

# 33<sup>RD</sup> ANNUAL REPORT 2020 - 2021

**BOARD OF DIRECTORS:**

Mr. M. S. Bagla  
Mr. Suresh Sridhar Ajila  
Mrs. Urmila Goenka  
Mr. Amit Kumar  
Mr. Sudeep Pande  
Mr. Pawan Kumar Gupta  
Mr. Nakul Bagla (CFO)

**COMPANY SECRETARY:**

Mr. S. S. Dua

**AUDITORS:**

M/s. Rajan Goel & Associates  
Chartered Accountants,  
C-3/2, D.D.A. Flat Ground Floor,  
East of Kailash, New Delhi-110065

**BANKERS:**

State Bank of India  
3,4,5, D.D.A. Building  
Nehru Place, New Delhi - 110019

IDBI Bank, 51/3, Desh Bandhu Gupta Road,  
Karol Bagh New Delhi - 110005

Indian Bank  
2<sup>nd</sup> Floor, Mid Cap Branch  
17 Parliament Street, New Delhi - 110001

**SHARE TRANSFER & DEMAT AGENT:**

Link Intime India Pvt. Ltd.  
Noble Height, 1<sup>st</sup> Floor,  
NH-2, C-1 Block, LSC, Near Savitri Market  
Janakpuri, New Delhi-110058

**REGISTERED OFFICE:**

B-2/8, Safdarjung Enclave,  
New Delhi-110029  
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)

**Unit-III :** Survey No. 380/1, Village Bharadeshwar  
Mundra Dist , Gujarat - 370410

**SHARES LISTED AT:**

BSE

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**HINDUSTAN ADHESIVES LIMITED**

CIN: L74899DL1988PLC031191

Regd Office: B-2/8, Safdarjung Enclave, New Delhi-110029

**NOTICE**

Notice is hereby given that the Thirty-Third Annual General Meeting of the Members of Hindustan Adhesives Limited will be held on Wednesday, 29th September, 2021 at 12.00 P.M. Indian Standard Time ("IST"), through Video Conferencing/ Other Audio-Visual Means ("VC/OAVM") Facility to transact following business:

**ORDINARY BUSINESS:****1. To receive, consider and adopt:**

The audited Financial Statements of the Company for the financial year ended March 31, 2021 and the Reports of the Board of Directors and Auditors thereon; and

**2. To appoint a Director in place of Mr. Suresh Ajila (DIN 03203748), who retire by rotation and being eligible offers himself for re- appointment.****SPECIAL BUSINESS.****3. To approve power to borrow funds pursuant to the provisions of section 180(1)(c) of the Companies Act, 2013.**

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

**"RESOLVED THAT** in supersession of all the earlier resolutions passed by shareholders of the Company and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and the Articles of Association of the Company, consent of the Members be and is hereby accorded to the Board of Directors of the Company to borrow any sum or sums of money from time to time at its discretion, for the purpose of the business of the Company, from any one or more Banks, Financial Institutions, Foreign lender(s), any Bodies Corporate entities, authorities through suppliers credit, through any other instruments either in Indian rupees or in such other foreign currencies as may be permitted under law from time to time, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may, at any time, exceed the aggregate of the paid-up share capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose), subject to such aggregate borrowings not exceeding the amount which is Rs. 300 crores (rupees Three hundred crores only) over and above the aggregate of the paid-up share capital of the Company and free reserves and securities premium that the Board be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may, in its absolute discretion, think fit.

**FURTHER RESOLVED THAT** the Board of Directors of the company, be and is hereby authorized to delegate all or any of the powers conferred on it by or under the foregoing Special Resolution to any Committee of Directors of the company or to any Director of the company or any other officers or employee(s) of the company as it may consider appropriate in order to give effect to this resolution."

**FURTHER RESOLVED THAT** the Board of Directors of the company, be and is hereby authorized to do all such acts, deeds and things as may be necessary, proper, expedient or incidental for giving effect to the foregoing resolution."

**4. Creation of Charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings.**

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

“**RESOLVED THAT** in supersession of all the resolution passed by shareholders of the Company and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, consent of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee thereof) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the substantial assets of the Company in certain events in favour of banks/financial institutions, other investing agencies and trustees for the holders of debentures/bonds/other instruments to secure rupee/foreign currency loans and/or the issue of debentures whether partly/fully convertible or non-convertible and/or securities linked to Ordinary Shares/ ‘A’ Ordinary Shares and/ or rupee/foreign currency convertible bonds and/or foreign currency bonds and/or bonds with share warrants attached (hereinafter collectively referred to as “Loans”) provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans for which the charge is to be created, shall not, at any time exceed 300 crores (Three Hundred Crore).”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this Resolution.”

**5. Approval for enhancement in limits for making investments under Section 186 of the Companies Act, 2013**

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

“**RESOLVED THAT** pursuant to the provisions of Section 186 of the Companies Act, 2013, read with The Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof for the time being in force), if any, consent of the shareholders of the Company be and is hereby accorded to (a) give any loan to any person(s) or other body corporate(s) ; (b) give any guarantee or provide security in connection with a loan to any person(s) or other body corporate(s) ; and (c) acquire by way of subscription, purchase or otherwise, securities of any other body corporate from time to time in one or more tranches as the Board of Directors as in their absolute discretion deem beneficial and in the interest of the Company, for an amount not exceeding Rs.300 Crore (Rupees Three hundred Crores Only) outstanding at any time, notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, any of the Directors of the Company, be and are hereby severally authorized to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to all matters arising out of and incidental thereto and to sign and to execute deeds, applications, documents and file returns with Registrar of Companies, that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

**6. Appointment of Mr. Ravi Kumar Aggarwal as a Non-Executive Independent director**

To consider and, if thought fit, to pass with or without modification(s) the following resolution as **Ordinary Resolution**:

“**RESOLVED THAT** Ravi Kumar Aggarwal (DIN 00114359) who was appointed by the Board of Directors as an Additional Director (Independent Director) of the Company with effect from August 26, 2021 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (“Act”) and Article 80 of the Articles of Association of the Company but who is eligible

for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company.”

“**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, the appointment of Ravi Kumar Aggarwal who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing August 26, 2021 to August 25, 2026, be and is hereby approved.”

#### 7. Appointment of Mr. Ashok Kumar Pathak as Director of the Company

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013, and rules made thereunder (including any statutory modification(s), amendments(s) or re-enactment thereof for the time being in force) and in terms of Articles of Association of the Company, Mr. **Ashok Kumar Pathak** (DIN: 09283908), who was appointed as an Additional Director of the Company be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company and/or any Committee thereof be and is hereby authorised to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

#### 8. Appointment of Mr. Ashok Kumar Pathak as Whole-Time Director

To consider and, if thought fit, to pass with or without modification(s) the following resolution as **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule-V of the Companies Act, 2013 and relevant clause(s) of the Articles of Association of the Company, approval of the members of the Company, be and is hereby accorded to the appointment of Mr. Ashok Kumar Pathak, as the whole Time Director of the Company for 3 years with effect from August 26, 2021 to August 25, 2024, as well as the payment of salary and perquisites (hereinafter referred to as “remuneration”), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or agreement in such manner as may be agreed to between the Board of Directors and Mr. Ashok Kumar Pathak.

“**RESOLVED FURTHER THAT** the remuneration including benefits, amenities and perquisites shall nevertheless be paid and allowed to Mr. Ashok Kumar Pathak as minimum remuneration for any financial year in case of absence or inadequacy of profits for such year, subject to the provisions prescribed under Section 197 read with Schedule V to the Companies Act, 2013 and rules framed thereunder and any other applicable provisions of the Act or any statutory modification or re-enactment thereof.

“**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all such acts, deeds, things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Director(s) to give effect to the aforesaid resolutions.

#### 9. Payment of remuneration to Mr. Suresh Shridhar Ajila, Whole time Director

To consider and, if thought fit, to pass with or without modification(s) the following resolution as **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if

any, of the Companies Act, 2013 (“the Act”) and Schedule V thereto and the Rules made thereunder and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation of Nomination Committee and the Board of Directors of the Company and subject to such approval as may be required, the approval of the members of the Company be and is hereby accorded for payment to Mr. Suresh Shridhar Ajila (DIN: 03203748), Whole time Director, such remuneration, as approved in the said resolution (reproduced in the annexed Explanatory Statement), as minimum remuneration in case the Company has no profits or the profits of the Company are inadequate during period commencing from September 30, 2021 to 29<sup>th</sup> September 2024, notwithstanding that such remuneration may exceed the limits specified under Section 197 and Schedule V of the Act.

“**RESOLVED FURTHER THAT** all other existing terms and conditions of appointment of Mr. Suresh Shridhar Ajila shall remain unchanged unless otherwise modified by the Board of Directors of the Company.

“**RESOLVED FURTHER THAT** the Board of Directors of the Company or a Committee thereof be and is hereby authorized to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the aforesaid Resolution.”

**10. To ratify and confirm the remuneration payable to the Cost Auditors of the Company for the financial year ending March 31, 2022**

To consider and, if thought fit, to pass with or without modification(s) the following resolution as **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, & the Companies (Cost Records and Audit) Rules, 2014) (including any statutory modification(s), amendments(s) thereto or re-enactment(s) thereof for the time being in force), the remuneration of Rs.75,000/- (Rupees Seventy Five Thousand only)(plus out of pocket expenses and applicable taxes, if any), payable to M/s JSN & CO., Cost Accountants (Registration No. 000455), appointed by the Board as Cost Auditorsto conduct the audit of cost records of the Company for the financial year ending March 31,2022, be and is hereby ratified and confirmed.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper or expedient to give effect to this resolution.”

New Delhi, 26<sup>th</sup> August, 2021  
CIN: L74899DL1988PLC031191

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

**Registered Office:**  
B-2/8, Safdarjung Enclave, New Delhi- 110029  
**Email:** [accounts@hindustanadhesives.com](mailto:accounts@hindustanadhesives.com)

**(Madhusudan Bagla)**  
Managing Director  
**DIN:01425646**

**IMPORTANT NOTES:**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its General Circular No. 20/2020 dated May 5, 2020 read with General Circular No. 14/2020 and 17/2020 dated April 8, 2020, April 13, 2020 and General Circular No. 02/2021 dated 13<sup>th</sup> January, 2021 respectively (collectively referred to as “MCA Circulars”) and also SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 permitted holding of the Annual General Meeting (“the Meeting/AGM”) through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”), without the physical presence of the Members, Directors, Auditors or other eligible persons at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act, 2013”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and aforesaid MCA and SEBI Circulars, the AGM of the Company will be conducted through VC/OAVM.

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, ("the Act") for the matter included in the notice, which is unavoidable and therefore proposed for seeking approval at AGM, is enclosed herewith.
3. In accordance with the provisions of Section 108 of the Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations and in view of the aforesaid MCA and SEBI Circulars, the Company has engaged the services of Link Intime (India) Private Limited (LIPL) to provide the facility of voting by electronic voting system to all the Members to enable them to cast their votes electronically during the AGM in respect of all the businesses to be transacted at the aforesaid Meeting. The facility of casting the votes by the Members using such electronic voting system from a place other than venue of the AGM ("remote e-voting") is also provided by LIPL.
4. VC/OAVM facility provided by the Company, is having a capacity to allow 1000 members to participate at the Meeting on a first come-first-served basis. However, the large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, Directors, KMPs, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc. may be allowed to attend the Meeting without restriction on account of first-come-first-served principle.
5. Company is providing two-way teleconferencing facility for the ease of participation of the members. The instructions for members attending/ participating in the AGM through VC/ OAVM are provided at point no. 29A.
6. The facility for joining the AGM through VC/OAVM shall be open at least 15 minutes before the time scheduled to start the Meeting and shall not be closed till the expiry of 15 minutes after such scheduled time.
7. In compliance with the aforesaid MCA Circulars and SEBI Circulars, electronic copy of the Annual Report for the financial year 2020-21 and Notice of the 33rd AGM of the Company, inter alia, indicating the process and manner of e-voting will be sent only through electronic mode to all the Members whose e-mail IDs are registered with the Company's Registrar & Share Transfer Agent/Depository Participant(s) for communication purposes, as the requirement of sending the hard copies of annual report and notice of AGM has been dispensed with. Members may note that the Notice and Annual Report will also be available on the Company's website [www.bagla-group.com](http://www.bagla-group.com), websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com).
8. Pursuant to the provisions the Act, a Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of him/her and the proxy need not be a Member of the Company. Since the 33rd AGM is being held pursuant to the MCA Circulars, through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, in line with the MCA General Circular No. 14/2020 dated April 08, 2020 and General Circular No. 02/2021 dated 13th January, 2021, the facility for appointment of proxies by the Members will not be available for the 33rd AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
9. Institutional/Corporate Members intending to attend the Meeting are required to send a scan of certified copy of the Board Resolution (JPG/PDF format), pursuant to Section 113 of the Act, 2013, authorizing their representative to attend the Meeting through VC/OAVM on its behalf and vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address [magarwalandco@gmail.com](mailto:magarwalandco@gmail.com).
10. Recorded transcript of the Meeting shall be uploaded on the website of the Company and the same shall also be maintained in safe custody of the Company. The registered office of the company shall be deemed to be the place of Meeting for the purpose of recording of the minutes of the proceedings of this AGM.
11. The Securities and Exchange Board of India (SEBI) vide its Circular No. CIR/MRD/DP/10/2013 dated March 21, 2013 has mandated all Companies to use approved electronic mode of payment for making cash payments such as dividend to the Members (where core banking details are available) or to print the bank account details of the Members (as per the Company's records) on the physical payment instruments (in case where the core banking details are not available or electronic payment instructions have failed or rejected by the



- Bank). Hence, the Members are requested to furnish/update their bank account name & branch, bank account number and account type along with other core banking details such as MICR (Magnetic Ink Character Recognition), IFSC (Indian Financial System Code) etc. at the earliest with their Depository Participants (DPs) in case shares are held in electronic form or with the Registrar & Share Transfer Agent of the Company in case of the shares are held in physical form.
12. Members having any queries related to accounts and operations or any other matter to be placed at the AGM of the Company may write to the Company through an email on [accounts@hindustanadhesives.com](mailto:accounts@hindustanadhesives.com), at least seven working days in advance of the Meeting. The same will be replied by the Company suitably.
  13. Members are requested to contact the Company's Registrar & Share Transfer Agent (RTA), Link Intime India Private Limited (LIPL) Noble Heights, 1st Floor, Plot NH 2 C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi-110058 (Phone No.: +91-11- 41410592; Fax No.: +91-11-41410591; Email: [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in)) for reply to their queries/redressal of complaints, if any, or contact Company through an email on [accounts@hindustanadhesives.com](mailto:accounts@hindustanadhesives.com)).
  14. Members are requested to note that, in terms of Sections 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended) (the "IEPF"), dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Also all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the company in the name of Investor Education and Protection Fund. Therefore, Members, who have not yet encashed their dividend for the financial year ended March 31, 2015; March 31, 2016; March 31, 2017, March 31, 2018, March 31, 2019, March 31, 2020 and/or March 31, 2021 are requested to make their claim to the Company's RTA i.e. LIPL immediately.
  15. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, to their DPs in case shares are held in electronic form or to Company's RTA i.e. LIPL in case shares are held in physical form.
  16. Members may avail the facility of nomination by nominating a person to whom their shares in the Company shall vest in the event of their death. The prescribed form can be obtained from the Company's RTA i.e. LIPL. Members are requested to submit the said details to their DPs in case the shares are held in electronic form and to LIPL in case the shares are held in physical form.
  17. Members who hold shares in physical form in multiple folios in identical names or joint names in the same order of names are requested to send the share certificates to the Company's RTA i.e. LIPL for consolidation into single folio.
  18. As per Regulation 40 of the SEBI Listing Regulations, as amended, the securities of the listed company cannot be transferred in physical mode w.e.f. April 01, 2019, except in case of request received for transposition or transmission of securities. In view of this, Members holding shares in physical form are requested to get their shares dematerialized at the earliest. Members can contact the Company or the Company's RTA i.e. LIPL for assistance in this regard.
  19. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/RTA i.e. LIPL.
  20. The Members who have not registered their email addresses so far, to register their email addresses with their DPs in case shares are held by them in electronic form and with the Company's RTA i.e. LIPL in case shares are held by them in physical form for receiving all communication including annual report, notices, circulars etc. from the Company electronically.

