

**26th
Annual
Report
2013-2014**



HINDUSTAN ADHESIVES LIMITED

26TH 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,
3rd 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
Net worth	1585.43	1347.04

II DIVIDEND

Your 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.

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.e.f. 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.

4. Expenditure on R&D:

Amount in Rs.

Capital	0
Recurring	407021
Total	407021

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:

1. Total Foreign exchange earned and used:

	31.03.2014	31.03.2013
Earnings:		
Export value of FOB basis	1436.90	883.58
Expenditure:		
Capital Goods & Others (CIF)	85.84	63.24
Raw Material (CIF)	1463.86	1478.90
Other	26.97	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 an 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

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 & 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%
TOTAL	5116300	100%

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
Total	6880	100	5116300	100

- 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

**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.

(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.)
EQUITY & LIABILITIES			
SHAREHOLDER'S FUNDS			
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>
NON-CURRENT LIABILITIES			
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>
CURRENT LIABILITIES			
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>
ASSETS			
NON CURRENT ASSETS			
Fixed assets			
(i) Tangible Assets	J		
Gross Block		466,712,171	451,455,072
Less Depreciation		245,603,686	224,882,456
Net Block		<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>
CURRENT ASSETS			
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 **SALARPURI & 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.)
REVENUES			
Revenue From Operation	R	777,621,337	762,582,535
Other Income	S	1,881,890	2,393,433
Total Revenue		779,503,227	764,975,968
EXPENSES			
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
Total expenses		747,366,276	740,896,265
Profit Before Tax		32,136,951	24,079,703
PROVISION FOR TAX			
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)
PROFIT AFTER TAXATION		23,937,122	15,764,494
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.)
NOTE 'A'		
SHARE CAPITAL		
AUTHORISED		
70,00,000 (70,00,000) Equity Share of Rs. 10/- each	70,000,000	70,000,000
ISSUED, SUBSCRIBED AND PAID UP		
51,16,300 Equity share of Rs.10/- each (Out of Which: 1,029,000 Equity share of Rs.10/- each Fully paid up, issued as Bonus Share by Capitalisation of General Reserve)	51,163,000	51,163,000
	51,163,000	51,163,000

A-1
DETAILS OF SHAREHOLDER HOLDING 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
Share Premium Account

Balance Brought Forward	21,259,500	21,259,500
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Investment Allowance Utilization Reserve

Balance Brought Forward	2,500,000	2,500,000
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Profit & Loss Account

Balance B/F From Previous Year	59,781,404	43,465,187
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Adjustment for income Tax for earlier years	(97,110)	551,724
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Profit/(Loss) for the year	23,937,122	15,764,494
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	107,380,916	83,540,904
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NOTE 'C'
LONG TERM BORROWINGS
SECURED LOANS

Term Loan	Non Current	Current	Non Current	Current
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>
AUTO LOANS				
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>
UNSECURED LOAN				
FROM BODIES CORPORATE :				
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.

PARTICULARS	As At 31st Mar, 2014 (Rs.)	As At 31st Mar, 2013 (Rs.)
NOTE 'D'		
DEFERRED TAX LIABILITIES (NET)		
On Timing Difference of Accounting of Depreciation	24,105,989	22,612,059
On Provision for Gratuity	(2,137,461)	(2,062,318)
On Adjustments of Statutory Dues under Section 43B of Income Tax Act, 1961	(652,954)	(553,350)
Net Deferred Tax Assets(Liabilities)	<u>21,315,574</u>	<u>19,996,391</u>

PARTICULARS	As At 31st Mar, 2014 (Rs.)	As At 31st Mar, 2013 (Rs.)
NOTE 'E'		
<u>LONG TERM PROVISIONS</u>		
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>
NOTE 'F'		
<u>SHORT TERM BORROWING</u>		
<u>Current Maturities of Long Term Loans</u>		
<u>Refer Note C Above</u>	<u>14,109,988</u>	<u>14,616,882</u>
	<u>14,109,988</u>	<u>14,616,882</u>
Cash Credits from Banks		
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.)
NOTE 'G'		
<u>TRADE PAYABLES</u>		
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>
NOTE 'H'		
<u>OTHER CURRENT LIABILITIES</u>		
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>
NOTE 'I'		
<u>SHORT TERM PROVISIONS</u>		
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>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
VEHICLES									
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
CYCLE'S	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
TOTAL	451,455,072 (432,485,674)	15,257,099 (21,601,700)	(2,632,302)	466,712,171 (451,455,072)	224,882,456 (204,976,278)	(1,976,757)	224,882,456 (224,882,456)	241,829,715 (226,572,616)	226,572,616 (227,509,396)
Capital Work in Progress	-	-	-	-	-	-	-	-	-
Plant and Machinery	-	3,313,595	-	3,313,595	-	-	-	3,313,595	-
Building under construction	-	-	-	-	-	-	-	-	-
Advances for Capital Goods	-	-	-	-	-	-	-	-	-
Pre operative Expenses (Pending allocation)	-	-	-	-	-	-	-	-	-
TOTAL	(11,636,956)	3,313,595	(11,636,489)	3,313,595	-	-	-	3,313,595	(11,636,489)
TOTAL	451,455,072	18,570,694	-	470,025,766	224,882,456	-	224,882,456	245,143,310	226,572,616

