

Date: 06.10.2016

To,

The Vice-President,
Bombay Stock Exchange Ltd.,
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

Calcutta Stock Exchange Limited
7, Lyons Rang
Kolkata 700001
West Bengal

Delhi Stock Exchange Limited
DSE House
3/1 Asaf Ali Road
New Delhi 110002

BSE Scrip Code- 5 14428

Sub: Annual Report 2015-16

In accordance with the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the soft copy of the Annual Report for the Financial Year 2015-16 duly approved and adopted by the shareholders of the Company at the 28th Annual General Meeting of the Company held on 30th September, 2016.

Kindly take the same on your record and oblige.

Thanking You,

Yours Faithfully

For HINDUSTAN ADHESIVES LIMITED



(Madhusudan Lalit Kumar Bagla)

Managing Director

DIN: 01425646

**28th
Annual
Report
2015-2016**



Bagla Group

HINDUSTAN ADHESIVES LIMITED

28TH ANNUAL REPORT

2015 - 2016

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:

Delhi, Mumbai, Kolkata
 Stock Exchanges

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DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2015-2016

To,
The Members,

The Directors have pleasure in presenting the 28th Annual Report of the company together with the financial statements, for the year ended on 31st March 2016.

FINANCIAL PERFORMANCE OF THE COMPANY

During the Financial Year 2015-2016, The Financial position of the Company is as under:

(Amount in lakhs)

PARTICULARS	UNCONSOLIDATED		CONSOLIDATED	
	Year Ended 31st March 2016	Year Ended 31st March 2015	Year Ended 31st March 2016	Year Ended 31st March 2015
Total Income	6925.98	7675.63	7065.97	-
Profit Before Interest, Depreciation & tax	979.35	953.03	966.99	-
Interest & Financial Charges	340.54	340.32	(344.18)	-
Depreciation	313.62	357.31	(333.99)	-
Profit before Taxation	325.19	255.36	288.82	-
Less: - Provisions for Income Tax	(137.50)	(71.00)	(137.50)	-
Add/(Less): - Mat Credit adjustments		(16.60)	-	-
Add/(Less): - Deferred tax Assets/ (liabilities)	24.40	(10.28)	24.40	-
Net profit after tax	212.09	157.50	175.72	-
Equity	511.63	511.63	511.63	-
Earnings Per Share	4.15	3.08	3.43	-

DIVIDEND:

To conserve the funds for the business of the Company including the funding for the expansion plans, your directors regret their inability to recommend any dividend for the financial period 2015-16.

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

The reduction in the price of Crude Oil resulted in lower raw material prices during the year, as also lower sales realizations and hence the turnover of the company had also reduced. However 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.

HINDUSTAN ADHESIVES LIMITED

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 the operations of the same have started and the company expects this business to start making profits from the coming years.

CHANGES IN THE NATURE OF BUSINESS

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

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

There has 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 2015-16.

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, 2016.

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:

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements.

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 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, subject to ratification by the members at every AGM. Accordingly, your directors recommend the ratification of the appointment of **M/s. Salarpuria & Partners** as statutory auditors of the Company from the conclusion of the 28th Annual General Meeting till the conclusion of the 29th Annual General Meeting.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory

Management Comments on Note (xi) of Independent Auditor Report:-

The Company has revised the salary of Managing Director after taking opinion from The Company Secretary in whole Time Practice and for the same Company will take approval from the member in the forthcoming Annual General Meeting. If Shareholder's approval could not be obtained, The Managing Director would refund the amount received by him after revision in salary.

(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, 2016. The Secretarial Audit Report is annexed as "**Annexure B**".

The Secretarial Audit Report for the financial year ended 31st March, 2016 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, 2016 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 2015-16 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 Board of Directors of the Company at present has seven members.

Pursuant to the provisions of section 149 of the Act, Mr. Amit Kumar, Mr. Pawan Sharma, and Mr. K.C. Gupta were appointed as independent directors at the annual general meeting of the Company held on September 12, 2014. They have submitted a declaration that each of them meets the criteria of independence as provided in section 149(6) of the Act and there has been no change in the circumstances which may affect their status as independent director during the year.

Pursuant to provisions of Section 152 of Companies Act, 2013 and the Articles of Association of the Company Mr. Suresh Shridhar Ajila, Director of the Company is liable to retire by rotation and being eligible, offer himself for re-appointment.

As per the provisions of Sections 196, 197 of the Companies Act, 2013 read with Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, Mr. Madhusudan Bagla was re-appointed as Managing Director of the Company for a period of 3 years w.e.f 1st April, 2016 subject to approval in this Annual General Meeting.

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:

Seven 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 12th February, 2016, 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 behaviour, 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 2015-16 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, 2016, the applicable Accounting Standards had been followed along with proper explanation relating to material departures.
- b) for the financial year ended March 31, 2016, 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, 2016.
- 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, medical fraternity and business partners.

By order of the Board of Directors of
HINDUSTAN ADHESIVES LIMITED

Place : Delhi

Date : 13/08/2016

(L.K. BAGLA)
CHAIRMAN
DIN: 01596548

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	46,13,482.60
6.	Total assets	109,04,427.60
7.	Total Liabilities	37,90,945.00
8.	Investments	NIL
9.	Turnover	1,39,78,833.00
10.	Profit before taxation	(36,36,136.90)
11.	Provision for taxation	-
12.	Profit after taxation	(36,36,136.90)
13.	Proposed Dividend	-
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 : 30.05.2016

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016
[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, 2016, 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, 2016 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.
Not Applicable
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.
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.

HINDUSTAN ADHESIVES LIMITED

- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. **Not Applicable**
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. **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 Listing Agreement and/or 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 : 13/08/2016

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, 2016.

[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	68.55%
3.	POF FILM	2429	31.30%

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	640400	-	640400	12.52	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	3033729	-	3033729	59.30	3033729	-	3033729	59.30	-
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	3033729	-	3033729	59.30	-
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	824524	39000	863524	16.88	793267	39000	832267	16.26	-0.61
(ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
(i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	452895	508608	961503	18.79	430210	501580	931790	18.21	- 0.5807
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	252234	-	252234	4.9300	290548	0	290548	5.6789	0.7489

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)	1254	-	1254	0.0265	3100	-	3100	0.0606	0.0361
(c – iii) Non Resident Indian (Non Repat)	927	-	927	0.0181	1228	-	1228	0.02	0.0059
(c-iv) Hindu Undivided Family	-	-	-	-	20471	-	20471	0.401	0.401
(c – v) Clearing Member	2729	-	2729	0.0533	2767	-	2767	0.0541	0.0008
(c- vi) Foreign National		100	100			100	100	0.0020	0.0000
Sub-Total(B)(2)	1529653	547808	2082371	40.70	1541591	540780	2082371	40.70	0.000
Total Public Shareholding (B)= (B)(1)+ (B)(2)	1534563	548008	2082571	40.70	1541591	540980	2082571	40.70	0.000
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total(A+B+C)	4568292	548008	5116300	100	4575320	540980	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 LIMITED	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	-
	Total	3033729	59.29	-	3033729	59.29	-	-

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
	At the beginning of the year	3033729	59.29	3033729	59.29
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change		No Change	
	At the End of the year	3033729	59.29	3033729	59.29

There is no change in the shareholding of the promoter.

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

Sl. No.	Name	Shareholding at the beginning (01/04/2015)		Date	Increase/ Decrease in shareholding	Reasons	Cumulative Shareholding during the year (01/04/2015) to (31/03/2016)	
		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		—	No changeduring theyear	255320	4.99
2.	Delhi Foils Private Limited	254966	4.98		—	No changeduring theyear	254966	4.98
3.	Hamsafar Vanijya Private Limited	214800	4.19		—	No changeduring theyear	214800	4.19
4.	Deepinder Singh Poonian	133801	2.61		—	No changeduring theyear	133801	2.61
5.	Harsh Hitesh Javeri Hitesh Ramji Javeri Radhabhai Ramji Javeri	37513	0.73		12187	Increase	49700	0.97
6.	Hitesh Ramji Javeri Radhabhai Ramji Javeri Harsh Hitesh Javeri	11600	0.22		38100	Increase	49700	0.97
7.	Dheeraj Kumar Lohia	20899	0.40		3233	Increase	24132	0.47
8.	DSK Nageshwara Rao	—	—		20415	Increase	20415	0.399
9.	Soyuj Trading co. Ltd	—	—		17739	Increase	17739	0.34
10.	Bindal Mercantile Private Limited	17000	0.33		1000	Decrease	16000	0.31
11.	Value Industries Limited	14200	0.27		—	No changeduring theyear	14200	0.27
12.	Sana Pasricha	24087	0.47		24053	Decrease	34	.00007
13.	Harit vanijya LL.P	17739	0.34		17739	Decrease	—	0.00

*The shares of the Company are traded on a daily basis and hence the date wise increase / decrease in shareholding is not indicated

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 (01.04.2015)				
i) Principal Amount	22,46,87,208	-	-	22,46,87,208
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	12,41,313	-	-	12,41,313
Total (i + ii + iii)	22,59,28,521	-	-	22,59,28,521
Change in Indebtedness during the financial year				
• Addition				
• Reduction	-1,82,13,827	-	-	
Net Change	20,77,14,694	-	-	20,77,14,694
Indebtedness at the end of the financial year (31.03.2016)				
i) Principal Amount	20,77,14,694	-	-	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	-	-	20,91,33,546

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	46,50,000	1,80,000	4,20,000	52,50,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	16,38,111	-	-	16,38,111
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	3,84,400	3,84,400

Sl. No.	Particulars of Remuneration	MADHUSUDAN LALIT KUMAR BAGLA	URMILA GOENKA	SURESH SHRIDHAR AJILA	Total Amount
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - Others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	62,88,111	1,80,000	8,04,400	72,72,511
	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	38,889.00	22,222.00	44,445.00	1,05,556.00
• Commission	-	-	-	-
• Others, please specify	-	-	-	-
Total (1)		-	-	1,05,556.00

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	9,00,000	42,000	9,42,000
	(b) Value of perquisites u/s17(2) Income-taxAct,1961	11,40,000		11,40,000
	(c) Profits in lieu of salary under section17(3) Income-taxAct,1961	-	-	-
2.	Stock Option	-		-
3.	Sweat Equity	-		-
4.	Commission - as % of profit - Others, specify...	-		-
5.	Others, please specify	-		-
	Total (C)	20,40,000	42,000	20,82,000

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/punishments/compounding of offences for the year ended 31 March, 2016.