21. Members attending the Meeting through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act, 2013.
22. Since the AGM will be conducted through VC / OAVM, the Route Map is not annexed to this Notice.
23. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Act, 2013, the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, 2013 read with Rules issued thereunder will be made available electronically for inspection by the Members during the Meeting. All documents referred to in the Notice will also be available for electronic inspection from the date of circulation of this Notice up to the date of AGM. Also, the Notice for this 33<sup>rd</sup> AGM along with requisite documents and the Annual Report for the financial year 2020-21 shall also be available on the Company's website [www.bagla-group.com](http://www.bagla-group.com) . Further, the notice received, if any, under Section 160 of the Companies Act, 2013 will be put up on the website of the Company up to the date of the Meeting. Members seeking to inspect such documents can send an email to [accounts@hindustanadhesives.com](mailto:accounts@hindustanadhesives.com) .
24. The remote e-voting facility will be available during the following voting period:
- Commencement of remote e-voting: From 9.00 a.m. IST of Sunday, September 26, 2021.
  - End of remote e-voting: Up to 5.00 p.m. IST of Tuesday, September 28, 2021.
25. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Wednesday, September 22, 2021 may cast their vote through remote e-voting. The remote e-voting module shall be disabled by LIPL for voting thereafter and the facility will be blocked forthwith.
26. In pursuant to SEBI circular no. SEBI/ HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.
27. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/ NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/ NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> </ol>



	<p>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with NSDL	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirect_Reg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirect_Reg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**28. Remote e-Voting Instructions for shareholders:**

Kindly note that for any reason if you are unable to cast vote through Depositories gateway can still join meet and cast vote during the meeting. The process and manner for attending the EGM and electronic voting during the EGM through InstaMeet is as under

1. Open the internet browser and launch the URL: [https:// instavote.linkintime.co.in](https://instavote.linkintime.co.in)

Those who are first time users of LIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:

- ✳ Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details: -

A. User ID: Enter your User ID

- Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
- Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
- Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

- Shareholders/ members holding shares in CDSL demat account shall provide either ‘C’ or ‘D’, above
- Shareholders/ members holding shares in NSDL demat account shall provide ‘D’, above
- Shareholders/ members holding shares in physical form but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above
- Shareholders/members who have not updated their email id and PAN in the records of the Company shall send an email for the sequence number to the Company’s RTA at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in)

- ✳ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).

- ✳ Click “confirm” (Your password is now generated).

NOTE: If Shareholders/ members are holding shares in demat form and have registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> , and/or voted on an earlier event of any company then they can use their existing password to login.

2. Click on ‘Login’ under ‘SHARE HOLDER’ tab.
3. Enter your User ID, Password and Image Verification(CAPTCHA) Code and click on ‘Submit’.
4. After successful login, you will be able to see the notification for e-voting. Select ‘View’ icon.
5. E-voting page will appear.
6. Refer the Resolution description and cast your vote by selecting your desired option ‘Favour / Against’ (If you wish to view the entire Resolution details, click on the ‘View Resolution’ file link).
7. After selecting the desired option i.e. Favour / Against, click on ‘Submit’. A confirmation box will be displayed. If you wish to confirm your vote, click on ‘Yes’, else to change your vote, click on ‘No’ and accordingly modify your vote.
8. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as ‘Custodian / Mutual Fund / Corporate Body’. They are also required to upload a scanned certified true copy of the board resolution / authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the ‘Custodian / Mutual Fund / Corporate Body’ login for the Scrutinizer to verify the same.

**If you have forgotten the password:**

- Click on ‘Login’ under ‘SHARE HOLDER’ tab and further Click ‘forgot password?’
- Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on ‘Submit’.
- ✳ In case shareholders/ members are having valid email address, Password will be sent to his / her registered e-mail address.
- ✳ Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- ✳ The password should contain minimum 8 characters, at least one special character (@!#\$%\*), at least one numeral, at least one alphabet and at least one capital letter.
- ✳ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in the Notice.

During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

Shareholders/ members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case shareholders/ members have any queries regarding e-voting, they may refer the Frequently Asked Questions (‘FAQs’) and InstaVote e-Voting manual available at <https://instavote.linkintime.co.in> ,under Help section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 – 4918 6000.

**28. Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:**

Once the electronic voting is activated by the scrutinizer/moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting Cast your vote.
2. Enter your 16 digit Demat Account No. /Event No. (210311)+ Folio Number and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet and click on 'Submit'.
3. After successful login, you will see Resolution Description and against the same the option Favour/ Against for voting.
4. Cast your vote by selecting appropriate option i.e. Favour/Against as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on Save. A confirmation box will be displayed. If you wish to confirm your vote, click on Confirm, else to change your vote, click on Back and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
7. Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.
8. Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.
9. Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.
10. Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
11. In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.

#### **29A.Process and manner for attending the Annual General Meeting through InstaMeet:**

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>
  - ✱ Select the "Company" and 'Event Date' and register with your following details:
    - A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Event No. (210311) +Folio Number
      - Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
      - Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
      - Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company
    - B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
    - C. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/Company.

- \* Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

**29B. Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:**

1. Shareholders who would like to speak during the meeting must register their request 7 days in advance with the company on the specific email id created for the general meeting
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the Company.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

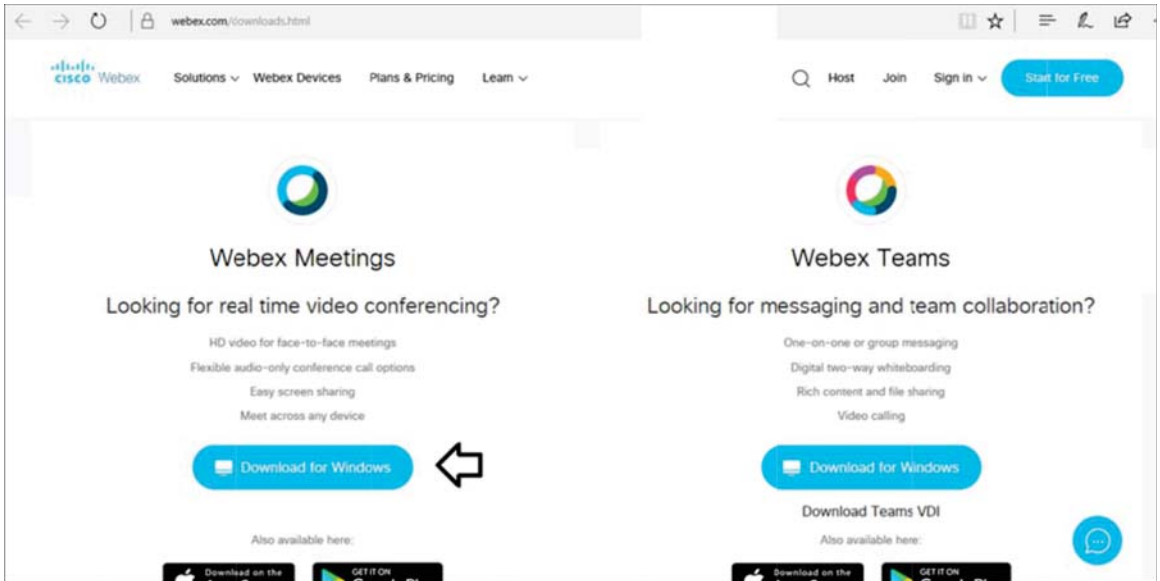
30. The voting rights of Members shall be in proportion to their shares of the total paid up equity share capital of the Company as on the cut-off date.
31. Any person, who acquires shares of the Company and becomes Member of the Company after sending the Notice of the Meeting and holding shares as of the cut-off date i.e. September 22, 2021, needs to refer the instruction above regarding login ID and password and may contact the Company or RTA for any query or assistance in this regard. Any person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
32. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM through VC/OAVM but shall not be entitled to cast their vote again or change it subsequently.
33. Only those Members, whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date shall be entitled to avail the facility of remote e-voting as well as e-voting at the AGM.
34. The Board of Directors of the Company has appointed Mr. Mukesh Kumar Agarwal, Practicing Company Secretary as the Scrutinizer to scrutinize the e-voting and remote e-voting process for the Annual General Meeting in a fair and transparent manner.
35. The Chairman shall, at the AGM, at the end of discussion on the Resolutions on which the voting is to be held, allow voting with the assistance of the scrutinizer, by using e-voting facility for all those Members who are present at the AGM through VC/OAVM but have not cast their votes by availing the remote e-voting facility.
36. The Scrutinizer shall after the conclusion of voting at the Meeting, will first count the votes cast during the Meeting and thereafter unblock the votes cast through remote e-voting and shall make and submit, within 48 hours of the conclusion of the AGM, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting within 48 hours of conclusion of the AGM.
37. The Notice of the AGM shall be placed on the website of the Company and LIPL till the date of AGM. The Results declared, along with the Scrutinizer’s Report shall be placed on the Company’s website [www.bagla-group.com](http://www.bagla-group.com) and on the website of LIPL i.e. [www.linkintime.co.in](http://www.linkintime.co.in) immediately after the declaration of result by the Chairman or a person authorized by him in writing. The Results shall also be immediately forwarded to the Stock Exchange(s) where the shares of the Company are listed. Further, the results shall be displayed on the Notice Board of the Company at its Registered Office as well as Corporate Office.

### Annexure

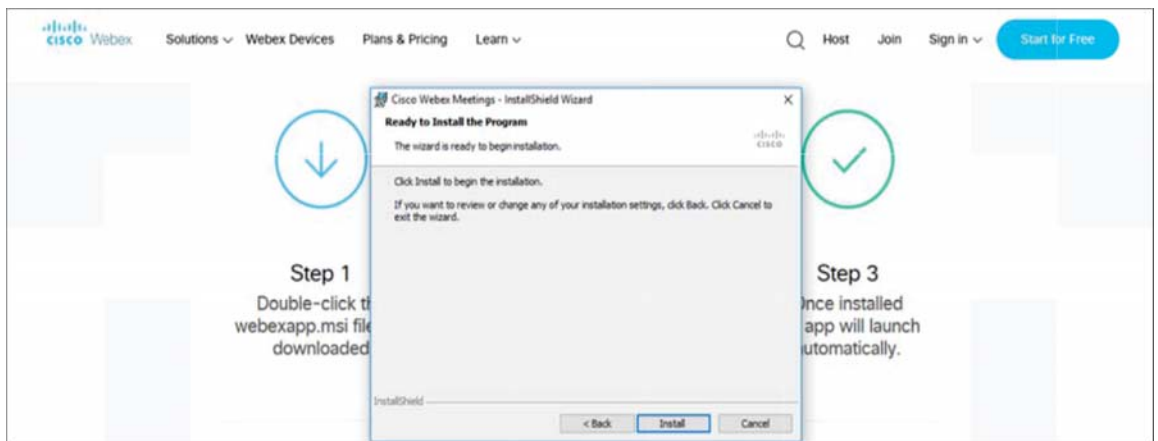
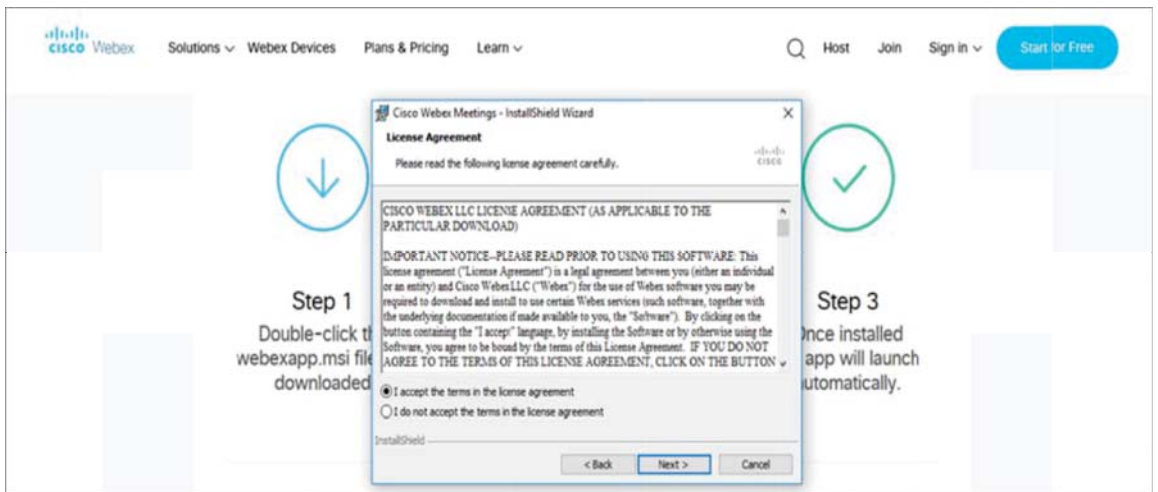
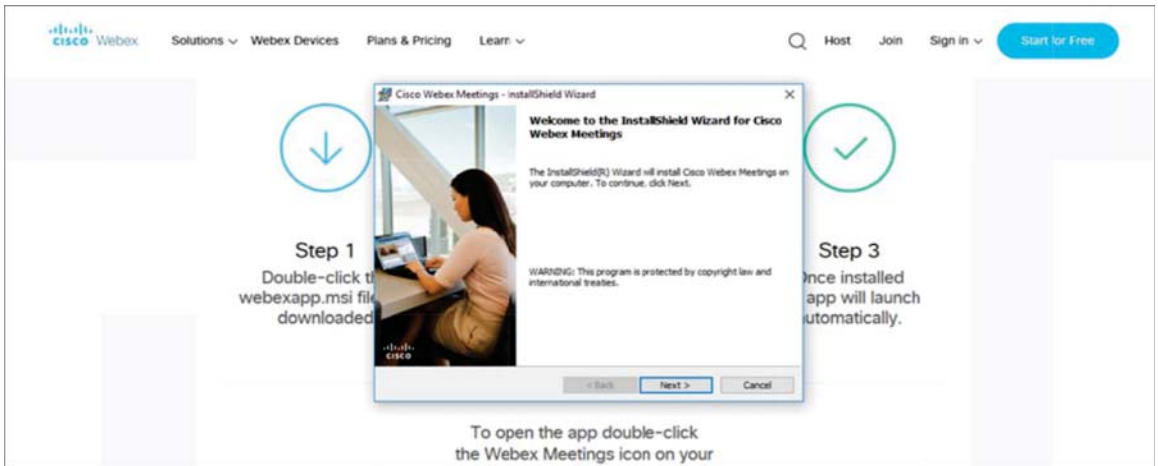
#### **Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET**

