

29th
Annual
Report
2016-2017



HINDUSTAN ADHESIVES LIMITED

29TH ANNUAL REPORT

2016 - 2017

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
 Mr. Nakul Bagla (CFO)

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,
 Near PVR Naraina, New Delhi-110028

REGISTERED OFFICE;

340/2-A, G. T. Road,
 Shahdara, Delhi-110095
 CIN: L74899DL1988PLC031191

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:

Mumbai, Kolkata
 Stock Exchanges

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DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2016-2017

To,
The Members,

The Directors have pleasure in presenting the 29th Annual Report of the company together with the financial statements, for the year ended on 31st March 2017.

FINANCIAL PERFORMANCE OF THE COMPANY

During the Financial Year 2016-2017, The Financial position of the Company is as under:

(Amount in lakhs)

PARTICULARS	STANDALONE		CONSOLIDATED	
	Year Ended 31st March 2017	Year Ended 31st March 2016	Year Ended 31st March 2017	Year Ended 31st March 2016
Total Income	7505.74	6925.98	7671.72	7065.97
Profit Before Interest, Depreciation & tax	1168.23	979.35	1176.41	966.99
Interest & Financial Charges	289.78	340.54	293.40	(344.18)
Depreciation	342.81	313.62	361	(333.99)
Profit before Taxation	535.64	325.19	522.01	288.82
Less: - Provisions for Income Tax	(110)	(137.50)	(110)	(137.50)
Mat Credit adjustments	(0.38)	-	(0.38)	-
Deferred tax Assets/(liabilities)	65.84	24.40	65.84	24.40
Net profit after tax	491.10	212.09	477.47	175.72
Equity	511.63	511.63	511.63	511.63
Earnings Per Share	9.60	4.15	9.33	3.43

DIVIDEND:

Your Directors are pleased to recommend the interim dividend of Rs. 1/- per Equity Share of Rs. 10/- each on 51,16,300 Equity shares, aggregating Rs. 51,16,300 /- (Rupees Fifty One Lakhs Sixteen Thousand Three Hundred only), declared by the Board of Directors on 12th November, 2016, as the final dividend for the financial year ended 31st March, 2017.

RESERVES:

Taking into account overall financial performances of the Company. Your Directors do not transfer any amount to General Reserve Account.

STATE OF COMPANY'S AFFAIR:

The Company is pleased to inform the shareholders that it has purchased land in the Kutch region of the state of Gujarat to set up the latest and most advanced production facilities for manufacturing Carton Sealing Tapes for both the domestic and the international markets, the production of such facilities will commence production by the end of the current financial year.

The total investment in the new project is approximately Rs. 35 crores, financial closure of which has been completed with the support of our existing bankers, unsecured loans and internal accruals of the company.

The Company continues to make efforts to increase the sales of Carton Sealing Tapes in the domestic markets and other Specialty Adhesive Coated products by providing the customers an excellent quality product backed by dedicated customer services.



The company sees a good future in the sales of Carton Sealing Tapes and the acceptance of the new products developed by the Company for the Indian market and as well expected growth in the FMCG sector in India for all manufactured products and services. The Company continues to focus on building its Brand and Image as a quality supplier of Adhesive Coated Products in India.

The Company has also been developing high value added POF shrink films during the current year. This will enhance the turnover and bring good profits to the Company during the next year.

The Company had also strategically invested in a subsidiary company named Bagla Wellness Private Limited for promoting wellness and fitness by setting up fitness centers in New Delhi and is also exploring other opportunities in the field of Wellness and Health care, and the company expects this business to start making profits from the coming years.

CHANGE IN THE NATURE OF BUSINESS

During the financial year under review, no changes have occurred in the nature of the Company's business.

MATERIAL CHANGES BETWEEN THE END OF FINANCIAL YEAR AND DATE OF THE DIRECTOR REPORT:

The Company has committed to plough back the cash accruals in the company for investing in the new expansion project at Kutch region for expanding the operations of carton sealing tapes for which it has more than 25 years of experience.

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and date of the director report of the Company to which the financial statements relates.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL

There have been no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations.

STATEMENT IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENT:

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2016-17.

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS PROVIDED UNDER SUB-SECTION (3) OF SECTION 178:

The Board has on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report and also available on the Company website www.bagla-group.com

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES:

During the year under Review, Your Company has one Subsidiary named Bagla Wellness Private Limited. Your Company does not have any associate/joint venture company for the year ended March 31, 2017.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, the statement containing salient features of the financial statements of the Company's Subsidiaries', Associates' and Joint Ventures in Form AOC-1 is attached as "Annexure A".

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

The Company has not given any Loan, any guarantee and security in connection with a Loan to any other body corporate or person and however, the company has made investment during the year under review the details of which are referred in Notes to Financial Statement.

DEPOSITS:

During the year under review, your Company did not accept any deposits within the meaning of provisions of Chapter V- Acceptance of Deposits by Companies of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

AUDITORS AND AUDITORS' REPORT**(1) STATUTORY AUDITORS:**

Pursuant to Section 139 of the Act and Rules made thereunder, **M/s. Salarpuria & Partners**, Chartered Accountants, were appointed as statutory auditors of the Company at the 26th Annual General Meeting held on 12th September, 2014 for a period of 3 years commencing from the closure of the 26th Annual general Meeting till the closure of the 29th Annual General Meeting. Their term as auditors is up to the conclusion of the forthcoming AGM. In accordance with the provisions of Section 139 of the Act, **M/s. SPMR & Associates**, Chartered Accountants (Firm Registration No. 007578N) are proposed to be appointed as auditors for a period of 5 years commencing from the conclusion of this AGM till the conclusion of the 34th AGM of the Company to be held in 2022, subject to ratification of their appointment at every AGM, if so required under the Act.

M/s. SPMR & Associates have consented to their appointment as Statutory Auditors and have confirmed that their appointment, if made, will be in accordance with Section 139 read with Section 141 of the Act. Members are requested to approve the appointment of **M/s. SPMR & Associates** and authorize the Board of Directors to fix their remuneration. The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

(2) SECRETARIAL AUDITORS:

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed **Mr. Puneet Kumar Pandey**, a Company Secretary in Practice to undertake the Secretarial Audit of the Company for the year ended 31st March, 2017. The Secretarial Audit Report is annexed as "**Annexure B**".

The Secretarial Audit Report for the financial year ended 31st March, 2017 do not contain any qualification, reservation, adverse remark or disclaimer.

(3) INTERNAL AUDITOR

As per section 138 of the Companies Act, 2013, the Company is required to have Internal Auditor. In this connection, the Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment of **M/s. Navin Sudhir & Associates** as the Internal Auditor of the Company.

SHARE CAPITAL:

The paid up Equity Share Capital as on 31st March, 2017 was ' 5.11 Crores. During the year under review, the Company has not issued any shares.

The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

EXTRACT OF THE ANNUAL RETURN:

The extracts of Annual Return in Form MGT – 9 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 for the Financial Year 2016-17 is furnished in "**Annexure C**" and is attached to this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as "**ANNEXURE D**".

CORPORATE SOCIAL RESPONSIBILITY:

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within purview of Section 135(1) of the Companies Act, 2013 and hence it is not required to formulate policy on corporate social responsibility.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Company has received the necessary declaration from each Independent Directors in accordance with Section 149(7) of the Companies Act, 2013, that he meets the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act, 2013.



Pursuant to provisions of Section 152 of Companies Act, 2013 and the Articles of Association of the Company Mrs. Urmila Goenka, (DIN 01165727) Director of the Company is liable to retire by rotation and being eligible, offer herself for re-appointment. Mr. Shri Kishan Mittal (DIN:00810155) who was appointed as the Additional non executive Independent director of the Company by the Board with effect from 21st August, 2017 and who holds office under Section 161 of the Companies Act, 2013 ("the Act") upto the date of the forthcoming Annual General Meeting but who is eligible for re-appointment, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director under the provision of Section 160 of the Companies Act, 2013.

Pursuant to the provisions of section 203 of the Act, the key managerial personnel of the Company are -Mr. M.S. Bagla, Managing Director, Mr. Nakul Bagla, Chief Financial Officer and Mr. Sarabjeet Singh Dua, Company Secretary. There has been no change in the key managerial personnel during the year

NUMBER OF MEETINGS OF BOARD OF DIRECTORS:

Four meetings of the board were held during the year. For details of the meetings of the board, please refer to the corporate governance report, which forms part of this report.

BOARD EVALUATION

In line with the requirement of Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a meeting of the Independent Directors of the Company was held on 31ST March, 2017, wherein the performance of the non-independent directors including Chairman was evaluated.

The Board, based on the recommendation of the Nomination and Remuneration Committee ("NRC"), evaluated the effectiveness of its functioning and that of the Committees and of individual directors by seeking their inputs on various aspects of Board/Committee Governance.

The aspects covered in the evaluation included the contribution to and monitoring of corporate governance practices, participation in the long-term strategic planning and fulfillment of Directors' obligations and fiduciary responsibilities, including but not limited to active participation at the Board and Committee meetings.

AUDIT COMMITTEE:

The Company being a Listed Company was required to constitute an Audit Committee under Section 177(1) of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014. The Composition of the Audit Committee is provided in the Corporate Governance Report forming part of this report. All the recommendations made by the Audit Committee were accepted by the Board.

STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Company was required to constitute a Stakeholders Relationship Committee under Section 178(5) of the Companies Act, 2013. The Composition of the Stakeholders Relationship Committee is provided in the Corporate Governance Report forming part of this report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

Pursuant to the provisions of Section 177 (9) & (10) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 and as per the listing regulations, the Company has adopted a Whistle Blower Policy, which provides for a vigil mechanism that encourages and supports its Directors and employees to report instances of unethical behavior, actual or suspected, fraud or violation of the Company's Code of Conduct or Ethics Policy. It also provides for adequate safeguards against victimization of persons who use this mechanism. The policy adopted by the company is also posted on the website of the company. www.bagla-group.com

NOMINATION AND REMUNERATION COMMITTEE:

The Company being a Listed Company was required to constitute a Nomination and Remuneration Committee under Section 178(1) of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014. The Composition of the Nomination and Remuneration Committee is provided in the Corporate Governance Report forming part of this report.

Remuneration of the Key Managerial Personnel and Employees of the Company is based on the performance of the company. Remuneration of the employees are revised on timely basis and based on their performances. The company generally sees the ability and review the performance of the candidate before the appointment of the Director.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act 2013 for the Financial Year 2016-17 in the prescribed format, **Form AOC 2** has been enclosed with the report as **"ANNEXURE E"**.

RISK MANAGEMENT POLICY:

The Company does not have any Risk Management Policy as the element of risk threatening the Company's existence is very minimal.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has in place an Anti Sexual Harassment Policy, in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, the Company did not receive any complaint.

DECLARATION OF INDEPENDENT DIRECTORS:

The Independent Directors have submitted their disclosures to the Board that they fulfill the criteria of independence as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves for their continuance as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, none of the employees drawing remuneration in excess of the limits set out in the said Rules.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been enclosed with the report as **"ANNEXURE F"**.

DIRECTORS' RESPONSIBILITY STATEMENT:

Accordingly, pursuant to Section 134 (3) (c) and 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- a) in the preparation of the annual financial statements for the year ended March 31, 2017, the applicable Accounting Standards had been followed along with proper explanation relating to material departures.
- b) for the financial year ended March 31, 2017, such accounting policies as mentioned in the Notes to the financial statements have been applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company and of the Profit of the Company for the year ended March 31, 2017.
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) the annual financial statements have been prepared on a going concern basis.
- e) that proper internal financial controls were followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) That proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT:

The Board appreciates and places on record the contribution made by the employees during the year under review. The Board also places on record their appreciation of the support and co-operation of all stakeholders particularly shareholders, bankers, financial institutions, customers, suppliers and business partners.

By order of the Board of Directors of
HINDUSTAN ADHESIVES LIMITED

(L.K. BAGLA)
CHAIRMAN

DIR: 01596548

Place : New Delhi

Date : 21/08/2017

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129
Read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of
Subsidiaries/ Associate Companies/ Joint Ventures**

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	BAGLA WELLNESS PRIVATE LIMITED
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign Subsidiaries	N.A.
4.	Share capital	25,00,000
5.	Reserves & surplus	3,252,157.51
6.	Total assets	9,697,289.51
7.	Total Liabilities	39,45,132.00
8.	Investments	Nil
9.	Turnover	16,551,689
10.	Profit before taxation	(13,63,149.09)
11.	Provision for taxation	NIL
12.	Profit after taxation	(13,63,149.09)
13.	Proposed Dividend	NIL
14.	% of shareholding	64.80

Notes:

- Names of subsidiaries which are yet to commence operations: None
- Names of subsidiaries which have been liquidated or sold during the year: None

For **SALARPURIA & PARTNERS**

Firm Registration No.-302113E

Chartered Accountants

(Kamal Kumar Gupta)

Partner

M. No. : 089190

(S.S. DUA)

Company Secretary

(L.K. BAGLA)

Chairman

(DIN : 01596548)

(M.S. BAGLA)

Mg. Director

(DIN : 01425646)

(N.M. BAGLA)

CFO

Place : New Delhi

Date : 21.08.2017

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
HINDUSTAN ADHESIVES LIMITED
340/2A, G.T. ROAD, SHAHDARA,
DELHI – 110095

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HINDUSTAN ADHESIVES LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to me and the representations made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 ('The Act') and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (ECB);

Not Applicable

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

Not Applicable

Not Applicable

- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.

Not Applicable

- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

Not Applicable**Not Applicable**(vi) RBI Act, 1934 **Not Applicable**

(vii) Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

Not Applicable(viii) Industrial and Labour Laws which inter-alia includes **(based on the confirmation received from the Management):**

The Minimum Wages Act, 1948

The Payment of Bonus Act, 1965

The Payment of Gratuity Act, 1972

The Employee's Provident Fund & Miscellaneous Provisions Act, 1952

The Employee's State Insurance Act, 1948

Factory Act, 1948

Payment of Wages Act, 1936

The Workmen's Compensation Act, 1923

Contract Labour (Regulation and Abolition) Act, 1970

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the Company with BSE Limited.

I further report that:

The Board of Director of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings. Agenda and detailed notes on Agenda were sent to the Directors at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

I further report that based on the information received and records maintained by the Company, there are adequate Systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Delhi

Date : 21/08/2017

Puneet Kumar Pandey

M No- A29848

C P No.10913

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2017.