By order of the Board of Directors of
HINDUSTAN ADHESIVES LIMITED

Date : 13/08/2016
Place : New Delhi

(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 modernisation 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 modernisation 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. 975.80 lakhs during the year under report 2015-2016, as compared to Rs. '1008.62 lakhs in the previous year, 2014-2015.

(Rs. in Lakhs)

Particulars	2015-2016	2014-2015
Total Foreign Exchange Received (F.O.B. Value of Export)	930.76	994.56
Total Foreign Exchange used:		
i) Raw Materials	1440.41	1354.45
ii) Consumable Stores	10.55	1.16
iii) Capital Goods	56.00	404.20
iv) Foreign Travels	30.65	15.52
v) Others	11.14	15.75

ANNEXURE – E

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 AOC-2:

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:

- (a) Name(s) of the related party and nature of relationship: NIL
- (b) Nature of contracts/arrangements/transactions: NIL
- (c) Duration of the contracts / arrangements/transactions: NIL
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: NIL
- (e) Date(s) of approval by the Board, if any: NIL
- (f) Amount paid as advances, if any: NIL



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	92.30
Urmila Goenka	1.97
Suresh Ajila	6.59

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)	115.38%
Urmila Goenka (WTD)	-25%
Suresh Ajila (WTD)	-
Nakul Bagla (CFO)	140%
Sarabjeet Singh Dua(CS)	-

3. The percentage increase in the median remuneration of employees in the financial year: - 4.006%
4. The number of permanent employees on the rolls of Company: 221
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 153.56% in the salaries of the employees in comparison to the last financial year. Percentile increase in the managerial remuneration is 30.12%.

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

Date : 13/08/2016
Place : New Delhi

(L. K. BAGLA)
CHAIRMAN
DIN: 01596548

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 statutes 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.

CORPORATE GOVERNANCE REPORT**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, 2016 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 2015-16, the board met 7 (Seven) times (as against the minimum requirement of four meetings) on the following dates, namely:-

11thMay 2015, 29thMay 2015, 4thJuly 2015, 14thAugust 2015, 14thNovember 2015, 12th February 2016 and 17th March 2016.

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)	7	NO	3	1	NIL	NIL
02.	Mr. M. S. Bagla DIN: 01425646	Managing Director (Executive Director)	7	YES	4	2	NIL	NIL
03.	Mr. Pawan Sharma DIN: 01660557	Director (Independent)	5	YES	2	NIL	NIL	NIL
04.	Mr. K. C. Gupta DIN: 01649210	Director (Independent)	4	YES	3	2	NIL	2
05.	Mr. Suresh ShridharAjila DIN: 03203748	Director (Executive Director)	3	YES	NIL	NIL	NIL	NIL
06.	Mrs. Urmila Goenka DIN: 01165727	Director (Executive Director)	3	NO	NIL	NIL	NIL	NIL
07.	Mr. Amit Kumar DIN: 06902856	Director (Independent)	7	YES	NIL	NIL	NIL	NIL

3. AUDIT COMMITTEE

Presently the Audit Committee comprises of 3 non executive Independent Directors of which Mr. K. C. Gupta, Mr. Pawan Sharma and Mr. Amit Kumar are the members of the committee.

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

During the financial year 2015-16, meetings of the Audit Committee were held 6 times i.e. on 11th May 2015, 29th May 2015, 4th July 2015, 14th August 2015, 14th November 2015 and 12th February 2016.

Name	Category	No. of Meetings during the Financial Year 2015-16	
		Held	Attended
Mr. K.C. Gupta (Chairman)	Non Executive Independent Director	6	4
Mr. Pawan Sharma (Member)	Non Executive Independent Director	6	4
Mr. Amit Kumar (Member)	Non Executive Independent Director	6	6

The constitution of the Audit committee also meets with the requirements of section 177 of the Companies Act, 2013.

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.

4 NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is re-constituted in accordance with Section 178 (1) of the Companies Act, 2013 of which Mr. Amit Kumar (Independent Director), Mr. Pawan Sharma (Independent Director) and Mr. K.C. Gupta (Independent Director) are the members.

During the financial year 2015-16, two meeting of the Nomination and Remuneration Committee was held on 14th November 2015 and 12th February, 2016.

Name	Category	No. of Meetings during the Financial Year 2015-16	
		Held	Attended
Mr. Pawan Sharma(Chairman)	Non Executive Independent Director	2	1
Mr. Amit Kumar(Member)	Non Executive Independent Director	2	2
Mr. K.C. Gupta(Member)	Non Executive Independent Director	2	2

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 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. 61,50,000/-	Rs. 7,54,000/-	Rs. 1,80,000/-
Contribution to Superannuation Fund(Rs.)	1,38,111/-	Rs. 50,400/-	Nil
Bonus and performance linked Incentive(Rs.)	Nil	Nil	Nil

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	33,889.00	NIL
3	Mr. Pawan Sharma	NIL	22,222.00	NIL
4	Mr. Amit Kumar	NIL	44,445.00	NIL

5. (i) Stakeholders Relationship Committee

During the financial year 2015-16, meetings of the Stakeholder Relationship Committee were held on 29th May, 2015, 14th August, 2015, 14th November, 2015 and 12th February, 2016.

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 2015-16	
		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 2015-16 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 12th February, 2016 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. Pawan Sharma 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
2012-2013	30.09.2013	10.00 A.M	Ashok Avenue, Main Chattarpur Road, Asola Fatepur Beri, New Delhi-110074
2013-2014	12.09.2014	10.00 A.M	Ashok Avenue, Main Chattarpur Road, Asola Fatepur Beri, New Delhi-110074
2014-2015	18.09.2015	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
2012-2013	Resolution under Section 198, 269, 309 and Schedule XIII of the Companies Act, 1956
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	-

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 2013-14, 2014-15 and 2015-16 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, 2016. 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 Bhagyoday(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 Listing Agreements/ 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	30 th September, 2016 at 10.00 A.M. Venue Orchid Palace, Main Chattarpur, Road, Asola Fatehpur Beri, New Delhi-110074
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9.2 Financial Calendar (2016-17)

Annual General Meeting For the next year ending 31 st March 2017	before 30 th Sept., 2017
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9.3 Book Closure date

23.09.16 to 30.09.16

9.4 Dividend Payment date

Not Applicable

9.5 Listing of Equity Shares on Stock Exchange at

Delhi, Kolkata & Mumbai

9.6 Stock Code

(i) ISIN Numbers	Equity Shares INE 074C01013
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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, 2016:

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

9.10. Distribution of Share holding as on 31st March 2016

No of Equity Shares Held	No of Shareholder	% of Shareholder	Number of Shares	% of Shareholding
1-500	6460	96.7645	684281	13.3745
501-1000	107	1.6028	87500	1.7102
1001-2000	49	0.7340	76214	1.4896
2001-3000	13	0.1947	31443	0.6146
3001-4000	12	0.1797	41279	0.8068
4001-5000	2	0.0300	9700	0.1896
5001-10000	12	0.1797	88581	1.7313
10001 and above	21	0.3146	4097302	80.0833
Total	6676	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 2015-16 on BSE

Month	High	Low	No. of shares traded
April 2015	40.9	24.5	24886
May, 2015	40	26	32896
June, 2015	33.8	24.7	67359
July, 2015	33.3	26	33118
August, 2015	34.65	25	18531
September, 2015	32.7	24	10243
October, 2015	29.7	26.4	8152
November, 2015	34	26.8	16755
December, 2015	39.65	30.95	35385
January, 2016	51.9	39.5	47755
February, 2016	52	38.85	3875
March, 2016	49	32.1	49044

9.12 Top ten equity shareholders of the Company as on March 31, 2016

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.	Harsh Hitesh JaveriHitesh Ramji JaveriRadhabhai Ramji Javeri	49700	0.97
6.	Hitesh Ramji JaveriRadhabhai Ramji JaveriHarsh Hitesh Javeri	49700	0.97
7.	Dheeraj Kumar Lohia	24132	0.47
8.	DSK Nageshwara Rao	20415	0.399
9.	Soyuj Trading co. Ltd	17739	0.34
10.	Bindal Mercantile Private Limited	16000	0.31

9.13 Dematerialisation of shares and liquidity

The Company's shares are compulsorily traded in dematerialised form. Equity shares of the Company representing 89.426% of the Company's equity share capital are dematerialised as on March 31, 2016. 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, 2016, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

9.15 Plant Location:

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

9.16 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, Delhi-110095

For and on Behalf of the Board of Directors
Hindustan Adhesives Limited

(L.K. BAGLA)

CHAIRMAN

DIN: 01596548

Place : New Delhi

Date : 13/08/2016

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, 2016.