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

- a) Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/>



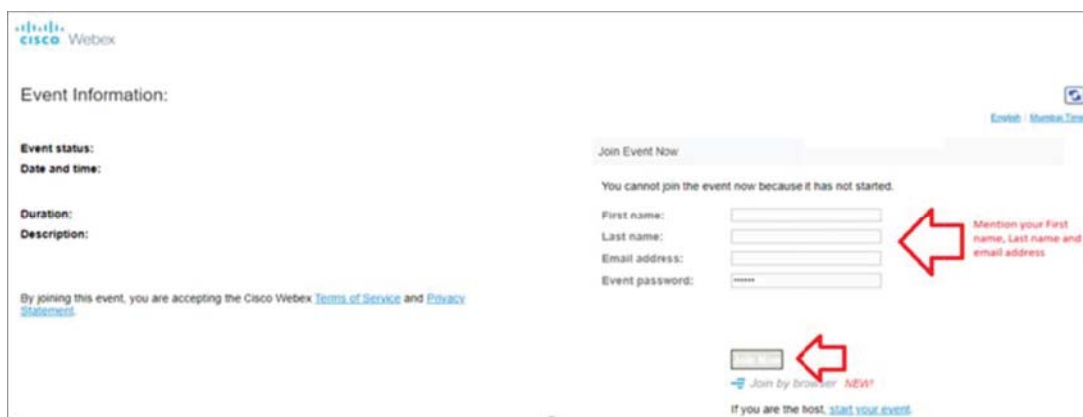




or

- b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

Step 1	Enter your First Name, Last Name and Email ID and click on Join Now.
1 (A)	If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
1 (B)	If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or <u>Run a temporary application</u> . Click on <u>Run a temporary application</u> , an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now



The screenshot shows the Cisco Webex 'Join Event Now' interface. On the left, there is a section for 'Event Information' with fields for Event status, Date and time, Duration, and Description. Below this is a disclaimer: 'By joining this event, you are accepting the Cisco Webex [Terms of Service](#) and [Privacy Statement](#)'. On the right, there is a 'Join Event Now' button and a message: 'You cannot join the event now because it has not started.' Below this message are input fields for 'First name', 'Last name', 'Email address', and 'Event password'. A red arrow points to the 'First name' and 'Last name' fields with the text 'Mention your First name, Last name and email address'. Below the input fields is a 'Join Now' button, also indicated by a red arrow. At the bottom, there is a 'Join by browser' button and a note: 'If you are the host, [start your event](#)'.

New Delhi, 26<sup>th</sup> August, 2021  
CIN: L74899DL1988PLC031191

By Order of the Board  
HINDUSTAN ADHESIVES LIMITED

**Registered Office:**  
B-2/8, Safdarjung Enclave, New Delhi- 110029  
**Email:** [accounts@hindustanadhesives.com](mailto:accounts@hindustanadhesives.com)

**(Madhusudan Bagla)**  
Managing Director  
DIN:01425646

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

Pursuant to section 102 of the Companies Act, 2013 as required by section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the businesses mentioned under Item No. 3 to 5 and 8 to 9 of the accompanying Notice.

**ITEM No- 3 & 4**

The members of the Company through Annual General Meeting dated 12.09.2014 has approved by way of a Special Resolution under Section 180(1)(c) of the Companies Act, 2013, borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs.100 Crores (Rupees Two Hundred Crores).

The Board of Directors of a Company shall not, except with the consent of Company by Special Resolution borrow money together with the money already borrowed, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), exceeding the aggregate of the paid up capital and its free reserves as per the provisions of Section 180(1)(c) of the Companies Act, 2013 ("the Act") and its rules thereunder

To facilitate future business expansion, your Company would be requiring further infusion of funds, either in the form of equity or debt from financial institution, Bank or other. It is thereof, proposed to enhance the borrowing limits to Rs. 300 Crore by seeking appropriate approval from the member of the Company.

In order to secure the borrowings / financial assistance referred to in the resolution at item no. 3 of the accompanying Notice, the Company may be required to create security by way of mortgage/charge and/or hypothecation of its assets and properties both present and future. The terms of such security may include a right in certain events of default, to take over management or control of the whole or substantially the whole of the undertaking(s) of the Company. As per section 180(1)(a) of the Act, consent of the Company by Special Resolution is required to be obtained by the Board of Directors to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking(s) of the Company. Since mortgaging or charging the movable and/or immovable properties and assets of the Company with the right of taking over management or control in certain events of default may be considered to be disposal of the Company's undertaking within the meaning of section 180(1)(a) of the Act, it is proposed to seek approval of the shareholders for creating such mortgages and/or charges on the assets and properties of the Company, both present and future. Hence the resolution at item no. 4 of the accompanying Notice, which your Board recommends for your approval.

It is therefore, necessary for the members to pass a Special Resolution under Section 180(1)(a) and 180(1)(c) of the Companies Act, 2013, as set out at Item No. 3 and Item No. 4 of the Notice, to enable the Board of Directors to borrow money upto Rs. 300 Crores (Rupees Three Hundred Crores) and inter alia, authorised the Board to secure its borrowing by mortgage / charge on any of the movable and/or immovable properties and/or the whole or any part of the undertaking(s) of the Company.

The Board recommends the Special Resolution as per the accompanying Notice, for approval by the Shareholders of the Company.

None of the Directors and the Key Managerial Personnel of the Company and their respective relatives are concerned or interested in the passing of the above resolution.

The resolution as set out in Item no. 3 to 4 of this Notice is accordingly commended for your approval.

**ITEM No- 5**

In order to make optimum use of funds available with the Company and also to achieve long term strategic and business objectives, the Board of Directors of the Company proposes to make use of the same by making investment in other bodies corporate or granting loans, giving guarantee or providing security to other persons or other body corporate as and when required.

Members may note that pursuant to Section 186 of the Companies Act, 2013 ("Act"), the Company can give loan or give any guarantee or provide security in connection with a loan to any other body corporate or person and acquire securities of any other body corporate, in excess of 60% of its paid up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more, with approval of Members by special resolution passed at the general meeting.

In view of the aforesaid, it is proposed to take approval under Section 186 of the Companies Act, 2013, by way of special resolution, up to a limit of Rs.300 Crores, as proposed in the Notice.

The above proposal is in the interest of the Company and the Board recommends the Resolution as set out at Item No.5 for approval by the members of the Company.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned with or interested, financially or otherwise in the resolution at Item no. 5 of the accompanying notice. The Board recommends the resolution at Item no.5 to be passed as Special Resolution.

#### **ITEM No. 6**

In terms of section 160 of the Companies Act, 2013, the, Nomination and Compensation Committee and the Board have recommended the appointment of Mr. Ravi Kumar Aggarwal who was appointed as an additional director (Independent Director) on the Board of the Company with effect from 26th August, 2021 to hold office only up to the date of the ensuing Annual General Meeting as an Independent Director. Mr. Ravi Kumar Aggarwal is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. Section 149 of the Act inter alia stipulates the criteria of independence for appointment of an Independent Director on the Company's Board. An Independent Director can hold office for a term up to 5 (five) consecutive years on the Board of the Company and he shall not be included in the total number of directors liable to retire by rotation.

The Company has also received a notice in writing from a member proposing the candidature of Mr. Ravi Kumar Aggarwal to be appointed as Director of the Company.

The Company has received a declaration from Mr. Ravi Kumar Aggarwal that he meets the criteria of independence as prescribed both under subsection (6) of Section 149 of the Act and Regulation 16 of the SEBI (Listing obligations and disclosure requirements) Regulations 2015. In the opinion of the Board, Mr. Ravi Kumar Aggarwal fulfils the conditions for his appointment as an Independent Director as specified in the Act, the Rules made thereunder and the SEBI (Listing obligations and disclosure requirements) Regulations 2015. Mr. Ravi Kumar Aggarwal is independent of the management. A copy of the draft letter of appointment of Mr. Ravi Kumar Aggarwal as an Independent Director setting out the terms and conditions is available for inspection by the Members by the members through electronic mode.

Additional information in respect of Mr. Aggarwal, pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2), is given at Annexure A to this Notice.

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

The Board of Directors recommends the resolution in relation to appointment of Mr. Ravi Kumar Aggarwal as an Independent Director of the Company, as set out in Item No. 6 for approval of the members by way of a Ordinary Resolution.

#### **ITEM No. 7&8**

Mr. Ashok Kumar Pathak was appointed as a additional Director designated as Whole-time Director with the effect from 26 August, 2021 for a period of Three years.

In accordance with the provisions of Section 161 of the Companies Act, 2013, Ashok Kumar Pathak shall hold office up to the date ensuing AGM only.

152, 196, 197 and 203 of the Act provides, inter-alia, that a Whole-time Director shall be appointed and the terms and conditions of such appointment and remuneration payable be approved by the Board of Directors and Nomination & Remuneration Committee at a meeting which shall be subject to the approval by a resolution at the ensuing general meeting of the Company. The approval of the members is sought for his appointment as a Whole-time Director and payment of remuneration.

In accordance with the provisions of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a member proposing the candidature of Mr. Pathak to be appointed as Director of the Company.

None of the Directors/Key Managerial Personnel (KMP) of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution except Mr. Ashok Kumar Pathak and his relatives.

The Board and Nomination & Remuneration Committee recommend his appointment and payment of remuneration for approval of the shareholders and upon such terms and conditions as set out below.

**Terms & Conditions of Appointment:**

**Basic Salary-** 30100/- per month

He will be entitled to following Perquisite:

**HRA** - Rs. 15050/- per month.

**Leave Travel Concession:** One month Basic.

**Medical Exp:** 1250/- per month

**Personal Accident Insurance:** Premium not to exceed Rs.4000/per month.

**Special Allowance:** Rs. 28099/-

**Contribution to Provident Fund:** Contribution to provident fund not exceeding 12% of the salary or such rates as may be revised from time to time by statutory authorities.

**Gratuity:** As per Company rules subject to maximum of half month's salary for each completed year of service.

**Encashment of leaves** - As per Company rules subject to maximum of half month's salary for each completed year of service. .

**Field Expenses:** Rs. 6000/- Per Month.

**Bonus-** 8.33%+Ex-gratia as per Company rule

**Other term and Conditions**

The remuneration of Mr. Ashok Pathak as Whole time Director of the Company as provided above shall be payable by way of minimum compensation even if there be loss or inadequacy of profits of the Company in any financial year and also be subject to review by the Board if and when considered necessary in order to bring the same in conformity with the provisions in Schedule V of the Companies Act, 2013.

Notwithstanding anything to the contrary contained in the Company's Articles of Association, Mr. Pathak shall not so long as he acts as the Whole time Director of the Company receive any fee for attending of the Board or a Committee thereof.

Mr. Pathak shall not so long as he functions as such become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Board and the Central Government where necessary.

The remuneration proposed is in accordance with Section 196, Section 197 and Section 203 of the Companies Act, 2013 read with its relevant rules made thereunder and Schedule V and all other applicable provisions of Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), Articles of Association of the Company and as approved by Board of Directors and subject to the approval of Shareholders of the Company by way of the Special Resolution in the AGM.

**ITEM No. 9**

Mr. Suresh Shridhar Ajila has wide experience and expertise in the marketing business. His dedicated effort and leadership have helped to restructure the Company. Taking into consideration his commendable work and involvement in the day to day activities of the Company, the Board of Directors had in their meeting held on August 26, 2021 propose the remuneration of Mr. Ajila, as approved by the Remuneration Committee at remuneration and upon such terms and conditions as set out below.

**Terms & Conditions of Appointment:**

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

He will be entitled to following Perquisite:

**HRA** - Rs. 10,400/- per month.

**Education Allowance** - Rs. 5000/- per month.

**Transport Allowance** - Rs.1600/-per month.

**Leave Travel Concession:** As per rule of the Company.

**Personal Accident Insurance:** Premium not to exceed Rs.4000/per month.

**Contribution to Provident Fund:** Contribution to provident fund not exceeding 12% of the salary or such rates as may be revised from time to time by statutory authorities.

**Gratuity:** As per Company rules subject to maximum of half month's salary for each completed year of service.

**Encashment of leaves** - As per rules of the Company at the end of tenure.

**Field Expenses:** Reimbursement of field expenses as per rules of Company.

**Other term and Conditions**

The remuneration of Mr. Suresh Shridhar Ajila as Whole time Director of the Company as provided above shall be payable by way of minimum compensation even if there be loss or inadequacy of profits of the Company in any financial year and also be subject to review by the Board if and when considered necessary in order to bring the same in conformity with the provisions in Schedule V of the Companies Act, 2013.

Notwithstanding anything to the contrary contained in the Company's Articles of Association, Mr. Suresh Shridhar Ajila shall not so long as he acts as the Whole time Director of the Company receive any fee for attending of the Board or a Committee thereof.

Mr. Suresh Shridhar Ajila shall not so long as he functions as such become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Board and the Central Government where necessary.

The remuneration proposed is in accordance with Section 196, Section 197 and Section 203 of the Companies Act, 2013 read with its relevant rules made thereunder and Schedule V and all other applicable provisions of Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), Articles of Association of the Company and as approved by Board of Directors and subject to the approval of Shareholders of the Company by way of the Special Resolution in the AGM.

**The following additional information as required by Schedule V to the Companies Act, 2013 is given below:**

**I. General Information: (Item No. 8 and 9)**

- (i) **Nature of Industry:** Sale of Carton Sealing Tapes and a quality supplier of Adhesive Coated Products in India. The goodwill that the company commands because of superior quality products makes it a preferred choice supplier to a many new and existing multinational company setting up facilities in India.



(ii) **Date of Commencement of Activity:** 08th June 1988 (iii) **Financial Performance based on given indicators:**

(iii) **Financial Performance based on given indicators:** (In Lacs)

	2018-19	2019-20	2020-21
<b>Revenue from operations</b>	13,862	15,302	21,365
<b>Profit Before Tax</b>	355	574	1366
<b>Profit After Tax</b>	237	658	874

(iv) **Foreign Investments or collaborations:** NIL

## II. Information about the appointee (Mr. Ashok Kumar Pathak) :

(i) **Background details:** He has been working with the Company for almost 23 years and has been elevated as the General manager, with the responsibility of promoting the sales of the Company and exploring new markets and products. He has vast experience in sales and the management thinks that with this additional responsibility he would be contributing further to enhance the performance of the Company.

