around the company again and bringing it to a position of strength for the future with a worldwide market for its products by personally being responsible for creation of the export market and being awarded the Highest Exporter in its product category by the PLEXCONCIL, a Government body for the Plastics Industry.
- (ii) **Past remuneration drawn:** 250000/- pm
- (iii) **Recognition and Awards/Achievements:** Awarded for the highest exporter its product category by the PLEXCONCIL, a Government body for the Plastics Industry.
- (iv) **Job profile and suitability:** Marketing
- (v) **Remuneration proposed:** 3.25 Lacs 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 Remuneration of Mr. Madhusudan Lalit Kumar Bagla, 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

**III. Other Information**

- (1) **Reason of Inadequate Profit:** Lower capacity utilisation and unfavorable market conditions.
- (2) **Step taken or proposed to be taken :** Marketing efforts have been increased as post elections demand has started increasing.
- (3) **Expected increase in the productivity and profit in measurable term:** 10% to 15%

By Order of the Board  
**HINDUSTAN ADHESIVES LIMITED**

**New Delhi, August, 13, 2014**  
CIN : L74899DL1988PLC031191

**(Lalit Kumar Bagla)**  
Chairman

**Registered Office:**  
340/2-A, G.T.Road Shahdara, Delhi-110095  
Email: info@bagla-group.com

**HINDUSTAN ADHESIVES LIMITED****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 : **Urmilla Goenka**  
Date of Birth & Age : 06/11/1948 & 65years  
Date of Appointment : 30/04/2010  
Qualification : B.A  
Experience : 28 years  
Other Directorships : 1) SYNERGY COMMERCE PRIVATE LIMITED  
2) SAPHIRE HOSPITALTY MANAGEMENT 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 & 53years  
Date of Appointment : 30/04/2010  
Qualification : Graduate  
Experience : 32years  
Other Directorships : No  
No. of Equity Shares held : NIL  
Member of Committees : None  
Relationship with other Directors : N.A
  
3. Name : **Amit Kumar**  
Date of Birth & Age : 02/02/1990 & 24years  
Date of Appointment : 12.07.2014  
Qualification : Graduate  
Experience : 2 years  
Other Directorships : No  
No. Of Equity Shares held : NIL  
Member of Committees : None  
Relationship with other Directors : N.A
  
4. Name : **K.C.Gupta**  
Date of Birth & Age : 01/01/1946 & 68years  
Date of Appointment : 30/07/2007  
Qualification : Post-Graduate  
Experience : 36  
Other Directorships : Avani Innotech Private Limited  
No. Of Equity Shares held : NIL  
Member of Committees : None  
Relationship with other Directors : N.A
  
5. Name : **Pawankumar Geetaram Sharma**  
Date of Birth & Age : 26/11/1959 & 55years  
Date of Appointment : 30/07/2007  
Qualification : Graduate  
Experience : 36  
Other Directorships : Narbada Builders Pvt Ltd.  
No. Of Equity Shares held : NIL  
Member of Committees : None  
Relationship with other Directors : N.A



## HINDUSTAN ADHESIVES LIMITED

CIN: L74899DL1988PLC031191

Regd Office: 340/2A, G.T. ROAD, SHAHDRA, DELHI- 110095

### PROXY FORM

Form No. MGT-11

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

Name of the member(s)			
Registered address			
E-mail id			
Folio no./Client Id		DP Id	

I/We, being the member (s) of ..... shares of **HINDUSTAN ADHESIVES LIMITED**, hereby appoint:

1. Name: ..... Email Id: .....  
 Address: .....  
 ..... Signature: ....., or failing him
2. Name: ..... Email Id: .....  
 Address: .....  
 ..... Signature: ....., or failing him
3. Name: ..... Email Id: .....  
 Address: .....  
 ..... Signature: ....., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual general meeting of the company, to be held on Friday, the 12th day of September, 2014 at 10:00 a.m. at Ashok Avenue, Main Chattarpur Road, Asola Fatehpur Beri, New Delhi-110074 and at any adjournment thereof in respect of such resolutions as are indicated below:

\*\* I wish my above Proxy to vote in the manner as indicated in the box below:

S.No.	Resolution	For	Against
1.	To consider and adopt the audited Balance Sheet of the Company as at March 31, 2014 and the Profit & Loss Account for the year ended on that date together with Report of Directors and Auditors thereon.		
2.	Re-appointment of Mrs. Urmila Goenka (DIN: 01165727), who retires by rotation.		
3.	Re-appointment of Mr. Suresh Shridhar Ajila (DIN: 03203748), who retires by rotation		

S.No.	Resolution	For	Against
4.	Appointment of M/s Salarpuria & Partners, Chartered Accountants (firm Registration No 302113E) as statutory Auditors of the Company and fixing their remuneration.		
5.	Appointment of Mr. Amit Kumar (DIN: 06902856) as an Independent Director of the Company.		
6.	Re-appointment of Mr. Kailash Chandra Gupta (DIN 01649210) as an Independent Director of the Company.		
7.	Re-appointment of Mr. Pawankumar Geetaram Sharma (DIN 01660557) as an Independent Director of the Company		
8.	Approve the limit under the provisions of Section 180(1)(a) of the Companies Act, 2013		
9.	Approve the borrowing limit of the company under the provisions of section 180(1) (c) of the companies act, 2013		
10.	Re-appointment of Mr. Suresh Shridhar Ajila (holding DIN 03203748) as a Whole Time Director of the Company designated as Key Managerial Personnel for a period of three years effective from 30th September, 2014.		
11.	Re-appointment of Mrs. Urmila Goenka (holding DIN 01165727) as a Whole Time Director of the Company designated as Key Managerial Personnel for a period of three years effective from 30th September, 2014.		
12.	Revision of remuneration of Mr. Madhusudan Lalit Kumar Bagla (DIN: 01425646) as the Managing Director		

Signed this.....day of.....20.....

Signature of shareholder.....Signature of Proxy holder(s).....

**NOTES:**

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- \*\* (4) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.



Bagla Group

**HINDUSTAN ADHESIVES LIMITED**

CIN: L74899DL1988PLC031191

Regd Office: 340/2A, G.T. ROAD, SHAHDRA, DELHI- 110095

**ATTENDANCE SLIP**

Member(s) or his/her/their proxy(ies) are requested to present this slip at the venue of the meeting for admission, duly signed in accordance with his/her/their specimen signature(s) registered with the Company.

		Name and Address	No. of Shares held
DP id No.*			
Client Id No*			
Regd. Folio No.			

\*Applicable to members holding shares in electronic form.

I hereby record my presence at the **26th ANNUAL GENERAL MEETING** of **HINDUSTAN ADHESIVES LIMITED** held on Friday, the 12th day of September, 2014 at Ashok Avenue, Main Chattarpur Road, Asola Fatehpur Beri, New Delhi-110074 at 10.00 a.m.

Please ( ✓ ) in the box.

Member

Proxy

.....  
Name of the Proxy in Block Letters

.....  
Member's Signature

.....  
Proxy's Signature

**26th  
Annual  
Report  
2013-2014**



**HINDUSTAN ADHESIVES LIMITED**



# 26<sup>TH</sup> ANNUAL REPORT

## 2013 - 2014

### BOARD OF DIRECTORS:

Mr. L. K. Bagla  
Mr. M. S. Bagla  
Mr. K. C. Gupta  
Mr. Pawan Geetaram Sharma  
Mr. Suresh Sridhar Ajila  
Mrs. Urmila Goenka  
Mr. Amit Kumar

### 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 Building  
1 Red Cross Road, New Delhi - 110001  
Allahabad Bank, International Branch,  
3<sup>rd</sup> Floor, 17, Parliament Street, New Delhi - 110 001

### SHARE TRANSFER & DEMAT AGENT:

Link Intime India Pvt. Ltd.  
44, Community Centre, 2nd Floor,  
Naraina Industrial Area, Phase-I,  
PVR Naraina, New Delhi-110028

### REGISTERED OFFICE:

340/2-A, G. T. Road,  
Shahdara, Delhi-110095

### FACTORY:

**Unit - I** : 29th Mile Stone, G.T. Road  
Village Achheja, Tehsil-Dadri  
Distt. -Gautam Budh Nagar (U.P.) 203207.

**Unit -II** : Plot No. 15, K.I.E Industrial Estate,  
Village - Mundiyaiki, Pargana- Manglour,  
Tehsil Roorkee, Dist. Haridwar- 247 667 (Uttarakhand)

### SHARES LISTED AT:

Delhi, Mumbai, Kolkata  
Stock Exchanges

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## DIRECTOR'S REPORT

**Dear Members,**

Your Board of Directors presents this 26th Annual Report along with audited accounts for the accounting period ended on 31st March 2014.