Madhusudan Bagla
(Managing Director)

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To the members of Hindustan Adhesives Limited

We have examined the compliance of the conditions of corporate governance by Hindustan Adhesives Limited for the year ended 31st March, 2016 as stipulated in clause 49 of the Listing Agreement ("Listing Agreement") of the Company with the Stock Exchanges for the period 1st April 2015 to 30th November 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December 2015 to 31st March 2016.

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

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 above mentioned Listing Agreement and/or Listing Regulations as may have been applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficacy 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 : 13/08/2016

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, 2016 that:

- a) We have reviewed the Financial Statements and Cash Flow Statement for the year ended 31st March, 2016 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 our knowledge and belief; no transactions entered into by the Company during the year ended 31st March, 2016 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 : 13/08/2016

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, 2016 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, 2016, 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.

For SALARPURIA & PARTNERS

Firm Registration No. 302113E

Chartered Accountants

(KAMAL KUMAR GUPTA)

Partner

M. No. : 089190

Place : chiranjiv tower, 43 Nehru Place New Delhi-110019

Date : 30.05.2016

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 namely Land and Building, held has Investments.
 - 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. 17 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 to which Amount Relates	Authority where dispute is pending
1.	The Central Excise Act, 1944 (Penalty for wrong MODVAT Credit)	1.95 Lacs	March, 1998	High Court.

- 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 is in compliance with requisite approvals mandated by provisions of Section 197 of Companies Act, 2013, except increase in remuneration to the managing director, which is subject to approval the members in refer note no. Y(8)
- 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 : 30.05.2016

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 & PARTNERS

Firm Registration No. 302113E

Chartered Accountants

Place : New Delhi
Date : 30.05.2016**(KAMAL KUMAR GUPTA)**

Partner

M. No. : 089190

**BALANCE SHEET AS AT 31ST MARCH, 2016**

PARTICULARS	Notes	As At	
		31st Mar, 2016 (Rs.)	31st Mar, 2015 (Rs.)
EQUITY & LIABILITIES			
SHAREHOLDER'S FUNDS			
Share Capital	A	51,163,000	51,163,000
Reserves and Surplus	B	144,868,937	123,565,261
		196,031,937	174,728,261
NON-CURRENT LIABILITIES			
Long-term Borrowings	C	34,520,749	58,382,186
Deferred Tax Liabilities (Net)	D	19,903,892	22,343,880
Long-term Provisions	E	9,359,427	8,277,276
		63,784,068	89,003,342
CURRENT LIABILITIES			
Short term Borrowings	F	173,193,946	166,305,022
Trade Payables	G	71,713,497	96,861,786
Other Current Liabilities	H	16,732,844	16,590,656
Short term Provisions	I	7,316,913	1,466,816
		268,957,200	281,224,280
		528,773,204	544,955,883
ASSETS			
NON CURRENT ASSETS			
Fixed assets			
(i) Tangible Assets	J		
Gross Block		536,010,261	523,857,881
Less Depreciation		314,489,424	283,858,194
Net Block		221,520,837	239,999,687
Non-Current Investments	K	21,358,500	3,480,000
Other Non-Current Assets	L	9,907,426	6,776,469
		252,786,763	250,256,156
CURRENT ASSETS			
Inventories	M	125,134,648	123,387,861
Trade receivables	N	116,521,564	131,749,387
Cash and Cash Equivalents	O	16,327,435	15,976,700
Short-term loans and advances	P	15,598,587	21,181,572
Other Current Assets	Q	2,404,207	2,404,207
		275,986,441	294,699,727
		528,773,204	544,955,883

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 : 30.05.2016

**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

	Notes	Year Ended 31st Mar, 2016 (Rs.)	Year Ended 31st Mar, 2015 (Rs.)
REVENUES			
Revenue From Operation	R	691,257,482	762,966,244
Other Income	S	1,340,952	4,596,348
Total Revenue		692,598,434	767,562,592
EXPENSES			
Cost of Materials Consumed	T	359,967,504	467,578,131
Purchase of Stock in Trade		1,024,931	2,719,334
Changes in inventories of finished goods, Work in Process and Stock-in-Trade	U	1,210,484	(15,747,768)
Employee Benefits Expenses	V	62,963,049	51,165,535
Finance Cost	W	34,054,319	34,032,640
Depreciation and amortization Expenses	J	31,362,138	35,731,011
Other Expenses	X	169,497,406	166,544,931
Total expenses		660,079,831	742,023,814
Profit Before Tax		32,518,603	25,538,778
PROVISION FOR TAX			
Income Tax for current year		(13,750,000)	(7,100,000)
Adjustment for MAT Credit current year		-	(1,660,620)
MAT Credit available for earlier years		-	-
Adjustment for Deferred Tax		2,439,988	(1,028,307)
PROFIT AFTER TAXATION		21,208,591	15,749,851
Earning per shares			
(a) Basic		4.15	3.08
(b) Diluted		4.15	3.08

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 : 30.05.2016



**NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2016 AND
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE**

PARTICULARS	As At 31st Mar, 2016 (Rs.)	As At 31st Mar, 2015 (Rs.)		
NOTE 'A'				
SHARE CAPITAL				
(AUTHORISED)				
70,00,000 (70,00,000)Equity Share of Rs. 10/- each	70,00,000	70,00,000		
ISSUED, SUBSCRIBED AND PAID UP				
51,16,300 Equity share of Rs.10/- each (Out of Which: 1,029,000 Equity share of Rs.10/- each Fully paid up, issued as Bonus Share by Capitalisation of General Reserve)	51,163,000	51,163,000		
	51,163,000	51,163,000		
A-1				
DETAILS OF SHAREHOLDER HOLDING MORE THAN 5% SHARES:				
Name of Share holder	No. of Shares	%	No. of Shares	%
Mr. MADHUSUDAN BAGLA	812,419	15.88	812,419	15.88
Mrs. ANJU BAGLA	598,630	11.70	598,630	11.70
Master DHRUV BAGLA	314,580	6.15	314,580	6.15
Mr. NAKUL BAGLA	372,100	7.27	372,100	7.27
Mr. M S BAGLA - KARTA (M S BAGLA - HUF)	269,250	5.26	269,250	5.26
NOTE 'B'				
RESERVES AND SURPLUS				
Capital Reserve				
(Subsidy received during the year under Central Capital Subsidy Scheme 2003)				-
Opening Balance		3,000,000		-
Received during the year		-		3,000,000
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		96,805,761		83,621,416
Additional Depreciation in pursuance to Schedule II of Company act 2013		-		(2,523,497)
Adjustment for income Tax for earlier years		95,084		(42,011)
Profit for the year		21,208,592		15,749,853
		144,868,937		123,565,261

NOTE 'C'
LONG TERM BORROWINGS
SECURED LOANS

Term Loan	Non Current	Current	Non Current	Current
Allahabad Bank	3,342,847	13,240,000	16,382,186	13,240,000
IDBI Bank	30,000,000	12,000,000	36,000,000	12,000,000
	33,342,847	25,240,000	52,382,186	25,240,000
Capex LC - IDBI	-	-	6,000,000	-
	-	-	6,000,000	-
Auto Loans				
HDFC Bank Ltd. (Loan No. I)	617,056	293,610	-	304,510
HDFC Bank Ltd. (Loan No. II)	560,845	128,624	-	-
	1,177,901	422,234	-	304,510
UNSECURED LOAN				
<u>From Bodies Corporate :</u>				
Others	-	-	-	-
	-	-	-	-
	34,520,748	25,662,234	58,382,186	25,544,510

- (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 Mangalore, Tehsil- Roorkee, Distt. Hardwar, 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, 2016 (Rs.)	As At 31st Mar, 2015 (Rs.)
NOTE 'D'		
DEFERRED TAX LIABILITIES (NET)		
On Timing Difference of Accounting of Depreciation	23,902,518	25,694,874
On Provision for Gratuity	(3,081,253)	(2,625,720)
On Adjustments of Statutory Dues under Section 43B of Income Tax Act, 1961	(917,373)	(725,273)
Net Deferred Tax Assets (Liabilities)	19,903,892	22,343,881
NOTE 'E'		
LONG TERM PROVISIONS		
For Gratuity	8,847,486	7,827,652
For Leave Encashment	511,941	449,624
	9,359,427	8,277,276
NOTE 'F'		
SHORT TERM BORROWING		
Current Maturities of Long Term Loans		
Refer Note C Above	25,662,234	25,544,510
Cash Credits from Banks		
Allahabad Bank	59,623,456	57,223,628
IDBI Bank Ltd	87,908,256	83,536,885
	173,193,946	166,305,022

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, 2016 (Rs.)	As At 31st Mar, 2015 (Rs.)
NOTE 'G'		
TRADE PAYABLES		
For Goods	54,702,066	76,030,857
For Services	11,579,587	10,750,774
For Deferred Credit	5,431,844	10,080,155
	71,713,497	96,861,786
NOTE 'H'		
OTHER CURRENT LIABILITIES		
Advance From Customers	6,341,594	3,038,376
Payables For Capital Goods	1,593,196	6,337,690
Payable For employees	4,546,728	3,936,517
Statutory Dues	2,251,507	1,438,119
Interest accrued but not due on Loan	1,418,852	1,241,313
Other Liabilities	580,967	598,641
	16,732,844	16,590,656
NOTE 'I'		
SHORT TERM PROVISIONS		
For Leave Encashment	64,339	31,015
For Gratuity	649,364	265,182
For Income Tax		
Provision for Income Tax	13,750,000	13,529,881
Less Income Tax Payment Income Tax Deducted at Source	(7,146,790)	(12,359,262)
	7,316,913	1,466,816

NOTE 'J'
FIXED ASSETS
TANGIBLE ASSETS

(Rupees)