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L74899DL1988PLC031191
ii.	Registration Date	05/04/1988
iii.	Name of the Company	HINDUSTAN ADHESIVES LIMITED
iv.	Category/Sub-Category of the Company	Listed Public Limited Company
v.	Address of the Registered office and contact details	340/2A, G.T. Road, Shahdara, Delhi – 110095 Phone: 011-41650348
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited 44, Community Centre, 2 nd Floor, Naraina Industrial Area, Phase – 1, Near PVR Naraina, New Delhi – 110028 Phone No. 011-4141-0592,93,94

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1.	SELF ADHESIVE TAPES	2429	67.01%
2.	POF FILM	2429	32.99%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	BAGLA WELLNESS PRIVATE LIMITED Reg Off: 7 Old Post Office St, Kolkata, West Bengal - 700001	U51109WB2006PTC108394	Subsidiary	64.80	2(87) of the Companies Act, 2013

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):
Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a) Individual/ HUF	2393329	-	2393329	46.78	2393329	-	2393329	46.78	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	640400	-	640400	12.52	895366	-	895366	17.50	4.9834
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	3033729	-	3033729	59.30	3288695	-	3288695	64.28	4.9834
2. Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
c) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A) (1) + (A)(2)	3033729	-	3033729	59.30	3288695	-	3288695	64.28	4.9834
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	200	200	0.0039	-	200	200	0.0039	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.									
d) StateGovt(s).	-	-	-	-	-	-	-	-	-
Sub-Total(B)(1)	-	200	200	0.0039	-	200	200	0.0039	-
2. Non Institutions									
a) Bodies Corp.									
(i) Indian	793267	39000	832267	16.26	541817	39000	580817	11.35	-4.91
(ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
Individual shareholding Rs holding nominal share capital up to Rs. 1 lakh	430210	501580	931790	18.21	440179	492584	932763	18.23	0.0190
Individual shareholders holding nominal share capital in excess of Rs 1 lakh	290548	-	290548	5.68	241248	-	241248	4.71	-0.9636

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (Specify)									
(c – i) Trust	-	100	100	0.002	-	100	100	0.002	0.000
(c – ii) Non Resident Indian (Repat)	3100	-	3100	0.06	7286	-	7286	0.14	.08
(c – iii) Non Resident Indian (Non Repat)	1228	-	1228	0.02	4461	-	4461	0.08	0.06
(c-iv) Hindu Undivided Family	20471	-	20471	0.40	54277	-	54277	1.06	0.66
(c – v) Clearing Member	2767	-	2767	0.05	6353	-	6353	0.12	0.07
(c- vi) Foreign National		100	100	0.002		100	100	0.002	0.0000
Sub-Total(B)(2)	1541591	540780	2082371	40.70	1295621	531784	1827405	35.71	-4.99
Total Public Shareholding (B)= (B)(1)+ (B)(2)	1541591	540980	2082571	40.70	1295621	531984	1827605	35.72	-4.99
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total(A+B+C)	4575320	540980	5116300	100	4584316	531984	5116300	100	0.000

III. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
1.	Madhusudan Bagla	812419	15.88	N.A	812419	15.88	N.A	-
2.	Anju Bagla	598630	11.70	N.A	598630	11.70	N.A	-
3.	Sidhika Bagla	26350	0.52	N.A	26350	0.52	N.A	-
4.	Dhruv Bagla	314580	6.15	N.A	314580	6.15	N.A	-
5.	Nakul Bagla	372100	7.27	N.A	372100	7.27	N.A	-
6.	M.S. Bagla (HUF)	269250	5.26	N.A	269250	5.26	N.A	-
7.	Bagla Polifilms Ltd.	255400	4.99	N.A	255400	4.99	N.A	-
8.	Surya Consumer Goods Pvt Ltd	165000	3.22	N.A	165000	3.22	N.A	-
9.	Synergy Commerce Pvt Ltd	220000	4.30	N.A	220000	4.30	N.A	-
10.	Delhi Foils Pvt Ltd**	-	-	N.A	254966	4.98	N.A	-
	Total	3033729	59.29	-	3288695	64.28	-	-

**Since Mr. Madhusudan Bagla, Ms. Anju Bagla and Mr. Nakul Bagla and their relatives have acquired the 56.47% shareholding of Delhi Foils Private Limited who is holding 4.98% equity shares in the Company. By virtue of indirect acquisition, Promoters Group holding has been increased and "Delhi Foils Private Limited" has been inducted in the Promoters Group.

IV. Change in Promoters' Shareholding

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	At the beginning of the year	3033729	59.29	3033729	59.29
	By virtue of indirect acquisition on 26.03.2017 , "Delhi Foils Private Limited" has been inducted in the Promoters Group	254966	4.99	3288695	64.28
	At the End of the year	3288695	64.28	3288695	64.28

V. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Name	Shareholding at the beginning (01/04/2016)		Date	Increase/ Decrease in shareholding	Reasons	Cumulative Shareholding during the year (01/04/2016) to (31/03/2017)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Saphire Hospitality Management Pvt Ltd	255320	4.99	—	—	—	255,320	4.99
	At the end of the year						255,320	4.99
2.	Delhi Foils Private Ltd **	254966	4.98	—	—	—	254,966	4.98
	At the end of the year						—	—
3.	Hamsafar Vanijya Pvt Ltd	214800	4.20	—	—	—	214,800	4.20
	At the end of the year						214,800	4.20
4.	Deepinder Singh Poonian	133801	2.61		—		133,801	2.61
	At the end of the year						133,801	2.61
5	Dheeraj Kumar Lohia	24132	0.47	19/08/16	6670	Increase	24,132	0.47
	Transfer			26/08/16	5374	Increase	30,802	0.6020
	Transfer			02/09/16	411	Increase	36,176	0.7071
	Transfer			09/09/16	10474	Increase	36,587	0.7151
	Transfer			07/10/16	1239	Increase	47,061	0.9198
	Transfer			02/12/16	218	Increase	48,300	0.9440
	At the End of the Year						48,518	0.9483
6.	S R Gupta	0	0.00	30.12.16	8600	Increase	0	0.00
	Transfer			06.01.17	5816	Increase	8,600	0.1681
	Transfer						14,416	0.2818



Sl. No.	Name	Shareholding at the beginning (01/04/2016)		Date	Increase/ Decrease in shareholding	Reasons	Cumulative Shareholding during the year (01/04/2016) to (31/03/2017)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
	Transfer			20.01.17	3473	Increase	17889	0.3496
	Transfer			27.01.17	1583	Increase	19472	0.3806
	Transfer			03.02.17	1522	Increase	20994	0.4103
	Transfer			24.02.17	11531	Increase	32525	0.6357
	At the End of the Year						32525	0.6357
7.	Dr. Ramesh Chimanlal Shah	0	0.00				0	0.00
	Transfer			09.09.16	12539	Increase	12539	0.2451
	Transfer			16.09.16	801	Increase	13340	0.2607
	Transfer			14.10.16	2482	Increase	15822	0.3092
	Transfer			28.10.16	2500	Increase	18322	0.3581
	At the End of the Year						18322	0.3581
8.	Soyuj Trading co. Ltd	17739	0.3467				17739	0.3467
	At the End of the Year						17739	0.3467
9.	Lalita Jalan	0	0.00				0	0.00
	Transfer			11.11.16	500	Increase	500	0.0098
	Transfer			18.11.16	(400)	Decrease	100	0.0020
	Transfer			25.11.16	10000	Increase	10100	0.1974
	Transfer			30.12.16	2800	Increase	12900	0.2521
	Transfer			20.01.16	2441	Increase	15341	0.2998
	Transfer			17.02.17	659	Increase	16000	0.3127
	At the End of the Year						16000	0.3127
10.	Bindal Mercantile Pvt Ltd	16000	0.3127				16000	0.3127
	Transfer			03.06.16	(1000)	Decrease	15000	0.2932
	Transfer			18.11.16	(200)	Decrease	14800	0.2893
	At the End of the Year						14800	0.2893
11.	Hitesh Ramji Javeri	49700	0.9714				49700	0.9714
	Transfer			18.11.16	(25205)	Decrease	24495	0.4788
	Transfer			28.11.16	(24394)	Decrease	101	0.0020
	At the End of the Year						101	0.0020
12.	Harsha Hitesh Javeri	49700	0.9714				49700	0.9714
	Transfer			25.11.16	(37016)	Decrease	12684	0.2479
	At the End of the Year						101	0.0020
13.	DSK Nageshwara Rao	20415	0.3990				20415	0.399
				30.06.16	(1)	Decrease	20414	0.3990
				15.07.16	(2250)	Decrease	18164	0.3550
				22.07.16	(1600)	Decrease	16564	0.3237
				29.07.16	(1271)	Decrease	15293	0.2989
				05.08.16	(500)	Decrease	14793	0.2891
				12.08.16	(251)	Decrease	14542	0.2842
				19.08.16	(8542)	Decrease	6000	0.1173
				26.08.16	(6000)	Decrease	0	0.00
	At the End of the Year						0	0.00

**Since Mr. Madhusudan Bagla, Ms. Anju Bagla and Mr. Nakul Bagla and his relatives have acquired the 56.47% shareholding of Delhi Foils Private Limited who is holding 4.98% equity shares in the Company. By virtue of indirect acquisition, Promoters Group holding has been -increased and "Delhi Foils Private Limited" has been inducted in the Promoters Group.

VI. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Madhusudan Bagla (Managing Director)	812419	15.88	812419	15.88
2.	Nakul Bagla (CFO)	372100	7.27	372100	7.27

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2016)				
i) Principal Amount	20,77,14,694/-	NIL	-	20,77,14,694/-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	14,18,852/-	-	-	14,18,852/-
Total (i + ii + iii)	20,91,33,546/-	NIL	-	20,91,33,546/-
Change in Indebtedness the financial year				
• Addition	NIL	44,60,000/-	-	44,60,000/-
• Reduction	-48,81,279/-	NIL	-	-48,81,279/-
Net Change	-48,81,279/-	44,60,000/-	-	-4,21,279/-
Indebtedness at the end of the financial year (31.03.2017)	20,42,52,267/-	44,60,000/-	-	20,87,12,267/-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	36,563/-	-	-	36,563/-
iii) Interest accrued but not due	20,42,88,830/-	44,60,000/-	-	20,87,48,830/-
Total (i + ii + iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	MADHUSUDAN LALIT KUMAR BAGLA	URMILA GOENKA	SURESH SHRIDHAR AJILA	Total Amount
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	54,00,000/-	1,80,000/-	4,20,000/-	60,00,000/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	30,00,000/-	20,000/-	3,84,400/-	34,04,400/-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- Others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	84,00,000/-	2,00,000/-	8,04,400/-	94,04,400/-
	Ceiling as per the Act	the payment are as per schedule and as per section 197 of Company at 2013 and as approved by the ministry of company affairs			

B. Remuneration to other directors:

1. Independent Directors:

Particulars of Remuneration	KAILASH CHANDRA GUPTA	PAWAN KUMAR GEETARAM SHARMA	AMIT KUMAR	TOTAL
• Fee for attending board committee meetings	38,330/-	-	35,830/-	74,160/-
• Commission	-	-	-	-
• Others, please specify	-	-	-	-
Total (1)	38,330/-	-	35,830/-	74,160/-

2. Non – Executive Directors:

Particulars of Remuneration	LALIT KUMAR BAGLA	TOTAL AMOUNT (In Rs.)
• Fee for attending board committee meetings	-	-
• Commission	-	-
• Others, please specify	-	-
Total (2)	-	-
Total (B)=(1+2)	-	-
Total Managerial Remuneration	-	-
Overall Ceiling as per the Act	the payment are as per schedule and as per section 197 of Company at 2013 and as approved by the ministry of company affairs	

C. Remuneration to Key Managerial Personnel Other Than MD/ Manager /WTD:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		NAKUL BAGLA	SARABJEET SINGH DUA	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section17(1)of the Income-tax Act,1961	12,00,000/-	48,500/-	12,48,500/-
	(b) Value of perquisites u/s17(2) Income-tax Act,1961	16,80,000/-	Nil	16,80,000/-
	(c) Profits in lieu of salary under section17(3) Income-tax Act,1961			
2.	Stock Option	-	-	
3.	Sweat Equity	-	-	
4.	Commission - as % of profit - Others, specify...	-	-	
5.	Others, please specify	-	-	
	Total (C)	28,80,000/-	48,500/-	29,28,500/-

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/punishments/compounding of offences for the year ended 31 March, 2017.

By order of the Board of Directors of
HINDUSTAN ADHESIVES LIMITED

Place : New Delhi
Date : 21/08/2017

(L. K. BAGLA)
CHAIRMAN
DIN: 01596548

ANNEXURE D

Information under Section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) the Companies (Accounts) Rules, 2014 and forming part of the Report of the Directors

(A) Conservation of energy-

- (i) **The steps taken or impact on conservation of energy:** The manufacturing plant continue their efforts in conserving energy in various forms like energy conservation projects, as also exploration of the costs for installation of LED lamps for lighting purposes in replacement to the conventional lighting.
- (ii) **The steps taken by the company for utilizing alternate sources of energy:** The Company continues to use the latest technologies for improving the productivity and quality of its products.
- (iii) **The capital investment on energy conservation equipments:** NIL

(B) Technology absorption-

- (i) **The efforts made towards technology absorption:** The Company had invited overseas engineers, for the modernization of the plants & machinery, as also trained its local engineers to carry out the jobs locally in India to give the optimum results.
- (ii) **The benefits derived like product improvement, cost reduction, product development or import substitution:** The benefits accrued have been lower cost of modernization and subsequently lower maintenance costs in the future.
- (iii) **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):** Imported technology has helped the company to make world class products and build a wider export market.
- (iv) **The expenditure incurred on Research and Development:** NIL

(C) Foreign exchange earnings and Outgo-

The Company's main line of Business is manufacturing Adhesives Tape, BOPP Film and POF Film (Polyolefin Shrink Film). The Company has achieved Export Turnover of Rs. 958.51 lakhs during the year under report 2016-2017, as compared to Rs. 975.80 lakhs in the previous year, 2015-2016.

(Rs. in Lakhs)

Particulars	2016-2017	2015-2016
Total Foreign Exchange Received (F.O.B. Value of Export)	905.66	930.76
Total Foreign Exchange used:		
i) Raw Materials	1511.18	1440.41
ii) Consumable Stores	2.14	10.55
iii) Capital Goods	7.14	56.00
iv) Foreign Travels	39.45	30.65
v) Others	7.96	11.14

By order of the Board of Directors of
HINDUSTAN ADHESIVES LIMITED

Place : New Delhi
Date : 21/08/2017

(L. K. BAGLA)
CHAIRMAN
DIN: 01596548

FORM AOC 2

Related Party Transactions:

Particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the form AOC2:

Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014:

1. Details of contracts or arrangements or transactions not at arm's length basis:

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

2. Details of material contracts or arrangement or transactions at arm's length basis:

NAME OF RELATED PARTY & NATURE OF RELATIONSHIP	NATURE OF CONTRACT/ ARRANGEMENT/ TRANSCATIONS	DURATION OF CONTRACT/ ARRANGEMENT/ TRANSCATIONS	AMOUNT PAID / RECEIVED AS ADVANCE	AMOUNT PAID AS ADVANCE, IF ANY
Agrawal Tracom Private Limited	Lease Agreement	As per Agreement	1,80,000	NIL
Lalit Kumar Bagla(Director)	Hire charges Paid	As per Agreement	2,40,000	NIL
Anju Bagla	Salary(Office in place of profit)	As per terms of appointment	28,80,000	NIL
Gayathri Ajila	Office in place of profit	As per Agreement	7,89,568	NIL
Nakul Bagla(CFO(KMP) and Dhruv Bagla(KMP's Relative)	Lease Agreement	As per Agreement	30,00,000	NIL
Gayathri Ajila	Lease Agreement	As per Agreement	3,88,999	NIL

By order of the Board of Directors of
HINDUSTAN ADHESIVES LIMITED

Place : New Delhi
Date : 21/08/2017

(L. K. BAGLA)
CHAIRMAN
DIN: 01596548

ANNEXURE – F

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided hereunder:

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Director	Ratio to median remuneration
M.S. Bagla	81.05
Urmila Goenka	1.73
Suresh Ajila	5.789

2. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year.

Particular	% increase in remuneration in the financial year
M.S. Bagla (MD)	Nil
Urmila Goenka (WTD)	Nil
Suresh Ajila (WTD)	Nil
Nakul Bagla (CFO)	Nil
Sarabjeet Singh Dua(CS)	42.85

3. The percentage increase in the median remuneration of employees in the financial year: - 15.20%
4. The number of permanent employees on the rolls of Company: 229
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

There was an increase of around 4.74% in the salaries of the employees in comparison to the last financial year. Percentile increase in the managerial remuneration is Nil.

6. Affirmation that the remuneration is as per the remuneration policy of the Company

The Company affirms remuneration is as per the remuneration policy of the Company.