### I. FINANCIAL RESULTS

**Key Financial figures are as follows:**

*(Amount in lakhs)*

Particulars	31.03.14	31.03.13
Total Revenue	7795.03	7649.76
Profit Before Interest, Depreciation & tax	861.73	798.53
Interest & Financial Charges	333.15	338.90
Depreciation	207.21	218.83
Profit before Taxation	321.37	240.80
Less: - Provisions for Income Tax	64.29	48.18
Add/(Less): - Mat Credit adjustments	4.51	(09.42)
Add/(Less): - Deferred tax Assets/ (liabilities)	13.19	(25.56)
Net profit after tax	239.37	157.64
Equity	511.63	511.63
<b>Net worth</b>	<b>1585.43</b>	1347.04

### II 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 2014.

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

### IV 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 Company expects to utilize 100% capacity of the POF shrink films plant during the current year which will enhance the turnover and bring good profits to the Company.

### V FINANCIAL RESULTS

The total income of the Company has increased marginally by about 1.90% despite the slowdown in the global economy, whereas the PAT has increased by about 54.12% due to the highest sales of speciality value added product by the Company.

## HINDUSTAN ADHESIVES LIMITED

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.

### VI RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Director's confirm that:

- a) In the preparation of the Annual Accounts for the financial year 2013-14, 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, 2014.
- 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.

### VII BOARD OF DIRECTORS

Mr. Amit kumar was appointed non-executive Independent Director of the company w.ef. July 12, 2014 in term of Section 161 of the companies Act, 2013.

Mrs. Urmila Goenka and Mr. Suresh Shridhar Ajila retires by rotation at the ensuing general Meeting ("AGM") and are eligible for reappointment, which the Boards recommends.

Mr. D.P. Gupta has resigned from directorship of company w.e.f. 13.08.2014.

Keeping in view his contribution in the growth of the Company and his leadership qualities supported by experience, the Board of Director in their meeting held August 13, 2014 has re-appointed Mr. Suresh Shridhar Ajila and Mrs. Urmila Goenka as a Whole-time Director for a further period of three years.

### VIII AUDITORS

M/s Salarpuria & Partners, chartered Accountants, who are the statutory auditors of the Company, hold the office till the conclusion of the forthcoming AGM and are eligible for re-appointment, pursuant to the provision of section 139 of the companies act, 2013 and the rules framed thereunder, it is proposed to appoint M/s Salarpuria & Partners as statutory auditors of the Company from the Conclusion of the forthcoming AGM till the conclusion of the Twenty-Ninth AGM to be held in the year 2017, subject to ratification of their appointment at every AGM.

### IX AUDITORS REPORT

All the relevant notes on accounts are self-explanatory and therefore, do not call for any further comments.

### X COST AUDITOR

The Ministry of Corporate Affairs (MCA) has introduced, The Companies (Cost Audit Report) Rules, 2011 and, vide its notifications, has made mandatory the appointment of Cost Auditor for certain Companies. The same is applicable to the Company and, in accordance with provision of law, M/s JSN & Co., Cost Accountants Firm, has been appointed to conduct cost audit for the financial year ending 31st March, 2014 and the cost audit report for the said financial year shall be filed with the Central Government within the prescribed time.

### XI AUDIT COMMITTEE

Audit Committee of the Company is duly constituted.

### XII STAKEHOLDERS RELATIONSHIP COMMITTEE

To be in line with companies act, 2013 the shareholders/investors Grievance committee has been renamed as stakeholder relationship committee. Stakeholders relationship committee of the company is duly constituted.

**XIII NOMINATION AND REMUNERATION COMMITTEE**

Further, in lines with the Companies Act, 2013 committee has been renamed as nominations and remunerations committee. Nomination and Remunerations Committee of the company is duly constituted.

**XIV REPORT ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ETC.**

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is given at Annexure-I to this report.

**XV REPORT ON CORPORATE GOVERNANCE**

A detailed report on Corporate Governance is provided in the Annual Report.

**XVI MANAGEMENT DISCUSSION AND ANALYSIS**

A detailed Management Discussion and Analysis is provided in the Annual Report.

**XVII DEPOSITS**

The Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance sheet.

**XVIII 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.

**XIX LISTING**

The Shares of the Company are listed with Bombay, Delhi and Kolkata Stock Exchanges.

**XX 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.

**XXI 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 : 13/08/2014

**(L.K. BAGLA)**  
CHAIRMAN

**ANNEXURE-1 TO THE DIRECTORS REPORT**
**INFORMATION AS PER SECTION 217(1) (e) OF THE COMPANIES ACT, 1956, READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF DIRECTOR) RULES 1988 FOR THE YEAR ENDED 31ST MARCH 2014.**
**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. TECHNOLOGY 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 and Adhesive Tapes 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.

<b>4. Expenditure on R&amp;D:</b>	Amount in Rs.
Capital	0
Recurring	407021
<b>Total</b>	<b>407021</b>

Total R&D expenditure is 0.05% 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:**

<b>1. Total Foreign exchange earned and used:</b>	<b>Rs. In Lakhs</b>	
	<b>31.03.2014</b>	<b>31.03.2013</b>
<b>Earnings:</b>		
Export value of FOB basis	<b>1436.90</b>	883.58
<b>Expenditure:</b>		
Capital Goods & Others (CIF)	<b>85.84</b>	63.24
Raw Material (CIF)	<b>1463.86</b>	1478.90
Other	<b>26.97</b>	37.69

By order of the Board of Directors of  
**HINDUSTAN ADHESIVES LIMITED**

Place : Delhi  
Date : 13/08/2014

**(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 2013-14, the board met 10 (Ten) times (as against the minimum requirement of four meetings) on the following dates, namely:-

15th May 2013, 13th August 2013, 4th September 2013, 5th October 2013, 16th October 2013, 15th November, 2013, 23rd December 2013, 27th December 2013, 4th January 2014, 15th February 2014.

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.	Mr. Lalit Kumar Bagla	Chairman (Non-Executive Director)	5	No
02.	Mr. M. S. Bagla	Managing Director (Executive-Director)	10	Yes
03.	Mr. Pawan Geetaram Sharma	Director (Independent)	6	No
04.	Mr. K.C.Gupta	Director (Independent)	5	No
05.	Mr. Suresh Sridhar Ajila	Director-(Executive Director)	10	Yes
06.	Mrs. Urmila Goenka	Director-(Executive Director)	5	No
07	Mr. D.P. Gupta (Resigned w.e.f. 13.08.2014)	Director (Independent)	10	Yes
08.	Mr. Amit Kumar	Director (Independent)	—	—

**Note :** Amit Kumar was appointed as non-executive Independent Director of the Company on July 12, 2014.  
Mr. D.P. Gupta has resigned from the Directorship of the Company w.e.f. 13.08.2014

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 Sridhar Ajila Executive Director	Mrs.Urmila Goenka Executive Director
Salary and Allowance	3,000,000/-	6,00,000/-	2,40,000
Contribution to Superannuation Fund (Rs.)	-	50,400/-	-
Bonus and performance linked Incentive & perquisites (Rs.)	32,159/-	1,54,000/-	-

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

Sl.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 Geetaram Sharma	NIL	NIL	NIL
4	Mr. K.C. Gupta	NIL	5,000	NIL

### 3. AUDIT COMMITTEE

Since Mr. D.P. Gupta resigned from the Directorship of the Company the Audit Committee was re-constituted. After the Constitution the Audit Committee comprises of three non executive independent directors of which Mr. K.C. Gupta, Mr. Pawan Geetaram Sharma and Mr. Amit Kumar are the member of the committee.