Particulars	GROSS BLOCK			DEPRECIATION WRITTEN OFF					NET BLOCK		
	As on 31.03.2015 (Rs.)	Addition (Rs.)	Deduction/ Capitalized (Rs.)	As on 31.03.2016 (Rs.)	As on 31.03.2015 (Rs.)	For the Year (Rs.)	Additional dep. As per Company act,2013 (Rs.)	Adjustment on sale of Assets (Rs.)	Up to 31.03.2016 (Rs.)	As on 31.03.2016 (Rs.)	As on 31.03.2015 (Rs.)
LAND (FREE HOLD)	2,664,804	-	-	2,664,804	-	-	-	-	-	2,664,804	2,664,804
BUILDING	45,305,045	-	-	45,305,045	29,171,743	1,517,235	-	-	30,688,978	14,616,067	16,133,302
PLANT & MACHINERY	418,600,933	5,403,149	-	424,004,082	223,031,924	23,116,122	-	-	246,148,046	177,856,036	195,569,009
ELECTRIC INSTALLATION	28,287,937	1,596,841	-	29,884,778	11,128,170	3,545,365	-	-	14,673,535	15,211,243	17,159,767
FURNITURE & FIXTURE	9,623,593	3,533,080	-	13,156,673	5,375,551	1,411,812	-	-	6,787,363	6,369,310	4,248,042
AIR CONDITIONER	1,956,527	-	-	1,956,527	1,702,629	223,558	-	-	1,926,187	30,340	253,898
OFFICE EQUIPMENT	1,265,286	122,970	-	1,388,256	878,480	1,308	-	-	879,788	508,468	386,806
VEHICLES	-	-	-	-	-	-	-	-	-	-	-
CAR'S / BUS	11,577,166	2,045,297	856,202	12,766,261	9,071,901	909,642	-	730,908	9,250,635	3,515,626	2,505,265
DELIVERY TRUCKS	1,327,005	-	-	1,327,005	1,207,731	31,109	-	-	1,238,840	88,165	119,274
SCOOTERS	273,965	-	-	273,965	243,905	6,047	-	-	249,952	24,013	30,060
CYCLE'S	7,967	-	-	7,967	6,213	-	-	-	6,213	1,754	1,754
COMPUTERS	2,967,653	307,245	-	3,274,898	2,039,947	599,940	-	-	2,639,887	635,011	927,706
TOTAL	523,857,981 (466,712,171)	13,008,582 57,145,710	856,202 -	536,010,261 (523,857,881)	283,858,194 (245,603,686)	31,362,138 (35,731,011)	- (2,523,497)	730,908 -	314,483,424 (283,858,194)	221,520,837 (239,999,687)	239,999,687 (221,108,485)

PARTICULARS	As At 31st Mar, 2016 (Rs.)	As At 31st Mar, 2015 (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
600000 (Nil) Equity share of Rs 10/-each Fully Paid up of Bagla Polyfilms Ltd.	15,000,000	-
Investment in Subsidiary(Associate) Company		
1,62,000 (87000) Equity share of Rs 10/-each Fully Paid up of Bagla Wellness Pvt. Ltd (Formally Known As Bhutnath Tradelink Pvt. Ltd.)	6,358,500	3,480,000
	-	-
	21,458,500	3,580,000
Less : Provision for diminution in value	100,000	100,000
	21,358,500	3,480,000
NOTE 'L'		
<u>OTHER NON CURRENT ASSETS</u>		
Security Deposits	9,407,105	6,508,405
Advance for Capital Goods	207,199	-
VAT on Capital Goods	293,122	268,064
	9,907,426	6,776,469
NOTE 'M'		
<u>INVENTORIES</u>		
(As taken, valued and certified by the management)		
Raw Materials	47,221,897	45,397,370
Finished Goods	15,580,881	13,501,545
Work in Progress	47,084,480	50,365,864
Stores, Spares, Fuel and Packing Materials	15,246,382	14,113,638
Scrap for Sales	1,008	9,444
	125,134,648	123,387,861

PARTICULARS	As At 31st Mar, 2016 (Rs.)	As At 31st Mar, 2015 (Rs.)
NOTE 'N'		
<u>TRADE RECEIVABLES</u>		
(Unsecured, considered good unless otherwise stated)		
Debts Due Over Six month		
Considered good	4,703,381	5,816,690
Considered doubtful	484,789	331,132
Less: Provision for doubtful debts	(484,789)	(331,132)
Other Debts		
Considered good	111,818,183	125,932,697
	116,521,564	131,749,387
NOTE 'O'		
<u>CASH AND CASH EQUIVALENTS</u>		
Cash in Hand		
(As per books and certified)	254,531	604,175
Balances with Scheduled Banks in:		
Current Accounts	9,587,422	3,829,057
Fixed Deposit Accounts	6,324,598	11,345,851
Interest Accrued but not due on fixed deposits	160,884	197,617
(Pledged as Margin money and having maturity within 12 months)	16,327,435	15,976,699
NOTE 'P'		
<u>SHORT TERM LOANS & ADVANCES</u>		
Advances recoverable in cash or in kind or for value to be received		
Unsecured, considered good :	7,814,541	11,930,204
Unsecured, considered doubtful :	-	1,100,000
Less Provision for doubtful Advances	-	(1,100,000)
VAT Receivable	27,218	297,556
Balances with Excise Department	7,756,828	8,953,812
	15,598,587	21,181,572

PARTICULARS	As At 31st Mar, 2016 (Rs.)	As At 31st Mar, 2015 (Rs.)
NOTE 'Q'		
<u>OTHER CURRENT ASSETS</u>		
Discarded Fixed Assets held for Sales	2,404,207	6,904,207
Less :- Sales During the year	-	(4,500,000)
	2,404,207	2,404,207
NOTE 'R'		
<u>REVENUE FROM OPERATIONS</u>		
(Sales Net of Returns)		
Domestic Sales	663,471,263	734,880,461
Export Sales	97,580,345	100,862,490
Scrap Sales	2,371,159	2,486,932
Trading Goods	1,093,600	3,420,768
Total Sales	764,516,367	841,650,651
Less Excise Duty	73,402,117	79,009,120
	691,114,250	762,641,531
Job Work Receipts	143,232	324,713
	691,257,482	762,966,244
NOTE 'S'		
<u>OTHER INCOME</u>		
Miscellaneous Receipts	2,080	80,000
Duty Draw back	438,035	44,029
Interest received on Security Deposit	-	260,588
Interest received on Bank deposits	669,055	978,625
Foreign Exchange Fluctuation (Net)	-	2,700,813
Excess Provision for Bonus Written Back	197,076	15,163
Rent on Machine	-	500,000
Profit on Sales of Fixed Assets	34,706	-
Sundry Balances Written off (Net)	-	13,039
Previous year adjustment (Net)	-	4,091
	1,340,952	4,596,348

PARTICULARS	As At 31st Mar, 2016 (Rs.)	As At 31st Mar, 2015 (Rs.)
NOTE 'T'		
<u>MATERIALS CONSUMED</u>		
Raw Materials Consumed		
Opening Stocks	45,397,370	43,759,242
Add: Purchases	361,792,031	469,216,259
	407,189,401	512,975,501
Less : Closing Stocks	47,221,897	45,397,370
	359,967,504	467,578,131
NOTE 'U'		
<u>CHANGES IN INVENTORY OF FINISHED GOODS, WORK IN PROCESS AND STOCK-IN-TRADE</u>		
OPENING STOCK		
Work in Process	50,365,864	31,698,458
Finished Goods Manufactured	13,501,545	16,414,967
Scrap Stock	9,444	15,660
	63,876,853	48,129,085
CLOSING STOCK		
Work in Process	47,084,480	50,365,864
Finished Goods Manufactured	15,580,881	13,501,545
Scrap Stock	1,008	9,444
	62,666,369	63,876,853
	(1,210,484)	15,747,768

PARTICULARS	As At 31st Mar, 2016 (Rs.)	As At 31st Mar, 2015 (Rs.)
NOTE 'V'		
EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages and other Allowances	47,783,097	36,207,419
Contribution to Provident and other Allied Funds	3,133,017	2,909,674
Director's Remuneration	7,068,111	4,552,346
Staff Welfare and Benefits	3,119,963	5,120,810
Gratuity	1,508,373	1,982,419
Leave Encashment	350,488	392,867
	62,963,049	51,165,535
NOTE 'W'		
FINANCE COST		
Interest to Banks on Cash/Packing credits	18,902,606	19,238,504
Interest to Bank on Term Loan	9,018,618	8,451,145
Interest on Other	1,339,940	2,122,277
Bank Commission and Charges	4,793,155	4,220,714
	34,054,319	34,032,640
NOTE 'X'		
OTHER EXPENSES		
1 MANUFACTURING EXPENSES		
Power & Fuel Consumed	48,891,131	52,969,372
Store, Spares & Tools Consumed	11,099,215	8,243,858
Packing Expenses	27,842,413	28,904,665
Carriage Inward	222,002	344,598
Repairs and Maintenance:		
Building and Shed	2,542,904	464,720
Plant and Machinery	10,834,254	10,723,111
Others	2,509,352	3,160,817
	103,941,271	104,811,141