(ii) **Recognition and Awards/Achievements:** NIL

(iii) **Job profile and suitability:** Marketing

(iv) **Remuneration proposed:** Rs.30,100/ p.m

(v) **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):**

The proposed Remuneration of Mr. Ashok Kumar Pathak, who is a thorough Professional, possessing invaluable and rich knowledge, experience and insights complemented with the vast business experience, is comparable with Executive Directors of other Companies and is in parity with the Industry Standards for such a responsible position.

**Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: N.A.**

## (III) Information about the appointee (Mr. Suresh Shridhar Ajila) :

(vi) **Background details:** He has been working with the Company for almost 25 years and has been elevated as the Sales Director, with the responsibility of promoting the sales of the Company and exploring new markets and products. He has vast experience in sales and the management thinks that with this additional responsibility he would be contributing further to enhance the performance of the Company.

(vii) **Recognition and Awards/Achievements:** NIL

(viii) **Job profile and suitability:** Marketing

(ix) **Remuneration proposed:** Rs.35,000/ p.m

(x) **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):**

The proposed Remuneration of Mr. Suresh Shridhar Ajila, who is a thorough Professional, possessing invaluable and rich knowledge, experience and insights complemented with the vast business experience, is comparable with Executive Directors of other Companies and is in parity with the Industry Standards for such a responsible position.

**Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: N.A.**

**ITEM No. 10**

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment of M/s JSN & CO., Cost Accountants (Registration No. 000455) as Cost Auditors of the Company at a remuneration of Rs. 75,000/- (Rupees Seventy-Five Thousand only) (plus out of pocket expenses and applicable taxes, if any) to conduct the audit of cost records of the Company for the financial year ending March 31, 2022. In terms of provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2022. None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board commends the Ordinary Resolution(s) set out at Item No. 10 of the Notice, for approval by the Members.

**New Delhi, 26<sup>th</sup> August, 2021**

**CIN: L74899DL1988PLC031191**

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

**Registered Office:**

B-2/8, Safdarjung Enclave, New Delhi- 110029

**Email: [accounts@hindustanadhesives.com](mailto:accounts@hindustanadhesives.com)**

**(Madhusudan Bagla)**

Managing Director

**DIN:01425646**

**ANNEXURE-A**

Details of Directors seeking appointment/re-appointment at the 33rd Annual General Meeting [Pursuant to Regulation 36(3) and 26(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

<b>Particulars</b>	<b>Mr. Suresh Shridhar Ajila</b>	<b>Ravi Kumar Aggarwal</b>	<b>Ashok Kumar Pathak</b>
Date of first Appointment	30.04.2010	26.08.2021	26.08.2021
Qualifications	Graduate	CA	BSc Hons.
Experience	25 years	25 Years	23 Years
Directorships held in other Companies (excluding foreign Companies)	Nil	Archit Switchgears Private Limited Greenfinch Technologies Limited Standard Corporate Services Private Limited	Nil
Memberships/Chairmanships of Committees of other Companies	Nil	Nil	Nil
Number of shares held in the Company	Nil	100	Nil
Relationship with other Directors/ KMP's	No relationship with other Directors	No relationship with other Directors	No relationship with other Directors
Remuneration	35000	Nil	30100
Terms of appointment	Liable to retire by rotation	Not liable to retire by rotation	Liable to retire by rotation
Number of meetings of the Board attended during the year	1	Nil	Nil

**New Delhi, 26<sup>th</sup> August, 2021**  
CIN: L74899DL1988PLC031191

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

**Registered Office:**  
B-2/8, Safdarjung Enclave, New Delhi- 110029  
**Email:** [accounts@hindustanadhesives.com](mailto:accounts@hindustanadhesives.com)

**(Madhusudan Bagla)**  
Managing Director  
**DIN:01425646**

## DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2020-2021

To

The Members,

The Directors have pleasure in presenting the 33<sup>rd</sup> Annual Report of the company together with the financial statements, for the year ended on 31<sup>st</sup> March 2021.

### **FINANCIAL PERFORMANCE OF THE COMPANY:**

During the Financial Year 2020-2021, The Financial position of the Company is as under: **(Amount in Lakhs)**

PARTICULARS	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Gross Sales and Other Income	22032	15871
Earnings before interest, taxes, depreciation and amortization	2798	1802
Profit/ (loss) before depreciation and amortization, exceptional item and tax	2192	1262
Depreciation and Amortization	825	688
Profit / (Loss) before tax	1367	574
Provision for tax	492	(84)
Net Profit/(Loss)	875	658

### **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 2020-21.

### **RESERVES:**

Taking into account overall financial performances of the Company, your Directors have not transferred any amount to General Reserve Account.

### **STATE OF COMPANY'S AFFAIR:**

The Company had been able to successfully grow its overall business volumes during the last financial year, despite difficult times of Pandemic which resulted in general slow down in business, lock downs in various parts of the country as also globally, only due to its extensive presence in the global markets and as well being able to service the essential commodity product manufacturers in India, by supplying them their packaging materials as permitted by the Government of India.

The Company was pleased to inform the shareholders during the last annual report, that it had planned to double the capacity of its manufacturing unit in the Kutch region of the state of Gujarat for manufacturing BOPP Packaging Tapes for the international markets. The production of such facilities had been commenced during the Third quarter of the financial year 2020-21, and the company has been able to procure adequate orders to gradually run up to 100% capacity in the overseas markets during the next financial year for its expanded capacity.

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

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

The Company had also developed sustainable self adhesive tapes for carton sealing for the domestic markets in line with the needs of our customers and is pleased to inform you that the new products have been well accepted in the markets, and the company foresees good overall growth of business during the current financial year in both overseas and as well domestic markets.

**CHANGE IN THE NATURE OF BUSINESS:**

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

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

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

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

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

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

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2020-21.

**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](http://www.bagla-group.com).

**SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES:**

During the year, the company has no subsidiary or associate company or joint venture.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

The Company has not given any Loan, any guarantee and security in connection with a Loan to any other body corporate or person and has not acquired by way of subscription, purchase or otherwise, the securities of any other body corporate.

**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:**

The Report given by M/s. Rajan Goel & Associates, Chartered Accountants (Firm Registration No: 004624N), Statutory Auditors on the financial statements of the Company for the Financial year 2020-21 is part of Annual Report. The Notes on financial statements referred to in Auditor's Report are self-explanatory and do not call for any further comments. There has been no qualification, reservation or adverse remark or disclaimer in their Report on Financial Statement for F.Y. 2020-21.

**(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 31<sup>st</sup> March, 2021. The Secretarial Audit Report is annexed as **“Annexure A”**.

**(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 SJC & Co., Chartered Accountants (Firm Registration No. 031696N)** as the Internal Auditor.

**(4) COST AUDITOR**

Pursuant to Section 148 of the Companies Act, 2013 read with the relevant rules made thereunder or any amendments thereof, the Company is required to maintain cost records and accordingly such accounts and records are made and maintained by the Company in respect of its hospital activity and the same is required to be audited. Your Board had, upon the recommendation of the Audit Committee, appointed M/s JSN & CO., Cost Accountants to audit the cost accounts of the Company for the Financial Year 2020-21 at a remuneration of upto ` 75,000 (Rupees Seventy Five Thousand) plus taxes and out-of-pocket expenses. As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the members in a general meeting for ratification.

Accordingly, a resolution seeking Member's ratification for the remuneration payable to M/s JSN & CO., Cost Auditors is included in Notice convening the Annual General Meeting. The Notes referred to in the Cost Auditors' Report are self-explanatory and do not call for any further comments.

The Cost Auditors' Report does not contain any qualification, reservation or adverse remark.

**SHARE CAPITAL:**

The paid-up Equity Share Capital as on 31st March, 2021 was Rs. 5,11,63,000. 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:**

Pursuant to section 134(3)(a) and section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the annual return of the Company as at March 31, 2021 can be accessed through the web link [www.bagla-group.com](http://www.bagla-group.com).

**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 B”**.

**CORPORATE SOCIAL RESPONSIBILITY:**

Corporate Social Responsibility (CSR) is a way of conducting business, by which corporate entities visibly contribute to the social good. The essence of CSR is to integrate economic, environmental and social objectives with the Company's operations and growth. CSR is the process by which an organization thinks about and evolves its relationships with society for the common good and demonstrates its commitment by giving back to the society for the resources it used to flourish by adoption of appropriate business processes and strategies.



In accordance with the provisions of section 135 of the Act read with the Companies (Corporate Social Responsibility policy) Rules, 2014, the annual report on Corporate Social Responsibility activities is given at “**Annexure- C**” to this Report.

The CSR committee comprises two Non-executive Independent Directors Namely Shri. Amit Kumar and Shri.Pawan Kumar Gupta and One Executive Director namely, Shri M. S. Bagla.

The details of CSR Committee meetings and attendance of the members there at are provided in the Corporate Governance Report and forms part of this Report.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

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

Pursuant to provisions of Section 152 of Companies Act, 2013 and the Articles of Association of the Company Mr. Suresh Shridhar Ajila(DIN: 03203748) Whole-Time Director of the Company is liable to retire by rotation and being eligible, offer himself for re-appointment.

Further, Mr. Ravi Kumar Agarwal, Mr. Ashok Pathak, who were appointed on the Board of your Company on 26th August 2021 as additional Directors. The Company has received notice(s) under Section 160 of the Act from member(s) proposing his candidature for appointment as Directors are proposed to be appointed /regularized in the forthcoming Annual General Meeting.

Pursuant to the provisions of section 203 of the Act, the key managerial personnel of the Company are -Mr. Madhusudan 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:**

Ten 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 30th March, 2021, 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 Director’s obligations and fiduciary responsibilities, including but not limited to active participation at the Board and Committee meetings.

#### **AUDIT COMMITTEE:**

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

#### **STAKEHOLDERS RELATIONSHIP COMMITTEE:**

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

**VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

Pursuant to the provisions of Section 177 (9) & (10) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 and as per the listing regulations, the Company has adopted a Whistle Blower Policy, which provides for a vigil mechanism that encourages and supports its Directors and employees to report instances of unethical behavior, actual or suspected, fraud or violation of the Company's Code of Conduct or Ethics Policy. It also provides for adequate safeguards against victimization of persons who use this mechanism. The policy adopted by the company is also posted on the website of the company [www.bagla-group.com](http://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 2020-21 in the prescribed format, **Form AOC-2** has been enclosed with the report as **"ANNEXURE D"**.

**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 E"**.

**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, 2021, the applicable Accounting Standards had been followed along with proper explanation relating to material departures.
- b) for the financial year ended March 31, 2021, 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, 2021.
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) the annual financial statements have been prepared on a going concern basis.
- e) that proper internal financial controls were followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) That proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

**ACKNOWLEDGEMENT:**

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

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

**Date:** 26.08.2021

**Place:** New Delhi

**SURESH AJILA**  
**(WHOLE-TIME DIRECTOR)**  
**DIN: 03203748**

**MADHUSUDAN BAGLA**  
**(MANAGING DIRECTOR)**  
**DIN: 01425646**

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021**  
**[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**  
 B-2/8, SAFDARJUNG ENCLAVE,  
 NEW DELHI- 110029

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, 2021, 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, 2021 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.

- 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
  - Contact Labour (Regulation and Abolition) Act, 1970

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

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

**I further report that:**

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

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

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

I further report that the penalty was imposed by the stock exchange regarding the violation of Regulation 20(2)/(2A) of SEBI (LODR) Regulations, 2015. Whereas company was already in compliance for the said regulation. However, the company had already paid the penalty regarding the violation on December 14, 2020 and request for the waiver of penalty.

I further report that Company has received mail from the exchange on May 07, 2021 regarding the approval for Waiver of fines levied.

**Place:** Delhi  
**Date:** 09.06.2021

**Puneet Kumar Pandey**  
**M No-** A29848  
**C P No-** 10913  
**UDIN:** A029848C000437860

**Note:** This report is to be read with my letter of even date which is annexed as "Annexure-A" and forms an integral part of this report.

To,  
The Members,  
**HINDUSTAN ADHESIVES LIMITED**  
B-2/8, SAFDARJUNG ENCLAVE,  
NEW DELHI- 110029

The Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Place:** Delhi  
**Date:** 09.06.2021

**Puneet Kumar Pandey**  
**M No-** A29848  
**C P No-** 10913  
**UDIN:** A029848C000437860



## ANNEXURE B

**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 has continued its 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 is exploring the possibilities of getting wind energy for its new plant at Gujarat.
- (iii) **The capital investment on energy conservation equipments:** NIL

**(B) Technology absorption-**

- (i) **The efforts made towards technology absorption:** The Company had invested in latest high speed machines for producing product using the lowest energy units per kg of production. The company has also installed latest communication facilities for the imported plant and machinery to be on-line available for any repairs and improvements with the help of the foreign machine suppliers from his country, which has become very necessary in view of travel restrictions due to the pandemic.
- (ii) **The benefits derived like product improvement, cost reduction, product development or import substitution:** The benefits accrued have been lower cost of modernization and subsequently lower maintenance costs in the future.
- (iii) **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):** Imported technology has helped the company to make world class products and build a wider export market.
- (iv) **The expenditure incurred on Research and Development:** The company has incurred expenditure Rs.14.90 Lakhs To develop sustainable tapes for the local markets.

**(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.15,785 Lakhs during the year under report 2020-2021, as compared to Rs.9,408 Lakhs in the previous year, 2019-2020.**

(Rs. in Lakhs)

Particulars	2020-21	2019-20
Total Foreign Exchange Received (F.O.B. Value of Export)	15258.58	9110.49
i) Raw Materials	8753.64	3409.51
ii) Consumable Stores	15.15	38.12
iii) Capital Goods	569.22	1316.60
iv) Foreign Travels	-	28.94
v) Others	359.24*	66.44
vi) Repayment of loan (unsecured)	294.09	121.35

\*Others include {(bank charges Rs. 13.30 lakhs), (commission paid Rs. 104.90 Lakhs) and (freight charges Rs. 241.04 Lakhs freight charges paid/payable in foreign currency on export of goods)}

By order of the Board of Directors of  
HINDUSTAN ADHESIVES LIMITED

SURESH AJILA  
(WHOLE-TIME DIRECTOR)  
DIN: 03203748

MADHUSUDAN BAGLA  
(MANAGING DIRECTOR)  
DIN: 01425646

Date : 26.08.2021  
Place : New Delhi

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES for the financial year ended 31st March 2021**

**1. A brief outline of the company's CSR Policy, including overview of projects or programs undertaken and a reference to the web-link to the CSR policy and projects or programs:**

Corporate Social Responsibility (CSR) is a way of conducting business, by which corporate entities visibly contribute to the social good. The essence of CSR is to integrate economic, environmental and social objectives with the company's operations and growth. CSR is the process by which an organization thinks about and evolves its relationships with society for the common good and demonstrates its commitment by giving back to the society for the resources it used to flourish by adoption of appropriate business processes and strategies. The CSR Policy of the Company is posted on the website of the Company ([www.bagla-group.com](http://www.bagla-group.com)).

**2. The composition of the CSR committee:**

The CSR Committee of the Company comprises the following members:

- a) Shri.M.S. Bagla, b) Shri.Pawan Kumar Gupta, Member, Independent Director c) Shri. Amit Kumar, Member, Independent Director.