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

During the financial year 2013-14, meetings of the Audit Committee were held 5 times i.e. on 15th May 2013, 13th August 2013, 4th September 2013, 15th November 2013 and 15th February 2014.

Name of Chairman/ Member	Meetings held	Meeting Attended
Mr. K.C.Gupta	5	5
Mr. D.P.Gupta (Resigned w.e.f. 13.08.2014)	5	5
Mr. Pawan Geetaram Sharma	5	1
Mr. Amit Kumar	—	—

Mr. D.P. Gupta has resigned from the Directorship of the Company w.e.f. 13.08.2014

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

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

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



**4 STAKEHOLDERS RELATIONSHIP COMMITTEE**

To be in line with Companies Act, 2013 the Shareholders/Investors' Grievance Committee has been renamed as Stakeholders Relationship Committee.

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

During the financial year 2013-14, meetings of the Shareholder Grievance Committee were held on 15th May 2013, 13th August 2013, 4th September 2013, 15th November 2013 and 15th February 2014.

Name of Chairman/Member	Meetings held	Meeting Attended
Mr. M.S.Bagla	5	5
Mr. Lalit Kumar Bagla	5	5

**5 NOMINATION AND REMUNERATION COMMITTEE**

Further, in lines with Companies Act, 2013 the Committee has been renamed as "Nomination and Remuneration Committee".

Due the resignation of Mr. D.P. Gupta from the directorship of the company. Nomination and Remuneration Committee was reconstituted of which Mr. Amit Kumar "Independent Director", Mr. Pawan Geetaram Sharma "Independent Director" and Mr. K.C. Gupta "Independent Director" is the members

During the financial year 2013-14, no meeting of the Remuneration Committee was held.

**6. GENERAL BODY MEETING**

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

Financial year	Date	Time	Place
2010-2011	30.09.2011	11.30 A.M.	Prakash Place, 13, Wazirpur Press Area, Wazirpur, Delhi - 110 035
2011-2012	29.09.2012	10.00 A.M.	Prakash Place, 13, Wazirpur Press Area, Wazirpur, Delhi - 110 035
2012-2013	30.09.2013	10.00 A.M.	Ashok Avenue, Main Chattarpur, Asola Fatepur Beri, New Delhi-110074

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

Financial year	Items
2010-2011	Resolution under section 314 of the companies Act, 1956
2011-2012	Resolution under Section 269 and Schedule XIII of the Companies Act,1956
2012-2013	Resolution under Section 198, 269, 309 and Schedule XIII of the 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. POSTAL BALLOT :**

During the financial year under review, no postal ballot was conducted by the company and no special resolution is proposed to be conducted through postal ballot by the Company.

**9. GENERAL SHAREHOLDER INFORMATION**
**9.1 Annual General Meeting**

Date and Time	12th Sep. 2014 at 10.00 A.M.
Venue	Ashok Avenue, Main Chattarpur Road, Asola Fatehpur, Beri, New Delhi-110074

**9.2 Financial Calendar (2014-15)**

Annual General Meeting For the next year ending 31st March 2015	Before 30th Sept., 2015
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**9.3 Book Closure date**

05.09.14 to 12.09.14

**9.4 Dividend Payment date**

not applicable

**9.5 Listing of Equity Shares on**

Stock Exchange at Delhi, Kolkata &amp; Mumbai

**9.6 Stock Code**

(i) ISIN Numbers Equity Shares INE 074 C01013

**9.7 Registrar and Share Transfer Agent**

 Link Intime India Pvt. Ltd.  
44 Community Centre, 2nd Floor,  
Naraina Industrial Area, Phase-I,  
PVR Naraina, New Delhi -110028

**9.8 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.

**9.9. Distribution of Share holding Pattern as on 31st March 2014.**

Category	No. of Shares	% of Shares
Promoter's Holding (including foreign Promoters if any)	3033729	59.29%
Non Promoter's Holding	2082571	40.71%
<b>TOTAL</b>	<b>5116300</b>	<b>100%</b>

**9.10. Distribution of Share holding as on 31st March 2014**

No of Equity Shares Held	No of Shareholder	% of Shareholder	Number of Shares	% of Shareholding
1-500	6632	96.3953	729228	14.2530
501-1000	127	1.8459	102610	2.0056
1001-2000	56	0.8140	86195	1.6847
2001-3000	14	0.2035	34221	0.6689
3001-4000	10	0.1453	34894	0.6820
4001-5000	5	0.0727	22931	0.4482
5001-10000	17	0.2471	130643	2.5535
10001 and above	19	0.2762	3975578	77.7042
<b>Total</b>	<b>6880</b>	<b>100</b>	<b>5116300</b>	<b>100</b>

**HINDUSTAN ADHESIVES LIMITED**

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- 9.11 Plant Location** : 1) 29TH Mile Stone,  
G.T. Road, Village Achheja  
Tehsil- Dadri, Distt.-  
Gautambudh Nagar U.P
- 2) Plot No-15, KIE Industrial Estate,  
Opposite Uttam Sugar Mill,  
Village Mundiyaiki, Pargana Manglore  
Tehsil- Roorkee, Distt. –Haridwar-247667

**9.12 Address for Correspondence:**

Share Transfer and Demat

Link Intime India Pvt. Ltd.  
44 Community Centre, 2nd Floor,  
Naraina Industrial Area, Phase-I,  
PVR Naraina, 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

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

I, Madhusudan Lalit Kumar Bagla, Managing Director, hereby declare that all the Board Members and Senior Management Personnel have affirmed Compliance with the Code of Conduct formulated by the Company for the year ended 31st March, 2014

**Madhusudan Lalit Kumar Bagla**  
(Managing Director)

**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, 2014 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 : 13/08/2014**

**CEO/CFO CERTIFICATION**

**Mr. Nakul Bagla, Chief Financial Officer have certify to the Board that :**

- a) They have reviewed the Financial Statements and Cash Flow Statement for the year ended 31st March, 2014 and to the best of our knowledge and belief:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable Laws and Regulations.
- b) They are to the best of their knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2014 are fraudulent, illegal or vocative of the Company's code of conduct.
- c) They accept responsibility for establishing and maintaining internal controls for financial reporting and they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which they are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d)
  - i) There has not been any significant change in internal control over financial reporting during the year under reference;
  - ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - iii) They are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control systems over financial reporting.

**Place : New Delhi**

**Date : 13/08/2014**

**Sd/-**

Chief Financial Officer

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF HINDUSTAN ADHESIVES LIMITED**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of HINDUSTAN ADHESIVES LIMITED ("the company") which comprise the Balance Sheet as at 31 March 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. ("the act") read with the General Circular 15/ 2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Matter of Emphasis**

Attention is drawn to the Note No. Y(B)(3) regarding the inclusion of inter unit transfer in Sales and purchases.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
- (ii) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/ 2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
  - e. on the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For SALARPURIA & PARTNERS**

Firm Registration No. 302113E  
Chartered Accountants

Place : 1008, Chiranjiv Tower,  
43, Nehru Place, New Delhi-110 019  
Date : 31.05.2014

**(KAMAL KUMAR GUPTA)**  
Partner  
M. No. 89190

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT**

(Ref. to point 1 of paragraph "Report on Other Legal and Regulatory Requirements" 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.214.01 Lacs and the closing balance outstanding as on 31st March 2014 is Rs. NIL
  - (b) In our opinion the terms and conditions of such loans taken by the company are prima facie not prejudicial to the interests of the company
  - (c) There is no pre-determined schedule for repayment of unsecured loans.
  - (d) As there is no schedule for repayment of unsecured loans taken by the company, therefore, we are not in a position to comment on steps, if any, taken by the company for repayment of the same.
  - (e) The company has not granted any loans to companies, firms or other parties covered under the register maintained U/s. 301 of the Companies Act, 1956, except temporary advances given to 4 (four) such parties which has been recovered in stipulated time. The maximum amount involved in such loans during the year aggregates to Rs.89.44 Lacs and the closing balance outstanding as on 31st March 2014 is Rs.0.06 Lacs.
- (iv) In our opinion and according to the information and explanations given to us the company has an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchases of inventory and fixed assets and for the sale of goods. There is no continuing failure or weakness in internal control system.
- (v) According to the information and explanation given to us, the transactions that need to be entered into the register in pursuance of section 301 of the Companies Act, 1956 has been so entered.  
 In our opinion and according to the information & explanation given to us, there were no transactions made in pursuance of contracts or arrangements entered in the register mentioned under section 301 of the Companies Act exceeding the value of Rs. Five lacs in respect of any party during the year.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any public deposits for which the provisions for compliance U/s.58 and 58AA or any other relevant provisions of the Companies Act, 1956 applies.
- (vii) The Company has an internal audit system commensurate with its size and nature of its business.
- (viii) Prima-facie it appears that the company has maintained the cost records as prescribed for maintenance of cost records for the company U/s.209 (1)(d) of the Companies Act, 1956, however we have not examined the same in detail.
- (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.