PARTICULARS	As At 31st Mar, 2016 (Rs.)	As At 31st Mar, 2015 (Rs.)
2 ADMINISTRATIVE AND OTHER OVERHEADS		
Rent, Rates and Taxes	789,240	1,234,237
Printing and Stationery	851,356	693,981
Traveling and Conveyance	11,335,582	9,527,168
Vehicle Running Maintenance	2,229,008	2,144,593
Postage & Telephone charges	3,517,990	3,514,764
Electricity and Water Overheads	880,493	812,233
Data processing Expenses	665,627	522,071
Legal and Professional Charges	2,781,977	1,435,521
Advertisement Expenses	67,660	46,303
Auditor's Remuneration :		
For Audit Fees	80,000	60,000
For Tax Audit Fees	20,000	20,000
For Other Matters	35,700	112,440
	<hr/>	<hr/>
Fees & Subscription	309,645	439,792
Repairs and Maintenance Others	2,442,652	2,614,820
Insurance Charges	920,995	1,148,894
General Expenses	5,413,699	6,097,895
Provision for doubtful debts/advances	220,977	1,131,358
Sundry Balances Written off (Net)	3,061,774	-
Previous year adjustment (Net)	352,626	-
Foreign Exchange Fluctuation (Net)	95,058	-
	<hr/>	<hr/>
	36,072,059	31,476,070
	<hr/> <hr/>	<hr/> <hr/>
3 SALES AND DISTRIBUTION OVERHEADS		
Advertisement & Publicity	39,480	88,953
Freight and Carriage Outward	18,766,336	21,515,022
Discount, Rebates and Claims	1,625,441	1,664,310
Brokerage & Commission	3,017,346	3,251,946
Business Promotion Expenses	4,751,044	2,645,297
Turnover and Sales Tax	322,632	74,348
Statutory Demands	177,159	51,853
Exhibition & Conference Expenses	784,638	965,991
	<hr/>	<hr/>
	29,484,076	30,257,720
	<hr/> <hr/>	<hr/> <hr/>
Total (1+2+3)	169,497,406	166,544,931
	<hr/> <hr/>	<hr/> <hr/>

NOTE : Y SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2016

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 uncleared finished goods, which is accounted as and when they fall due by clearance of goods from factory.
- (b) Sales are inclusive of excise duty and exchange gain/loss on export sales.
- (c) Realization from 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 bases of determining cost for various categories of Inventories are as follows:

Stores & Spares, Raw Material & Packing Materials	First in first out lower of cost or market value
Work-in-progress & Finished Goods	Material Cost plus appropriate Attributable Production overheads, Duties as Applicable.
Rejected Materials/Scrap	At estimated realizable Value

IV. **INVESTMENTS**

Long Term Investments are stated at cost. Diminution of permanent nature in the value of investments has been provided for.

V. **FIXED ASSETS & DEPRECIATION**

Fixed assets are stated at cost less depreciation. Cost of acquisition or construction is inclusive of freight, duties and other incidental expenses, till the assets are put to use.

Depreciation has been provided 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

VI. RESEARCH & DEVELOPMENT EXPENSES

Research & Development expenses of revenue nature are charged to revenue when incurred. Expenditure of capital nature is capitalized and depreciation is charged thereon as per the company's policy.

VII FOREIGN CURRENCY TRANSACTIONS

Foreign currency loans/deferred credit availed to acquire fixed assets are accounted for at the exchange rates prevailing on the dates of disbursement. Transactions in foreign currency are recorded at the exchange rate prevailing on the transaction date. The assets & liabilities outstanding at the close of the year are translated into Indian Currency at the exchange rate prevailing on the Balance Sheet date and/or forward cover rate.

The differences arising out of conversion of loans for fixed assets are adjusted in the value of respective fixed assets and in respect of other liabilities and assets the foreign exchange fluctuation is debited / credited to the Profit & Loss Account.

VIII EXCISE DUTY

Liability for excise Duty in respect of finished goods and scrap not cleared from factory premises for sale is accounted for at the time of clearance from the factory premises. The policy has however, no impact on operating results and net current assets of the Company.

IX EXPENDITURE DURING CONSTRUCTION PERIOD

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

X BORROWING COST

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

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

The Group 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.0.60 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 96.35 Lacs (Previous year Rs. 75.12 Lacs) and for procurement of for raw material from domestic supplier Rs. 96.87 Lac (Previous year Rs. 78.25 Lac)
 - (c) Sales Tax demand pending appeals Rs. 0.04 (Previous year Rs. 6.04 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. 1.30 Lacs (Previous year at Rs. 15.54 Lacs) against which protest money deposited Rs.1.30 Lacs (Previous year at Rs. 1.30 Lacs).
 - (f) Custom duties saved under EPCG schemes, against which export obligations are pending Nil. (Previous year at Rs. 36.68 Lacs).
 - (g) Custom duties saved under Advance license schemes, against which export obligations are pending Nil (Previous year at Rs. 57.43 Lacs).
2. In accordance with company's consistent practice, no provision has been made for excise duty aggregating Rs 10.87 Lacs (Previous year Rs. 10.48 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:

		Book Balance as on 31.03.2016	Book Balance as on 31.03.2016
a.) Allahabad Bank	Ahmedabad	15,150.05/-	15,150.05/-
b.) IDBI Bank Ltd.	Mumbai	1450.39/-	1,450.39/-
c.) IDBI Bank Ltd.	Banglore	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	2015-2016	2014-2015
No. of Persons	One	One
Salary & Allowances	61,50,000/-	36,00,000/-
Perquisites	1,38,111/-	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		
No. of Persons	Two	Two
Salary & Allowances	7,80,000/-	8,40,000/-
Contribution to P.F & other funds	50,400/-	50,400/-
Perquisites	1,54,000/-	1,54,000/-

10. Earnings per share (EPS):	2015-2016	2014-2015
Profit/(Loss) after Tax (Rs. in Lacs)	212.29	157.50
Average number of Equity Shares (Face Value of Rs.10/-)	51,16,300	51,16,300
Basic and Diluted EPS (in Rupees per Share)	4.15	3.08

11. Sales/purchases includes inter factory transfers which results in inflation of sale figure by Rs. 4.68Lacs (3.55Lacs) Sale from Ghaziabad factory to Roorkee Factory and sale from Roorkee Factory to Ghaziabad Factory Rs.Nil (18.12 Lacs).
- 12 Details of Employee Benefits as required by the Accounting Standard -15 "Employee Benefits" are as follows:

1 Defined contribution Plans

PARTICULARS	2015-2016	2014-2015
The Group has recognized the following amounts in the profit and loss account:-Contribution to Provident Fund and Family Pension Fund	21,74,110/-	19,31,101/-

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	
	2015-16	2014-15	2015-16	2014-15
Current Service Cost	7,32,759	6,27,230/-	77,615	54,798/-
Interest Cost	6,47,427	5,46,439/-	38,451	38,450/-
Actuarial Losses (Gains)	1,28,187	8,08,750/-	2,28,100	2,73,089/-
Total Expenses recognized in the P& L A/c	15,08,373	19,82,419	3,44,166	3,66,337/-

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

Particulars	Gratuity		Leave Encashment	
	2015-16	2014-15	2015-16	2014-15
Present Value of Defined Benefit Obligation	94,97,149	80,92,833/-	5,76,280	4,80,639/-
Net Asset / (Liability) recognized in the Balance Sheet	94,97,149	80,92,833/-	5,76,280	4,80,639/-

III Charge in Defined Benefit Obligation during the year.

Particulars	Gratuity		Leave Encashment	
	2015-16	2014-15	2015-16	2014-15
Present value of defined Benefit obligation as at the beginning of year	80,92,833	68,30,485/-	4,80,639	4,80,630/-
Current Service Cost	7,32,759	6,27,229/-	77,615	54,798/-
Interest Cost	6,47,427	5,46,439/-	38,451	38,450/-
Actuarial Losses/ (Gains)	1,28,187	8,08,750/-	2,28,100	2,73,089/-
Benefits paid	(1,04,057)	-7,20,070/-	(2,48,525)	-3,66,328/-
Present value of Defined Benefit obligation as the end of the year	94,97,149	80,92,833/-	5,76,280	4,80,639/-

IV Actuarial Assumptions

Particulars	Current Year	Previous Year
Discount Rate	8.00%	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) is as follows:

A). List of Related Parties

1. Where Control Exist:

Subsidiary Company:

Bagla Wellness Private Limited (Earlier known as Bhutnath Tradelink Private Limited)

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. 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		Amount Payable / (Recoverable)	
		2015-16	2014-15	2015-16	2014-15
Where Control Exists	Loans & Advances Received	NIL	25,63,852/-	NIL	2,15,930/-
	Loan & advances Repaid	2,15,930/-	23,47,922/-	NIL	NIL
	Loans & Advances Given & received back	17,00,000/-	2,83,008/-	NIL	NIL
	Investments made in shares	1,78,78,500/-	34,80,000/-	NIL	NIL
	Hire charges Paid	1,30,000/-	10,80,000/-	NIL	NIL
	Statutory Payment on behalf of related party	16,07,963/-	8,20,418/-	NIL	NIL

Type of Related Party	Nature of Transaction	Volume of Transactions		Amount Payable / (Recoverable)	
		2015-16	2014-15	2015-16	2014-15
	Reimbursement received of payment made on behalf of related party	17,75,556/-	6,52,825/-	NIL	NIL
	Rent Paid	1,08,000/-	1,08,000/-	NIL	NIL
	Sales	95,962/-	54,894/-	NIL	(54894)
	Security Deposit given for office	15,00,000/-	NIL	(15,00,000)	(1,08,000)
	Refund of Security Deposit	1,08,000/-	NIL	NIL	NIL
Key Management Personal	Managing Director's Remuneration & Perks	62,88,111/-	36,42,346/-	NIL	NIL
	Director's Remuneration	9,84,400/-	10,44,400/-	NIL	1,44,400/-
	CFO Remuneration	20,40,000/-	9,60,000/-	NIL	NIL
	Remuneration in advance	67,866/-	8,24,490/-	(67,866)	(4,15,480)
	Hire charges Paid	4,80,000/-	4,80,000/-	NIL	NIL
	Security Deposit	7,50,000/-	NIL	(7,50,000)	NIL
Relative of Key Management Personal	Salary	17,40,000/-	5,00,000/-	NIL	NIL
	Advance against salary	4,43,576/-	4,59,181/-	NIL	(1,09,181)
	Reimbursements	53,912/-	62,127/-	NIL	NIL
	Commission	7,83,703/-	7,60,355/-	NIL	NIL
	Rent Paid	3,61,861/-	3,36,612/-	NIL	NIL
	Office Maintenance	2,15,430/-	2,00,400/-	NIL	NIL
	Security Deposit Given	7,50,000/-	NIL	(17,50,000)	(10,00,000)
Others	Rent Paid	24,000/-	24000/-	NIL	NIL