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

The current composition and Policy of the committee are available and updated on the Company's website at <https://www.bagla-group.com/>

**4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report)**

Requirement of undertaking an impact assessment study as per the provisions of Rule 8(3) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is not applicable, as the average CSR Obligation for the three immediately preceding financial years was less than ' 10 crs.

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

S. No.	Financial Year	Amount available for set-off from preceding financial years (In Lakhs)	Amount required to be set-off for the financial year, if any (In Lakhs)
1.	2020-21	6.705	7.19

**6. Average net profit/loss of the company for last three financial years:**

The average net Profit of the Company for the preceding three financial years was Rs. 426.44 Lakhs.

- 7 (a) **Two percent of average net profit of the company as per section 135(5):**Rs. 8.53 Lakhs.  
 (b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil  
 (c) Amount required to be set off for the financial year, if any: 6.705 Lakhs  
 (d) Total CSR obligation for the financial year (7a+7b-7c): 1.825 Lakhs

## 8 (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Lakhs)	Amount Unspent (in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of fund	Amount	Date of transfer
1.34 Lakhs	0.485 Lakhs	-	-	-	-

## 8 (b) Details of CSR amount spent against ongoing projects for the financial year: Nil

## 8 (c) Details of CSR amount spent against on Completed projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the Project		Amount spent for Project the (in )	Mode of implementing Direct (Yes/No)	Mode of implementation Through implementing agency	
				State	Distric			Name	*CSR Reg. No.
1	Contribution to Bagla Foundation (Promoting Education)	Schedule VII Item-II	Yes	Delhi(South West Delhi		30,000	Direct	Bagla Foundation	-
2	Contribution to Bagla Foundation(Promoting Education)	Schedule VII Item-II	Yes	Delhi(South West Delhi		50,000	Direct	Bagla Foundation	-
3	Contribution to Bagla Foundation(Promoting Education)	Schedule VII Item-II	Yes	Delhi(South West Delhi		25,000	Direct	Bagla Foundation	-
4	Contribution to ACE Tennis Academy (Promoting Education)	Schedule VII Item-II	Yes	Delhi(South West Delhi		29,000	Direct	ACE Tennis Academy	-
						<b>1,34,000</b>	<b>1,34,000</b>	<b>1,34,000</b>	

\* CSR Registration number is mandatory from April 1, 2021 (2021-22)

## 8 (d). Amount spent in Administrative Overheads: Nil

## 8 (e). Amount spent on Impact Assessment, if applicable: Not applicable

## 8 (f) Total amount spent for the Financial Year (8b+8c+8d+8e): 1.34 Lakhs

## 8 (g) Excess amount for set off, if any: Not applicable

## 9 (a) Details of Unspent CSR amount for the preceding three financial years:

Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Lakhs)	Amount spent in the reporting Financial Year (in )	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any		remaining to be spent in succeeding financial years (in Lakhs)
			Name of the fund	Amount	
2017-2018	Nil	Nil	N.A	Nil	7.22
2018-2019	Nil	Nil	N.A	Nil	8.10
2019-2020	N.A	N.A	N.A	N.A	N.A

Note: The amount transferred to Unspent CSR Account and any fund specified under Schedule VII has been shown as NIL because the revised provisions as per Section 135(5) of Companies Act, 2013 and Section 135(6) of Companies Act, 2013 have come into effect from 22.01.2021 and were not applicable for FY 17-18, FY 18-19. Further for 2019-20 N.A shown as there is nothing unspent for that Year.

## 9 (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

## 10. Details relating to the asset created or acquired through CSR spent in the financial year: Nil

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Company is making efforts to identify the projects for spending the unspent and carried forward CSR funds. All unspent CSR funds of previous year (s) are carried forward for spending on CSR activities

By order of the Board of Directors of  
HINDUSTAN ADHESIVES LIMITED

**SURESH AJILA**  
(WHOLE-TIME DIRECTOR)  
DIN: 03203748

**MADHUSUDAN BAGLA**  
(MANAGING DIRECTOR)  
DIN: 01425646

Date : 26.08.2021

Place : New Delhi

## 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:**

NAME OF RELATED PARTY & NATURE OF RELATIONSHIP	NATURE OF CONTRACT/ ARRANGEMENT/ TRANSCATIONS	DATES OF APPROVAL BY THE BOARD	DURATION OF CONTRACT/ ARRANGEMENT/ TRANSCATIONS	AMOUNT PAID / RECEIVED AS ADVANCE	AMOUNT PAID AS ADVANCE, IF ANY
Nakul Bagla (CFO)	Lease Agreement	12.02.2020	As per Agreement.	Rs. 15,00,000/-	N.A.
Dhruv Bagla(Relative of KMP)	Lease Agreement	12.02.2020	As per Agreement.	Rs. 15,00,000/-	N.A.
Anju Bagla (Relative of KMP)	Salary (Office in place of profit)	12.02.2020	N.A.	Rs. 28,80,000/-	N.A
Gayathri Ajila (Relative of KMP)	Lease Agreement	12.02.2020	As per Agreement.	Rs. 5,26,374/-	N.A.
Gayathri Ajila (Relative of KMP)	Providing service	12.02.2020	As per Agreement.	Rs. 3,08,365/-	N.A.
Bagla Polifilms Ltd	Purchase of goods	12.02.2020	Recurring nature	Rs. 7,51,05,814/-	N.A.
Bagla Polifilms Ltd	Sales of Goods	12.02.2020	Recurring nature	Rs. 43,19,924/-	N.A.

By order of the Board of Directors of  
HINDUSTAN ADHESIVES LIMITED

**SURESH AJILA**  
(WHOLE-TIME DIRECTOR)  
DIN: 03203748

**MADHUSUDAN BAGLA**  
(MANAGING DIRECTOR)  
DIN: 01425646

Date : 26.08.2021

Place : New Delhi

**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	40.44
Urmila Goenka	1.35
Suresh Ajila	4.67

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

Particular	% increase in remuneration in the financial year
M.S. Bagla ( MD )	Nil
Urmila Goenka (WTD)	Nil
Suresh Ajila (WTD)	Nil
Nakul Bagla (CFO)	160.42
Sarabjeet Singh Dua(CS)	4.34

3. **The percentage increase in the median remuneration of employees in the financial year: (2.90)**  
 4. **The number of permanent employees on the rolls of Company: 286.**  
 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 7.08% in the salaries of the employees in comparison to the last financial year. Percentile increase in the managerial remuneration is Nil.

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

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

By order of the Board of Directors of  
HINDUSTAN ADHESIVES LIMITED

Date : 26.08.2021  
Place : New Delhi

**SURESH AJILA**  
(WHOLE-TIME DIRECTOR)  
DIN: 03203748

**MADHUSUDAN BAGLA**  
(MANAGING DIRECTOR)  
DIN: 01425646

## Report on Corporate Governance

### 1. Philosophy on code of Corporate Governance:

The Fundamental object of Corporate Governance is the enhancement of Shareholder value, keeping in view the interest of other stakeholders. It refers to a blend of law, regulations and voluntary practices, which enable the company to harness financial and human capital, perform efficiently and expediently, and thereby perpetuate it into generating long term association and economic value for its Shareholders, while respecting interests of other stakeholders and the society at large.

It aims to align interests of the company with its Shareholders and other key stakeholders. The principal Characteristics of Corporate Governance are-Transparency, Independence, Accountability, Responsibility, Social Responsibility.

To sum, Corporate Governance focuses on equitable treatment of all shareholders and reinforces that it is "Your Company" as it belongs to you, the Shareholders.

The Chairman and Board of Directors are your fiduciaries and trustees pushing the business towards maximizing value for its shareholders.

### 2. Board of Directors

i. The Board of Directors comprises of Six 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	-
Total	6

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, 2021 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 2020-21, the board met 10 (Ten) (as against the minimum requirement of four meetings) on the following dates, namely:-

**02<sup>nd</sup> May, 2020, 20<sup>th</sup> June, 2020, 04<sup>th</sup> July, 2020, 30<sup>th</sup> July, 2020, 25<sup>th</sup> August, 2020, 14<sup>th</sup> September, 2020, 11<sup>th</sup> November, 2020, 04<sup>th</sup> January, 2021, 30<sup>th</sup> January, 2021 and 13<sup>th</sup> February, 2021.**

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. Madhusudan Bagla DIN: 01425646	Executive Director, MD	10	YES	8	2	NIL	NIL
02.	Mrs. Urmila Goenka DIN: 01165727	Executive Director, WTD	2	YES	NIL	NIL	NIL	NIL
03.	Mr. Suresh Shridhar Ajila DIN: 03203748	Executive Director, WTD	1	YES	NIL	NIL	NIL	NIL
04.	Mr. Amit Kumar DIN: 06902856	Non-Executive - Independent Director	10	YES	NIL	NIL	NIL	NIL
05.	Mr. Pawan Kumar Gupta DIN: 08506390	Non-Executive - Independent Director	6	YES	NIL	NIL	NIL	NIL
06.	Mr. Sudeep Pande DIN: 08212946	Non-Executive - Independent Director	10	YES	NIL	NIL	NIL	NIL

### 3. Audit Committee

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

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

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommend the appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:

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

- a) Changes, if any, in accounting policies and practices and reasons for the same
  - b) Major accounting entries involving estimates based on the exercise of judgment by management
  - c) Significant adjustments made in the financial statements arising out of audit findings
  - d) Compliance with listing and other legal requirements relating to financial statements
  - e) Disclosure of any related party transactions
  - f) Modified opinion(s) in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  - Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of

proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

- Review and monitor the auditors' independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of Whistle Blower mechanism.
- Approval of appointment of CFO;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee;

**To mandatorily review the following information:**

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

**The composition of the audit committee as at 31st March, 2021 and the details of meetings attended by its members are given below:**

Name	Category	No. of Meetings during the Financial Year 2020-21	
		Held	Attended
Mr. Amit Kumar(Member)	Non Executive Independent Director	5	5
Mr. Sudeep Pande(Chairman)	Non Executive Independent Director	5	5
Mr. Pawan Kumar Gupta(Member)	Non Executive Independent Director	5	4

During the financial year 2020-21, meetings of the Audit Committee were held 5 times i.e. on 02<sup>nd</sup> May 2020, 30<sup>th</sup> July 2020, 14<sup>th</sup> September 2020, 11<sup>th</sup> November 2020 and 13<sup>th</sup> February 2021.

The Board has considered all recommendations of the Audit Committee as and when provided during the year under review and hence, do not call for any disclosure under Section 177(8) of the Companies Act, 2013.

#### 4. Nomination and Remuneration Committee

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

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

**The composition of the Nomination and Remuneration Committee as at 31st March, 2021 and the details of meetings attended by its members are given below:**

Name	Category	No. of Meetings during the Financial Year 2020-21	
		Held	Attended
Mr. Amit Kumar(Member)	Non-Executive Independent Director	1	1
Mr. Sudeep Pande(Member)	Non-Executive Independent Director	1	1
Mr. Pawan Kumar Gupta (Chairman)	Non-Executive Independent Director	1	1

During the financial year 2020-21, one meeting of the Committee was held i.e. on 25th August 2020.

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. 84,00,000/-	Rs. 8,28,400/-	Rs. 3,16,600/-
Contribution to Superannuation Fund(Rs.)	NIL	NIL	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. Amit Kumar	—	53,310/-	—
2.	Mr. Sudeep Pande	—	53,310/-	—
3.	Mr. Pawan Kumar Gupta	—	27,500/-	—

#### 5. i) Stakeholders Relationship Committee

During the financial year 2020-21, meetings of the Stakeholder Relationship Committee were held on **02<sup>nd</sup> May, 2020, 30<sup>th</sup> July, 2020, 14<sup>th</sup> September, 2020, 11<sup>th</sup> November, 2020 and 13<sup>th</sup> February, 2021.**

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 2020-21	
		Held	Attended
Mr. M. S. Bagla(Member)	Executive Director	5	5
Mr. Amit Kumar (Chairman)	Non Executive Independent Director	5	5
Mr. Sudeep Pande(Member)*	Non Executive Independent Director	5	5

\* Mr. Sudeep Pande was appointed as member of Stakeholder Relationship Committee w.e.f 02.05.2020.

Details of investor complaints received and redressed during the year 2020-21 are as follows:

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

#### ii) Independent Directors' Meeting

During the year under review, one meeting of Independent Directors was held on 31<sup>st</sup> March, 2021 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.

#### 6. Corporate Social Responsibility Committee

##### Term of reference

The Corporate Social Responsibility Committee has been constituted by the Board to formulate and recommend to the Board, a corporate Social responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act; recommend the amount of expenditure to be incurred on the activities referred above; and monitor the Corporate Social Responsibility Policy of the Company from time to time.

##### Composition

As on 31<sup>st</sup> March, 2021, the Committee comprises of three members including two Non-Executive Independent Director namely Shri. Amit Kumar and Mr. Pawan Kumar Gupta, One Executive Director namely Shri. M.S. Bagla Managing Director.

During the year under review meeting of the Corporate Social Responsibility Committee were held on 02nd May, 2020, 30<sup>th</sup> July, 2020, 14<sup>th</sup> September, 2020, 11th November, 2020 and 13th February, 2021.

#### 7. General Body Meeting

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

Financial year	Date	Time	Place
2017-2018	29.09.2018	10.00 AM	Orchid Palace, Main Chattarpur Road, Asola Fatehpur Beri, New Delhi-110074
2018-2019	30.09.2019	10.00 AM	Lilywhite Hotel, Chhatarpur Main Road, New Delhi-110074
2019-2020	23.09.2020	11.00 AM	Video Conferencing/ Other Audio-Visual Means ("VC/OAVM") Facility

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

Financial year	Items
2017-2018	NIL
2018-2019	a) Resolution for re-appointment of Amit Kumar as an Independent Director b) Resolution for re-appointment of Mr. Madhusudan Bagla (DIN: 01425646) as Managing Director of the Company
2019-2020	a) Resolution for Re-appointment of Mrs. Urmila Goenka as Whole-Time Director

## 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](http://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 2018-19 ,2019-20 and 2020-21 respectively:

Our Company has received a notice SOP-CReview-Nov20 through email from stock exchange regarding the violation of Regulation 20(2)/(2A) of SEBI (LODR) Regulations, 2015.,Whereas company was already in compliance for the said regulation. However,the company had paid the penalty regarding the violation on December 14, 2020 and request for the waiver of penalty.

I further report that Company has received mail from the exchange on May 07, 2021 regarding the approval for Waiver of fines levied.

### 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 behavior. No person has been denied access to the chairman of the audit committee. The said policy has also been put up on the website of the Company at the following link [www.bagla-group.com](http://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, 2021. 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 Financial Express (English) and Jansatta (Hindi). The results are also displayed on the Company's website "[www.bagla-group.com](http://www.bagla-group.com)". The company is also providing regular information to the Stock Exchanges as per the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A management discussion and analysis report is a part of the Company's annual report.