**HINDUSTAN ADHESIVES LIMITED**

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

Sl. No.	Name of the Statute/ Nature of Dues	Amount (Rs.)	Period to which Amount Relates	Authority where dispute is pending
1.	The Central Sales Tax Act, 1956 (Central Sales Tax)	4,62,997/- 1,32,163/- 5,000/- 480/-	2007-08 2007-08 2010-11 1999-00	Deputy Commissioner, Trade Tax Noida. Dy Com. Trade Tax, Noida Dy. Com. Trade Tax, Noida (Sales Tax) V T O - Delhi
2.	Sales Tax Officer- Delhi	3,373/-	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 : 31.05.2014

**(KAMAL KUMAR GUPTA)**  
 Partner  
 M. No. 89190



**BALANCE SHEET AS AT 31st MARCH, 2014**

PARTICULARS	Notes	As At	
		31st Mar, 2014 (Rs.)	31st Mar, 2013 (Rs.)
<b>EQUITY &amp; LIABILITIES</b>			
<b>SHAREHOLDER'S FUNDS</b>			
Share Capital	A	51,163,000	51,163,000
Reserves and Surplus	B	107,380,916	83,540,904
		<u>158,543,916</u>	<u>134,703,904</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term Borrowings	C	85,016,695	72,367,072
Deferred Tax Liabilities (Net)	D	21,315,573	19,996,390
Long-term Provisions	E	7,039,758	6,684,357
		<u>113,372,026</u>	<u>99,047,819</u>
<b>CURRENT LIABILITIES</b>			
Short term Borrowings	F	153,119,260	134,356,066
Trade Payables	G	102,330,487	79,955,369
Other Current Liabilities	H	12,911,064	14,283,219
Short term Provisions	I	641,569	343,277
		<u>269,002,380</u>	<u>228,937,930</u>
		<u>540,918,323</u>	<u>462,689,653</u>
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
<b>Fixed assets</b>			
(i) Tangible Assets	J		
Gross Block		466,712,171	451,455,072
Less Depreciation		245,603,686	224,882,456
<b>Net Block</b>		<u>221,108,485</u>	<u>226,572,616</u>
(i) Capital work-in-progress		3,013,595	-
Non-Current Investments	K	-	-
Other Non-Current Assets	L	26,707,201	5,047,990
		<u>250,829,281</u>	<u>231,620,606</u>
<b>CURRENT ASSETS</b>			
Inventories	M	105,793,378	87,858,546
Trade receivables	N	141,821,243	114,529,619
Cash and Cash Equivalents	O	16,808,809	8,475,451
Short-term loans and advances	P	18,761,405	13,301,225
Other Current Assets	Q	6,904,207	6,904,207
		<u>290,089,042</u>	<u>231,069,048</u>
		<u>540,918,323</u>	<u>462,689,653</u>

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)**

Partner

M. No.- 89190

Place : New Delhi

Date : 31.05.2014

**(S.S. DUA)**  
Co. Secretary

**(L.K. BAGLA)**  
Chairman

**(M.S. BAGLA)**  
Mg. Director

**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014**

PARTICULARS	Notes	Year Ended 31st Mar, 2014 (Rs.)	Year Ended 31st Mar, 2013 (Rs.)
<b>REVENUES</b>			
Revenue From Operation	R	777,621,337	762,582,535
Other Income	S	1,881,890	2,393,433
<b>Total Revenue</b>		<b>779,503,227</b>	<b>764,975,968</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	T	500,976,233	497,637,522
Purchase of Stock in Trade		-	-
Changes in inventories of finished goods, Work in Process and Stock-in-Trade	U	(11,907,332)	(3,362,244)
Employee Benefits Expenses	V	44,659,262	43,697,764
Finance Cost	W	33,315,138	33,890,203
Depreciation and amortization Expenses	J	20,721,230	21,882,935
Other Expenses	X	159,601,746	147,150,086
<b>Total expenses</b>		<b>747,366,276</b>	<b>740,896,265</b>
<b>Profit Before Tax</b>		<b>32,136,951</b>	<b>24,079,703</b>
<b>PROVISION FOR TAX</b>			
Income Tax for current year		(6,429,881)	(4,817,806)
Adjustment for MAT Credit current year		(2,655,844)	(941,858)
MAT Credit available for earlier years		2,205,079	-
Adjustment for Deferred Tax		(1,319,183)	(2,555,545)
<b>PROFIT AFTER TAXATION</b>		<b>23,937,122</b>	<b>15,764,494</b>
Earning per shares			
(a) Basic		4.68	3.08
(b) Diluted		4.68	3.08

Significant Accounting Policies & Other Notes to  
Financial statements

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)**

Partner

M. No.- 89190

**(S.S. DUA)**

Co. Secretary

**(L.K. BAGLA)**

Chairman

**(M.S. BAGLA)**

Mg. Director

Place : New Delhi

Date : 31.05.2014

**NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2014 AND  
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE**

PARTICULARS	As At 31st Mar, 2014 (Rs.)	As At 31st Mar, 2013 (Rs.)
<b>NOTE 'A'</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
70,00,000 (70,00,000) Equity Share of Rs. 10/- each	<b>70,000,000</b>	70,000,000
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
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)	<b>51,163,000</b>	51,163,000
	<b>51,163,000</b>	51,163,000

**A-1**
**DETAILS OF SHAREHOLDER HOLDING MORE THAN 5% 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

**NOTE 'B'**
**RESERVES AND SURPLUS**

<b>Share Premium Account</b>		
Balance Brought Forward	<b>21,259,500</b>	21,259,500
<b>Investment Allowance Utilization Reserve</b>		
Balance Brought Forward	<b>2,500,000</b>	2,500,000
Profit & Loss Account		
Balance B/F From Previous Year	<b>59,781,404</b>	43,465,187
Adjustment for income Tax for earlier years	<b>(97,110)</b>	551,724
Profit/(Loss) for the year	<b>23,937,122</b>	15,764,494
	<b>107,380,916</b>	83,540,904

**HINDUSTAN ADHESIVES LIMITED**
**NOTE 'C'**  
**LONG TERM BORROWINGS**  
**SECURED LOANS**

<b>Term Loan</b>	<b>Non Current</b>	<b>Current</b>	<b>Non Current</b>	<b>Current</b>
Allahabad Bank- Loan No. II	26,312,186	13,240,000	42,292,575	13,240,000
IDBI Bank - Loan No.I	50,900,000	-	-	-
	<u>77,212,186</u>	<u>13,240,000</u>	<u>42,292,575</u>	<u>13,240,000</u>
<b>AUTO LOANS</b>				
HDFC Bank	-	-	-	146,131
ICICI Bank Ltd.	304,509	869,988	1,174,497	803,308
Indusind Bank Ltd	-	-	-	229,500
Tata Motors Finance Ltd	-	-	-	197,943
	<u>304,509</u>	<u>869,988</u>	<u>1,174,497</u>	<u>1,376,882</u>
<b>UNSECURED LOAN</b>				
<b>FROM BODIES CORPORATE :</b>				
Related Parties	-	-	16,400,000	-
Others	7,500,000	-	10,000,000	-
From Directors	-	-	2,500,000	-
	<u>7,500,000</u>	<u>-</u>	<u>28,900,000</u>	<u>-</u>
	<u>85,016,695</u>	<u>14,109,988</u>	<u>72,367,072</u>	<u>14,616,882</u>

- (1) Term Loans No. II from Allahabad bank is secured by way of hypothecation of all movable & immovable assets financed by the said bank out of the proceeds from disbursal of the said loans and also equitable mortgage of land and building situated at plot no. 15 KIE Industrial Estate, Village Mundiyaiki, Pargana Mangalore, Tehsil- Roorkee, Distt. Haridwar. Loan is repayable in 20 Quarterly installments of Rs. 33,10,000/- each and interest is on monthly basis on due amount.
- (2) Term Loan-I from IDBI bank is secured by way first pari passu charge on entire movable and immovable fixed assets, of the company, both present and future, equitable mortgage on first pari passu basis on land and building situated at Roorkee and second pari-passu charge on the entire movable and immovable assets of the company including land & construction thereon, both present and future of the company plant located at Dadri, district Ghaziabad (excluding land admeasuring 0.0253 hectares part of the existing factory land). Second pari-passu charge on entire current assets of the company both present & future and unconditional & irrecoverable personal guarantee of promoter directors Shri M.S. Bagla & Shri L. K. Bagla. Loan repayments shall started from June 2015.
- (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.