15. Derivative Instruments and un-hedged Foreign Currency disclosure

Particulars	2015-16			2014-15		
	Rs.	Value in Foreign Currency		Rs.	Value in Foreign Currency	
Receivables						
Export Sales	76,94,212	USD	1,17,531	93,68,853	USD	1,58,009
	1,31,158	Euro	1,774	Nil		Nil
For others	1,23,715	USD	2,018	9,87,521	USD	11,198
				1,73,712	Euro	2,595
Advance for Import-Raw Material	17,37,759	USD	25,800	NIL	USD	NIL
Total	96,86,844	USD	1,45,349	1,05,30,086	USD	1,69,207
		Euro	1,774		Euro	2,595

Particulars	2015-16			2014-15		
	Rs.	Value in Foreign Currency		Rs.	Value in Foreign Currency	
Payables						
Capex LC	Nil	USD	Nil	93,69,120	USD	1,49,000
Import- Raw Material	26,15,458	USD	38,880	41,60,141	USD	65,360
				59,33,849	Euro	86,905
Advance Received	29,22,226	USD	43,740	3,88,631	USD	6,324
against export sale	2,28,540	Euro	3,000	5,13,311	Euro	7,581
Total	57,66,224	USD	82,620	2,03,65,052	USD	2,20,684
		Euro	3,000		Euro	94,486

16. A. STOCK AND TURNOVER

Class of Goods	Opening Stock Value (Rs.)	Closing Stock Value (Rs.)	Turnover Value (Rs.)
MANUFACTURED FINISHED GOODS			
SELF ADHESIVE TAPES	7,194,543 (6,512,912)	8,156,623 (7,194,543)	522,481,987 (649,465,768)
BOPP FILM	992,682 (1,438,275)	373,275 (992,682)	- (1,951,180)
POF FILM	5,314,320 (8,463,780)	7,050,983 (5,314,320)	238,569,622 (184,326,004)
TRADED FINISHED GOODS			
Polypropylene	-	-	-
Scrap Sales (Old & Used)	-	-	1,093,600
	13,501,545 (16,414,967)	15,580,881 (13,501,545)	762,145,208 (835,742,952)

	Current Year Value (Rs.)	Previous Year Value (Rs.)
A.1 TRADED FINISHED GOODS PURCHASED		
Polypropylene	-	-
B WORK IN PROGRESS		
OPENING STOCK		
SELF ADHESIVES TAPES	17,499,739	15,457,538
BOPP FILM	1,257,697	721,535
POF FILM	31,608,428	15,519,385
	50,365,864	31,698,458
CLOSING 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
	47,084,480	50,365,864

	Current Year Value (Rs.)	Previous Year Value (Rs.)
C RAW MATERIAL CONSUMED		
Bopp & other films	117,113,393	160,272,202
Polypropylene Granules	125,589,614	130,381,884
Adhesives & Chemicals	116,589,697	175,175,678
Paper & Other	674,800	1,748,367
	359,967,505	467,578,131

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

	CURRENT YEAR		PREVIOUS YEAR	
	%	Value (Rs.)	%	Value (Rs.)
RAW MATERIALS				
Imported	39.27	141,351,444	27.05	126,477,731
Indigenous	60.73	218,616,061	72.95	341,100,400
	100.00	359,967,505	100.00	467,578,131
STORE & SPARES & LOOSE TOOLS				
Imported	13.41	1,042,002	1.90	76,051
Indigenous	86.59	6,727,467	98.10	3,920,527
	100.00	7,769,469	100.00	3,996,578

E CIF VALUE OF IMPORTS

	Current Year Value (Rs.)	Previous Year Value (Rs.)
Raw Materials	144,041,497	135,444,796
Capital Goods	3,170,063	39,469,347
Capital Goods - Repair & Maintance	2,429,543	951,236
Store & Spare	1,054,702	115,856

F EXPENDITURE IN FOREIGN CURRENCY

	Current Year Value (Rs.)	Previous Year Value (Rs.)
Traveling Expenses	3,064,778	1,551,468
Exhibition, Meeting & Conference, Professional	784,638	965,991
Others (Donation, Commission & Bank Charges)	329,139	608,741

G EARNING IN FOREIGN CURRENCY

	Current Year Value (Rs.)	Previous Year Value (Rs.)
FOB Value of Exports	93,075,952	99,456,145

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

As per our report of even date attached

For **SALARPURIA & PARTNERS**

Firm Registration No.-302113E

Chartered Accountants

(Kamal Kumar Gupta)

Partner

M. No. : 089190

Place : New Delhi

Date : 30.05.2016

(S.S. DUA)

Co. Secretary

(L.K. BAGLA)

Chairman

(DIN : 01596548)

(M.S. BAGLA)

Mg. Director

(DIN : 01425646)

(N.M. BAGLA)

CFO

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

	Current Year (Rs.)	Previous Year (Rs.)
A Cash Flow From Operating Activities		
Net Profit / (Loss) As per Profit & loss Account	32,518,603	25,538,780
Adjustment For:		
Depreciation	31,362,138	35,731,011
Sales of Fixed Assets Sold	(34,706)	-
Interest Paid /Received Net	34,054,319	34,032,641
Provision for Doubt ful reversed	220,977	1,131,358
Provision for Gratuity & Leave	1,499,657	1,262,358
Operating Profit Before Working Capital Change	99,620,988	97,696,148
Adjustment For:		
Trade & Other Receivables	17,458,875	30,951,062
Inventories	(1,746,787)	(17,594,484)
Trade Payable	(25,006,101)	(1,789,110)
Cash Generated by Operating Activities	90,326,975	109,263,616
Less : Income Tax Payments	(8,222,325)	(8,002,222)
Net Cash Generated by Operating Activities	82,104,650	101,261,394
B CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchases of Fixed Assets	(12,848,582)	(54,132,115)
Purchased of Investment	(17,878,500)	(3,480,000)
Net Cash Flow from investment activities	(30,727,082)	(57,612,115)
C CASH FLOW FROM FINANCING ACTIVITIES		
Subcidy Received	-	3,000,000
Proceeds /(Repayment) from Secured Loans	(16,972,514)	(5,948,747)
Proceeds /(Repayment) from Unsecured Loans	-	(7,500,000)
Interest	(34,054,319)	(34,032,641)
Net cash used in Financing Activities	(51,026,833)	(44,481,388)
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENT	350,735	(832,109)
Cash & Cash equivalents opening Balance	15,976,700	16,808,809
Cash & Cash equivalents Closing Balance	16,327,435	15,976,700

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 : 30.05.2016

(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, 2016 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, 2016, 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, 2016 taken on record by the board of directors of the company and its subsidiary 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 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 23(2)(ii) 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.

For SALARPURIA & PARTNERS

Firm Registration No. 302113E

Chartered Accountants

(KAMAL KUMAR GUPTA)

Partner

M. No. 89190

Place : New Delhi

Date : 30.05.2016

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 2016, 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 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 & PARTNERS

Firm Registration No. 302113E

Chartered Accountants

(KAMAL KUMAR GUPTA)

Partner

M. No. 89190

Place : New Delhi
Date : 30.05.2016

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016**

PARTICULARS	Notes	As At 31st Mar, 2016 (Rs.)
EQUITY & LIABILITIES		
SHAREHOLDER'S FUNDS		
Share Capital	A	51,163,000
Reserves and Surplus	B	143,119,972
Minority Interest		2,503,947
		196,786,919
NON-CURRENT LIABILITIES		
Long-term Borrowings	C	35,520,748
Deferred Tax Liabilities (Net)	D	19,903,892
Long-term Provisions	E	9,359,427
		64,784,067
CURRENT LIABILITIES		
Short term Borrowings	F	173,193,946
Trade Payables	G	72,589,484
Other Current Liabilities	H	18,647,802
Short term Provisions	I	7,166,350
		271,597,582
		533,168,568
ASSETS		
NON CURRENT ASSETS		
Fixed assets		
(i) Tangible Assets	J	
Gross Block		546,923,593
Less Depreciation		316,769,074
Net Block		230,154,519
(i) Capital work-in-progress		-
Non-Current Investments	K	15,000,000
Other Non-Current Assets	L	11,407,426
		256,561,945
CURRENT ASSETS		
Inventories	M	125,134,648
Trade receivables	N	116,521,564
Cash and Cash Equivalents	O	16,880,807
Short-term loans and advances	P	15,665,397
Other Current Assets	Q	2,404,207
		276,606,623
		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

Place : New Delhi

Date : 30.05.2016

(S.S. DUA)
Co. Secretary**(L.K. BAGLA)**
Director
(DIN : 01596548)**(M.S. BAGLA)**
Mg. Director
(DIN : 01425646)**(N.M. BAGLA)**
CFO

**CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016**

	Notes	Year Ended 31st Mar, 2016 (Rs.)
REVENUES		
Revenue From Operation	R	691,257,482
Other Income	S	1,360,378
Member Ship Fee		13,978,833
Total Revenue		706,596,693
EXPENSES		
Cost of Materials Consumed	T	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	1,210,484
Employee Benefits Expenses	V	67,591,945
Finance Cost	W	34,417,799
Depreciation and amortization Expenses	J	33,398,870
Other Expenses	X	180,039,169
Total expenses		677,714,227
Profit Before Tax		28,882,466
PROVISION FOR TAX		
Income Tax for current year		(13,750,000)
Adjustment for MAT Credit current year		-
MAT Credit available for earlier years		-
Adjustment for Deferred Tax		2,439,988
PROFIT AFTER TAXATION		17,572,454
Earning per shares		
(a) Basic		3.43
(b) Diluted		3.43

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)

Co. Secretary

(L.K. BAGLA)

Director

(DIN : 01596548)

(M.S. BAGLA)

Mg. Director

(DIN : 01425646)

(N.M. BAGLA)

CFO

Place : New Delhi

Date : 30.05.2016

NOTES FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2016 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

PARTICULARS	As At 31st Mar, 2016 (Rs.)
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NOTE 'A'
SHARE CAPITAL
(AUTHORISED)

70,00,000 (70,00,000) Equity Share of Rs. 10/- each	70,000,000
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ISSUED, SUBSCRIBED AND PAID UP

51,16,300 Equity share of Rs.10/- each (Out of Which: 1,029,000 Equity share of Rs.10/- each Fully paid up, issued as Bonus Share by Capitalisation of General Reserve)	51,163,000
---	------------

51,163,000

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

(Capital Subsidy Scheme)	-
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Balance Brought forward	3,000,000
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Capital Reserve(Subsidiary)	187,427
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Share Premium Account

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

Balance Brought Forward	2,500,000
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Add :- During the year	-
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Profit & Loss Account

Balance B/F From Previous Year	96,805,761
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Adjustment for income Tax for earlier years	95,083
---	--------

Profit for the year	21,208,592
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Profit/(Loss) Subsidiary	(1,936,391)
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143,119,972

NOTE 'C'
LONG TERM BORROWINGS
SECURED LOANS

Term Loan	Non Current	Current
Allahabad Bank- Loan No. II	3,342,847	13,240,000
IDBI Bank - Loan No.I	30,000,000	12,000,000
	33,342,847	25,240,000
Capex LC-IDBI	-	-
	-	-
Auto Loans		
HDFC Bank Ltd.	617,056	293,610
HDFC Bank Ltd.	560,845	128,624
	1,177,901	422,234
<u>UNSECURED LOAN</u>		
<u>From Bodies Corporate :</u>		
Others	1,000,000	-
	1,000,000	-
	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 Mangalore, Tehsil- Roorkee, Distt. Hardwar, 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, 2016 (Rs.)
NOTE 'D'	
<u>DEFERRED TAX LIABILITIES (NET)</u>	
On Timing Difference of Accounting of Depreciation	23,902,518
On Provision for Gratuity	(3,081,253)
On Adjustments of Statutory Dues under Section 43B of Income Tax Act, 1961	(917,373)
Net Deferred Tax Assets (Liabilities)	<u>19,903,892</u>
NOTE 'E'	
<u>LONG TERM PROVISIONS</u>	
For Gratuity	8,847,486
For Leave Encashment	511,941
	<u>9,359,427</u>
NOTE 'F'	
<u>SHORT TERM BORROWING</u>	
Current Maturities of Long Term Loans	
Refer Note C Above	25,662,234
	<u>25,662,234</u>
Cash Credits from Banks	
Allahabad Bank	59,623,456
IDBI Bank Ltd	87,908,256
	<u>147,531,712</u>
	<u>173,193,946</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, 2016 (Rs.)
NOTE 'G'	
TRADE PAYABLES	
For Goods	54,702,066
For Services	12,455,574
For Deferred Credit	5,431,844
	72,589,484
NOTE 'H'	
OTHER CURRENT LIABILITIES	
Advance From Customers	6,341,594
Payables For Capital Goods	1,593,196
Payable For employees	4,546,728
Statutory Dues	3,445,478
Interest accrued but not due on Loan	1,591,023
Other Liabilities	1,129,783
	18,647,802
NOTE 'I'	
SHORT TERM PROVISIONS	
For Leave Encashment	64,339
For Gratuity	649,364
For Income Tax	
Provision for Income Tax	13,750,000
Less Income Tax Payment Income Tax Deducted at Source	(7,297,353)
	7,166,350

NOTE 'J'
CONSOLIDATED FIXED ASSETS
TANGIBLE ASSETS

(Rupees)

Particulars	GROSS BLOCK			DEPRECIATION WRITTEN OFF					NET BLOCK		
	As on 31.03.2015 (Rs.)	Addition (Rs.)	Deduction/ Capitalized (Rs.)	As on 31.03.2016 (Rs.)	As on 31.03.2015 (Rs.)	For the Year (Rs.)	Additional dep. As per Company act,2013 (Rs.)	Adjustment on sale of Assets (Rs.)	Up to 31.03.2016 (Rs.)	As on 31.03.2016 (Rs.)	As on 31.03.2015 (Rs.)
LAND (FREE HOLD)	2,664,804	-	-	2,664,804	-	-	-	-	-	2,664,804	2,664,804
BUILDING	45,305,045	-	-	45,305,045	29,171,743	1,517,235	-	-	30,688,978	14,616,067	16,133,302
PLANT & MACHINERY	418,800,933	5,403,149	-	424,004,082	223,031,924	23,116,122	-	-	246,148,046	177,856,036	195,569,009
ELECTRIC INSTALLATION	28,287,937	1,596,841	-	29,884,778	11,128,170	3,545,365	-	-	14,673,535	15,211,243	17,159,767
FURNITURE & FIXTURE	12,115,442	4,397,169	-	16,512,611	5,479,820	2,130,609	-	-	7,610,429	8,902,182	6,635,622
AIR CONDITIONER	2,002,007	-	-	2,002,007	1,704,532	234,857	-	-	1,939,389	62,618	297,475
OFFICE EQUIPMENT	1,265,286	122,970	-	1,388,256	878,480	1,308	-	-	879,788	508,468	386,806
FITNESS EQUIPMENT	4,672,940	2,601,125	-	7,274,065	136,746	1,217,793	-	-	1,354,539	5,919,526	4,536,194
VEHICLES	-	-	-	-	-	-	-	-	-	-	-
CAR'S / BUS	11,577,166	2,045,297	856,202	12,766,261	9,071,901	909,642	-	730,908	9,250,635	3,515,626	2,505,265
DELIVERY TRUCKS	1,327,005	-	-	1,327,005	1,207,731	31,109	-	-	1,238,840	88,165	119,274
SCOOTERS	273,965	-	-	273,965	243,905	6,047	-	-	249,952	24,013	30,060
CYCLE'S	7,967	-	-	7,967	6,213	-	-	-	6,213	1,754	1,754
COMPUTERS	2,967,653	545,094	-	3,512,747	2,039,947	688,793	-	-	2,728,730	784,017	927,706
TOTAL	531,068,150 (466,712,171)	16,711,645 57,145,710	856,202 -	546,923,593 (523,857,881)	284,101,112 (245,603,686)	33,398,870 (95,731,011)	- (2,523,497)	730,908 -	316,769,074 (283,858,194)	230,154,519 (239,999,687)	246,967,038 (221,108,485)

PARTICULARS	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
600000 (Nil) Equity share of Rs 10/-each Fully Paid up of Bagla Polyfilms Ltd.	15,000,000
	15,100,000
Less : Provision for diminution in value	100,000
	15,000,000
NOTE 'L'	
OTHER NON CURRENT ASSETS	
Security Deposits	10,907,105
Advance for Capital Goods	207,199
VAT on Capital Goods	293,122
	11,407,426
NOTE 'M'	
INVENTORIES	
(As taken, valued and certified by the management)	
Raw Materials	47,221,897
Finished Goods	15,580,881
Work in Progress	47,084,480
Stores, Spares, Fuel and Packing Materials	15,246,382
Scrap for Sales	1,008
	125,134,648

PARTICULARS	As At 31st Mar, 2016 (Rs.)
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NOTE 'N'**TRADE RECEIVABLES**

(Unsecured, considered good unless otherwise stated)

Debts Due Over Six month

Considered good	4,703,381
Considered doubtful	484,789
Less: Provision for doubtful debts	(484,789)

Other Debts

Considered good	111,818,183
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116,521,564

NOTE 'O'**CASH AND CASH EQUIVALENTS****Cash in Hand**

(As per books and certified)	372,392
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Balances with Scheduled Banks in:

Current Accounts	10,022,933
Fixed Deposit Accounts	6,324,598
Interest Accrued but not due on fixed deposits	160,884

16,880,807

(Pledged as Margin money and having maturity within 12 months)

NOTE 'P'**SHORT TERM LOANS & ADVANCES**

Advances recoverable in cash or in kind or for value to be received

VAT Receivable	7,881,351
Balances with Excise Department	27,218
	7,756,828

15,665,397



PARTICULARS	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
NOTE 'R'	
<u>REVENUE FROM OPERATIONS</u>	
[Sales (Net of Returns)]	
Domestic Sales	663,471,263
Export Sales	97,580,345
Scrap Sales	2,371,159
Trading Goods	1,093,600
Total Sales	764,516,367
Less Excise Duty	73,402,117
	691,114,250
Job Work Receipts	143,232
Member Ship Fee	13,978,833
	705,236,315
NOTE 'S'	
<u>OTHER INCOME</u>	
Miscellaneous Receipts	21,506
Duty Draw back	438,035
Interest received on Bank deposits	669,055
Excess Provision for Bonus Written Back	197,076
Profit on Sales of Fixed Assets	34,706
	1,360,378