**10. GENERAL SHAREHOLDER INFORMATION****10.1 Annual General Meeting**

Date and Time

29<sup>th</sup> September, 2021 at 12.00 P.M.**10.2 Financial Calendar (2021-22)**

Annual General Meeting

For the next year ending 31<sup>st</sup> March, 2022before 30<sup>th</sup> September 2022**10.3 Book Closure date**

23.09.2021 to 29.09.2021

**10.4 Dividend Payment date**

N.A

**10.5 Listing of Equity Shares on Stock Exchange at**

BSE

**10.6 Stock Code**

(i) ISIN Numbers

Equity Shares INE 074C01013

**10.7 Registrar and Share Transfer Agent**

Link Intime India Pvt. Ltd.

Noble Heights, 1st Floor, Plot No. NH 2, LSC,

C-1 Block, Near Savitri Market, Janakpuri, New Delhi-110058

Phone No. +91 11 4141 0592

**10.8 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.

**10.9 Categories of equity shareholders as on March 31, 2021:**

Category	No. of Shares	% of Shares
Promoter's Holding(including foreign Promoters if any)	3503495	68.47
Non Promoter's Holding	1612805	31.53
TOTAL	5116300	100

**10.10 Distribution of Share holding as on March 31, 2021**

No of Equity Shares Held	No of Shareholder	% of Shareholder	Number of Shares	% of Shareholding
1-500	5989	96.7841	592799	11.5865
501-1000	91	1.4706	73781	1.4421
1001-2000	45	0.7272	69784	1.3640
2001-3000	15	0.2424	36303	0.7096
3001-4000	7	0.1131	24224	0.4735
4001-5000	3	0.0485	13390	0.2671
5001-10000	13	0.2101	80934	1.5819
10001 and above	25	0.404	4225085	82.5809
<b>Total</b>	<b>6188</b>	<b>100.0000</b>	<b>5116300</b>	<b>100.0000</b>

**10.11 Market price data: High, low (based on daily closing prices) and number of equity shares traded during each month in the year 2020-21 on BSE**

Month	High	Low	No. of shares traded
April, 2020	72.00	55.00	0
May, 2020	69.95	58.00	0
June, 2020	102.85	55.00	1,00,000
July, 2020	99.60	69.20	2,00,000
August, 2020	81.00	71.40	0
September, 2020	99.20	68.55	1,00,000
October, 2020	107.90	84.20	1,00,000
November, 2020	105.95	91.05	0
December, 2020	136.90	96.75	1,00,000
January, 2021	133.90	101.00	1,00,000
February, 2021	152.80	106.35	1,00,000
March, 2021	128.00	110.10	0

**10.12 Top ten equity shareholders of the Company as on March 31, 2021**

S.No.	Name of the shareholder	No. of Shares held	Percentage of shares held
1.	Bagla Polifilms Limited	255400	4.9919
2.	Saphire Hospitality Management Pvt Ltd	255320	4.9903
3.	Deepinder Singh Poonian	133801	2.6152
4.	Camel Foods Pvt Ltd	98924	1.9335
5.	Dheeraj Kumar Lohia	68111	1.3313
6.	S R Gupta	32601	0.6372
7.	Saurabh Ranjit Parikh	26000	0.5082
8.	Mitin C Jain	17038	0.3330
9.	Anant Jain	16907	0.3305
10.	Radhika Jalan	14408	0.2816

**10.13 Dematerialisation of shares and liquidity**

The Company's shares are compulsorily traded in dematerialised form. Equity shares of the Company representing 91.089 % of the Company's equity share capital are dematerialised as on March 31, 2021. 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**.

**10.14 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, 2021, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.



**10.15 Plant Location:**

- 1) 29<sup>th</sup> 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
- 3) Survey No 380/1,  
Village Bhardeshwar,  
Mundra District, Gujrat

**10.16 Address for Correspondence:**

Share Transfer and Demat

Link Intime India Pvt. Ltd.  
Noble Heights, 1st Floor, Plot No. NH 2, LSC,  
C-1 Block, Near Savitri Market, Janakpuri,  
New Delhi-110058

**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.**  
B-2/8, SAFDARJUNG ENCLAVE,  
NEW DELHI 110029  
Email-[accounts@hindustanadhesives.com](mailto:accounts@hindustanadhesives.com)

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

Date : 26.08.2021

Place : New Delhi

**SURESH AJILA**  
**(WHOLE-TIME DIRECTOR)**  
DIN: 03203748

**MADHUSUDAN BAGLA**  
**(MANAGING DIRECTOR)**  
DIN: 01425646

**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, 2021

**Madhusudan Bagla**  
Managing Director

**MANAGEMENT DISCUSSION AND ANALYSIS****(As per Regulation 34 of the SEBI Listing Regulations)****INDUSTRY AND OUTLOOK:**

The Company is the largest integrated producer of Carton Sealing Tapes in the country and having production facilities for making BOPP Adhesive Tapes with both Acrylic and Hot-Melt technology. It also has its own adhesive making facility along with facilities for making paper cores and cartons in-house, besides 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:**

With the focus towards becoming a leading International supplier of its products and with our efforts in supporting the vision of the Honorable Prime Minister of India for "Atmanirbhar Bharat", as also for Make in India and supply to the world, the Company has ample opportunities 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 globally.

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 commensurating with the size and nature of its business. The Board has appointed Internal Auditors to strengthen the internal control system.

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

**FINANCIAL PERFORMANCE:**

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

**HUMAN RESOURCE DEVELOPMENT:**

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

**Madhusudan Bagla**  
Managing Director

## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Hindustan Adhesives Limited

We have examined the compliance of conditions of Corporate Governance by **Hindustan Adhesives Limited**, for the year ended March 31, 2021, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

We state that all investor grievances were redressed within 30 days of lodgement of grievance and as on March 31, 2021 no investor complaint is pending against the Company as per the records maintained by the Stakeholders Relationship Committee.

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

**M/s. Mukesh Agarwal and Co**  
**Company Secretaries**

**(Mukesh Kumar Agarwal)**

Proprietor

C.P. No:3851

**UDIN: F005991C000817230**

**Place:** New Delhi

**Date :** 23.08.2021

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## **CEO/CFO CERTIFICATION**

**We, Mr. Madhusudan Bagla, Managing Director and Mr. Nakul Bagla, Chief Financial Officer hereby certify for the Financial year ended 31<sup>st</sup> March, 2021 that:**

- a) We have reviewed the Financial Statements and Cash Flow Statement for the year ended 31<sup>st</sup> March, 2021 and to the best of our knowledge and belief:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable Laws and Regulations.
- b) We are, to the best of my knowledge and belief; no transactions entered into by the Company during the year ended 31<sup>st</sup> March, 2021 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:** 26.08.2021

**Sd/-**  
Managing Director

**Sd/-**  
Chief Financial Officer

**INDEPENDENT AUDITOR'S REPORT**

**TO THE BOARD OF  
DIRECTORS OF HINDUSTAN ADHESIVES LIMITED**

**REPORT ON THE AUDIT OF THE STANDALONE ANNUAL FINANCIAL STATEMENTS****Opinion**

We have audited the accompanying Standalone Financial Statements of **HINDUSTAN ADHESIVES LIMITED** (hereafter referred to as the "Company") which comprise the Balance Sheet as at 31st March, 2021, and the statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and statement of cash flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("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 March 31, 2021, and its **Profit** (including Other Comprehensive Income), changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information Other than the Financial Statements and Auditor's Report Thereon**

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the, Board's Report including Annexure to Board's Report, and Shareholder's Information, but does not include the Financial Statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibilities for the Standalone 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. 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 judgements 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 complete-

ness of the accounting records, relevant of 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.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of the a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Financial Statements of the current period and are the key audit matters. We describe these matters in our auditor's report unless law or Regulation precludes public disclosure about the matter or when, in extremely rare circumstances were determined that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be accepted to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. 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 (including Other Comprehensive Income), Statement of Changes in Equity and the 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 Indian Accounting Standards specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act , as amended , in our opinion and to the best of our information and according to the explanation given to us the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) 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 pending litigation on its financial position in its Standalone Financial Statements.
    - (ii) The Company has made provisions as required under the applicable law or accounting standards for material foreseeable losses , if any on long - term contracts including derivative contracts
    - (iii) There were no amount which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. 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- "B" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.-

**For RAJAN GOEL & ASSOCIATES**  
**Chartered Accountants**  
**ICAI FIRM: 004624N**

**Place: New Delhi**  
**Date: 25.06.2021**

**CA Rajan Kumar Goel**  
**(Proprietor)**  
**Regn. 083829**  
**UDIN:- 21083829AAAABC8857**

## ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph 1 (f) of Report on Other Legal and Regulatory Requirements section of our Report to members of Hindustan Adhesives Limited of even date) Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **HINDUSTAN ADHESIVES LIMITED** ("the Company") as of 31st March, 2021, 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. 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.

### Auditor's 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 authorisations 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 31st March, 2021, 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 RAJAN GOEL & ASSOCIATES**  
**Chartered Accountants**  
**ICAI FIRM: 004624N**

**Place: New Delhi**  
**Date: 25.06.2021**

**CA Rajan Kumar Goel**  
**(Proprietor)**  
**Regn. 083829**  
**UDIN:- 21083829AAAABC8857**

### ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

With reference to the Annexure referred paragraph 2 under report on "Other Legal and Regulatory Requirements" section of our Auditors' Report to the members of **HINDUSTAN ADHESIVES LIMITED** on the financial statements for the year ended 31st March, 2021, we report that:

- i) In respect of fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) As explained to us, during the year, physical verification of major assets has been conducted by the management at reasonable intervals and the discrepancies observed are properly dealt with in the books of accounts .
  - c) According to the information and explanation given by the management the title deeds of immovable properties are held in the name of the company except land admeasuring 0.0253 hectares part of the existing factory land located at Dadri (Ghaziabad).
- ii) In respect of its inventories:
  - a) The inventory, except for goods-in-transit, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In respect of goods-in-transit, subsequent goods receipts have been verified or confirmations have been obtained from the parties. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt in the books of accounts.
  - b) As informed by the management, the proper records of inventory are being maintained and no material discrepancies were noticed during such physical verifications.
- iii) According to the information and explanations given to us, the Company had granted unsecured loans to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information given to us, the terms and conditions of the loan given by the Company our prima facie, not prejudicial to the interest of the Company. The repayments of loan and advances has been as stipulated. There is no overdue amount as on the balance sheet date
- 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

- v) The Company has not accepted any deposit from public and therefore, the provisions of the clause 3 (v) of the order are not applicable to the company.
- vi) We have broadly reviewed the books of account maintained by the Company as specified under Section 148(1) of the Act, for maintenance of cost records in respect of products manufactured by the Company, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise, Value added tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities and according to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise, Value added tax, Cess and other material statutory dues were in arrears as at 31 March 2021.
- b) According to the information and explanations given to us, there are no disputed statutory dues which have to be deposited with the appropriate authorities.
- viii) According to the information and explanations given to us, The Company has not defaulted in the repayment of dues to any financial institution, banks, Government and debenture holders during the year.
- ix) According to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained. The Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year.
- x) According to the information and explanations given by the management and to the best of our knowledge and belief, no fraud by the Company or on the Company by its officer or employees has been noticed or reported during the course of our audit.
- xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii) The Company is not a Nidhi Company and therefore the provisions of Clause 3 (xii) of the order are not applicable to the company.
- xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Ind AS financial statements etc., 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 and hence reporting under Clause 3(xiv) of the order is not applicable to the company.
- xv) According to information and explanations given to us by the management, the Company has not entered into any non-cash transactions specified under Section 192 of the Companies Act 2013 with directors or persons connected with him.
- xvi) The Company is not required to be registered with RBI under Section 45-IA of Reserve Bank of India Act, 1934.

**For RAJAN GOEL & ASSOCIATES**  
**Chartered Accountants**  
**ICAI FIRM: 004624N**

**Place: New Delhi**  
**Date: 25.06.2021**

**CA Rajan Kumar Goel**  
**(Proprietor)**  
**Regn. 083829**  
**UDIN:- 21083829AAAABC8857**

## BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars	Notes No.	As at 31 March 2021 (Rs. in Lakhs)	As at 31 March 2020 (Rs. in Lakhs)
<b>A. ASSETS</b>			
<b>1 Non-current assets</b>			
a) Property, Plant and Equipment	4	7,616.08	6,155.40
b) Capital work in progress	5	-	1,091.13
c) Financial Assets		-	-
(i) Investments	6	132.67	132.67
(ii) Loans and Advances	7	154.98	169.55
<b>Total non-current assets</b>		<b><u>7,903.73</u></b>	<b><u>7,548.75</u></b>
<b>2 Current assets</b>			
a) Inventories	8	2,547.72	2,003.87
b) Financial assets		-	-
(i) Trade receivables	9	3,216.63	1,787.14
(ii) Cash and cash equivalents	10	392.21	143.00
(iii) Loans and Advances	11	825.79	486.42
c) Other current assets	12	1,465.25	635.97
<b>Total current assets</b>		<b><u>8,447.60</u></b>	<b><u>5,056.40</u></b>
<b>Total Assets (1+2)</b>		<b><u>16,351.33</u></b>	<b><u>12,605.15</u></b>
<b>B. Equity and Liabilities</b>			
<b>1 Equity</b>			
a) Equity Share capital	13	511.63	511.63
Other equity	14	3,816.74	2,951.56
<b>Total equity</b>		<b><u>4,328.37</u></b>	<b><u>3,463.19</u></b>
<b>Liabilities</b>			
<b>2 Non-current liabilities</b>			
a) Financial Liabilities		-	-
(i) Borrowings	15	4,618.58	4,437.50
b) Provisions	16	153.14	137.44
c) Deferred tax liabilities (Net)	17	383.98	227.04
<b>Total non-current liabilities</b>		<b><u>5,155.70</u></b>	<b><u>4,801.98</u></b>

Particulars	Notes No.	As at 31 March 2021 (Rs. in Lakhs)	As at 31 March 2020 (Rs. in Lakhs)
<b>3 Current Liabilities</b>		-	-
a) Financial Liabilities		-	-
(i) Borrowings	18	3,744.46	2,588.97
(ii) Trade payables	19	2,050.43	1,095.33
b) Other current liabilities	20	952.70	519.67
c) Provisions	21	21.35	25.24
d) Current Tax Liabilities	22	98.32	110.77
<b>Total current liabilities</b>		<b>6,867.26</b>	<b>4,339.98</b>
<b>Total liabilities (2+3)</b>		<b>12,022.97</b>	<b>9,141.96</b>
<b>Total equity and liabilities (1+2+3)</b>		<b>16,351.33</b>	<b>12,605.15</b>