<b>PARTICULARS</b>	<b>As At 31st Mar, 2014 (Rs.)</b>	<b>As At 31st Mar, 2013 (Rs.)</b>
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**NOTE 'D'**
**DEFERRED TAX LIABILITIES (NET)**

On Timing Difference of Accounting of Depreciation	<b>24,105,989</b>	22,612,059
On Provision for Gratuity	<b>(2,137,461)</b>	(2,062,318)
On Adjustments of Statutory Dues under Section 43B of Income Tax Act, 1961	<b>(652,954)</b>	(553,350)
<b>Net Deferred Tax Assets(Liabilities)</b>	<b><u>21,315,574</u></b>	<u>19,996,391</u>

PARTICULARS	As At 31st Mar, 2014 (Rs.)	As At 31st Mar, 2013 (Rs.)
<b>NOTE 'E'</b>		
<b><u>LONG TERM PROVISIONS</u></b>		
For Gratuity	6,587,952	6,356,352
For Leave Encashment	451,806	328,005
	<u>7,039,758</u>	<u>6,684,357</u>
<b>NOTE 'F'</b>		
<b><u>SHORT TERM BORROWING</u></b>		
<b><u>Current Maturities of Long Term Loans</u></b>		
<u>Refer Note C Above</u>	14,109,988	14,616,882
	<u>14,109,988</u>	<u>14,616,882</u>
<b>Cash Credits from Banks</b>		
Allahabad Bank	55,069,115	47,010,333
IDBI Bank Ltd	83,940,157	72,728,851
	<u>139,009,272</u>	<u>119,739,184</u>
	<u>153,119,260</u>	<u>134,356,066</u>

**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 Mr. M. S. Bagla and Mr. L. K. Bagla, Directors of the company.

PARTICULARS	As At 31st Mar, 2014 (Rs.)	As At 31st Mar, 2013 (Rs.)
<b>NOTE 'G'</b>		
<b><u>TRADE PAYABLES</u></b>		
For Goods	75,994,083	50,170,513
For Services	9,135,079	8,114,305
For Deferred Credit	17,201,325	21,670,551
	<u>102,330,487</u>	<u>79,955,369</u>
<b>NOTE 'H'</b>		
<b><u>OTHER CURRENT LIABILITIES</u></b>		
Advance From Customers	4,486,751	3,967,015
Payables For Capital Goods	2,897,616	953,335
Payable For employees	3,376,223	3,387,921
Statutory Dues	1,345,730	1,841,821
Interest accrued but not due on Loan	280,910	877,549
Other Liabilities	523,834	3,255,578
	<u>12,911,064</u>	<u>14,283,219</u>
<b>NOTE 'I'</b>		
<b><u>SHORT TERM PROVISIONS</u></b>		
For Leave Encashment	28,824	129,973
For Gratuity	242,533	213,304
For Income Tax		
Provision for Income Tax	15,786,743	
Less Income Tax Payment Income Tax Deducted at Source	<u>(15,416,531)</u>	
	<u>370,212</u>	
	<u>641,569</u>	<u>343,277</u>
	<u>115,883,120</u>	<u>94,581,865</u>

**NOTE 'J'**  
**FIXED ASSETS**  
**TANGIBLE ASSETS**

Particulars	GROSS BLOCK			DEPRECIATION WRITTEN OFF			NET BLOCK		
	As on 31.03.2013 (Rs.)	Addition (Rs.)	Deduction/ Capitalized (Rs.)	As on 31.03.2013 (Rs.)	For the Year (Rs.)	Adjustment on sale of assets (Rs.)	Up to 31.03.2014 (Rs.)	As on 31.03.2014 (Rs.)	As on 31.03.2013 (Rs.)
LAND (FREE HOLD)	2,664,804	-	-	2,664,804	-	-	-	2,664,804	2,664,804
BUILDING	45,305,045	-	-	45,305,045	-	-	25,509,331	19,795,714	19,795,714
PLANT & MACHINERY	352,193,808	13,345,979	-	365,539,787	-	-	178,473,083	187,066,704	173,720,725
ELECTRIC INSTALLATION	27,354,789	89,205	-	27,443,994	-	-	5,887,103	21,556,891	21,467,686
FURNITURE & FIXTURE	6,234,907	1,651,975	-	7,886,882	-	-	3,493,300	4,393,582	2,741,607
AIR CONDITIONER	1,956,527	-	-	1,956,527	-	-	1,283,694	672,833	672,833
OFFICE EQUIPMENT	922,031	-	-	922,031	-	-	745,681	176,350	176,350
<b>VEHICLES</b>									
CAR'S / BUS	11,212,166	-	-	11,212,166	-	-	6,637,023	4,575,143	4,575,143
DELIVERY TRUCKS	1,327,005	-	-	1,327,005	-	-	1,096,334	230,671	230,671
SCOOTERS	273,965	-	-	273,965	-	-	223,648	50,317	50,317
CYCLES	7,967	-	-	7,967	-	-	6,008	1,959	1,959
COMPUTERS	2,002,058	169,940	-	2,171,998	-	-	1,527,251	644,747	474,807
<b>TOTAL</b>	<b>451,455,072</b> (432,485,674)	<b>15,257,099</b> (21,601,700)	- (2,632,302)	<b>466,712,171</b> (451,455,072)	- (21,882,935)	- (1,976,757)	<b>224,882,456</b> (224,882,456)	<b>241,829,715</b> (226,572,616)	<b>226,572,616</b> (227,509,396)
Capital Work in Progress	-	-	-	-	-	-	-	3,313,595	-
Plant and Machinery	-	3,313,595	-	3,313,595	-	-	-	-	-
Building under construction	-	-	-	-	-	-	-	-	-
Advances for Capital Goods	-	-	-	-	-	-	-	-	-
Pre operative Expenses (Pending allocation)	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b> (11,636,956)	<b>3,313,595</b>	<b>-</b> (11,636,489)	<b>3,313,595</b>	-	-	-	<b>3,313,595</b>	<b>-</b> (11,636,489)
<b>TOTAL</b>	<b>451,455,072</b>	<b>18,570,694</b>	<b>-</b>	<b>470,025,766</b>	<b>-</b>	<b>-</b>	<b>224,882,456</b>	<b>245,143,310</b>	<b>226,572,616</b>