By order of the Board of Directors of
HINDUSTAN ADHESIVES LIMITED

Place : New Delhi
Date : 21/08/2017

(L. K. BAGLA)
CHAIRMAN
DIN: 01596548

Report on Corporate Governance

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

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

Category	No. of Directors
Executive Director(including a women director)	3
Independent Director	3
Non Executive Director	1
Total	7

- ii. None of the directors on the Board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a director. Necessary disclosures regarding committee positions in other public companies as on March 31, 2017 have been made by the directors.
- iii. All the Independent Directors have confirmed that they meet the criteria as mentioned under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The maximum tenure of the independent directors is in compliance with the Companies Act, 2013 (“Act”).
- iv. During the year 2016-17, the board met 4 (Four) times (as against the minimum requirement of four meetings) on the following dates, namely:-

30th May 2016, 13th August 2016, 12th November 2016 and 13th February 2017.

The names and categories of the directors on the board, their attendance at board meetings held during the year and the last Annual General Meeting are given below:

Sl. No.	Name	Category Membership	Attendance Particulars		Number of directorships		Number of committee positions held in other public companies	
			Board Meeting	Last AGM	in all other Companies	Excl. pvt. Ltd., *foreign & Sec. 8 Companies	Chairman	Member
01.	Mr. Lalit Kumar Bagla DIN: 01596548	Chairman (Non-Executive Director)	4	YES	3	1	NIL	NIL
02.	Mr. M. S. Bagla DIN: 01425646	Managing Director (Executive Director)	4	YES	7	2	NIL	NIL
03.	Mr. Pawan Sharma DIN: 01660557	Director (Independent)	2	YES	2	NIL	NIL	NIL
04.	Mr. K. C. Gupta DIN: 01649210	Director (Independent)	4	YES	2	1	NIL	NIL
05.	Mr. Suresh ShridharAjila DIN: 03203748	Director (Executive Director)	2	NO	NIL	NIL	NIL	NIL
06.	Mrs. Urmila Goenka DIN: 01165727	Director (Executive Director)	2	NO	NIL	NIL	NIL	NIL
07.	Mr. Amit Kumar DIN: 06902856	Director (Independent)	4	YES	NIL	NIL	NIL	NIL
08.	Mr. Shri Kishan Mittal**	Director (Independent)	-	-	1	NIL	NIL	NIL

**Mr. Shri Kishan Mittal was appointed as Additional non-executive Independent Director of the Company on August 21, 2017.

3. Audit Committee

The audit committee of the Company is constituted in line with the provisions of Regulation 18 of the Listing Regulations read with Section 177 of the Companies Act, 2013. All the recommendations made by the Audit Committee were accepted by the Board.

The terms of reference of the audit committee are broadly as under:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommend the appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
 - a) Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section 3 of section 134 of the Act
 - b) Changes, if any, in accounting policies and practices and reasons for the same
 - c) Major accounting entries involving estimates based on the exercise of judgment by management
 - d) Significant adjustments made in the financial statements arising out of audit findings
 - e) Compliance with listing and other legal requirements relating to financial statements

- f) Disclosure of any related party transactions
- g) Modified opinion(s) in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- Review and monitor the auditors' independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of Whistle Blower mechanism.
- Approval of appointment of CFO;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee;

To mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the chief internal auditor.

The composition of the audit committee as at 31st March, 2017 and the details of meetings attended by its members are given below:

Name	Category	No. of Meetings during the Financial Year 2016-17	
		Held	Attended
Mr. K.C. Gupta (Chairman)	Non Executive Independent Director	4	4
Mr. Pawan Sharma(Member)	Non Executive Independent Director	4	2
Mr. Amit Kumar(Member)	Non Executive Independent Director	4	4

During the financial year 2016-17, meetings of the Audit Committee were held 4 times i.e. on 30th May 2016, 13th August 2016, 12th November 2016 and 13th February 2017.

4 Nomination and Remuneration Committee

The broad terms of reference of the nomination and Remuneration Committee are as under:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

The composition of the Nomination and Remuneration Committee as at 31st March, 2017 and the details of meetings attended by its members are given below:

Name	Category
Mr. Pawan Sharma (Chairman)	Non Executive Independent Director
Mr. K.C. Gupta (Member)	Non Executive Independent Director
Mr. Amit Kumar (Member)	Non Executive Independent Director

No meeting of the Nomination and Remuneration Committee was held during the financial year 2016-17

The Details of remuneration paid to Executive Directors are given below:

Particulars	Mr. M.S. Bagla (Managing Director)	Mr. Suresh Shridhar Ajila (Executive Director)	Mrs. Urmila Goenka (Executive Director)
Salary and Allowance	Rs. 8,400,000/-	Rs. 7,54,000/-	Rs. 1,80,000/-
Contribution to Superannuation Fund(Rs.)	Nil	Rs. 50,400/-	Nil
Bonus and performance linked Incentive(Rs.)	Nil	Nil	20,000/-

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. K. C. Gupta	NIL	Rs. 38,330/-	NIL
3	Mr. Pawan Sharma	NIL	NIL	NIL
4	Mr. Amit Kumar	NIL	Rs. 35,830/-	NIL

5. i) Stakeholders Relationship Committee

During the financial year 2016-17, meetings of the Stakeholder Relationship Committee were held on 30th May, 2016, 13th August, 2016, 12th November, 2016 and 13th February, 2017.

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

Name	Category	No. of Meetings during the Financial Year 2016-17	
		Held	Attended
Mr. L.k. Bagla (Chairman)	Non Executive Director	4	4
Mr. M. S. Bagla (Member)	Executive Director	4	4

Details of investor complaints received and redressed during the year 2016-17 are as follows

Received during the year	Resolved during the year	Closing balance
One	One	NIL

ii) Independent Directors' Meeting

During the year under review, One meeting of Independent Directors was held on 31st March, 2017 and independent Directors reviewed the all the matters as per schedule IV of the Companies Act, 2013.

All the Independent Directors were present at the meeting, except Mr. K.C. Gupta, who could not attend due to factors beyond control.

6 General Body Meeting

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

Financial year	Date	Time	Place
2013-2014	12.09.2014	10.00 A.M	Ashok Avenue, Main Chattarpur Road, Asola Fatehpur Beri, New Delhi-110074
2014-2015	18.09.2015	10.00 A.M	Orchid Palace, Main Chattarpur Road, Asola Fatehpur Beri, New Delhi-110074
2015-2016	30.09.2016	10.00 A.M	Orchid Palace, Main Chattarpur Road, Asola Fatehpur Beri, New Delhi-110074

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

Financial year	Items
2013-2014	(a) Resolution under Section 180(1) (a) of the Companies Act, 2013. (b) Resolution under Section 180 (1) (c) of the Companies Act, 2013. (c) Resolution under Section 196 and 197 and any other applicable provisions of the Companies Act, 2013.
2014-2015	-----
2015-2016	a) Resolution under Section 196 and 197 and any other applicable provisions of the Companies Act, 2013. b) Resolution under Section 196,203, Schedule V and other applicable provisions of the Companies Act, 2013.

7. Disclosures

i. Related Party transactions

There are no materially significant related party transactions that may have potential conflict with the interest of the Company at large. The board has approved a policy for related party transactions which has been uploaded on the Company's website at the following link www.bagla-group.com

ii. Details of non-compliance by the Company, penalties, structures imposed on the Company by the stock exchanges or the securities and exchange board of India or any statutory authority, on any matter related to capital markets, during the last three years 2014-15, 2015-16 and 2016-17 respectively: **NIL**

iii. The Company has adopted a whistle blower policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behaviour. No person has been denied access to the chairman of the audit committee. The said policy has been also put up on the website of the Company at the following link www.bagla-group.com

iv. Reconciliation of share capital audit:

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the national securities depository limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

v. Code of Conduct

The members of the board and senior management personnel have affirmed the compliance with the Code applicable to them during the year ended March 31, 2017. The Annual Report of the Company contains a Certificate by the Managing Director in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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. Means of communication:

The quarterly, half-yearly and annual results of the Company are published in leading newspapers in India which include Money Makers (English) and Dainik Mahalakshmi Bhagyodaya (Hindi). The results are also displayed on the Company's website "www.bagla-group.com". The company is also providing regular information to the Stock Exchanges as per the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A management discussion and analysis report is a part of the Company's annual report.

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

Date and Time	29 th September, 2017 at 10.00 A.M.
Venue	Ashoka Avenue, Main Chattarpur Road, Asola Fatehpur Beri, New Delhi-110074

9.2 Financial Calendar (2017-18)

Annual General Meeting	
For the next year ending 31 st March 2018	before 29 th September 2018

9.3 Book Closure date 22.09.17 to 29.09.17

9.4 Dividend Payment date 28.11.2016

9.5 Listing of Equity Shares on Stock Exchange at Kolkata & Mumbai

9.6 Stock Code

(i) ISIN Numbers Equity Shares INE 074C01013

9.7 Registrar and Share Transfer Agent

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

9.8 Share Transfer Systems:

Share transfers are presently registered within a maximum period of fifteen days from the date of receipt provided the documents are complete in all respects. Board of Directors has authorized 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. Categories of equity shareholders as on March 31, 2017:

Category	No. of Shares	% of Shares
Promoter's Holding (including foreign Promoters if any)	3288695	64.27%
Non Promoter's Holding	1827605	35.73%
TOTAL	5116300	100%

9.10. Distribution of Share holding as on March 31, 2017

No of Equity Shares Held	No of Shareholder	% of Shareholder	Number of Shares	% of Shareholding
1-500	6476	96.3117	678879	13.2689
501-1000	128	1.9036	105033	2.0529
1001-2000	58	0.8626	87456	1.7094
2001-3000	14	0.2082	35791	0.6995
3001-4000	13	0.1933	44612	0.8720
4001-5000	4	0.0595	18562	0.3628
5001-10000	9	0.1338	66640	1.3025
10001 and above	22	0.3272	4079327	79.7320
Total	6724	100	5116300	100

9.11 Market price data: High, low (based on daily closing prices) and number of equity shares traded during each month in the year 2016-17 on BSE

Month	High	Low	No. of shares traded
April 2016	39.40	31.30	4055
May, 2016	40.80	30.80	21,605
June, 2016	38.90	31.60	19,420
July, 2016	36.30	29.65	19,279
August, 2016	41.85	31.45	55,850
September, 2016	48.95	37.00	63,181
October, 2016	65.20	40.30	75,855
November, 2016	92.00	52.60	1,79,929
December, 2016	68.00	53.50	63,223
January, 2017	77.00	61.20	41,123
February, 2017	83.75	56.20	80,150
March, 2017	62.10	56.00	38,132

9.12 Top ten equity shareholders of the Company as on March 31, 2017

S. No.	Name of the shareholder	No. of shares held	Percentage of shares held
1.	Saphire Hospitality Management Pvt Ltd	255320	4.99
2.	Delhi Foils Private Limited	254966	4.98
3.	Hamsafar Vanijya Private Limited	214800	4.19
4.	Deepinder Singh Poonian	133801	2.61
5.	Dheeraj Kumar Lohia	48518	0.9483
6.	S R Gupta	32525	0.6357
7.	Dr Ramesh Chimanlal Shah	18322	0.3581
8.	Soyuj Trading co. Ltd	17739	0.34
9.	Lalit Jalan	16000	0.3127
10.	Bindal Mercantile Private Limited	14800	0.2893

9.13 Dematerialisation of shares and liquidity

The Company's shares are compulsorily traded in dematerialised form. Equity shares of the Company representing 89.60% of the Company's equity share capital are dematerialised as on March 31, 2017. The Company's equity shares are regularly traded on BSE IN dematerialised form. Under the depository system, the international securities identification number (ISIN) allotted to the Company's shares is **INE 074C01013**.

9.14 Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence as on March 31, 2017, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

9.15 Plant Location:

- 29th Mile Stone,
G.T. Road, Village Achheja
Tehsil- Dadri, Distt.- Gautambudh Nagar U.P
- Plot No-15, KIE Industrial Estate,
Opposite Uttam Sugar Mill, Village Mundiayaki,
Pargana Manglour Tehsil- Roorkee, Distt. - Haridwar-247667

9.16 Address for Correspondence:

Share Transfer and Demat

Link Intime India Pvt. Ltd.
44, Community Centre, 2nd Floor, Naraina Industrial Area,
Phase-I, Near 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, New Delhi-110095

For and on Behalf of the Board of Directors

Hindustan Adhesives Limited

(LALIT KUMAR BAGLA)

CHAIRMAN

DIN: 01596548

Place : New Delhi

Date : 21/08/2017

DECLARATION BY THE MANAGING DIRECTOR UNDER THE LISTING REGULATIONS REGARDING COMPLIANCE WITH CODE OF CONDUCT

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby certified that all Board Members and Senior Management personnel have affirmed compliance with the Company's Code of Conduct for the financial year ended March 31, 2017.

Madhusudan Bagla

Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

As per Regulation 34 of the SEBI Listing Regulations

INDUSTRY AND OUTLOOK:

The Company is the only integrated producer of Adhesive Tapes having the specialized Double Bubble Film technology for producing specialized BOPP Adhesive Tapes with both Acrylic and Hot-Melt technology. It also has multiple printing equipments, slitting and spooling facilities to make many value added import substitute products for both the domestic and international markets. The Company also produces many types of specialty tapes like Filament Tapes, Carry Handle Tapes, Tear Tapes, Tamper evident Tapes and many more.

OPPORTUNITIES AND THREATS:

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.

Actual results could differ materially from those expressed or implied. Important factors that would make a difference to the Company's operations include economic conditions affecting demand- supply and price conditions in the markets in which the Company's operates, raw material availability and its prices, changes in the Governmental regulations, labour negotiations, tax laws and other statues and economic development within India.

RISKS & CONCERNS:

The Company is taking proactive steps in implementing management principles well adapted to the demands of the changing environment. The company has the policy of assessing the risk and managing the business. The company is operating on a well defined plan and strategy; hence we are equipped to face any change in regulatory risk.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has a well placed proper and adequate internal control system commensurate with the size and nature of its business. The Board has appointed Internal Auditors to strengthen the internal control system.

The primary objective of the internal control system is to ensure that all its assets are safeguarded and protected and prevent any revenue leakage and losses to the Company. The Company has proper system of checking and/or review of functioning of the employees. The present reporting structure ensures independence of the internal audit function and embodies best corporate governance practices.

FINANCIAL PERFORMANCE:

Please refer Director's Report for financial performance of the company. Segment/product wise performance is not applicable to the company.

HUMAN RESOURCE DEVELOPMENT:

The company has focus to retain its manpower by providing good working conditions thereby reduce turnover ratio.

Madhusudan Bagla
Managing Director

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To the members of Hindustan Adhesives Limited

We have examined the compliance of conditions of Corporate Governance by **Hindustan Adhesives Limited**, for the year ended March 31, 2017, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination is limited to procedures, and implementation thereof, adopted by the Company for ensuring compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We state that all investor grievances were redressed within 30 days of lodgement of grievance and as on March 31, 2017 no investor complaint is pending against the Company as per the records maintained by the Stakeholders Relationship Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company, nor the efficiency or effectiveness with which the management has conducted the affairs of the Company

M/s SALARPURIA & PARTNERS

Firm Registration No.-302113E

Chartered Accountants

(Kamal Kumar Gupta)

Partner

M. No. : 089190

Place : New Delhi

Dated : 21/08/2017

CEO/CFO CERTIFICATION

We, Mr. Madhusudan Bagla, Managing Director and Mr. Nakul Bagla, Chief Financial Officer hereby certify for the Financial year ended 31st March, 2017 that:

- a) We have reviewed the Financial Statements and Cash Flow Statement for the year ended 31st March, 2017 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) We are, to the best of my knowledge and belief; no transactions entered into by the Company during the year ended 31st March, 2017 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit committee
 - (1) That there was no significant changes in internal control over financial reporting during the year;
 - (2) That there was no significant changes in accounting policies during the year; and
 - (3) That there was no instances of significant fraud of which we have become aware.