PARTICULARS	As At 31st Mar, 2016 (Rs.)
NOTE 'T'	
<u>MATERIALS CONSUMED</u>	
Raw Materials Consumed	
Opening Stocks	45,397,370
Add: Purchases	361,855,556
	407,252,926
Less :Closing Stocks	47,221,897
	360,031,029
NOTE 'U'	
<u>CHANGES IN INVENTORY OF FINISHED GOODS, WORK IN PROCESS AND STOCK-IN-TRADE</u>	
OPENING STOCK	
Work in Process	50,365,864
Finished Goods Manufactured	13,501,545
Scrap Stock	9,444
	63,876,853
CLOSING STOCK	
Work in Process	47,084,480
Finished Goods Manufactured	15,580,881
Scrap Stock	1,008
	62,666,369
	(1,210,484)

PARTICULARS	As At 31st Mar, 2016 (Rs.)
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NOTE 'V'**EMPLOYEE BENEFITS EXPENSES**

Salaries, Wages and other Allowances	51,970,996
Contribution to Provident and other Allied Funds	3,525,969
Director's Remuneration	7,068,111
Staff Welfare and Benefits	3,168,008
Gratuity	1,508,373
Leave Encashment	350,488
	67,591,945
	67,591,945

NOTE 'W'**FINANCE COST**

Interest to Banks on Cash/Packing credits	18,902,606
Interest to Bank on Term Loan	9,018,618
Interest on Other	1,574,259
Bank Commission and Charges	4,922,316
	34,417,799
	34,417,799

NOTE 'X'**OTHER EXPENSES****1 MANUFACTURING EXPENSES**

Power & Fuel Consumed	48,891,131
Store, Spares & Tools Consumed	11,408,432
Packing Expenses	27,778,888
Carriage Inward	222,002
Repairs and Maintenance:	
Building and Shed	2,542,904
Plant and Machinery	10,835,226
Others	2,509,352

PARTICULARS	As At 31st Mar, 2016 (Rs.)	
Rent, Rates and Taxes		6,980,864
Printing and Stationery		975,078
Traveling and Conveyance		11,799,752
Vehicle Running Maintenance		2,229,008
Postage & Telephone charges		3,596,267
Electricity and Water Overheads		1,879,192
Data processing Expenses		665,627
Legal and Professional Charges		3,861,023
Advertisement Expenses		67,660
Auditor's Remuneration :		
For Audit Fees	1,05,000	
For Tax Audit Fees	20,000	
For Other Matters	35,700	160,700
Fees & Subscription		312,325
Repairs and Maintenance Others		2,514,022
Insurance Charges		920,995
General Expenses		5,465,114
Provision for doubtful debts/advances		220,977
Sundry Balances Written off (Net)		3,061,774
Previous year adjustment (Net)		505,798
Foreign Exchange Fluctuation (Net)		95,058
Advertisement & Publicity		805,570
Freight and Carriage Outward		18,765,364
Discount, Rebates and Claims		1,625,441
Brokerage & Commission		3,308,152
Business Promotion Expenses		4,751,044
Turnover and Sales Tax		322,632
Statutory Demands		177,159
Exhibition & Conference Expenses		784,638
Total (1+2+3)		180,039,169

NOTE : Y SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31st MARCH, 2016
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 recognised 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 recognised 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 recognised 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.0.60 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 96.35 Lacs (Previous year Rs. 75.12 Lacs) and for procurement of for raw material from domestic supplier Rs. 96.87 Lac (Previous year Rs. 78.25 Lac)
 - (c) Sales Tax demand pending appeals Rs. 0.04 (Previous year Rs. 6.04 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. 1.30 Lacs (Previous year at Rs. 15.54 Lacs) against which protest money deposited Rs.1.30 Lacs (Previous year at Rs. 1.30 Lacs).
 - (f) Custom duties saved under EPCG schemes, against which export obligations are pending Nil. (Previous year at Rs. 36.68 Lacs).
 - (g) Custom duties saved under Advance license schemes, against which export obligations are pending Nil (Previous year at Rs. 57.43 Lacs).
2. In accordance with company's consistent practice, no provision has been made for excise duty aggregating Rs 10.87 Lacs (Previous year Rs. 10.48 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:

		Book Balance as on 31.03.2016
a) Allahabad Bank	- Ahmedabad	15,150.05
b) IDBI Bank Ltd.	- Mumbai	1,450.39
c) IDBI Bank Ltd.	- Banglore	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. Amount paid to Directors as remuneration:

A. Managing Director

Particulars	2015-2016
No. of Persons	One
Salary & Allowances	61,50,000
Perquisites	1,38,111

Note: Increase in the Remuneration during the year is subject to approval of the members in the General Meeting.

B. Whole Time Director

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

7. Earnings per share (EPS):

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

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

1 Defined contribution Plans

Particulars	2015-2016
Profit/(The Group has recognized the following amounts in the profit and loss account: - Contribution to Provident Fund and Family Pension Fund	25,67,062

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 2015-16	Leave Encashment 2015-16
Current Service Cost	7,32,759	77,615
Interest Cost	6,47,427	38,451
Actuarial Losses (Gains)	1,28,187	2,28,100
Total Expenses recognized in the P& L A/c	15,08,373	3,44,166

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

PARTICULARS	Gratuity 2015-16	Leave Encashment 2015-16
Present Value of Defined Benefit Obligation	94,97,149	5,76,280
Net Asset/(Liability) recognized in the Balance Sheet	94,97,149	5,76,280

III Charge in Defined Benefit Obligation during the year.

PARTICULARS	Gratuity 2015-16	Leave Encashment 2015-16
Present value of defined Benefit obligation as at the beginning of year	80,92,833	4,80,639
Current Service Cost	7,32,759	77,615
Interest Cost	6,47,427	38,451
Actuarial Losses/(Gains)	1,28,187	2,28,100
Benefits paid	(1,04,057)	(2,48,525)
Present value of Defined Benefit obligation as the end of the year	94,97,149	5,76,280

IV Actuarial Assumptions

PARTICULARS	Current Year	Previous Year
Discount Rate	8.00%	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.

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.

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. 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	2015-16	2015-16
Where Control Exists	Loans & Advances Received	NIL	NIL
	Loan & advances Repaid	2,15,930	NIL
	Loans & Advances Given received back	17,00,000	NIL
	Investments made in shares	1,50,00,000	NIL
	Hire charges Paid	1,30,000	NIL
	Payment of behalf of related party	12,07,294	NIL
	Reimbursement received of payment made on behalf of related party	13,74,887	NIL
	Rent Paid	1,08,000	NIL
	Sales	95,962	NIL
	Security Deposit given for office	15,00,000	(15,00,000)
	Refund of Security Deposit	1,08,000	NIL
Key Management Personal	Managing Director's Remuneration & Perquisites	62,88,111	NIL
	Director's Remuneration	9,84,400	NIL
	CFO Remuneration	20,40,000	NIL

Type of Related Party	Nature of Transaction	2015-16	2015-16
	Remuneration in advance	67,866	(67,866)
	Hire charges Paid	4,80,000	NIL
	Security Deposit	7,50,000	(7,50,000)
Relative of Key Management Personal	Salary	17,40,000	NIL
	Advance against salary	4,43,576	NIL
	Reimbursements	53,912	NIL
	Commission	7,83,703	NIL
	Rent Paid	3,61,861	NIL
	Office Maintenance	2,15,430	NIL
	Security Deposit Given	7,50,000	(17,50,000)
Others	Rent Paid	24,000	NIL

10. Derivative Instruments and un-hedged Foreign Currency disclosure

Particulars	2015-16		
	Rs.	Value in Foreign Currency	
Receivables			
Export Sales	76,94,212	USD	1,17,531
	1,31,158	Euro	1,774
For others	1,23,715	USD	2,018
Advance for Import- Raw Material	17,37,759	USD	25,800
Total	96,86,844	USD	1,45,349
		Euro	1,774
Payables			
Import- Raw Material	26,15,458	USD	38,880
Advance Received against export sale	29,22,226	USD	43,740
	2,28,540	Euro	3,000
Total	57,66,224	USD	82,620
		Euro	3,000

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 : 30.05.2016

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

	Current Year (Rs.)
A Cash Flow From Operating Activities	
Net Profit / (Loss) As per Profit & loss Account	28,882,466
Adjustment For:	
Depreciation	33,398,870
Sales of Fixed Assets Sold	(34,706)
Interest Paid /Received Net	34,417,799
Provision for Doubt ful reversed	220,977
Provision for Gratuity & Leave	1,499,657
Operating Profit Before Working Capital Change	98,385,063
Adjustment For:	
Trade & Other Receivables	15,892,064
Inventories	(1,746,786)
Trade Payable	(22,215,155)
Cash Generated by Operating Activities	90,315,186
Less : Income Tax Payments	(8,467,515)
Net Cash Generated by Operating Activities	81,847,671
B CASH FLOW FROM INVESTMENT ACTIVITIES	
Purchases of Fixed Assets	(16,551,645)
Purchased of Investment	(15,000,000)
Net Cash Flow from investment activities	(31,551,645)
C CASH FLOW FROM FINANCING ACTIVITIES	
Subcidy Received	-
Proceeds /(Repayment) from Secured Loans	(16,972,514)
Proceeds /(Repayment) from Unsecured Loans	1,000,000
Net Adjustment for Consolidation	998,395
Interest	(34,417,799)
Net cash used in Financing Activities	(49,391,918)
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENT	904,108
Cash & Cash equivalents opening Balance	15,976,699
Cash & Cash equivalents Closing Balance	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

(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 : 30.05.2016

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Bagla Group

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