Summary of significant accounting policies and other Notes **3**

The Accompanying notes are an integral part of the Ind AS financial statements

**For Rajan Goel and Associates**  
Chartered Accountants  
ICAI Firm Regn. No. 004624N

**For and on behalf of the Board of Directors**

**CA Rajan Kumar Goel**  
Proprietor  
Membership No. 083829

**(Amit Kumar)**  
Director  
DIN 06902856

**(M. S. BAGLA)**  
Mg. Director  
DIN 01425646

**(S. S. Dua)**  
Company Secretary  
M. No. ACS13343

**(N. M. BAGLA)**  
CFO

Place: New Delhi  
Date: 25/06/2021

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

PARTICULARS	Notes No.	For the year ended 31st March, 2021 (Rs. in Lakhs)	For the year ended 31st March, 2020 (Rs. in Lakhs)
I Revenue From Operations (Gross)	23	21,365.13	15,302.86
II Other Income	24	667.16	568.74
<b>III Total Income (I+II)</b>		<b>22,032.29</b>	<b>15,871.60</b>
<b>IV EXPENSES</b>			
Cost of Materials Consumed	25	13,799.82	9,530.54
Changes in inventories of finished goods, Work in Process and Stock-in-Trade	26	(108.91)	173.80
Employee Benefits Expenses	27	1,349.40	1,248.01
Finance Cost	28	605.77	539.69
Depreciation and amortization Expenses	29	825.50	688.37
Other Expenses	30	4,193.77	3,117.17
<b>Total expenses (IV)</b>		<b>20,665.35</b>	<b>15,297.58</b>
<b>V Profit/(loss) before exceptional items and tax (III-IV)</b>		<b>1,366.94</b>	<b>574.02</b>
VI Exceptional Items		-	-
<b>VII Profit/(loss) before tax (V-VI)</b>		<b>1,366.94</b>	<b>574.02</b>
<b>VIII Tax expense:</b>		-	-
(1) Current tax		238.83	114.41
(2) Deferred tax		156.95	(84.06)
(3) Mat Credit Entitlement		96.24	(114.41)
		<b>492.02</b>	<b>(84.06)</b>
<b>IX Profit for the period from continuing operations (VII-VIII)</b>		<b>874.92</b>	<b>658.08</b>
X Profit from discontinued operations before tax		-	-
XI Tax expense of discontinued operations		-	-
XII Profit from Discontinued operations (after tax) (X-XI)		-	-
<b>XIII Profit for the period (IX+XII)</b>		<b>874.92</b>	<b>658.08</b>
<b>XIV Other Comprehensive Income</b>		-	-
<b>A. Items that will not be reclassified to profit or loss</b>		-	-
(i) Re-measurements of the defined benefit liabilities / (asset)		-	-
(ii) Income tax relating to above		-	-
<b>B. Items that may be reclassified to profit or loss</b>		-	-
Income tax relating to above		-	-
<b>Total other comprehensive income</b>		-	-
<b>XV Total Comprehensive Income for the period (XIII+XIV)</b>		<b>874.92</b>	<b>658.08</b>
<b>XVI Earnings per equity share (for continuing operation):</b>		-	-
(1) Basic		17.10	12.86
(2) Diluted		17.10	12.86

Summary of significant accounting policies and other Notes **3**

The Accompanying notes are an integral part of the Ind AS financial statements

As per our report of even date attached

**For Rajan Goel and Associates**  
Chartered Accountants  
ICAI Firm Regn. No. 004624N

**For and on behalf of the Board of Directors**

**CA Rajan Kumar Goel**  
Proprietor  
Membership No. 083829

**(Amit Kumar)**  
Director  
DIN 06902856

**(M. S. BAGLA)**  
Mg. Director  
DIN 01425646

**(S. S. Dua)**  
Company Secretary  
M. No. ACS13343

**(N. M. BAGLA)**  
CFO

Place: New Delhi  
Date: 25/06/2021

## STATEMENT OF CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

PARTICULARS	For the year ended 31st March, 2021 (Rs. in Lakhs)	For the year ended 31st March, 2020 (Rs. in Lakhs)
<b>A Cash flows from operating activities</b>		
Profit/(loss) for the year (before tax)	1,366.94	574.02
Adjustments for:	-	-
Depreciation and amortisation expense	825.50	688.37
Provision for doubtful receivables, advances and other assets (net)	(2.39)	2.86
Provision for Gratuity and Leaves	11.80	23.26
Liabilities no longer required written back	-	-
Net gain on sale of property, plant and equipment	(1.11)	-
Net gain /loss on sale of investment	-	0.27
Interest expense	508.16	472.59
Dividend Income	-	(18.28)
Interest income	(10.77)	(11.51)
<b>Operating profit before changes in assets and liabilities</b>	<b>2,698.13</b>	<b>1,731.58</b>
Changes in assets and liabilities :		
(Increase) decrease in inventories	(543.85)	177.82
(Increase) decrease in trade receivables and loans+	(1,751.90)	(20.58)
(Increase) decrease in other financial assets	(925.52)	(13.83)
Increase (decrease) in trade payables	955.10	(880.63)
Increase (decrease) in other financial liabilities	433.03	166.75
<b>Cash (used in)/generated from operating activities</b>	<b>864.99</b>	<b>1,161.10</b>
Income tax paid (net of refund)	(261.01)	(156.63)
<b>Net cash (used in)/from operating activities (A)</b>	<b>603.98</b>	<b>1,004.48</b>
<b>B Cash flows from investing activities</b>	-	-
Acquisition of property, plant and equipment	(2,374.54)	(1,263.29)
Acquisition of property, plant and equipment (Capital WIP)	1,091.13	(1,057.28)
Proceeds from sale of property, plant and equipment	89.47	-
Proceeds from sale/maturity of investments	-	(5.16)
Dividend income	-	18.28
Interest received	10.77	11.51
<b>Net cash flow from (used in) investing activities (B)</b>	<b>(1,183.17)</b>	<b>(2,295.94)</b>
<b>C Cash flows from financing activities</b>	-	-
(Repayment) / Proceeds of long term borrowings	181.08	1,540.79
(Repayment) / Proceeds from current- borrowings(net)	1,155.50	126.30
Interest paid	(508.16)	(472.59)
<b>Net cash flow from (used in) financing activities ( C)</b>	<b>828.42</b>	<b>1,194.50</b>
Net decrease in cash and cash equivalents (A+B+C)	249.21	(96.97)
Cash and cash equivalents at the beginning of the year	143.00	239.97
<b>Cash and cash equivalents at the end of the year</b>	<b>392.21</b>	<b>143.00</b>

**Note:**

- a) The above cash flow statement has been prepared under the “Indirect Method” as set out in the Indian Accounting Standard (Ind AS 7)
- b) Cash and cash equivalents comprises of:

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with banks:		
- In current accounts	41.54	51.05
- In Term Deposit accounts	341.18	77.97
- In Dividend Accounts	3.95	3.95
- Interest Accrued on Deposits	3.33	2.40
Cash on hand	2.21	7.63
<b>Cash and cash equivalents as per balance sheet</b>	<b>392.21</b>	<b>143.00</b>

As per our report of even date attached

**For Rajan Goel and Associates**  
Chartered Accountants  
ICAI Firm Regn. No. 004624N

**For and on behalf of the Board of Directors**

**CA Rajan Kumar Goel**  
Proprietor  
Membership No. 083829

**(Amit Kumar)**  
Director  
DIN 06902856

**(M. S. BAGLA)**  
Mg. Director  
DIN 01425646

**(S. S. Dua)**  
Company Secretary  
M. No. ACS13343

**(N. M. BAGLA)**  
CFO

Place: New Delhi  
Date: 25/06/2021



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**
**1 Corporate Overview**

Hindustan Adhesives Limited (the 'Company') is a Company domiciled in India with its registered office situated at B-2/8, Safdarjung Enclave, New Delhi-110029. The Company has been incorporated under the provisions of Companies Act, 1956 and its equity shares are listed on the BSE in India.

The Company Established in 1988, Ventured into manufacturing products for the fast growing packaging industry with establishing Hindustan Adhesives Limited - A Specialty Adhesive Coating Company with the then latest technology of Acrylic emulsion based coating and Hot Melt Adhesive coatings. It further expanded progressively to bring into India the latest and Specialized Double Bubble Film technology in this Industry. The Company has three manufacturing locations (Gautam-budh Nagar in Uttar Pradesh , Roorkee in Uttarakhand and Bhadreswar - Kutch, in Gujarat), with a marketing presence throughout India and exports to all the major Continents in the world, having won many Leading Exporter Awards from the Govt. of India.

**2 Basis of preparation and presentation**
**A. Statement of compliance**

- a) These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, notified under Section 133 of the Companies Act, 2013 ('the Act') and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable and other relevant provision of the Act under the historical cost convention on an accrual basis except for certain financial instruments which are measured at fair values, notified under the Act and Rules prescribed there under.

**B. Basis of Preparation**

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities (including derivative instruments)	Fair value
Employee's defined benefit plan	As per actuarial valuation

**C. Functional and presentation currency**

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All financial information presented in Indian rupees have been rounded-off to the nearest rupee except share data or as otherwise stated.

**D. Use of estimates**

In preparing these financial statements management has made judgments estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are furnished in the relevant notes.

**E. Measurement of fair values**

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For the purpose of Fair value disclosures the company has determined classes of assets and liabilities on the basis of nature characteristics and risk of assets or liabilities and the level of fair value hierarchy as explained above this note summarises accounting policies for fair value and the other fair value related disclosures are given in relevant notes.

### 3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing the opening Ind AS balance sheet unless otherwise indicated.

#### a. Foreign currency transactions

Transactions in foreign currencies are translated into functional currency of the Company at the rate prevailing at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

- Foreign currency monetary items are translated in the functional currency at the exchange rate at the reporting date.
- Non-monetary items carried at fair value that are denominated in foreign currencies are translated into the functional currency at the rate when the fair value was determined.
- Non-monetary items denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.
- Exchange differences are recognised in profit or loss in the period in which they arise, except exchange differences arising from the translation of the items which are recognised in OCI.

#### b. Financial instruments

##### i. Recognition and initial measurement

Financial instruments are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue of financial assets or liabilities.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

##### ii. Classification and subsequent measurement

###### Financial assets

On subsequent recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through other comprehensive income (FVOCI) – equity investment; or
- Fair value through profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets and the contractual cash flow characteristics of the financial asset.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

“ the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

“ the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

If all financial assets are not measured at amortised cost or FVOCI as described above, to be measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on de-recognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

#### Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or 'Other financial liabilities'. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

#### iii. *De-recognition*

##### Financial assets

The Company de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not de-recognised.

##### Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

#### iv. *Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**v. Derivative financial instruments**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. Changes in the fair value of any derivative instrument are recognised immediately in the statement of profit and loss and are included in other income or expenses.

**c. Property, plant and equipment and capital work-in-progress**

**i. Recognition and measurement**

**Property, plant and equipment**

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

**Capital work-in-progress**

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work-in-progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as other non-current assets.

**ii. Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised and, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment .

**iii. Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company otherwise charged in statement of profit & loss for the period in which the costs are incurred.

**iv. Depreciation**

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method for Plant & Machinery and Electric Installation and the written down value method for Building, Office Equipment , Air conditioner, Furniture & Fixtures, computers and vehicles and is generally recognised in the statement of profit and loss.

Freehold land is not depreciated.

The estimated useful lives of items of property, plant and equipment are estimated by the Management, which are equal to the life prescribed under the Schedule II of the Act.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

**d. Inventories**

Inventories are valued as follows:

- i. Raw materials, stores and spares are valued at lower of cost and net realisable value. However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Cost is determined on First in First out Basis (FIFO).

- ii. Work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.
- iii. Scraps / rejected materials are valued at estimated net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item by item basis.

**e. Impairment of non-financial assets**

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

**f. Employee benefits**

**i. Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed during the period as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

**ii. Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Company providing retirement benefit in the form of provident fund is a defined contribution scheme. The contributions payable to the provident fund are recognised as expenses, when an employee renders the related services. The Company has no obligation, other than the contribution payable to the funds.

**iii. Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The Company accounts for gratuity liability of its employees on the basis of actuarial valuation carried out at the year end by an independent actuary.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

**iv. Other long-term employee benefits**

Company treats accumulated leave, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

**g. Revenue**

**i. Sale of goods**

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. This inter alia involves discounting of the consideration due to the present value if payment extends beyond normal credit terms. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

**h. Recognition of dividend income, interest income or expense**

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

Difference between the sale price and carrying value of investment is recognised as profit or loss on sale / redemption on investment on trade date of transaction.

Interest income or expense is recognised using the effective interest method.

**i. Government grants**

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant; they are then recognised in profit or loss as other income on a systematic basis.

**j. Leases**

**i. Determining whether an arrangement contains a lease**

At inception of an arrangement, it is determined whether the arrangement contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

**ii. Assets held under leases**

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Company's balance sheet.

**iii. Lease payments**

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

**k. Income-tax**

Income Tax expenses comprise current and deferred tax charge or credit. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

**i. Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

**ii. Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for the temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

**iii. MAT credit**

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified year. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

**l. Borrowing cost**

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**m. Provision, contingent liabilities and contingent assets**

A provision is recognised if as a result of a past event the company has a present legal or constructive obligation that can be



estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Expected future operating losses are not provided for.

#### **Contingencies**

Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

#### **Contingent liabilities and contingent assets**

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets has to be recognised in the financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

#### **n. Earnings per share**

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

#### **o. Cash flow statement**

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

#### **p. Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible (including interest thereon) to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **q. Assets held for sale**

Assets are classified as assets held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held for sale, intangible assets, property, plant and equipment and investment properties are no longer amortised or depreciated.

#### **r. Events after reporting date**

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.