Place : New Delhi

Date : 21/08/2017

Sd/-

Managing Director

Sd/-

Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

TO THE STATUTORY AUDITOR OF HINDUSTAN ADHESIVES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of HINDUSTAN ADHESIVES LIMITED, which comprise the Balance Sheet as at 31st March, 2017 the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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, we consider internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31st March, 2017, and its Profit and its cash flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- I. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section(11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- II. As required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) on the basis of written representations received from the directors as on 31 March, 2016 taken on record by the board of directors none of the director is disqualified as on 31 March 2016 for being appointment as a director in terms of the section 164(2) of the Companies Act,2013.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in " Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements(Refer Note No. Y (B) (1)
 - ii) Except as referred in Note No. Y (B) (2), the Company has made provision, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund.
 - iv) The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 08.11.2016 to 30.12.2016 and the same are in accordance with the books of accounts maintained by the Company.

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

(KAMAL KUMAR GUPTA)
PARTNER
M. No.: 089190

Place : 1008, Chiranjiv Tower, 43, Nehru Place, New Delhi-110019
Date : 30.05.2017

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to Paragraph 1 of Report on Other Legal and Regulatory Requirements of our Report of even date)

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that:

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) As explained to us, fixed assets are physically verified by the management at reasonable intervals, in a phased verification programme, which, in our opinion, is reasonable, looking to the size of the Company and the nature of its business. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of records of the company, the title deed of immovable property is held in the name of company.
- ii. a) As explained to us physical verification of inventories has been conducted by the management at reasonable intervals by the management.
- b) procedures of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of the business.
- c) Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- iii. According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under section 189 of the Companies Act, 2013. However the company has advanced Rs. 114.57 Lac and received back from one such party and no formal stipulation has been made. Therefore we are not in position to comment upon sub clauses (a),(b) and (c) of this clause.
- iv. According to the information and explanations given to us the Company has complied with applicable provisions specified in section 185 and 186 of Company's Act, 2013 in relation to Loans , Investments, Guarantees, and Security given, if any.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public.
- vi. We have broadly reviewed the books of accounts maintained by the company in respect of the products where, pursuant to Rules made by the Central Govt. of India, the maintenance of cost records has been prescribed under sub-section (1) of section 148 of the Company Act, 2013 and are of the opinion that prima-facie, the prescribed accounts and records have been made and maintained. We have, however not made a detailed examination of the records with a view to determine whether they are accurate and complete.
- vii. a) According to the records of the company and as per the information and explanations given to us, it has been generally regular in depositing undisputed statutory dues like Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and Other Statutory Dues with the appropriate authorities.
- b) On the basis of information and explanations given to us, there are no disputed Statutory Dues which have not been deposited with the appropriate authorities, except the following:

Sl. No.	Name of the Statute/ Nature of Dues	Amount (Rs.)	Period	Authority
1.	The Central Excise Act, 1944 (Penalty for wrong MODVAT Credit)	1.95 Lacs	March, 1998	High Court.
2.	The Central Excise Act, 1944	15.39 Lacs	2008-09 to 2012-13	CESTAT

- viii. The Company has no defaulted in repayment of any loan or borrowing from any financial institution, bank, government or debenture holders during the year.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instrument) and term loans during the year. Thus paragraph 3(ix) of the order is not applicable.
- x. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted audit practices in India, and according to the information and explanation given to us, we have neither come across instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
- xi. According to the information and explanations given to us managerial remuneration has been paid by the Company in compliance with requisite approvals mandated by provisions of Section 197 of Companies Act 2013.
- xii. Paragraph 3(xii) regarding the Nidhi Company, is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with section 177 and 188 of Companies Act 2013 where applicable and details of such transactions is disclosed in notes to accounts as required by the applicable Accounting Standards.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, thus, Paragraph 3(xiv) regarding the preferential allotment or private placement of shares or fully or partly convertible debentures is not applicable to the company.
- xv. To the best of our knowledge and belief and as per the information and explanations given to us, the Company has not entered into any non-cash transaction with directors or persons connected with him.
- xvi. Company is not in NBFC activities and therefore Registration under section 45-IA of the Reserve Bank of India Act, 1934 is not required.

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

(KAMAL KUMAR GUPTA)
PARTNER
M. No.: 089190

Place : 1008, Chiranjiv Tower, 43, Nehru Place, New Delhi-110019
Date : 30.05.2017

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013("the Act")

(Referred to Paragraph 2(f) of Report on Other Legal and Regulatory Requirements of our Report of even date)

We have audited the internal financial controls over financial reporting of **HINDUSTAN ADHESIVES LIMITED** as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SALARPURIA & PARTNERSFirm Registration No. 302113E
Chartered AccountantsPlace : 1008, Chiranjiv Tower, 43, Nehru Place, New Delhi-110019
Date : 30.05.2017**(KAMAL KUMAR GUPTA)**PARTNER
M. No.: 089190

**BALANCE SHEET AS AT 31ST MARCH, 2017**

PARTICULARS	Notes	As At	
		31st Mar, 2017 (Rs.)	31st Mar, 2016 (Rs.)
EQUITY & LIABILITIES			
SHAREHOLDER'S FUNDS			
Share Capital	A	51,163,000	51,163,000
Reserves and Surplus	B	191,432,894	144,868,936
		242,595,894	196,031,936
NON-CURRENT LIABILITIES			
Long-term Borrowings	C	33,017,339	34,520,748
Deferred Tax Liabilities (Net)	D	13,320,179	19,903,892
Long-term Provisions	E	11,185,902	9,359,427
		57,523,420	63,784,067
CURRENT LIABILITIES			
Short term Borrowings	F	175,694,928	173,193,946
Trade Payables	G	86,657,066	71,713,497
Other Current Liabilities	H	16,860,147	16,732,844
Short term Provisions	I	1,080,077	7,316,913
		280,292,218	268,957,200
		580,411,532	528,773,203
ASSETS			
NON CURRENT ASSETS			
Fixed assets			
Tangible Assets			
Gross Block	J	572,933,440	536,010,261
Less Depreciation		347,702,019	314,489,424
Net Block		225,231,421	221,520,837
(i) Capital work-in-progress		10,608,700	-
Non-Current Investments	K	23,108,500	21,358,500
Other Non-Current Assets	L	29,726,744	9,907,426
		288,675,364	31,265,926
CURRENT ASSETS			
Inventories	M	123,079,674	125,134,647
Trade receivables	N	141,664,727	116,521,564
Cash and Cash Equivalents	O	9,949,435	16,327,435
Short-term loans and advances	P	14,638,124	15,598,587
Other Current Assets	Q	2,404,207	2,404,207
		291,736,167	275,986,440
		580,411,532	528,773,203

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. : 089190

(S.S. DUA)

Company Secretary

(L.K. BAGLA)

Chairman
(DIN : 01596548)

(M.S. BAGLA)

Mg. Director
(DIN : 01425646)

(N.M. BAGLA)

CFO

Place : New Delhi
Date : 30.05.2017

29th Annual Report 2016-17

**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

	Notes	Year Ended 31st Mar, 2017 (Rs.)	Year Ended 31st Mar, 2016 (Rs.)
REVENUES			
Revenue From Operation	R	745,488,401	691,695,517
Other Income	S	5,085,881	902,917
Total Revenue		750,574,282	692,598,434
EXPENSES			
Cost of Materials Consumed	T	374,296,257	359,967,504
Purchase of Stock in Trade		-	1,024,931
Changes in inventories of finished goods, Work in Process and Stock-in-Trade	U	881,933	1,210,484
Employee Benefits Expenses	V	72,831,181	62,963,049
Finance Cost	W	28,978,454	34,054,319
Depreciation and amortization Expenses	J	34,281,388	31,362,138
Other Expenses	X	185,741,317	169,497,406
Total expenses		697,010,530	660,079,831
Profit Before Tax		53,563,752	32,518,603
PROVISION FOR TAX			
Income Tax for current year		(11,000,000)	(13,750,000)
Adjustment for MAT Credit current year		-	-
MAT adjustment for earlier years		(37,587)	-
Adjustment for Deferred Tax		6,583,713	2,439,988
PROFIT AFTER TAXATION		49,109,877	21,208,591
Earning per shares			
(a) Basic		9.60	4.15
(b) Diluted		9.60	4.15

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. : 089190

(S.S. DUA)

Company Secretary

(L.K. BAGLA)

Chairman

(DIN : 01596548)

(M.S. BAGLA)

Mg. Director

(DIN : 01425646)

(N.M. BAGLA)

CFO

Place: New Delhi

Date : 30.05.2017

NOTES FORMING PART OF FINANCIAL STATEMENTS

PARTICULARS	As At 31st Mar, 2017 (Rs.)	As At 31st Mar, 2016 (Rs.)
NOTE 'A'		
<u>SHARE CAPITAL</u>		
(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	51,163,000	51,163,000
	51,163,000	51,163,000

(1,029,000 Equity shares of Rs.10/- each, issued as Bonus Share Capitalisation of General Reserve)

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

Capital Reserve		
Central Capital Subsidy		
Opening Balance	3,000,000	3,000,000
Received during the year	-	-
Closing Balance	3,000,000	3,000,000
Share Premium Account		
Balance Brought Forward	21,259,500	21,259,500
Investment Allowance Utilization Reserve		
Balance Brought Forward	2,500,000	2,500,000
Profit & Loss Account		
Balance B/F From Previous Year	118,109,436	96,805,761
Intrem Dividend Paid	(5,116,300)	-
Corporate Dividend Tax	(1,041,732)	-
Income Tax adjustment for earlier years	3,612,113	-
Adjustment for income Tax for earlier years	-	95,083
Profit for the year	49,109,877	21,208,591
	191,432,894	144,868,935

NOTE 'C'
LONG TERM BORROWINGS
(SECURED)

Term Loan	Non Current	Current	Non Current	Current
Allahabad Bank	-	3,151,010	3,342,847	13,240,000
IDBI Bank	18,000,000	12,000,000	30,000,000	12,000,000
IDBI Bank	5,999,443	7,500,000	-	-
	23,999,443	22,651,010	33,342,847	25,240,000
Auto Loans				
HDFC Bank Ltd. Bombay	293,850	322,909	617,056	293,610
HDFC Bank Ltd. Calcutta	180,918	129,727	-	-
KOTAK MAINDRA PRIME LTD	615,901	291,853	-	-
HDFC Bank Ltd. Loan 2	441,434	121,161	560,845	128,624
AXIS Bank Ltd	3,025,792	1,854,379	-	-
	4,557,896	2,720,029	1,177,901	422,234
UNSECURED LOAN				
From Director	4,460,000	-	-	-
	4,460,000	-	-	-
	33,017,339	25,371,039	34,520,748	25,662,234

- (1) Term Loans from Allahabad bank is secured by way of First pari passu charge on entire movable and immovable at fixed assets of the company, both present and future, of the companies plant located Roorkee to be shared with IDBI bank and also equitable mortgage on first pari passu basis of industrial plot and building thereupon situated at plot no. 15 KIE Industrial Estate, Village Mundiayaki, Pargana Mangalore, Tehsil- Roorkee, Distt. Haridwar, Collaterally secured by way of second pari passu charge on the entire current assets of the company both present and future and second pari passu charge on the entire movable and immovable fixed assets of the company, including land & construction thereon, both present & future, of the companies plant located at dadri, District Ghaziabad. Payment Terms: 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 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 repayable in 20 Quarterly Installment of Rs. 30,00,000/- each and interest is on monthly basis on due amount
- (3) Auto Loans are secured by way of hypothecation of vehicles financed by the Banks.
- (4) Loans are further guaranteed by Sh. L.K. Bagla and Sh. M.S.Bagla, Directors of the company.

PARTICULARS	As At 31st Mar, 2017 (Rs.)	As At 31st Mar, 2016 (Rs.)
NOTE 'D'		
<u>DEFERRED TAX LIABILITIES (NET)</u>		
On Timing Difference of Accounting of Depreciation	17,950,954	23,902,518
On Provision for Gratuity	(3,696,554)	(3,081,253)
On Adjustments of Statutory Dues under Section 43B of Income Tax Act, 1961	(934,221)	(917,373)
	<u>13,320,179</u>	<u>19,903,892</u>
Net Deferred Tax Assets(Liabilities)	<u><u>13,320,179</u></u>	<u><u>19,903,892</u></u>
NOTE 'E'		
<u>LONG TERM PROVISIONS</u>		
For Gratuity	10,513,091	8,847,486
For Leave Encashment	672,811	511,941
	<u>11,185,902</u>	<u>9,359,427</u>
	<u><u>11,185,902</u></u>	<u><u>9,359,427</u></u>
NOTE 'F'		
<u>SHORT TERM BORROWING</u>		
<u>Current Maturities of Long Term Loans</u>	25,371,038	25,662,234
<u>(Refer Note C Above)</u>		
Cash Credits from Banks		
Allahabad Bank	55,154,847	59,623,456
IDBI Bank Ltd	95,169,043	87,908,256
	<u>175,694,928</u>	<u>173,193,946</u>
	<u><u>175,694,928</u></u>	<u><u>173,193,946</u></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 Sh. L.K. Bagla and Sh. M .S. Bagla, Directors of the company.

PARTICULARS	As At 31st Mar, 2017 (Rs.)	As At 31st Mar, 2016 (Rs.)
NOTE 'G'		
TRADE PAYABLES		
For Goods	68,639,851	54,702,066
For Services	12,935,695	11,579,587
For Deferred Credit	5,081,520	5,431,844
	86,657,066	71,713,497
NOTE 'H'		
OTHER CURRENT LIABILITIES		
Advance From Customers	3,691,373	6,341,594
Payables For Capital Goods	3,663,586	1,593,196
Payable For employees	5,591,910	4,546,728
Statutory Dues	2,416,546	2,251,507
Interest accrued but not due on Loan	36,563	1,418,852
Unclaimed Dividend	400,470	-
Other Liabilities	1,059,699	580,967
	16,860,147	16,732,844
NOTE 'I'		
SHORT TERM PROVISIONS		
For Leave Encashment	60,642	64,339
For Gratuity	667,243	649,364
For Income Tax		
Provisions	11,000,000	13,750,000
Less: Tax Payments	(10,647,808)	(7,146,790)
	1,080,077	7,316,913

NOTE 'J'
FIXED ASSETS
TANGIBLE ASSETS

(Rupees)

Particulars	GROSS BLOCK			DEPRECIATION WRITTENOFF				NET BLOCK		
	As on 31.03.2016 (Rs.)	Addition (Rs.)	Deduction/ Capitalized (Rs.)	As on 31.03.2017 (Rs.)	For the Year (Rs.)	Additional dep. As per Company act, 2013 (Rs.)	Adjustment on sale of Assets (Rs.)	Up to 31.03.2017 (Rs.)	As on 31.03.2017 (Rs.)	As on 31.03.2016 (Rs.)
LAND (FREE HOLD)	2,664,804	8,856,410	-	11,521,214	-	-	-	-	11,521,214	2,664,804
BUILDING	45,305,045	-	-	45,305,045	1,356,514	-	-	32,045,492	13,259,553	14,616,067
PLANT & MACHINERY	424,004,082	11,880,386	-	435,884,468	24,322,705	-	-	270,470,751	165,413,717	177,856,036
ELECTRIC INSTALLATION	29,884,778	983,917	-	30,868,695	2,671,403	-	-	17,344,938	13,523,757	15,211,243
FURNITURE & FIXTURE	13,156,673	3,748,236	-	16,904,909	6,787,363	-	-	9,076,184	7,828,725	6,369,310
AIR CONDITIONER	2,422,752	811,726	-	3,234,478	1,926,187	-	-	2,138,441	1,096,037	496,565
OFFICE EQUIPMENT	922,031	23,500	-	945,531	879,788	-	-	885,349	60,182	42,243
VEHICLES										
CAR'S / BUS	12,766,261	10,063,547	363,082	22,466,726	2,834,615	-	329,889	11,755,361	10,711,365	3,515,626
DELIVERY TRUCKS	1,327,005	942,000	759,945	1,509,060	67,083	-	738,904	567,019	942,041	88,165
SCOOTERS	273,965	133,758	-	407,723	249,952	-	-	265,953	141,770	24,013
CYCLE'S	7,967	-	-	7,967	-	-	-	6,212	1,755	1,755
COMPUTERS	3,274,898	602,726	-	3,877,624	506,431	-	-	3,146,318	731,306	635,011
TOTAL	536,010,261 (523,857,881)	38,046,206 (13,008,582)	1,123,027 (856,202)	572,933,440 (536,010,261)	34,281,388 (31,362,138)	-	1,068,793 (730,908)	347,702,018 (314,489,424)	225,231,422 (221,520,837)	221,520,838 (239,999,687)
Capital Work in Progress										
Building under Construction	-	8,339,509	-	8,339,509	-	-	-	-	8,339,509	-
Advance for Capital Goods	-	-	-	-	-	-	-	-	-	-
Pre-operative Expenses (pending allocation)	-	2,269,191	-	2,269,191	-	-	-	-	2,269,191	-
TOTAL	-	10,608,700	-	10,608,700	-	-	-	-	10,608,700	-
GRAND TOTAL	536,010,261	48,654,906	1,123,027	583,542,139	34,281,388	-	1,068,793	347,702,018	235,840,121	221,520,838