PARTICULARS	As At 31st Mar, 2014 (Rs.)	As At 31st Mar, 2013 (Rs.)
<b>NOTE 'K'</b>		
<b>NON CURRENT INVESTMENTS</b>		
<b>INVESTMENTS (LONG TERM - TRADE)</b>		
<b>Unquoted</b>		
10,000 (10,000) Equity share of Rs 10/-each Fully Paid up of Benares State Bank Limited	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
Less : Provision for diminution in value	100,000	100,000
	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>
<b>NOTE 'L'</b>		
<b>OTHER NON CURRENT ASSETS</b>		
Security Deposits	5,682,068	4,738,439
Advance for Capital Goods	20,995,000	-
VAT on Capital Goods	30,133	309,551
	<u>26,707,201</u>	<u>5,047,990</u>
	<u><u>26,707,201</u></u>	<u><u>5,047,990</u></u>
<b>NOTE 'M'</b>		
<b>INVENTORIES</b>		
(As taken, valued and certified by the management)		
Raw Materials	43,759,242	37,666,727
Finished Goods	16,414,967	11,965,258
Work in Progress	31,698,458	24,204,643
Stores, Spares, Fuel and Packing Materials	13,905,050	13,970,065
Material in Transit	-	-
Scrap for Sales	15,660	51,852
	<u>105,793,378</u>	<u>87,858,546</u>
	<u><u>105,793,378</u></u>	<u><u>87,858,546</u></u>
<b>NOTE 'N'</b>		
<b>TRADE RECEIVABLES</b>		
(Unsecured, considered good unless otherwise stated)		
<b>Debts Due Over Six month</b>		
Considered good	4,091,140	3,037,309
Considered doubtful	658,884	743,696
Less: Provision for doubtful debts	(658,884)	(743,696)
<b>Other Debts</b>		
Considered good	137,730,103	111,492,310
	<u>141,821,243</u>	<u>114,529,619</u>
	<u><u>141,821,243</u></u>	<u><u>114,529,619</u></u>



PARTICULARS	As At 31st Mar, 2014 (Rs.)	As At 31st Mar, 2013 (Rs.)
<b>NOTE 'O'</b>		
<b><u>CASH AND CASH EQUIVALENTS</u></b>		
Cash in Hand (As per books and certified)	550,842	160,060
<b><u>Balances with Scheduled Banks in:</u></b>		
Current Accounts	4,064,972	3,779,188
Fixed Deposit Accounts	12,191,743	4,492,554
Interest Accrued but not due on fixed deposits	1,252	43,649
(Pledged as Margin money and having maturity within 12 months)	<u>16,808,809</u>	<u>8,475,451</u>
<b>NOTE 'P'</b>		
<b><u>SHORT TERM LOANS &amp; ADVANCES</u></b>		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	9,234,003	4,678,573
VAT Receivable	335,933	808,978
Balances with Excise Department	9,191,469	5,952,998
Income Tax Payments & Tax Deducted at Source		16,476,157
Less Provision for Income Tax	-	<u>(14,615,481)</u>
	<u>18,761,405</u>	<u>13,301,225</u>
<b>NOTE 'Q'</b>		
<b><u>OTHER CURRENT ASSETS</u></b>		
Discarded Fixed Assets held for Sales	6,904,207	6,904,207
	<u>6,904,207</u>	<u>6,904,207</u>
<b>NOTE 'R'</b>		
<b><u>REVENUE FROM OPERATIONS</u></b>		
[Sales including Interdivisional Transfer and (Net of Returns)] Refer Note Y(B)(3)		
Domestic Sales	702,598,057	735,985,336
Export Sales	146,574,921	89,416,629
Scrap Sales	2,056,457	3,361,115
Total Sales	851,229,435	828,763,080
Less Excise Duty	74,784,866	67,176,755
	<u>776,444,569</u>	<u>761,586,325</u>
Job Work Receipts	1,176,768	996,210
	<u>777,621,337</u>	<u>762,582,535</u>

PARTICULARS	As At 31st Mar, 2014 (Rs.)	As At 31st Mar, 2013 (Rs.)
<b>NOTE 'S'</b>		
<b><u>OTHER INCOME</u></b>		
Claims Received	4,747	-
Miscellaneous Receipts	-	1,904
Duty Draw back	59,356	33,781
Interest received on Security Deposit	225,449	146,598
Interest received on Bank deposits	449,316	189,735
Foreign Exchange Fluctuation (Net)	1,142,375	1,667,685
Excess Provision for Bonus Written Back	647	34,275
Profit of Sale of Fixed Assets	-	319,455
	<u>1,881,890</u>	<u>2,393,433</u>
<b>NOTE 'T'</b>		
<b><u>MATERIALS CONSUMED</u></b>		
<b>Raw Materials Consumed</b>		
Opening Stocks	37,666,727	34,127,873
Add: Purchases	507,068,748	501,176,376
	<u>544,735,475</u>	<u>535,304,249</u>
Less :Closing Stocks	43,759,242	37,666,727
	<u>500,976,233</u>	<u>497,637,522</u>
<b>NOTE 'U'</b>		
<b><u>CHANGES IN INVENTORY OF FINISHED GOODS, WORK IN PROCESS AND STOCK-IN-TRADE</u></b>		
<b>OPENING STOCK</b>		
Work in Process	24,204,643	20,172,841
Finished Goods Manufactured	11,965,258	12,525,304
Finished Goods Traded	-	17,605
Material in Transit	-	143,759
Scrap Stock	51,852	-
	<u>36,221,753</u>	<u>32,859,509</u>
<b>CLOSING STOCK</b>		
Work in Process	31,698,458	24,204,643
Finished Goods Manufactured	16,414,967	11,965,258
Finished Goods Traded	-	-
Material in Transit	-	-
Scrap Stock	15,660	51,852
	<u>48,129,085</u>	<u>36,221,753</u>
	<u>11,907,332</u>	<u>3,362,244</u>

PARTICULARS	As At 31st Mar, 2014 (Rs.)	As At 31st Mar, 2013 (Rs.)
<b>NOTE 'V'</b>		
<b>EMPLOYEE BENEFITS EXPENSES</b>		
Salaries, Wages and other Allowances	32,093,220	30,874,475
Contribution to Provident and other Allied Funds	2,650,384	2,578,689
Director's Remuneration	3,942,159	4,064,255
Staff Welfare and Benefits	4,471,221	4,190,792
Gratuity	1,218,223	1,726,947
Leave Encashment	284,055	262,606
	44,659,262	43,697,764
<b>NOTE 'W'</b>		
<b>FINANCE COST</b>		
Interest to Banks on Cash/packing credits	17,451,187	16,797,640
Interest to Bank on Term Loan	6,797,510	9,957,008
Interest on inter-corporate Deposit	2,992,420	3,335,000
Interest on Other	37,486	-
Bank Commission and Charges	6,036,535	3,800,555
	33,315,138	33,890,203
<b>NOTE 'X'</b>		
<b>OTHER EXPENSES</b>		
<b>1 MANUFACTURING EXPENSES</b>		
Power & Fuel Consumed	54,080,890	53,507,294
Store, Spares & Tools Consumed	8,321,163	9,053,541
Packing Expenses	28,585,905	23,832,332
Job work Charges	-	1,295,981
Carriage Inward	299,888	313,289
<b>Repairs and Maintenance:</b>		
Building and Shed	411,975	447,606
Plant and Machinery	7,524,487	8,185,543
Others	2,491,538	1,458,020
	101,715,847	98,093,607

PARTICULARS	As At 31st Mar, 2014 (Rs.)	As At 31st Mar, 2013 (Rs.)
<b>2. ADMINISTRATIVE AND OTHER OVERHEADS</b>		
Rent, Rates and Taxes	677,944	592,224
Printing and Stationery	592,902	518,301
Traveling and Conveyance	9,085,473	8,430,149
Vehicle Running Maintenance	1,786,204	1,890,245
Postage & Telephone charges	2,739,416	2,332,273
Electricity and Water Overheads	688,508	678,949
Data processing Expenses	474,003	475,323
Legal and Professional Charges	1,087,821	1,135,924
Advertisement Expenses	69,292	30,350
<b>Auditor's Remuneration :</b>		
For Audit Fees	50,000	50,000
For Tax Audit Fees	15,000	15,000
For Other Matters	3,300	34,600
Fees & Subscription	480,289	313,275
Repairs and Maintenance Others	3,002,033	331,579
Insurance Charges	1,103,229	891,501
General Expenses	5,849,936	4,426,285
Provision for doubtful debts	434,302	743,696
Sundry Balances Written off (Net)	106,941	140,531
Previous year adjustment (Net)	92,307	-
	<b>28,338,900</b>	<b>23,030,205</b>
<b>3 SALES AND DISTRIBUTION OVERHEADS</b>		
Advertisement & Publicity	102,325	165,633
Freight and Carriage Outward	21,644,744	18,367,398
Discount, Rebates and Claims	1,213,870	1,195,900
Brokerage & Commission	2,993,112	2,990,221
Business Promotion Expenses	2,543,659	2,534,778
Turnover and Sales Tax	22,981	156,923
Excise Duty and Service tax	62,299	-
Exhibition & Conference Expenses	964,008	615,421
	<b>29,546,998</b>	<b>26,026,274</b>
<b>Total (1+2+3)</b>	<b>159,601,745</b>	<b>147,150,086</b>

**NOTE : Y SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2014**

**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.

(e) Drawbacks are accounted for on receipt basis.