PARTICULARS	As At 31st Mar, 2014 (Rs.)	As At 31st Mar, 2013 (Rs.)
NOTE 'K'		
NON CURRENT INVESTMENTS		
INVESTMENTS (LONG TERM - TRADE)		
Unquoted		
10,000 (10,000) Equity share of Rs 10/-each Fully Paid up of Benares State Bank Limited	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
Less : Provision for diminution in value	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
	-	-
	<u><u>-</u></u>	<u><u>-</u></u>
NOTE 'L'		
OTHER NON CURRENT ASSETS		
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>
NOTE 'M'		
INVENTORIES		
(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>
NOTE 'N'		
TRADE RECEIVABLES		
(Unsecured, considered good unless otherwise stated)		
Debts Due Over Six month		
Considered good	4,091,140	3,037,309
Considered doubtful	658,884	743,696
Less: Provision for doubtful debts	(658,884)	(743,696)
Other Debts		
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.)
NOTE 'O'		
CASH AND CASH EQUIVALENTS		
Cash in Hand (As per books and certified)	550,842	160,060
Balances with Scheduled Banks in:		
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>
NOTE 'P'		
SHORT TERM LOANS & ADVANCES		
(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>
NOTE 'Q'		
OTHER CURRENT ASSETS		
Discarded Fixed Assets held for Sales	6,904,207	6,904,207
	<u>6,904,207</u>	<u>6,904,207</u>
NOTE 'R'		
REVENUE FROM OPERATIONS		
[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	<u>851,229,435</u>	<u>828,763,080</u>
Less Excise Duty	74,784,866	67,176,755
	776,444,569	761,586,325
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.)
NOTE 'S'		
<u>OTHER INCOME</u>		
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>
NOTE 'T'		
<u>MATERIALS CONSUMED</u>		
Raw Materials Consumed		
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>
NOTE 'U'		
<u>CHANGES IN INVENTORY OF FINISHED GOODS, WORK IN PROCESS AND STOCK-IN-TRADE</u>		
OPENING STOCK		
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>
CLOSING STOCK		
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.)
NOTE 'V'		
<u>EMPLOYEE BENEFITS EXPENSES</u>		
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
	44,659,262	43,697,764
NOTE 'W'		
<u>FINANCE COST</u>		
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
	33,315,138	33,890,203
NOTE 'X'		
<u>OTHER EXPENSES</u>		
1 <u>MANUFACTURING EXPENSES</u>		
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
<u>Repairs and Maintenance:</u>		
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
	101,715,847	98,093,607

PARTICULARS	As At 31st Mar, 2014 (Rs.)	As At 31st Mar, 2013 (Rs.)
2. ADMINISTRATIVE AND OTHER OVERHEADS		
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
<u>Auditor's Remuneration :</u>		
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	-
	28,338,900	23,030,205
3 SALES AND DISTRIBUTION OVERHEADS		
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
	29,546,998	26,026,274
Total (1+2+3)	159,601,745	147,150,086

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 capitalize until the time all substantial activities necessary to prepare such assets for their intended use are complete. Other borrowing cost are recognized as an expense in the year in which they are incurred.

XI EMPLOYEE BENEFITS:**(i) Defined Contribution Plans**

The Group's Contributions to the Provident Fund and Superannuation Fund are charged to the profit and loss accounts

(ii) Defined Benefit plan/ long term Compensated Absences:

The Group's liability towards gratuity and compensated absences is determined on the basis of the year end actuarial valuation done by an independent actuary. The actuarial gains or losses determined by the actuary are recognized in the profit and loss account as income or expense.

XII CONTINGENT LIABILITES

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

XIII TAXES ON INCOME

Tax expenses for the year comprises of current tax 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
Receivables				
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
Total	4,34,28,183	7,25,158	1,31,39,002	2,40,197
Payables				
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
Total	19,301	11,87,777	69,34,271	1,26,238

16. A. STOCK AND TURNOVER

Class of Goods	Opening Stock Value (Rs.)	Closing Stock Value (Rs.)	Turnover Value (Rs.)
MANUFACTURED FINISHED GOODS			
SELF ADHESIVE TAPES	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)
	11,965,258 (12,669,063)	16,414,967 (11,965,258)	849,172,978 (825,401,966)

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

	Current Year Value (Rs.)	Previous Year Value (Rs.)
C RAW MATERIAL CONSUMED		
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
	500,976,233	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.)
RAW MATERIALS				
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
STORE & SPARES & LOOSE TOOLS				
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 & Maintenance	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

**G EARNING IN FOREIGN CURRENCY**

	Current Year Value (Rs.)	Previous Year Value (Rs.)
FOB Value of Exports	143,689,709	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.)
A Cash Flow From Operating Activities		
Net Profit / (Loss) As per Profit & loss Account	32,136,951	24,079,703
Adjustment For:		
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
Operating Profit Before Working Capital Change	86,766,194	80,651,033
Adjustment For:		
Trade & Other Receivables	(56,271,691)	(23,253,331)
Inventories	(17,934,833)	(7,134,832)
Trade Payable	21,002,963	9,488,684
Cash Generated by Operating Activities	33,562,634	59,751,554
Less: Income Tax Payments	(4,756,262)	(4,767,760)
Net Cash Generated by Operating Activities	28,806,372	54,983,794
B CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchases of Fixed Assets	(18,570,694)	(9,965,211)
Sales of Fixed Assets	-	975,000
Net Cash Flow from investment activities	(18,570,694)	(8,990,211)
C CASH FLOW FROM FINANCING ACTIVITIES		
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)
Net cash used in Financing Activities	(1,902,320)	(42,337,590)
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENT	8,333,358	3,655,992
Cash & Cash equivalents opening Balance	8,475,451	4,819,459
Cash & Cash equivalents Closing Balance	16,808,809	8,475,451

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

If Undelivered please return to :

HINDUSTAN ADHESIVES LIMITED

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