PARTICULARS	As At 31st Mar, 2017 (Rs.)	As At 31st Mar, 2016 (Rs.)
NOTE 'K'		
<u>NON CURRENT INVESTMENTS</u>		
(Unquoted)		
10,000 (10,000) Equity share of Rs 10/-each Fully Paid up of Benares State Bank Limited	100,000	100,000
650000 (600000) Equity share of Rs 10/-each	16,250,000	15,000,000
IDBI Midcap fund	500,000	-
Investment in Subcidiary(Associate) Company		
1,62,000 (1,62,000) Equity share of Rs 10/-each	6,358,500	6,358,500
	23,208,500	21,458,500
Less : Provision for diminution in value	100,000	100,000
	23,108,500	21,358,500
NOTE 'L'		
<u>OTHER NON CURRENT ASSETS</u>		
Security Deposits	10,349,460	9,407,105
Advance for Capital Goods	19,034,689	207,199
VAT on Capital Goods	342,595	293,122
	29,726,744	9,907,426
NOTE 'M'		
<u>INVENTORIES</u>		
(As taken, valued and certified by the management)		
Raw Materials	49,151,214	47,221,897
Finished Goods	18,619,280	15,580,881
Work in Progress	43,128,340	47,084,480
Stores, Spares, Fuel and Packing Materials	12,144,024	15,246,381
Scrap for Sales	36,816	1,008
	123,079,674	125,134,647

PARTICULARS	As At 31st Mar, 2017 (Rs.)	As At 31st Mar, 2016 (Rs.)
NOTE 'N'		
<u>TRADE RECEIVABLES</u>		
(Unsecured, considered good unless otherwise stated)		
Debts Due Over Six month		
Considered good	6,538,551	4,703,381
Considered doubtful	1,101,507	484,789
Less: Provision for doubtful debts	(1,101,507)	(484,789)
Other Debts	-	-
Considered good	135,126,176	111,818,183
	141,664,727	116,521,564
NOTE 'O'		
<u>CASH AND CASH EQUIVALENTS</u>		
Cash in Hand		
(As per books and certified)	124,653	254,531
Balances with Scheduled Banks in:		
Current Accounts	3,509,415	9,587,422
Dividend Account(IDBI)	400,470	-
Fixed Deposit Accounts	5,857,968	6,324,598
Interest Accrued but not due on fixed deposits (Pledged as Margin money and having maturity within 12 months)	56,929	160,884
	9,949,435	16,327,435
NOTE 'P'		
<u>SHORT TERM LOANS & ADVANCES</u>		
Advances recoverable in cash or in kind or for value to be received		
Unsecured, considered good :	9,379,664	7,814,541
VAT Receivable	1,200,590	27,218
Balances with Excise Department	4,057,870	7,756,828
	14,638,124	15,598,587

PARTICULARS	As At 31st Mar, 2017 (Rs.)	As At 31st Mar, 2016 (Rs.)
NOTE 'Q'		
<u>OTHER CURRENT ASSETS</u>		
Discarded Fixed Assets held for Sales	2,404,207	2,404,207
Less :- Sales During the year	-	-
	2,404,207	2,404,207
NOTE 'R'		
<u>REVENUE FROM OPERATIONS</u>		
[Sales Net of Returns]		
Domestic Sales	720,785,057	663,471,263
Export Sales	95,851,455	97,580,345
Scrap Sales	3,153,836	2,371,159
Trading Goods	-	1,093,600
Total Sales	819,790,348	764,516,367
Less Excise Duty	78,984,961	73,402,117
	740,805,387	691,114,250
Job Work Receipts	367,680	143,232
Export incentives	4,315,334	438,035
	745,488,401	691,695,517
NOTE 'S'		
<u>OTHER INCOME</u>		
Miscellaneous Receipts	-	2,080
Interest received on Security Deposit	400,572	-
Interest received on Bank deposits	778,670	669,055
Foreign Exchange Fluctuation (Net)	3,173,786	-
Excess Provision for Bonus Written Back	-	197,076
Rent on Machine	336,000	-
Profit on Sales of Fixed Assets	48,142	34,706
Insurance Claim Received	348,711	-
	5,085,881	902,917

PARTICULARS	As At 31st Mar, 2017 (Rs.)	As At 31st Mar, 2016 (Rs.)
NOTE 'T'		
<u>MATERIALS CONSUMED</u>		
Raw Materials Consumed		
Opening Stocks	47,221,897	45,397,370
Add: Purchases	376,225,575	361,792,031
	423,447,472	407,189,401
Less :Closing Stocks	49,151,215	47,221,897
	374,296,257	359,967,504
NOTE 'U'		
<u>CHANGES IN INVENTORY OF FINISHED GOODS, WORK IN PROCESS AND STOCK-IN-TRADE</u>		
OPENING STOCK		
Work in Process	47,084,480	50,365,864
Finished Goods	15,580,881	13,501,545
Scrap	1,008	9,444
	62,666,369	63,876,853
CLOSING STOCK		
Work in Process	43,128,340	47,084,480
Finished Goods	18,619,280	15,580,881
Scrap	36,816	1,008
	61,784,436	62,666,369
	(881,933)	(1,210,484)

PARTICULARS	As At 31st Mar, 2017 (Rs.)	As At 31st Mar, 2016 (Rs.)
NOTE 'V'		
EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages and other Allowances	54,211,102	47,783,097
Contribution to Provident and other Allied Funds	3,488,613	3,133,017
Director's Remuneration	9,180,000	7,068,111
Staff Welfare and Benefits	2,822,313	3,119,963
Gratuity	2,641,777	1,508,373
Leave Encashment	487,376	350,488
	72,831,181	62,963,049
NOTE 'W'		
FINANCE COST		
Interest to Banks on Cash/Packing credits	16,900,782	18,902,606
Interest to Bank on Term Loan	6,628,007	9,018,618
Interest on Other	1,098,669	1,339,940
Bank Commission and Charges	4,350,996	4,793,155
	28,978,454	34,054,319
NOTE 'X'		
OTHER EXPENSES		
1 MANUFACTURING EXPENSES		
Power & Fuel Consumed	50,872,945	48,891,131
Store, Spares & Tools Consumed	14,643,752	11,099,215
Packing Expenses	30,109,940	27,842,413
Carriage Inward	269,471	222,002
Repairs and Maintenance:		
Building and Shed	5,444,411	2,542,904
Plant and Machinery	10,238,490	10,834,254
Others	3,735,402	2,509,352
	115,314,411	103,941,271

PARTICULARS	As At 31st Mar, 2017 (Rs.)	As At 31st Mar, 2016 (Rs.)
2 ADMINISTRATIVE AND OTHER OVERHEADS		
Rent, Rates and Taxes	960,824	789,240
Printing and Stationery	1,073,492	851,356
Traveling and Conveyance	12,066,134	11,335,582
Vehicle Running Maintenance	2,926,419	2,229,008
Postage & Telephone charges	3,951,790	3,517,990
Electricity and Water Overheads	813,071	880,493
Data processing Expenses	444,890	665,627
Legal and Professional Charges	2,241,047	2,781,977
Advertisement Expenses	21,492	67,660
<u>Auditor's Remuneration :</u>		
For Audit Fees	80,000	80,000
For Tax Audit Fees	20,000	20,000
For Other Matters	39,215	35,700
	<u>139,215</u>	<u>35,700</u>
Fees & Subscription	624,714	309,645
Repairs and Maintenance Others	3,503,581	2,442,652
Insurance Charges	1,329,527	920,995
General Expenses	5,901,986	5,413,699
Provision for doubtful debts/advances	690,672	220,977
Sundry Balances Written off (Net)	449,924	3,061,774
Previous year adjustment (Net)	138,153	352,626
Foreign Exchange Fluctuation (Net)	-	95,058
	<u>37,276,931</u>	<u>36,072,059</u>
3 SALES AND DISTRIBUTION OVERHEADS		
Advertisement & Publicity	123,476	39,480
Freight and Carriage Outward	21,871,345	18,766,336
Discount, Rebates and Claims	1,132,724	1,625,441
Brokerage & Commission	4,349,072	3,017,346
Business Promotion Expenses	4,844,267	4,751,044
Turnover and Sales Tax	452,281	322,632
Statutory Demands	-	177,159
Exhibition & Conference Expenses	376,810	784,638
	<u>33,149,975</u>	<u>29,484,076</u>
Total (1+2+3)	<u>185,741,317</u>	<u>169,497,406</u>

NOTE : Y SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2017**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, 2013, 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 un-cleared finished goods, which is accounted as and when they fall due by clearance of goods from factory.
- (b) Sales are inclusive of excise duty and exchange gain/loss on export sales.
- (c) Scrap of Adhesives Tape and POF Division is accounted for on cash basis.
- (d) Duty Drawbacks and other export incentive (income) 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 basis of determining cost for various categories of Inventories are as follows:**

- | | |
|--|---|
| a) Stores & Spares, Raw Material & Packing Materials | First in first out lower of cost or market value |
| b) Work-in-progress & Finished Goods | Material Cost plus appropriate Attributable Production overheads, Duties as Applicable. |
| c) 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 at the rates derived from useful life of the assets prescribed in schedule II to the Companies Act, 2013 as under:

- a) On Plant & Machinery and Electric Installations, on straight-line method
- b) On Building, Office Equipments, Air conditioners, furniture & fixtures, Computer 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

Expenses incurred up to the date of installation are capitalized together with the 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 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 applicable tax rates 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.09.69 Lacs(Previous year Rs.0.60Lacs)
 - (b) Foreign letter of credit opened with IDBI Bank & Allahabad Bank for import of Raw material etc. worth Rs. 113.21 Lacs (Previous year Rs. 96.35 Lacs) procurement of for raw material from domestic supplier Rs. Nil Lac (Previous year Rs. 96.87 Lac)
 - (c) Sales Tax demand pending appeals Rs. 0.01Lacs (Previous year Rs. 0.04 Lacs)
 - (d) Excise Duty demand pending appeals at High Court Rs 1.95 Lacs. (Previous year at Rs. 1.95 Lacs) against which protest money deposited Rs.1.95 Lacs (Previous year at Rs. 1.95 Lacs).
 - (e) Excise duty demand Rs. 15.39 Lacs (Previous year at Rs. 15.39 Lacs) against which protest money deposited Rs. 1.30 Lacs (Previous year at Rs. 1.30 Lacs)
2. In accordance with company's consistent practice, no provision has been made for excise duty aggregating Rs. 15.32 Lacs (Previous year Rs. 10.87 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. Following banks accounts have no transactions during the year and are subject to confirm by the banks:

Name of the Bank	Book Balance as on 31.03.2017	Book Balance as on 31.03.2016
Allahabad Bank - Ahmedabad	15,150.05	15,150.05
IDBI Bank Ltd. – Mumbai	1,450.39	1,450.39
IDBI Bank Ltd. - Bangalore	456.66	456.66

4. Accrued benefits of duty free imports available to the company in form of transferable import licenses for completed export obligations, which are utilized / availed for own imports in subsequent financial year , have not been accounted for as the same has no impact on financial statements of the company.
5. In the opinion of the Board and to the best of their knowledge and belief, the value on realization of current assets, loans and advances including amount recoverable from Income Tax, Central Excise, Service Tax, VAT and deferred credit from suppliers all are in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet, all these debit/credit balances are subject to confirmations and adjustments, if any. The management is hopeful of recovering the debit balances, which are outstanding since a long.
6. Dues to Small Scale Industrial Undertaking could not be identified because necessary information from the suppliers are yet to be received, in absence of which amount outstanding as on Balance Sheet date and names of parties could not be given.
7. Additionally, the company is in the process of identifying Micro, Small and Medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Therefore, it is not possible for the company to ascertain whether payment to such enterprises has been done within 45 days from date of acceptance of supply of goods or services rendered by such enterprise and to make requisite disclosure.
8. The Roorkee Unit of Company has been registered under the Central Capital Subsidy Scheme 2003. The Company has received Capital Subsidy amounting to Rs. 30.00 lacs during 2014-15 under the said scheme which has been taken credited to capital reserves.

9. Amount paid to Directors as remuneration:

A. Managing Director

Particulars	2016-2017	2015-2016
No. of Persons	One	One
Salary & Allowances (see note Below)	54,00,000	61,50,000
Perquisites	30,00,000	42,346

Note: The increase in remuneration during the year is subject to approval of the members in the General Meeting.

B. Whole Time Director

Particulars	2016-2017	2015-2016
No. of Persons	Two	Two
Salary & Allowances	7,80,000	7,80,000
Contribution to P.F & other funds	50,400	50,400
Perquisites	1,74,000	1,54,000

10. **Earnings per share (EPS):**

Particulars	2016-2017	2015-2016
Profit/(Loss) after Tax (Rs. in Lacs)	491.10	212.29
Average number of Equity Shares (Face Value of Rs.10)	51,16,300	51,16,300
Basic and Diluted EPS (in Rupees per Share)	9.60	4.15

11. Sales/purchases includes inter factory transfers which results in inflation of sale figure by Rs. 6.09 Lacs (4.68 Lacs) Sale from Ghaziabad factory to Roorkee Factory and sale from Roorkee Factory to Ghaziabad Factory Rs. 4.08 Lacs (Rs. 5.97 Lacs).

12. Details of Employee Benefits as per Accounting Standard -15 "Employee Benefits" are as follows:

1 Defined contribution Plans

Particulars	2016-17	2015-2016
The Group has recognized the following amounts in the profit and loss account:- Contribution to Provident Fund and Family Pension Fund	25,75,427	23,86,121

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**

Change in Defined Benefit Obligation during the year.

Particulars	Gratuity		Leave Encashment	
	2016-17	2015-16	2016-17	2015-16
Current Service Cost	8,36,535	7,32,759	86,914	77,615
Interest Cost	7,12,286	6,47,427	43,221	38,451
Actuarial Losses (Gains)	10,92,657	1,28,187	3,37,392	2,28,100
Total Expenses recognized in the P & L A/c	26,41,478	15,08,373	4,67,527	3,44,166

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

Particulars	Gratuity		Leave Encashment	
	2016-17	2015-16	2016-17	2015-16
Present Value of Defined Benefit Obligation	1,11,80,334	94,97,149	7,33,453	5,76,280
Net Asset / (Liability) recognized in the Balance Sheet	1,11,80,334	80,92,833	7,33,453	4,80,639

III Charge in Defined Benefit Obligation during the year.