**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 EXPENDITURE 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 capitalized 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 LIABILITIES

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

## XIII TAXES ON INCOME

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

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

## 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 & Allahabad bank for import of Raw material etc. worth Rs. 189.83 (Previous year Rs. Nil ) and for procurement of for raw material from domestic supplier Rs. 356.43 Lac (Previous year Rs. 78.89 Lac)
  - (c) Sales Tax demand pending appeals Rs. 6.04 Lacs (Previous year Rs. 6.00 Lacs)
  - (d) Excise Duty demand pending appeals at High Court Rs 1.95 Lacs. (Previous year at Rs. 1.95 Lacs)
  - (e) Custom duties saved under EPCG/Advance license schemes, against which export obligations are pending 96.48 lacs. (Previous year at Rs. 37.60 Lacs).
  - (f) Estimated amount of capital commitments not provided for Rs 3,74,51,590/- (USD 6,02,600/-) . Advances given against the same Rs. 1,87,12,392/- (USD 3,01,080/-)
2. In accordance with company's consistent practice, no provision has been made for excise duty aggregating Rs. 11.92 Lacs (Previous year Rs. 7.13 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. Nil on account of interdivisional Transfer (Previous year Rs 1,05,892,070/-).
4. Following banks accounts have no transactions during the year and are subject to confirm by the banks:
  - a. Allahabad Bank - Ahmedabad 15150.05/-
  - b. IDBI Bank Ltd. - Mumbai 1450.39/-
  - c. IDBI Bank Ltd. - Bangalore 456.66/-
5. 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.
6. In the opinion of the Board and to the best of their knowledge and belief, the value on realization of current assets, loans and advances including amount recoverable from Income Tax, Central Excise, Service Tax, VAT and deferred credit from suppliers all are in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet, all these debit/credit balances are subject to confirmations and adjustments, if any. The management is hopeful of recovering the debit balances, which are outstanding since a long.
7. 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.
8. 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.
9. 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.

**10. Amount paid to Directors as remuneration:**

A. Managing Director	Full Time	
	2013-2014	2012-2013
a) No. of Persons	One	(One)
b) Salary & Allowances	30,00,000/-	30,00,000/-
c) Perquisites	32,159/-	1,54,255/-
B. Whole Time Director		
a) No. of Persons	Two	Two
b) Salary & Allowances	8,40,000/-	8,40,000/-
c) Contribution to P.F & other funds	50,400/-	50,400/-
d) Perquisites	1,54,000/-	1,54,000/-

11. Earnings per share (EPS):	2013-2014	2012-2013
Profit/(Loss) after Tax (Rs. in Lacs)	239.37	157.64
Average number of Equity Shares (Face Value of Rs.10/-)	51,16,300	51,16,300
Basic and Diluted EPS (in Rupees per Share)	4.68	3.08

**12. Details of Employee Benefits as required by the Accounting Standard -15 "Employee Benefits" are as follows:**
**1 Defined contribution Plans**

PARTICULARS	2013-14	2012-2013
The Group has recognized the following amounts in the profit and loss account:-Contribution to Provident Fund and Family Pension Fund	19,02,243/-	18,01,137/-

**2 Defined Benefit Plan (unfunded)**
**(a) A General description of the employees Benefit Plan:**

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

**(b) Details of defined benefit plan as per Actuarial Valuation are as follows:**
**I Components of employer expenses**
**Charge in Defined Benefit Obligation during the year.**

Particulars	Gratuity		Leave Encashment	
	2013-14	2012-13	2013-14	2012-13
Current Service Cost	5,01,456	4,95,783	52,065	48,185
Interest Cost	5,91,269	4,56,446	41,218	31,128
Actuarial Losses (Gains)	1,25,498	7,74,718	1,68,281	1,62,264
Total Expenses recognized in the P&L A/c	12,18,223	17,26,947	2,62,281	2,41,577



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

Particulars	Gratuity		Leave Encashment	
	2013-14	2012-13	2013-14	2012-13
Present Value of Defined Benefit Obligation	68,30,485	65,69,655	4,80,630	4,57,978
Net Asset/(Liability) recognized in the Balance Sheet	68,30,485	65,69,655	4,80,630	4,57,978

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

Particulars	Gratuity		Leave Encashment	
	2013-14	2012-13	2013-14	2012-13
Present value of defined Benefit obligation as at the beginning of year	65,69,655	55,32,679	4,57,978	3,77,307
Current Service Cost	5,01,456	4,95,783	52,065	48,185
Interest Cost	5,91,269	4,56,446	41,218	31,128
Actuarial Losses/(Gains)	1,25,498	7,74,718	1,68,998	1,62,264
Benefits paid	-95,78,393	-6,89,971	-2,39,629	-1,60,906
Present value of Defined Benefit obligation as the end of the year	68,30,485	65,69,655	4,80,630	4,57,978

**IV. Actuarial Assumptions**

Particulars	Current Year	Previous Year
Discount Rate	9.00%	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 separately 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.  
Alora Trading Company Ltd

**2. Key Management Personal:**

Mr. Lalit Kumar Bagla - Chairman  
Mr. Madhu Sudan Bagla - Mg. Director  
Mr. Suresh Shridhar Ajila – Whole time Director  
Mrs. Urmila Goenka - Whole time Director

**3. Relative of Key Management Personnel**

(With whom transactions taken place during the year)  
Mrs. Pushpa Devi Bagla

Mrs. Anju Bagla  
 Mrs. Gayathri Ajila  
 Mr. Nakul Bagla

**4. Others**

Shree Shree Ishwar Satya Narayanjee & Other Deities  
 Surya Consumers Goods Pvt. Ltd.

**B). Transactions with Related Parties:**

Type of Related Party	Nature of Transaction	Volume of Transactions		Amount Payable / (Recoverable)	
		2013-14	2012-13	2013-14	2012-13
Where Control Exists	Loans & Advances Received	815/-	73,27,904/-	NIL	47,50,000/-
	Loan & advances Repaid	47,50,815/-	NIL	NIL	NIL
	Loans & Advances Given	1,64,18,301/-	24,344,661/-	5,500/-	NIL
	Loans & Advances Given received back	1,64,12,801/-	NIL	NIL	NIL
	Hire charges Paid	10,80,000/-	10,80,000/-	NIL	NIL
	Purchases	NIL	NIL	NIL	NIL
	Rent Paid	1,08,000/-	1,32,000/-	NIL	NIL
	Job Work payment	NIL	8,42,036/-	NIL	NIL
	Sales	1,62,337/-	1,70,986/-	NIL	NIL
	Security Deposit given for office	1,08,000/-	NIL	(1,08,000)	NIL
Key Management Personal	Managing Director's Remuneration & Perquisites	30,32,159/-	31,54,255/-	NIL	2,64,000/-
	Loan & Advance Given & received back	38,708/-	NIL	NIL	NIL
	Director's Remuneration	10,44,400/-	10,44,400/-	45,800/-	1,65,800/-
	Loans & Advances Received	NIL	15,25,000/-	NIL	25,00,000/-
	Loans & Advances Received repaid	25,00,000/-	NIL	NIL	NIL
	Hire charges Paid	4,80,000/-	4,80,000/-	NIL	NIL
Relative of Key Management Personal	Interest Paid	30,411/-	3,00,000/-	48,620/-	NIL
	Salary	5,70,000/-	3,00,000/-	48,720/-	NIL
	Loans Given	NIL	NIL	NIL	NIL
	Loans Received	NIL	6,75,000/-	NIL	NIL
	Interest Paid	9,501/-	3,00,000/-	NIL	NIL
	Commission paid	6,62,932/-	3,91,733/-	NIL	NIL
	Rent Paid	3,11,250/-	1,75,000/-	NIL	22,500/-
	Office Maintenance paid	1,86,000/-	1,05,000/-	NIL	13,500/-
	Education Sponsorship	3,37,080/-	7,47,520/-	NIL	NIL
Security Deposit given for office	NIL	10,00,000/-	(10,00,000/-)	(10,00,000/-)	
Others	Rent Paid	24,000/-	24,000/-	NIL	NIL
	Loan Received Repaid	1,16,50,000/-	NIL	NIL	1,16,50,000/-
	Loan Given & received back	9,00,000/-	Nil	Nil	Nil



15. Derivative Instruments and Unhedged Foreign Currency disclosure:

Particulars	2013-2014			2012-2013		
	Rs.	Value in Foreign Currency		Rs.	Value in Foreign Currency	
<b>Receivables</b>						
Export Sales	2,09,62,392 1,29,887	USD Euro	3,45,486 15,913	1,27,29,905 Nil	USD Nil	2,34,307 Nil
Advance paid for Machine	1,87,12,392	USD	3,01,080	4,09,097	USD	5,890
Advance for Import-Raw Material	36,23,512	USD	62,679	Nil		Nil
<b>Total</b>	<b>4,34,28,183</b>		<b>7,25,158</b>	<b>1,31,39,002</b>		<b>2,40,197</b>
<b>Payables</b>						
Import- Raw Material	NIL		NIL	61,29,621	USD	1,11,290
Advance Received against export sale	19,011 290	USD Euro	11,63,458 24,319	8,04,650 Nil	USD	14,948 Nil
<b>Total</b>	<b>19,301</b>		<b>11,87,777</b>	<b>69,34,271</b>		<b>1,26,238</b>

16. A. STOCK AND TURNOVER

Class of Goods	Opening Stock Value (Rs.)	Closing Stock Value (Rs.)	Turnover Value (Rs.)
<b>MANUFACTURED FINISHED GOODS</b>			
SELF ADHESIVE TAPES	7,513,769 (7,503,596)	6,512,912 (7,513,769)	644,138,779 (587,597,529)
BOPP FILM	2,268,605 (3,870,407)	1,438,275 (2,268,605)	6,969,708 (108,416,881)
POF FILM	2,182,884 (1,295,060)	8,463,780 (2,182,884)	198,064,491 (129,387,556)
	<b>11,965,258</b> (12,669,063)	<b>16,414,967</b> (11,965,258)	<b>849,172,978</b> (825,401,966)

	Current Year Value (Rs.)	Previous Year Value (Rs.)
<b>B</b>		
<b>WORK IN PROGRESS</b>		
<b>OPENING STOCK</b>		
SELF ADHESIVES TAPES	12,308,884	18,581,045
BOPP FILM	124,397	1,591,796
POF FILM	11,771,362	-
	<b>24,204,643</b>	<b>20,172,841</b>
<b>CLOSING STOCK</b>		
SELF ADHESIVES TAPES	15,457,539	1,230,884
BOPP FILM	721,535	124,397
POF FILM	15,519,385	11,771,362
	<b>31,698,458</b>	<b>13,126,643</b>

	Current Year Value (Rs.)	Previous Year Value (Rs.)
<b>C RAW MATERIAL CONSUMED</b>		
Bopp & other films	156,822,762	146,566,950
Polypropylene Granules	140,206,217	161,568,792
Adhesives & Chemicals	201,931,603	188,516,827
Paper & Other	2,015,650	984,953
	<b>500,976,233</b>	497,637,522

# Including Interdivisional Transfer Nil MT equivalent to Nil SQM (Previous year 882.59 MT equivalent to 37481755.33 SQM) valuing Rs. Nil ( Previous Year Rs. 1058.92 Lacs)

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

	CURRENT YEAR		PREVIOUS YEAR	
	%	Value (Rs.)	%	Value (Rs.)
<b>RAW MATERIALS</b>				
Imported	32.73	163,954,724	28.07	139,665,930
Indigenous	67.27	337,021,509	71.93	357,971,592
	100.00	500,976,233	100.00	497,637,522
<b>STORE &amp; SPARES &amp; LOOSE TOOLS</b>				
Imported	2.04	99,392	4.32	221,455
Indigenous	97.96	4,781,135	95.68	4,902,683
	100.00	4,880,527	100.00	5,124,138

**E CIF VALUE OF IMPORTS**

	Current Year Value (Rs.)	Previous Year Value (Rs.)
Raw Materials	146,386,129	147,889,851
Capital Goods	6,379,588	5,792,913
Capital Goods - Repair & Maintance	2,082,993	309,243
Store & Spare	121,624	221,445

**F EXPENDITURE IN FOREIGN CURRENCY**

	Current Year Value (Rs.)	Previous Year Value (Rs.)
Traveling Expenses	1,508,270	2,919,323
Exhibition, Meeting & Conference, Professional	791,508	402,361
Others (Donation, Commission & Bank Charges)	397,622	447,188

**HINDUSTAN ADHESIVES LIMITED**

**G EARNING IN FOREIGN CURRENCY**

	<b>Current Year Value (Rs.)</b>	<b>Previous Year Value (Rs.)</b>
FOB Value of Exports	<b>143,689,709</b>	88,357,887

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 : 31.05.2014

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	Current Year (Rs.)	Previous Year (Rs.)
<b>A Cash Flow From Operating Activities</b>		
Net Profit / (Loss) As per Profit & loss Account	32,136,951	24,079,703
<b>Adjustment For:</b>		
Depreciation	20,721,230	21,882,935
Sales of Fixed Assets Sold	-	(319,455)
Interest Paid / Received Net	33,315,138	33,890,203
Provision for doubtful reserved	309,394	-
Provision for Gratuity & Leave	283,481	1,117,647
<b>Operating Profit Before Working Capital Change</b>	<b>86,766,194</b>	<b>80,651,033</b>
<b>Adjustment For:</b>		
Trade & Other Receivables	(56,271,691)	(23,253,331)
Inventories	(17,934,833)	(7,134,832)
Trade Payable	21,002,963	9,488,684
<b>Cash Generated by Operating Activities</b>	<b>33,562,634</b>	<b>59,751,554</b>
<b>Less: Income Tax Payments</b>	<b>(4,756,262)</b>	<b>(4,767,760)</b>
<b>Net Cash Generated by Operating Activities</b>	<b>28,806,372</b>	<b>54,983,794</b>
<b>B CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchases of Fixed Assets	(18,570,694)	(9,965,211)
Sales of Fixed Assets	-	975,000
<b>Net Cash Flow from investment activities</b>	<b>(18,570,694)</b>	<b>(8,990,211)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds /(Repayment) from Secured Loans	52,812,818	1,398,242
Proceeds /(Repayment) from Unsecured Loans	(21,400,000)	(9,845,629)
Interest	(33,315,138)	(33,890,203)
<b>Net cash used in Financing Activities</b>	<b>(1,902,320)</b>	<b>(42,337,590)</b>
<b>NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENT</b>	<b>8,333,358</b>	<b>3,655,992</b>
Cash & Cash equivalents opening Balance	8,475,451	4,819,459
Cash & Cash equivalents Closing Balance	<b>16,808,809</b>	<b>8,475,451</b>

As per our report of even date attached

For **SALARPURIA & PARTNERS**

Firm Registration No.-302113E

Chartered Accountants

**(Kamal Kumar Gupta)**

Partner

M. No.- 89190

Place :New Delhi

Date : 31.05.2014

**(S.S. DUA)**

Co. Secretary

**(L.K. BAGLA)**

Chairman

**(M.S. BAGLA)**

Mg. Director

**BOOK POST**



Bagla Group



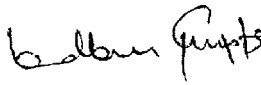
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**HINDUSTAN ADHESIVES LIMITED**

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

**FORM A**

**Format of covering letter of the annual audit report to be filed with the stock exchanges**

1.	Name of the Company:	HINDUSTAN ADHESIVES LIMITED
2.	Annual financial statements for the year ended	31 <sup>st</sup> March 2014
3.	Type of Audit observation	There was no Audit Observation.
4.	Frequency of observation	N.A
5.	To be signed by-	
	• CEO/Managing Director	
	• CFO	
	• Auditor of the company	
	• Audit Committee Chairman	