Particulars	Gratuity		Leave Encashment	
	2016-17	2015-16	2016-17	2015-16
Present value of defined Benefit obligation at the beginning of year	94,97,149	80,92,833	5,76,280	4,80,639
Current Service Cost	8,36,535	7,32,759	86,914	77,615
Interest Cost	7,12,286	6,47,427	43,221	38,451
Actuarial Losses/(Gains)	10,92,657	1,28,187	3,37,392	2,28,100
Benefits paid	(9,58,293)	(1,04,057)	(3,10,354)	(2,48,525)
Present value of Defined Benefit obligation at the end of year	1,11,80,334	94,97,149	7,33,453	5,76,280

IV Actuarial Assumptions

Particulars	Current Year	Previous Year
Discount Rate	7.50%	8.00%
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):

A). List of Related Parties
1. Where Control Exist:
Subsidiary Company:

Bagla Wellness Private Limited (Earlier known as Bhutnath Tradelink Pvt. Ltd.)

Others

Hindustan Foils Ltd.
Agarwal Tracom Pvt. Ltd.
Bagla Polifilms Ltd.

2. Key Management Personal:

Mr. Lalit Kumar Bagla - Director
Mr. Madhu Sudan Bagla - Managing Director
Mr. Suresh Sridhar Ajila - Whole time Director
Mrs. Urmila Goenka - Whole time Director
Mr. Nakul M Bagla - CFO

3. Relative of Key Management Personnel

(With whom transactions taken place during the year)

Mrs. Anju Bagla
Mr. Dhruv Bagla
Mrs. Gayathri Ajila

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)	
		2016-17	2015-16	2016-17	2015-16
Where Control Exists	Loans & Advances Received	Nil	NIL	NIL	NIL
	Loan & advances Repaid	Nil	2,15,930	NIL	NIL
	Loans & Advances Given and received back	1,14,57,150	17,00,000	NIL	NIL
	Investments made in shares	Nil	1,78,78,500	NIL	NIL
	Hire charges Paid	Nil	1,30,000	NIL	NIL
	Statutory Payments on behalf of related party	11,61,829	16,07,963	NIL	NIL
	Reimbursement payment on behalf of related party	11,61,829	17,75,556	NIL	NIL
	Rent Paid	1,80,000	1,08,000	NIL	NIL
	Sales	64,453	95,962	NIL	NIL
	Security Deposit given	Nil	15,00,000	(15,00,000)	(15,00,000)
	Refund of Security Deposit	Nil	1,08,000	NIL	NIL
Key Management Personal	Managing Director's Remuneration & Perks	84,00,000	62,88,111	NIL	NIL
	Loans & Advances Received	32,05,000	NIL	2,09,000	Nil
	Loan & Advances Repaid	11,15,000	NIL	NIL	NIL
	Director's Remuneration	10,04,400	9,84,400	NIL	NIL
	CFO Remuneration	28,28,000	20,40,000	NIL	NIL

Type of Related Party	Nature of Transaction	Volume of Transactions		Amount Payable / (Recoverable)	
		2016-17	2015-16	2016-17	2015-16
	Advance Remuneration Received Back	67,866	NIL	NIL	NIL
	Rent Paid	15,00,000	7,50,000	NIL	NIL
	Remuneration in advance		67,866	0	(67,866)
	Hire charges Paid	2,40,000	4,80,000	NIL	NIL
	Security Deposit	Nil	7,50,000	(7,50,000)	(7,50,000)
Relative of Key Management Personal	Salary	28,80,000	17,40,000	NIL	NIL
	Loans & Advances Received	29,75,000	NIL	21,00,000	NIL
	Loan & Advances Repaid	8,75,000	NIL	NIL	NIL
	Advance against salary	NIL	4,43,576	NIL	NIL
	Reimbursements	NIL	53,912	NIL	NIL
	Commission	7,89,568	7,83,703	NIL	NIL
	Rent Paid	18,88,999	3,61,861	NIL	NIL
	Office Maintenance	2,31,589	2,15,430	NIL	NIL
	Security Deposit Given	Nil	7,50,000	(17,50,000)	(17,50,000)
Others	Loan Received	2,70,000	NIL	2,70,000	NIL
	Sales	1,54,135	NIL	(1,49,346)	NIL
	Rent Paid	Nil	24,000	NIL	NIL

15. Derivative Instruments and un-hedged Foreign Currency disclosure

Particulars	2016-17			2015-16		
	Rs.	Value in Foreign Currency		Rs.	Value in Foreign Currency	
Receivables						
Export Sales	1,07,50,635 Nil	USD Euro	1,63,635 Nil	76,94,212 1,31,158	USD Euro	1,17,531 1,774
Advance for Machine	1,88,67,375	Euro	2,62,500	Nil	Nil	Nil
For Others	Nil	Nil	Nil	1,23,715	USD	2,018
Advance for Import- Raw Material	1,23,715	USD	2,018	17,37,759	USD	25,800
Total	2,97,41,725 1,88,67,375	USD Euro	4,28,063 2,62,500	96,86,844 1,31,158	USD Euro	1,45,349 1,774
Payables						
Import- Raw Material	1,17,36,212 15,060	USD GBP	1,78,125 150	26,15,458 Nil	USD Euro	38,880 Nil
Advance Received against others	4,04,854 Nil	USD Euro	6,324 Nil	29,22,226 2,28,540	USD Euro	43,740 3,000
Total	1,21,56,126 15,060	USD GBP	1,84,449 150	57,66,224 2,28,540	USD Euro	82,620 3,000

16. Specified Bank Notes (SBNs) held and transacted during the year are disclosed as follows:

Particulars	SBN'S	Other Notes	Total
Closing balance in hand as on 08.11.2016	3,56,000	1,74,130	5,30,130
Add: Permitted Receipts	NIL	11,58,783	11,58,783
Less: Permitted Payments	NIL	(11,93,526)	(11,93,526)
Less: Amount Deposited in Banks	(3,56,000)	NIL	(3,56,000)
Closing Balance in hand as on 30.12.2016	NIL	1,39,387	1,39,387

17. A. STOCK AND TURNOVER

Class of Goods	Opening Stock Value (Rs.)	Closing Stock Value (Rs.)	Turnover Value (Rs.)
MANUFACTURED FINISHED GOODS			
SELF ADHESIVE TAPES	8,156,623 (7,194,543)	8,324,999 (8,156,623)	547,249,025 (522,481,987)
BOPP FILM	373,275 (992,682)	- (373,275)	- -
POF FILM	7,050,983 (5,314,320)	10,294,281 (7,050,983)	269,387,487 (238,569,622)
	15,580,881 (13,501,545)	18,619,280 (15,580,881)	816,636,512 (761,051,609)

	Current Year Value (Rs.)	Previous Year Value (Rs.)
A.1 TRADED FINISHED GOODS PURCHASED		
Polypropylene	-	-
B WORK IN PROGRESS		
OPENING STOCK		
SELF ADHESIVES TAPES	17,797,303	17,499,739
BOPP FILM	1,929,498	1,257,697
POF FILM	27,357,679	31,608,428
CLOSING STOCK	47,084,480	50,365,864
SELF ADHESIVES TAPES	18640730	17,797,303
BOPP FILM	1,411	1,929,498
POF FILM	24,486,199	27,357,679
	43,128,340	47,084,480

	Current Year Value (Rs.)	Previous Year Value (Rs.)
C RAW MATERIAL CONSUMED		
Bopp & other films	125,311,209	117,113,393
Polypropylene Granules	139,581,589	125,589,614
Adhesives & Chemicals	108,515,374	116,589,697
Paper & Other	888,085	674,800
	374,296,257	359,967,504

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

	CURRENT YEAR		PREVIOUS YEAR	
	%	Value (Rs.)	%	Value (Rs.)
RAW MATERIALS				
Imported	38.20	142,997,354	39.27	141,351,444
Indigenous	61.80	231,298,903	60.73	218,616,061
	100.00	374,296,257	100.00	359,967,505
STORE & SPARES & LOOSE TOOLS				
Imported	3.22	213,847	13.41	1,042,002
Indigenous	96.78	6,434,556	86.59	6,727,467
	100.00	6,648,403	100.00	7,769,469

E CIF VALUE OF IMPORTS

	Current Year Value (Rs.)	Previous Year Value (Rs.)
Raw Materials	151,117,905	144,041,497
Capital Goods	-	3,170,063
Capital Goods - Repair & Maintenance	713,571	2,429,543
Store & Spare	213,847	1,054,702

F EXPENDITURE IN FOREIGN CURRENCY

Traveling Expenses	3,945,058	3,064,778
Exhibition, Meeting & Conference, Professional	124,507	784,638
Others (Donation, Commission & Bank Charges)	671,154	329,139

**G EARNING IN FOREIGN CURRENCY**

FOB Value of Exports	90,565,711	93,075,952
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18 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. : 089190

(S.S. DUA)

Co. Secretary

(L.K. BAGLA)

Chairman

(DIN : 01596548)

(M.S. BAGLA)

Mg. Director

(DIN : 01425646)

(N.M. BAGLA)

CFO

Place : New Delhi

Date : 30.05.2017

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

	Current Year (Rs.)	Previous Year (Rs.)
A Cash Flow From Operating Activities		
Net Profit / (Loss) As per Profit & loss Account	53,563,751	32,518,603
Adjustment For:		
Depreciation	34,281,388	31,362,138
Profit on Sales of Fixed Assets	(48,142)	(34,706)
Interest Paid /Received Net	28,978,454	34,054,319
Provision for Doubt ful reversed	690,672	220,977
Provision for Gratuity & Leave	1,840,657	1,499,657
Operating Profit Before Working Capital Change	119,306,780	99,620,988
Adjustment For:		
Trade & Other Receivables	(44,692,690)	17,458,875
Inventories	2,054,973	(1,746,787)
Trade Payable	15,070,871	(25,006,101)
Cash Generated by Operating Activities	91,739,934	90,326,975
Less : Income Tax Payments	(14,718,224)	(8,222,325)
Net Cash Generated by Operating Activities	77,021,710	82,104,650
B CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchases /sale of Fixed Assets	(48,654,906)	(12,848,582)
Sales of Fixed Assets	102,376	-
Purchased of Investment	(1,750,000)	(17,878,500)
Net Cash Flow from investment activities	(50,302,530)	(30,727,082)
C CASH FLOW FROM FINANCING ACTIVITIES		
Subcidy Received	-	-
Proceeds /(Repayment) from Secured Loans	(3,462,426)	(16,972,514)
Proceeds /(Repayment) from Unsecured Loans	4,460,000	-
Interim Dividend Paid	(5,116,300)	-
Interest	(28,978,454)	(34,054,319)
Net cash used in Financing Activities	(33,097,180)	(51,026,833)
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENT	(6,378,000)	350,735
Cash & Cash equivalents opening Balance	16,327,435	15,976,700
Cash & Cash equivalents Closing Balance	9,949,435	16,327,435

As per our report of even date attached

For **SALARPURIA & PARTNERS**

Firm Registration No.-302113E

Chartered Accountants

(Kamal Kumar Gupta)

Partner

M. No.- 089190

Place : New Delhi

Date : 30.05.2017

(S.S. DUA)

Co. Secretary

(L.K. BAGLA)

Chairman

(DIN : 01596548)

(M.S. BAGLA)

Mg. Director

(DIN : 01425646)

(N.M. BAGLA)

CFO

**INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENT OF HINDUSTAN ADHESIVES LIMITED****Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of HINDUSTAN ADHESIVES LIMITED and its subsidiary, which comprise the Consolidated Balance Sheet as at 31st March, 2017 the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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, we consider internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Company as at 31st March, 2017, and their consolidated Profit and their consolidated cash flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- I. As required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) on the basis of written representations received from the directors as on 31 March, 2017 taken on record by the board of directors of the company and its subsidiary none of the director is disqualified as on 31 March 2017 for being appointment as a director in terms of the section 164(2) of the Companies Act, 2013.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The consolidated financial statements has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note Y(B)(1)&(2) to the consolidated financial statements.
 - ii) Provision has been made in consolidated financial statements, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund.
 - iv) The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 08.11.2016 to 30.12.2016 and the same are in accordance with the books of accounts maintained by the Company.

For SALARPURIA & PARTNERS

Firm Registration No. 302113E

Chartered Accountants

(KAMAL KUMAR GUPTA)

PARTNER

M. No.: 089190

Place : 1008, Chiranjiv Tower, 43, Nehru Place, New Delhi-110019

Date : 30.05.2017

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013("the Act")

(Referred to Paragraph 1(f) of Report on Other Legal and Regulatory Requirements of our Report of even date)

In conjunction with our audit of the consolidated financial statements of the company as on 31 March 2017, We have audited the internal financial controls over financial reporting of **Hindustan Adhesives Limited and its Subsidiary company**.

Management's Responsibility for Internal Financial Controls

The Company's management and the management of subsidiary are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company and its subsidiary have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SALARPURIA & PARTNERSFirm Registration No. 302113E
Chartered AccountantsPlace : 1008, Chiranjiv Tower, 43, Nehru Place, New Delhi-110019
Date : 30.05.2017**(KAMAL KUMAR GUPTA)**PARTNER
M. No.: 089190

**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2017**

PARTICULARS	Notes	As At	
		31st Mar, 2017 (Rs.)	31st Mar, 2016 (Rs.)
EQUITY & LIABILITIES			
SHAREHOLDER'S FUNDS			
Share Capital	A	51,163,000	51,163,000
Reserves and Surplus	B	188,802,434	143,119,972
Minority Interest		2,024,117	2,503,947
		241,989,551	196,786,919
NON-CURRENT LIABILITIES			
Long-term Borrowings	C	34,517,339	35,520,748
Deferred Tax Liabilities (Net)	D	13,320,179	19,903,892
Long-term Provisions	E	11,185,902	9,359,427
		59,023,420	64,784,067
CURRENT LIABILITIES			
Short term Borrowings	F	175,694,928	173,193,946
Trade Payables	G	88,173,150	72,589,484
Other Current Liabilities	H	17,388,725	18,647,802
Short term Provisions	I	923,879	7,166,350
		282,180,682	271,597,582
		583,193,653	533,168,568
ASSETS			
NON CURRENT ASSETS			
Fixed assets			
Tangible Assets			
Gross Block		583,987,248	546,923,593
Less Depreciation		351,801,149	316,769,074
Net Block		232,186,099	230,154,519
(i) Capital work-in-progress		10,608,700	-
Non-Current Investments	K	16,750,000	15,000,000
Other Non-Current Assets	L	31,226,744	11,407,426
		290,771,543	256,561,945
CURRENT ASSETS			
Inventories	M	123,079,675	125,134,648
Trade receivables	N	141,889,871	116,521,564
Cash and Cash Equivalents	O	10,355,261	16,880,807
Short-term loans and advances	P	14,693,097	15,665,397
Other Current Assets	Q	2,404,207	2,404,207
		292,422,111	276,606,623
		583,193,653	533,168,568

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. : 089190

(S.S. DUA)

Company Secretary

(L.K. BAGLA)

Chairman

(DIN : 01596548)

(M.S. BAGLA)

Mg. Director

(DIN : 01425646)

(N.M. BAGLA)

CFO

Place: New Delhi

Date : 30.05.2017



CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

	Notes	Year Ended 31st Mar, 2017 (Rs.)	Year Ended 31st Mar, 2016 (Rs.)
<u>REVENUES</u>			
Revenue From Operation	R	76,204,0090	705,674,350
Other Income	S	5131887	922,343
Total Revenue		767,171,977	706,596,693
<u>EXPENSES</u>			
Cost of Materials Consumed	T	374,296,257	360,031,029
Purchase of Stock in Trade		-	1,024,931
Changes in inventories of finished goods, Work in Process and Stock-in-Trade	U	881,933	1,210,484
Employee Benefits Expenses	V	78,805,755	67,591,945
Finance Cost	W	29,339,658	34,417,799
Depreciation and amortization Expenses	J	36,100,868	33,398,870
Other Expenses	X	195,546,904	180,039,169
Total expenses		714,971,374	677,714,227
Profit Before Tax		52,200,602	28,882,466
<u>PROVISION FOR TAX</u>			
Income Tax for current year		(11,000,000)	(13,750,000)
Adjustment for MAT Credit current year		(37,587)	-
Adjustment for Deferred Tax		6,583,713	2,439,988
PROFIT AFTER TAXATION		47,746,728	17,572,454
Earning per shares			
(a) Basic		9.33	3.43
(b) Diluted		9.33	3.43

Significant Accounting Policies & Other

Y

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. : 089190

(S.S. DUA)

Company Secretary

(L.K. BAGLA)

Chairman

(DIN : 01596548)

(M.S. BAGLA)

Mg. Director

(DIN : 01425646)

(N.M. BAGLA)

CFO

Place : New Delhi

Date : 30.05.2017

CONSOLIDATED NOTES FORMING PART OF FINANCIAL STATEMENTS

PARTICULARS	As At 31st Mar, 2017 (Rs.)	As At 31st Mar, 2016 (Rs.)
NOTE 'A'		
<u>SHARE CAPITAL</u>		
(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	51,163,000	51,163,000
	51,163,000	51,163,000

(1,029,000 Equity shares of Rs.10/- each, issued as Bonus Share on _____ by Capitalisation of General Reserve)

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
Mr. 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

Capital Reserve		
Central Capital Subsidy		
Opening Balance	3,000,000	3,000,000
Received during the year	-	-
Closing Balance	3,000,000	3,000,000
Capital Reserve (Subsidiary)		
	187,427	187,427
Share Premium Account		
Balance Brought Forward	21,259,500	21,259,500
Investment Allowance Utilization Reserve		
Balance Brought Forward	2,500,000	2,500,000
Profit & Loss Account		
Balance B/F From Previous Year	116,173,046	96,805,761
Less Intrem Dividend	(5,116,300)	-
Less Dividend Tax	(1,041,732)	-
Add Excess Provision for Income Tax in Early Year w/back	3,613,937	-
Adjustment for income Tax for earlier years	-	95,083
Profit for the year	47,746,728	17,572,454
Profit/(Loss) Minority	479,828	1,699,747
	188,802,434	143,119,972

NOTE 'C'
29th Annual Report 2016-17

LONG TERM BORROWINGS**SECURED**

Term Loan	Non Current	Current	Non Current	Current
Allahabad Bank	-	3,151,010	3,342,847	13,240,000
IDBI Bank	18,000,000	12,000,000	30,000,000	12,000,000
IDBI Bank	5,999,443	7,500,000	-	-
	23,999,443	22,651,010	33,342,847	25,240,000
Auto Loans				
HDFC Bank Ltd. Bombay	293,850	322,909	617,056	293,610
HDFC Bank Ltd. Calcutta	180,918	129,727	-	-
KOTAK MAINDRA PRIME LTD	615,901	291,853	-	-
HDFC Bank Ltd. Loan 2	441,434	121,161	560,845	128,624
AXIS Bank Ltd	3,025,792	1,854,379	-	-
	4,557,895	2,720,029	1,177,901	422,234
<u>UNSECURED LOAN</u>				
From Director	5,960,000	-	1,000,000	-
	-	-	-	-
	5,960,000	-	1,000,000.00	-
	34,517,338	25,371,039	35,520,748	25,662,234

- (1) Term Loans from Allahabad bank is secured by way of First pari passu charge on entire movable and immovable fixed assets of the company, both present and future, of the companies plant located a Roorkee to be shared with IDBI bank and also equitable mortgage on first pari passu basis of industrial plot and building thereupon situated at plot no. 15 KIE Industrial Estate, Village Mundiyaiki, Pargana Manglour, Tehsil- Roorkee, Distt. Haridwar, Collaterally secured by way of second pari passu charge on the entire current assets of the company both present and future and second pari passu charge on the entire movable and immovable fixed assets of the company, including land & construction thereon, both present & future, of the companies plant located at dadri, District, Ghaziabad. Payment Terms: 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 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 repayable in 20 Quarterly Installment of Rs. 30,00,000/- each and interest is on monthly basis on due amount
- (3) Auto Loans are secured by way of hypothecation of vehicles financed by the Banks.
- (4) Loans are further guaranteed by Sh. L.K. Bagla and Sh. M.S.Bagla, Directors of the company.

PARTICULARS	As At 31st Mar, 2017 (Rs.)	As At 31st Mar, 2016 (Rs.)
NOTE 'D'		
<u>DEFERRED TAX LIABILITIES (NET)</u>		
On Timing Difference of Accounting of Depreciation	17,950,954	23,902,518
On Provision for Gratuity	(3,696,554)	(3,081,253)
On Adjustments of Statutory Dues under Section 43B of Income Tax Act, 1961	(934,221)	(917,373)
Net Deferred Tax Assets(Liabilities)	13,320,179	19,903,892
NOTE 'E'		
<u>LONG TERM PROVISIONS</u>		
For Gratuity	10,513,091	8,847,486
For Leave Encashment	672,811	511,941
	11,185,902	9,359,427
NOTE 'F'		
<u>SHORT TERM BORROWING</u>		
<u>Current Maturities of Long Term Loans (Refer Note C Above)</u>	25,371,038	25,662,234
Cash Credits from Banks	-	-
Allahabad Bank	55,154,847	59,623,456
IDBI Bank Ltd	95,169,043	87,908,256
	175,694,928	173,193,946

NOTES

- (1) Working Capital Term Loans and Cash Credit Loans are secured against hypothecation of entire stocks of Raw Materials, Work in Progress, Finished Goods, Stores & Spares, Book-Debts & First Charge on Fixed Assets of the Company .
- (2) Loans are further guaranteed by Sh. L.K. Bagla and Sh. M .S.Bagla, Directors of the company.

PARTICULARS	As At 31st Mar, 2017 (Rs.)	As At 31st Mar, 2016 (Rs.)
NOTE 'G'		
TRADE PAYABLES		
For Goods	68,639,851	54,702,066
For Services	14,451,779	12,455,574
For Deferred Credit	5,081,520	5,431,844
	<u>88,173,150</u>	<u>72,589,484</u>
NOTE 'H'		
OTHER CURRENT LIABILITIES		
Advance From Customers	3,691,373	6,341,594
Payables For Capital Goods	3,663,586	1,593,196
Payable For employees	5,591,910	4,546,728
Statutory Dues	2,805,096	3,445,478
Interest accrued but not due on Loan	36,563	1,591,023
Other Liabilities	1,600,197	1,129,783
	<u>17,388,725</u>	<u>18,647,802</u>
NOTE 'I'		
SHORT TERM PROVISIONS		
For Leave Encashment	60,642	64,339
For Gratuity	667,243	649,364
For Income Tax		
Provisions	11,000,000	13,750,000
Less: Tax Payments	<u>(10,804,006)</u>	<u>(7,297,353)</u>
	<u>923,879</u>	<u>7,166,350</u>

NOTE 'J'
FIXED ASSETS
TANGIBLE ASSETS

(Rupees)

Particulars	GROSS BLOCK			DEPRECIATION WRITTEN OFF				NET BLOCK	
	As on 31.03.2016 (Rs.)	Addition (Rs.)	Deduction/ Capitalized (Rs.)	As on 31.03.2017 (Rs.)	For the Year (Rs.)	Adjustment on sale of Assets (Rs.)	Up to 31.03.2017 (Rs.)	As on 31.03.2017 (Rs.)	As on 31.03.2016 (Rs.)
LAND (FREE HOLD)	26,64,804	88,56,410	-	1,15,21,214	-	-	-	1,15,21,214	26,64,804
BUILDING	4,53,05,045	-	-	4,53,05,045	13,56,514	-	3,20,45,492	1,32,59,553	1,46,16,067
PLANT & MACHINERY	42,40,04,082	1,19,80,386	-	43,58,84,468	2,43,22,705	-	27,04,70,751	16,54,13,717	17,78,56,036
ELECTRIC INSTALLATION	2,98,84,778	9,83,917	-	3,08,68,695	26,71,403	-	1,73,44,938	1,35,23,757	1,52,11,243
FURNITURE & FIXTURE	1,65,12,611	37,48,236	-	2,02,60,847	29,53,016	-	1,05,63,445	96,97,402	89,02,182
AIR CONDITIONER	24,68,232	8,11,726	-	32,79,958	2,20,626	-	21,60,015	11,19,943	5,28,843
OFFICE EQUIPMENT	9,22,031	23,500	-	9,45,531	8,79,788	-	8,85,349	60,182	42,243
FITNESS EQUIPMENT	72,74,065	99,476	-	73,73,541	13,54,539	-	24,29,820	49,43,721	59,19,526
TELEVISION	1,47,599	41,000	-	1,88,599	53,767	-	83,987	1,04,612	1,17,379
VEHICLES									
CARS / BUS	1,27,66,261	1,00,63,547	3,63,082	2,24,66,726	28,34,615	3,29,889	1,17,55,361	1,07,11,365	35,15,626
DELIVERY TRUCKS	13,27,005	9,42,000	7,59,945	15,09,060	67,083	7,38,904	5,67,019	9,42,041	88,165
SCOOTERS	2,73,965	1,33,758	-	4,07,723	16,001	-	2,65,953	1,41,770	24,013
CYCLE'S	7,967	-	-	7,967	-	-	6,213	1,754	1,754
COMPUTERS	33,65,148	6,02,726	-	39,67,874	5,24,296	-	32,22,806	7,45,068	6,66,638
TOTAL	54,69,23,593 (53,10,68,150)	3,81,86,682 (1,67,11,645)	11,23,027 (9,56,202)	58,39,87,248 (53,69,23,593)	3,61,00,868 (3,33,98,870)	10,68,793 (7,30,908)	35,18,01,149 (31,67,69,074)	23,21,86,099 (23,01,54,519)	23,01,54,519 (24,69,67,038)
Capital Work in Progress									
Building under Construction	-	83,39,509	-	83,39,509	-	-	-	83,39,509	-
Advance for Capital Goods	-	-	-	-	-	-	-	-	-
Pre-operative Expenses (pending allocation)	-	22,69,191	-	22,69,191	-	-	-	22,69,191	-
TOTAL	-	1,06,08,700	-	1,06,08,700	-	-	-	1,06,08,700	-
GRAND TOTAL	54,69,23,593	4,87,95,382	11,23,027	59,45,95,947	3,61,00,868	10,68,793	35,18,01,149	24,27,94,798	23,01,54,519

PARTICULARS	As At 31st Mar, 2017 (Rs.)	As At 31st Mar, 2016 (Rs.)
NOTE 'K'		
NON CURRENT INVESTMENTS		
Unquoted		
10,000 (10,000) Equity share of Rs 10/-each Fully Paid up of Benares State Bank Limited	100,000	100,000
650000 (600000) Equity share of Rs 10/-each Fully Paid up of Bagla Polyfilms Ltd.	16,250,000	15,000,000
IDBI Midcap fund	500,000	-
	<u>16,850,000</u>	<u>15,100,000</u>
Less : Provision for diminution in value	100,000	100,000
	<u>16,750,000</u>	<u>15,000,000</u>
NOTE 'L'		
OTHER NON CURRENT ASSETS		
Security Deposits	11,849,460	10,907,105
Advance for Capital Goods	19,034,689	207,199
VAT on Capital Goods	342,595	293,122
	<u>31,226,744</u>	<u>11,407,426</u>
NOTE 'M'		
INVENTORIES		
(As taken, valued and certified by the management)		
Raw Materials	49,151,215	47,221,897
Finished Goods	18,619,280	15,580,881
Work in Progress	43,128,340	47,084,480
Stores, Spares, Fuel and Packing Materials	12,144,024	15,246,382
Scrap for Sales	36,816	1,008
	<u>123,079,675</u>	<u>125,134,648</u>

PARTICULARS	As At 31st Mar, 2017 (Rs.)	As At 31st Mar, 2016 (Rs.)
NOTE 'N'		
<u>TRADE RECEIVABLES</u>		
(Unsecured, considered good unless otherwise stated)		
Debts Due Over Six month		
Considered good	6,763,695	4,703,381
Considered doubtful	1,101,507	484,789
Less: Provision for doubtful debts	(1,101,507)	(484,789)
Other Debts		
Considered good	135,126,176	111,818,183
	141,889,871	116,521,564
NOTE 'O'		
<u>CASH AND CASH EQUIVALENTS</u>		
Cash in Hand		
(As per books and certified)	234,853	372,392
Balances with Scheduled Banks in:		
Current Accounts	4,205,511	10,022,933
Fixed Deposit Accounts	5,857,968	6,324,598
Interest Accrued but not due on fixed deposits (Pledged as Margin money and having maturity within 12 months)	56,929	160,884
	10,355,261	16,880,807
NOTE 'P'		
<u>SHORT TERM LOANS & ADVANCES</u>		
Advances recoverable in cash or in kind or for value to be received		
Unsecured, considered good :	9,434,637	7,881,351
VAT Receivable	1,200,590	27,218
Balances with Excise Department	4,057,870	7,756,828
	14,693,097	15,665,397

PARTICULARS	As At 31st Mar, 2017 (Rs.)	As At 31st Mar, 2016 (Rs.)
NOTE 'Q'		
<u>OTHER CURRENT ASSETS</u>		
Discarded Fixed Assets held for Sales	2,404,207	2,404,207
	2,404,207	2,404,207
NOTE 'R'		
<u>REVENUE FROM OPERATIONS</u>		
[Sales Net of Returns]		
Domestic Sales	720,785,057	663,471,263
Export Sales	95,851,455	97,580,345
Scrap Sales	3,153,836	2,371,159
Trading Goods	-	1,093,600
Total Sales	819,790,348	764,516,367
Less Excise Duty	78,984,961	73,402,117
	740,805,387	691,114,250
Job Work Receipts	367,680	143,232
Membership Fee	16,551,689	13,978,833
Export Incentives	4,315,334	438,035
	762,040,090	705,674,350
NOTE 'S'		
<u>OTHER INCOME</u>		
Miscellaneous Receipts	14,000	21,506
Interest received on Security Deposit	400,572	-
Interest received on Bank deposits	778,670	669,055
Foreign Exchange Fluctuation (Net)	3,173,786	-
Excess Provision for Bonus Written Back	-	197,076
Sundry Balances W/Back	32,006	-
Rent on Machine	336,000	-
Profit on Sales of Fixed Assets	48,142	34,706
Insurance Claim Received	348,711	-
	5,131,887	922,343

PARTICULARS	As At 31st Mar, 2017 (Rs.)	As At 31st Mar, 2016 (Rs.)
NOTE 'T'		
<u>MATERIALS CONSUMED</u>		
Raw Materials Consumed		
Opening Stocks	47,221,897	45,397,370
Add: Purchases	376,225,575	361,855,556
	423,447,472	407,252,926
Less :Closing Stocks	49,151,215	47,221,897
	374,296,257	360,031,029
NOTE 'U'		
<u>CHANGES IN INVENTORY OF FINISHED GOODS, WORK IN PROCESS AND STOCK-IN-TRADE</u>		
<u>OPENING STOCK</u>		
Work in Process	47,084,480	50,365,864
Finished Goods	15,580,881	13,501,545
Scrap	1,008	9,444
	62,666,369	63,876,853
<u>CLOSING STOCK</u>		
Work in Process	43,128,340	47,084,480
Finished Goods	18,619,280	15,580,881
Scrap	36,816	1,008
	61,784,436	62,666,369
	(881,933)	(1,210,484)

PARTICULARS	As At 31st Mar, 2017 (Rs.)	As At 31st Mar, 2016 (Rs.)
NOTE 'V'		
<u>EMPLOYEE BENEFITS EXPENSES</u>		
Salaries, Wages and other Allowances	59,608,780	51,970,996
Contribution to Provident and other Allied Funds	4,063,087	3,525,969
Director's Remuneration	9,180,000	7,068,111
Staff Welfare and Benefits	2,824,735	3,168,008
Gratuity	2,641,777	1,508,373
Leave Encashment	487,376	350,488
	78,805,755	67,591,945

NOTE 'W'		
<u>FINANCE COST</u>		
Interest to Banks on Cash/Packing credits	16,900,782	18,902,606
Interest to Bank on Term Loan	6,628,007	9,018,618
Interest on Other	1,311,122	1,574,259
Bank Commission and Charges	4,499,747	4,922,316
	29,339,658	34,417,799

NOTE 'X'		
<u>OTHER EXPENSES</u>		
1 MANUFACTURING EXPENSES		
Power & Fuel Consumed	50,872,945	48,891,131
Store, Spares & Tools Consumed	14,643,752	11,408,432
Packing Expenses	30,109,940	27,778,888
Carriage Inward	269,471	222,002
Repairs and Maintenance:		
Building and Shed	5,444,411	2,542,904
Plant and Machinery	10,238,490	10,835,227
Others	3,735,402	2,509,352
	115,314,411	104,187,936

PARTICULARS	As At 31st Mar, 2017 (Rs.)	As At 31st Mar, 2016 (Rs.)
2 ADMINISTRATIVE AND OTHER OVERHEADS		
Rent, Rates and Taxes	7,241,621	6,980,864
Printing and Stationery	1,161,916	975,078
Traveling and Conveyance	12,115,527	11,799,752
Vehicle Running Maintenance	2,926,419	2,229,008
Postage & Telephone charges	4,023,069	3,596,267
Electricity and Water Overheads	1,842,655	1,879,192
Data processing Expenses	444,890	665,627
Legal and Professional Charges	3,110,836	3,861,023
Advertisement Expenses	21,492	67,660
<u>Auditor's Remuneration :</u>		
For Audit Fees	105,000	105,000
For Tax Audit Fees	20,000	20,000
For Other Matters	39,215	35,700
Fees & Subscription	834,714	312,325
Repairs and Maintenance Others	3,740,324	2,514,022
Insurance Charges	1,329,527	920,995
General Expenses	6,346,280	5,465,114
Provision for doubtful debts/advances	690,672	220,977
Sundry Balances Written off (Net)	449,924	3,061,774
Previous year adjustment (Net)	138,153	505,798
Foreign Exchange Fluctuation (Net)	-	95,058
Advertisement & Publicity	384,470	805,570
Freight and Carriage Outward	21,871,345	18,765,364
Discount, Rebates and Claims	1,132,724	1,625,441
Brokerage & Commission	4,349,072	3,308,152
Business Promotion Expenses	5,011,085	4,751,044
Turnover and Sales Tax	452,281	322,632
Statutory Demands	-	177,159
Exhibition & Conference Expenses	449,281	784,638
	80,232,492	75,851,233
Total (1+2+3)	195,546,903	180,039,169

NOTE : Y SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31st MARCH, 2017
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, 2013, 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
In case of parent company:

All revenues costs, assets and liabilities are accounted for on accrual basis except excise duty payable on uncleared finished goods, which is accounted as and when they fall due by clearance of goods from factory, sales are inclusive of excise duty and exchange gain/loss on export sales, realization from Scrap of Adhesives Tape and POF Division is accounted for on cash basis, duty Drawbacks and other export incentive (income) are accounted for on receipt basis.

In case of subsidiary company:

Income from Fees and subscriptions, recorded net of discounts and rebates have been recognized as income for the year irrespective of the period, for which these are received. However, the Fees receivable from existing members as at the end of the year has been recognized as income for the year, the costs relating to rendering of these services being unascertainable are charged off to revenue in the year in which they become legally payable, interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

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.

In case of parent company:

Depreciation has been provided at the rates derived from useful life of the assets prescribed in schedule II to the Companies Act, 2013 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

In case of subsidiary company:

Depreciation on fixed assets is calculated on written down value method using the rates arrived at based on the useful lives estimated by the management with due consideration of the rates prescribed in Schedule II of the Companies Act, 2013.

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

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

In case of parent company:

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.

In case of Subsidiary company:

The Employee Gratuity is the Companies define benefit plan where an employee will get the benefit as per the provision of the Gratuity Act. Being the first year of operations of the company and appointment of the employee's no provision for Gratuity has been made.

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 applicable tax rates 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.09.69 Lacs (Previous year Rs.0.60Lacs)
 - (b) Foreign letter of credit opened with IDBI Bank & Allahabad Bank for import of Raw material etc. worth Rs 113.21 Lacs (Previous year Rs. 96.35 Lacs) procurement of for raw material from domestic supplier Rs. Nil Lac (Previous year Rs. 96.87 Lac)
 - (c) Sales Tax demand pending appeals Rs. 0.01Lacs (Previous year Rs. 0.04 Lacs)
 - (d) Excise Duty demand pending appeals at High Court Rs 1.95 Lacs. (Previous year at Rs. 1.95 Lacs) against which protest money deposited Rs.1.95 Lacs (Previous year at Rs. 1.95 Lacs).
 - (e) Excise duty demand Rs.15.39 Lacs (Previous year at Rs.15.39 Lacs) against which protest money deposited Rs.1.30 Lacs (Previous year at Rs. 1.30 Lacs).
2. In accordance with company's consistent practice, no provision has been made for excise duty aggregating Rs 15.32 Lacs (Previous year Rs. 10.87 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. Following banks accounts have no transactions during the year and are subject to confirm by the banks:

Name of the Bank	Book Balance as on 31.03.2017	Book Balance as on 31.03.2016
Allahabad Bank - Ahmedabad	15,150.05	15,150.05
IDBI Bank Ltd. – Mumbai	1,450.39	1,450.39
IDBI Bank Ltd. – Bangalore	456.66	456.66

4. 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.

5. 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.

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.

6. **A. Amount paid to Directors as remuneration:**

Particulars	2016-17	2015-2016
No. of Persons	One	One
Salary & Allowances (see note Below)	54,00,000	46,50,000
Perquisites	30,00,000	15,42,346

Note: The increase in remuneration during the year is subject to approval of the members in the General Meeting.

B. Whole Time Director

Particulars	2016-17	2015-2016
No. of Persons	Two	Two
Salary & Allowances	7,80,000	7,80,000
Contribution to P.F & other funds	50,400	50,400
Perquisites	1,74,000	1,54,000

7. **Earnings per share (EPS):**

	2016-17	2015-2016
Profit/(Loss) after Tax (Rs. in Lacs)	477.49	175.72
Average number of Equity Shares (Face Value of Rs.10)	5116300	5116300
Basic and Diluted EPS (in Rupees per Share)	9.33	3.43

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

1 Defined contribution Plans

Particulars	2016-17	2015-2016
The Group has recognized the following amounts in the profit and loss account: - Contribution to Provident Fund and Family Pension Fund	29,29,183	26,23,520

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	
	2016-17	2015-16	2016-17	2015-16
Current Service Cost	8,36,535	7,32,759	86,914	77,615
Interest Cost	7,12,286	6,47,427	43,221	38,451
Actuarial Losses (Gains)	10,92,657	1,28,187	3,37,392	2,28,100
Total Expenses recognized in the P& L A/c	26,41,478	15,08,373	4,67,527	3,44,166

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

PARTICULARS	Gratuity		Leave Encashment	
	2016-17	2015-16	2016-17	2015-16
Present Value of Defined Benefit Obligation	1,11,80,334	94,97,149	7,33,453	5,76,280
Net Asset / (Liability) recognized in the Balance Sheet	1,11,80,334	94,97,149	7,33,453	5,76,280

III Charge in Defined Benefit Obligation during the year.

PARTICULARS	Gratuity		Leave Encashment	
	2016-17	2015-16	2016-17	2015-16
Present value of defined Benefit obligation at the beginning of year	94,97,149	80,92,833	5,76,280	4,80,639
Current Service Cost	8,36,535	7,32,759	86,914	77,615
Interest Cost	7,12,286	6,47,427	43,221	38,451
Actuarial Losses/(Gains)	10,92,657	1,28,187	3,37,392	2,28,100
Benefits paid	(9,58,293)	(1,04,057)	(3,10,354)	(2,48,525)
Present value of Defined Benefit obligation at the end of year	1,11,80,334	94,97,149	7,33,453	5,76,280

IV Actuarial Assumptions

PARTICULARS	Current Year	Previous Year
Discount Rate	7.50%	8.00%
Salary escalation Rate	8.00%	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.

9 **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.

HINDUSTAN ADHESIVES LIMITED
2. Key Management Personal:

Mr. Lalit Kumar Bagla	- Director in Parent Company
Mr. Madhu Sudan Bagla	- Managing Director in Parent Company and Director in Subsidiary Company
Mr. Suresh Sridhar Ajila	- Whole time Director in Parent Company
Mrs. Urmila Goenka	- Whole time Director in Parent Company
Mr. Nakul M Bagla	- CFO in Parent Company and Director in Subsidiary Company

3. Relative of Key Management Personnel

(With whom transactions taken place during the year)

Mrs. Pushpa Devi Bagla
 Mrs. Anju Bagla
 Mr. Dhruv Bagla
 Mrs. Gayathri Ajila

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		Amt. Payable/ (Recoverable)	
		2016-17	2015-16	2016-17	2015-16
Where Control Exists	Loan & advances Repaid	NIL	2,15,930	NIL	NIL
	Loans & Advances Given and received back	1,14,57,150	17,00,000	NIL	NIL
	Investments made in shares	NIL	1,50,00,000	NIL	NIL
	Hire charges Paid	NIL	1,30,000	NIL	NIL
	Statutory Payments on behalf of related party	22,986	12,07,294	NIL	NIL
	Reimbursement payment on behalf of related party	22,986	13,74,887	NIL	NIL
	Rent Paid	1,80,000	1,08,000	NIL	NIL
	Sales	64,453	95,962	NIL	NIL
	Security Deposit given	Nil	15,00,000	(15,00,000)	(15,00,000)
	Refund of Security Deposit	Nil	1,08,000	NIL	NIL
Key Management Personal	Managing Director's Remuneration & Perks	84,00,000	62,88,111	NIL	NIL
	Loans & Advances Received	15,00,000	NIL	15,00,000	NIL
	Loans & Advances Received	32,05,000	NIL	20,90,000	NIL
	Loan & advances Repaid	11,15,000	NIL	NIL	NIL
	Director's Remuneration	10,04,400	9,84,400	NIL	NIL
	CFO Remuneration	28,80,000	20,40,000	NIL	NIL
	Remuneration in advance	NIL	67,866	NIL	(67,866)
	Advance Remuneration Received back	67,866	NIL	NIL	NIL
	Rent Paid	15,00,000	7,50,000	NIL	NIL

Type of Related Party	Nature of Transaction	Volume of Transactions		Amt. Payable/ (Recoverable)	
		2016-17	2015-16	2016-17	2015-16
	Hire charges Paid	2,40,000	4,80,000	NIL	NIL
	Security Deposit	Nil	7,50,000	(7,50,000)	
	Amount Received by the related party for expenses	4,025	NIL	NIL	NIL
	Reimbursement of the amount received by the related part for expenses	4,025	NIL	NIL	NIL
Relative of Key Management Personal	Salary	28,80,000	17,40,000	NIL	NIL
	Loans & Advances Received	29,75,000	NIL	21,00,000	NIL
	Loan & advances Repaid	8,75,000	NIL	NIL	NIL
	Advance against salary	NIL	4,43,576	NIL	NIL
	Reimbursements	NIL	53,912	NIL	NIL
	Commission	7,89,568	7,83,703	NIL	NIL
	Rent Paid	18,88,999	3,61,861	NIL	NIL
	Office Maintenance	2,31,589	2,15,430	NIL	NIL
	Security Deposit Given	NIL	7,50,000	(17,50,000)	(17,50,000)
Others	Loan Received	2,70,000	NIL	2,70,000	NIL
	Sales	1,54,135	NIL	(1,49,346)	NIL
	Rent Paid	NIL	24,000	NIL	NIL

10. Derivative Instruments and un-hedged Foreign Currency disclosure

Particulars	2016-17			2015-16		
	Rs.	Value in Foreign Currency		Rs.	Value in foreign Currency	
Export Sales	1,07,50,635	USD	1,63,635	76,94,212	USD	1,17,531
	Nil	Euro	Nil	1,31,158	Euro	1,774
Advance for Machine	1,88,67,375	Euro	2,62,500	Nil	Nil	Nil
For Others	Nil	Nil	Nil	1,23,715	USD	2,018
Advance for Import-	1,23,715	USD	2,018	17,37,759	USD	25,800
Raw Material						
Total	2,97,41,725	USD	4,28,063	96,86,844	USD	1,45,349
	1,88,67,375	Euro	2,62,500	1,31,158	Euro	1,774
Payables						
Import- Raw	1,17,36,212	USD	1,78,125	26,15,458	USD	38,880
Material	15,060	GBP	150	Nil	Euro	Nil
Advance Received	4,04,85	USD	6,324	29,22,226	USD	43,740
against others	4Nil	Euro	Nil	2,28,540	Euro	3,000
Total	1,21,56,126	USD	1,84,449	57,66,224	USD	82,620
	15,060	GBP	150	2,28,540	Euro	3,000

11. Specified Bank Notes (SBNs) held and transacted during the year are disclosed as follows:

Particulars	SBN's	Other Notes	Total
Closing balance in hand as on 08.11.2016	11,05,500	2,31,130	13,36,630
Add: Permitted Receipts	NIL	12,55,333	12,55,333
Less: Permitted Payments	NIL	(13,25,076)	(13,25,076)
Less: Amount Deposited in Banks	(11,05,500)	NIL	(11,05,500)
Closing Balance in hand as on 30.12.2016	NIL	1,60,387	1,60,387

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

	Current Year (Rs.)	Previous Year (Rs.)
A Cash Flow From Operating Activities		
Net Profit / (Loss) As per Profit & loss Account	52,200,602	28,882,466
Adjustment For:		
Depreciation	36,100,868	33,398,870
Sales of Fixed Assets Sold	(48,142)	(34,706)
Interest Paid /Received Net	29,339,658	34,417,799
Provision for Doubt ful reversed	690,672	220,977
Provision for Gratuity & Leave	1,840,657	1,499,657
Operating Profit Before Working Capital Change	120,124,315	98,385,063
Adjustment For:		
Trade & Other Receivables	(44,905,997)	15,892,064
Inventories	2,054,973	(1,746,786)
Trade Payable	14,324,588	(22,215,155)
Cash Generated by Operating Activities	91,597,880	90,315,186
Less : Income Tax Payments	(14,722,035)	(8,467,515)
Net Cash Generated by Operating Activities	76,875,844	81,847,671
B CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchases /sale of Fixed Assets	(48,693,006)	(16,551,645)
Purchased of Investment	(1,750,000)	(15,000,000)
Net Cash Flow from investment activities	(50,443,006)	(31,551,645)
C CASH FLOW FROM FINANCING ACTIVITIES		
Subcidy Received	-	-
Proceeds /(Repayment) from Secured Loans	(3,462,427)	(16,972,514)
Proceeds /(Repayment) from Unsecured Loans	4,960,000	1,000,000
Dividend Paid	(5,116,300)	
Net Adjustment for Consolidation	-	998,395
Interest	(29,339,658)	(34,417,799)
Net cash used in Financing Activities	(32,958,384)	(49,391,918)
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENT	(6,525,546)	904,108
Cash & Cash equivalents opening Balance	16,880,807	15,976,699
Cash & Cash equivalents Closing Balance	10,355,261	16,880,807

As per our report of even date attached

For **SALARPURIA & PARTNERS**

Firm Registration No.-302113E

Chartered Accountants

(Kamal Kumar Gupta)

Partner

M. No. : 089190

Place : New Delhi

Date : 30.05.2017

(S.S. DUA)

Company Secretary

(L.K. BAGLA)

Chairman

(DIN : 01596548)

(M.S. BAGLA)

Mg. Director

(DIN : 01425646)

(N.M. BAGLA)

CFO

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Bagla Group

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