## NOTES FORMING PART OF THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2021

4 Property Plant and Equipments		(Rs. in Lakhs)									
Particulars	Freehold land	Electrical Installation	Buildings	Plant and equipment	Furniture & Fittings	Vehicles	Computer	Air Conditioner	Office Equipments	ETP, FIRE & Pollution	Total
<b>At Cost</b>											
Balance at April 1, 2020	117.26	662.81	1,354.20	7,519.31	198.83	330.60	39.36	24.35	10.13	127.90	10,384.74
Additions	38.00	40.90	380.93	1,860.51	0.87	-	8.75	5.18	2.16	37.24	2,374.54
Disposals / Adjustment	-	27.34	160.43	93.87	-	74.40	-	2.93	0.88	-	359.85
<b>Balance at Mar., 31, 2021</b>	<b>155.26</b>	<b>676.36</b>	<b>1,574.70</b>	<b>9,285.95</b>	<b>199.69</b>	<b>256.21</b>	<b>48.11</b>	<b>26.60</b>	<b>11.41</b>	<b>165.14</b>	<b>12,399.43</b>

### Property Plant and Equipments-Accumulated Depreciation

Particulars	Freehold land	Electrical Installation	Buildings	Plant and equipment	Furniture & Fittings	Vehicles	Computer	Air Conditioner	Office Equipments	ETP, FIRE & Pollution	Total
<b>Accumulated depreciation and impairment</b>											
Balance at April 1, 2020	-	293.24	474.33	3,034.59	135.48	229.21	34.49	17.69	4.32	5.99	4,229.34
Depreciation expense	-	48.27	90.32	632.89	15.99	30.52	4.07	1.80	1.66	-	825.50
Eliminated on disposals of assets	-	26.15	147.69	24.95	-	70.45	-	1.74	0.51	-	271.49
<b>Balance at Mar., 31, 2021</b>	<b>-</b>	<b>315.35</b>	<b>416.95</b>	<b>3,642.53</b>	<b>151.47</b>	<b>189.28</b>	<b>38.55</b>	<b>17.75</b>	<b>5.47</b>	<b>5.99</b>	<b>4,783.35</b>

### Property Plant and Equipments- Net Block

Particulars	Freehold land	Electrical Installation	Buildings	Plant and equipment	Furniture & Fittings	Vehicles	Computer	Air Conditioner	Office Equipments	ETP, FIRE & Pollution	Total
Balance at April 1, 2020	117.26	369.57	879.87	4,484.72	63.34	101.39	4.87	6.66	5.81	121.91	6,155.40
Balance at March., 31, 2021	155.26	361.01	1,157.74	5,643.42	48.22	66.93	9.55	8.85	5.94	159.15	7,616.08

**NOTES FORMING PART OF THE BALANCE SHEET FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2021**
**5 Capital work in progress**
**(Rs. in Lakhs)**

Particulars	Building	Pre-operative expense	Other Plant & Equipments	Total
Balance at April 1, 2020	-	54.39	1,036.74	1,091.13
Additions	-	-	-	-
Adjustments/capitalised during the year	-	(54.39)	(1,036.74)	(1,091.13)
Effect of foreign exchange differences	-	-	-	-
<b>Balance at Mar., 31, 2021</b>	-	-	-	-

**6 Investment**

Particulars	As at March 31, 2021	As at March 31, 2020
Investment in Equity Instruments in Other Entities (Refer Note 6A)	132.67	132.67
Other Investment (Refer Note 6B)	-	-
<b>Total Investments</b>	<b>132.67</b>	<b>132.67</b>

**6A Investment in Equity Instruments**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Others (Unquoted ( fully paid up))</b>		
49000 (49000) equity shares of Bagla wellness Pvt. Ltd.	18.39	18.39
456900(456900) equity shares of Bagla Polifilms Ltd.	114.29	114.29
<b>Total Investments in Other Equity instruments</b>	<b>132.67</b>	<b>132.67</b>
<b>Net Investment in Equity Instruments</b>	<b>132.67</b>	<b>132.67</b>
<b>Aggregate carrying value of unquoted investments</b>	<b>132.67</b>	<b>132.67</b>

**6B Other investments**

Particulars	As at March 31, 2021	As at March 31, 2020
NIL (50000) units of Mutual Fund (IDBI Mid Cap) sold during the year Market value NIL (Rs. 543000/-)	-	-
10000 (10000) equity shares of Banaras state bank Ltd.	1.00	1.00
Less: Provision for diminution in value	(1.00)	(1.00)
<b>TOTAL INVESTMENTS</b>	<b>-</b>	<b>-</b>

## 7 Loans and advances (Unsecured, considered good)

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets amortized at cost		
(a) Security deposits	154.98	169.55
<b>TOTAL</b>	<b>154.98</b>	<b>169.55</b>

## 8 Inventories

Particulars	As at March 31, 2021	As at March 31, 2020
Raw Material	1,214.77	826.65
Finished Goods	365.25	410.44
Work in progress	493.69	550.04
Stores and spares, fuel and packing material	255.98	209.16
Material in Transit	217.95	-
Scrap for sales	0.08	7.58
<b>TOTAL</b>	<b>2,547.72</b>	<b>2,003.87</b>

## 9 Trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Outstanding Exceeding 6 months</b>	-	-
(a) Unsecured, considered good	37.01	141.86
(b) Considered Doubtful	0.69	3.08
<b>Provision for doubtful debts</b>	(0.69)	(3.08)
	<b>37.01</b>	<b>141.86</b>
<b>Outstanding Less than 6 months</b>	-	-
(a) Unsecured, considered good	3,179.62	1,645.28
<b>TOTAL</b>	<b>3,216.63</b>	<b>1,787.15</b>

## 10 Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with banks	41.54	51.05
Term Deposits	341.18	77.97
Cash in hand	2.21	7.63
Balance with Bank (Dividend account)	3.95	3.95
Interest accrued but not due on Term Deposits	3.33	2.40
<b>TOTAL</b>	<b>392.21</b>	<b>143.00</b>

## 11 Short term loans and advances

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Advances recoverable in cash or in kind for value to be received		
Advance for Capital goods	439.33	434.94
Advances to vendor for Supplies and services	374.95	38.99
Advances to employees	11.51	12.49
<b>TOTAL</b>	<b>825.79</b>	<b>486.42</b>

## 12 Other current assets

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with Indirect tax authorities	564.11	51.84
Prepaid expenses	27.38	26.40
Insurance Claim Receivable	328.20	71.45
Export Incentives receivable	315.35	193.44
MAT Credit Entitlements	145.27	241.51
Assets held for sale	32.26	38.80
Others	52.68	12.53
<b>TOTAL</b>	<b>1,465.25</b>	<b>635.97</b>

## 13 Equity Share Capital

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised Capital		
7,000,000 equity shares of Rs. 10 each	700.00	700.00
Issued, Subscribed and Paid up	-	-
5,116,300 equity shares of Rs. 10 each fully paid up	511.63	511.63
<b>TOTAL</b>	<b>511.63</b>	<b>511.63</b>

## (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	51.16	51.16
Movements	-	-
<b>Balance as at the end of the year</b>	<b>51.16</b>	<b>51.16</b>

## (ii) Rights, preferences and restriction attached to shares

The Company has one class of equity shares having a par value of Rs 10 per share. Each shareholder is eligible for one vote per share held. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders.

## (iii) Shares held by each shareholder holding more than 5% of the aggregate shares in the Company

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	%	No. of Shares	%
1 Mr. Madhusudan Bagla	812,419	15.88	812,419	15.88
2 Mrs. Anju Bagla	598,630	11.70	598,630	11.70
3 Mr. Dhruv Bagla	314,580	6.15	314,580	6.15
4 Mr. Nakul Bagla	372,100	7.27	372,100	7.27
5 Mr. M.S.Bagla - Karta ( M.S.Bagla - HUF )	269,250	5.26	269,250	5.26

## 14 Other equity

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Retained earnings</b>		
Capital Reserve #	30.00	30.00
Security Premium account	212.60	212.60
Investment allowance utilization reserve ##	25.00	25.00
Balance of statement of profit and loss	3,549.14	2,683.96
# For Capital Subsidy received in earlier years	-	-
## Since 1992-93	-	-
<b>TOTAL</b>	<b>3,816.74</b>	<b>2,951.55</b>

**Capital Reserve**

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at beginning of the year	30.00	30.00
Changes during the year	-	-
<b>Balance at end of the year</b>	<b>30.00</b>	<b>30.00</b>

**Security Premium account**

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at beginning of the year	212.60	212.60
Changes during the year	-	-
<b>Balance at end of the year</b>	<b>212.60</b>	<b>212.60</b>

**Investment allowance utilization reserve**

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at beginning of the year	25.00	25.00
Changes during the year	-	-
<b>Balance at end of the year</b>	<b>25.00</b>	<b>25.00</b>

**Balance of statement of profit and loss**

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at beginning of the year	2,683.96	2,151.98
Profit/(Loss) after tax for the year	874.92	658.08
Provision for Income tax for earlier years	(9.73)	(126.10)
<b>Balance at end of the year</b>	<b>3,549.15</b>	<b>2,683.95</b>

**15 Long term borrowings**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Secured</b>		
Term loans from banks		
State Bank Of India ( Refer Note A)	977.61	1,412.30
Indian Bank (Refer Note-B)	1,975.00	1,853.51
Yes Bank ( Refer Note - C)	17.77	31.92
<b>Working Capital Term Loan (GECL-COVID-19 Loan )</b>	-	-
State Bank Of India ( Refer footNote A(h))	290.89	-
Indian Bank (Refer footNote-B(f))	309.30	-
IDBI Bank - (Refer Note-D(a))	156.53	-
<b>Working Capital Term Loan (COVID Emergency Credit Line)</b>	-	-
Indian Bank (Refer foot Note-B(g))	56.37	-
	<b>3,783.47</b>	<b>3,297.73</b>
<b>Unsecured</b>	-	-
From Directors	226.00	242.50
From Body Corporate	300.00	300.00
From SACE FCT Spa.-I (Foreign Currency Loan)	126.49	239.57
From SACE FCT Spa.-II (Foreign Currency Loan)	106.20	197.35
From SACE FCT Spa.-III (Foreign Currency Loan)	76.42	160.35
	<b>835.11</b>	<b>1,139.77</b>
<b>TOTAL</b>	<b>4,618.58</b>	<b>4,437.50</b>

**A Term Loans from State Bank of India is secured by way of :**

- First pari-passu charge on entire movable and immovable fixed assets of the company (including Land and Building) of the manufacturing unit at Kutch , Gujarat along with Indian Bank - for Term Loan
- First charge over Factory Land and Building bearing survey no. Bigha, Biswa and sahi bushwansi, in Khasra No.9/0-17-0 and Khasra no.10/0-16-0,11/10-17-0,12/0-19-0,8/0-4-0,14/1 M/2-9-10, situated at village Acheja, Tehsil Dadri Dist. Ghaziabad, Gautam Budh Nagar(Uttar Pradesh) admeasuring total area 3 bigha,13 biswa, 6 sahi, along with other working capital landers IDBI Bank and Indian Bank.
- Second pari pasu charge entire movable fixed assets, both present and future, of the company's unit at Roorkee, Haridwar, both present & future to be shared with Allahabad Bank and IDBI Bank.
- Second pari-passu charge on the entire movable and immovable fixed assets of the company, including land and construction thereon, both present and future, of the company's plant located at Dadri, district Ghaziabad (excluding land admeasuring 0.0253 hectares part of the existing factory land) to be shared with IDBI Bank.
- Second pari-passu charge on entire movable and immovable fixed assets of the company, including land and building construction thereon, both present and future, of the company's plant located at Bhadreswar, Kutch, near Mundra Port, Gujarat to be sharedwith IDBI bank. Second pari-passu charge on entire movable and immovable fixed assets of the

company, including land and building construction thereon, both present and future, of the company's plant located at Bhadreshwar, Kutch, near Mundra Port, Gujarat to be shared with IDBI bank.

- f) Personal guarantee of Mr. Madhusudan Bagla, the Managing Director of the Company and sh Lalit Kumar Bagla, Ex Director of the Company.
- g) The Term Loan is repayable in 24 Quarterly instalments, interest is payable on monthly basis
- h) The COVID Emergency Credit Line (GECL) Term Loan of is repayable in 36 Monthly instalments, starting from Feb-2022, interest is payable on monthly basis.
- B** Term Loans from Indian Bank is secured by way of :
- a) First pari passu charge on entire movable and immovable Fixed assets of the company including Land and building of manufacturing unit at Kutch (Gujarat) to be shared with State Bank of India
- b) First Charges on the entire movable and immovable Fixed assets of the company's Unit (including Land and Building) of manufacturing unit at Roorkee (Haridwar), both present and future.
- c) Second pari passu charge on the entire Current assets of the Company, Both Present and Future, to be shared along with State Bank of India.
- d) Personal guarantee of Mr. Madhusudan Bagla, the Managing Director of the Company and sh Lalit Kumar Bagla, Ex Director of the Company.
- e) The Term Loan of is repayable in 24 Quarterly instalments, starting from June 2021, interest is payable monthly.
- f) The COVID Emergency Credit Line (GECL) Term Loan of is repayable in 36 Monthly instalments, starting from August 2021, interest is payable on monthly basis.
- C** YES Bank Loans is secured by way of hypothecation of the vehicle financed by them.
- D** Term Loans from IDBI Bank is secured by way of :
- a) Extension of Charges on Second pari-pasu basis on primary and collateral securities charged for other facilities.
- b) The COVID Emergency Credit Line (GECL) Term Loan of is repayable in 36 Monthly instalments, starting from March-2022, interest is payable on monthly basis.

#### 16 Long term provisions

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Employee Benefits</b>		
Provision for Leave encashment	4.21	6.18
Provision for Gratuity	148.93	131.26
<b>TOTAL</b>	<b>153.14</b>	<b>137.44</b>

#### 17 Deferred Tax Liabilities (Net of Assets)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Deferred Tax Liabilities</b>		
On timing difference in accounting of Depreciation as per Income tax Rules and as per Companies Act.	439.34	385.66
On Fair Value of Investments	-	-
	<b>439.34</b>	<b>385.66</b>
<b>Deferred Tax Assets</b>		
On timing difference in accounting of Unabsorbed Losses	-	108.79
On timing difference in accounting of Provision for Bonus, Gratuity and Compensated absence	55.36	49.83
<b>TOTAL</b>	<b>383.98</b>	<b>227.04</b>

## 18 Short term borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Secured</b>		
<b>Term loans from banks (Payable within next 12 Months) (Refer note no 15 "Long term borrowing")</b>		
State Bank of India	435.00	443.75
Indian Bank	225.00	-
HDFC Bank	-	0.80
Yes Bank	15.13	11.82
<b>Working Capital Term Loan (GECL-COVID-19 Loan )</b>	-	-
State Bank of India	83.11	-
Indian Bank	20.70	-
IDBI Bank	4.47	-
<b>Working Capital Term Loan (COVID Emergency Credit Line)</b>	-	-
Indian Bank	51.96	-
	<b>835.37</b>	<b>456.37</b>
<b>Cash Credit Limits (Refer Note- A-B)</b>	-	-
Allahabad Bank	80.51	765.54
IDBI Bank	1,030.24	1,115.97
State Bank of India	1,520.36	-
	<b>2,631.11</b>	<b>1,881.51</b>
<b>Unsecured</b>	-	-
Form SACE FCT Spa-I (foreign Currency loan )	117.53	117.53
Form SACE FCT Spa- II (foreign Currency loan )	98.67	98.67
Form SACE FCT Spa- III (foreign Currency loan )	61.78	30.89
Agarwal Tracom Private limited	-	4.00
	<b>277.98</b>	<b>251.09</b>
<b>TOTAL</b>	<b>3,744.46</b>	<b>2,588.97</b>

- A** Working Capital Loans from State bank of India , Indian bank and IDBI bank is secured by way of First pari passu charge on the entire current assets of all three units of the company both present & future.
- B** Working Capital Loans from State bank of India , Indian bank and IDBI bank is secured by way of second pari passu charge on the entire movable and immovable fixed assets both present & future of the company's unit located Unit located at Roorkee (Haridwar), Dadri (Uttar Pradesh) and Kutch (Gujarat), including land and building except land admeasuring 0.253 hectares [art of the existing factory land.



**19 Trade payables**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Financial liabilities carried at amortized cost</b>	-	-
For Goods	1,554.38	788.40
For Services	496.05	306.93
<b>TOTAL</b>	<b>2,050.43</b>	<b>1,095.33</b>
Total outstanding dues of micro enterprises and small enterprises	84.22	66.83
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,966.21	1,028.50
<b>TOTAL</b>	<b>2,050.43</b>	<b>1,095.33</b>

**20 Other current liabilities**

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory Liabilities	42.33	27.68
Advance from Customers	570.41	248.39
Payable for capital goods	47.43	62.27
Payable for employees	65.87	63.84
Interest accrued but not due	52.24	58.45
Unclaimed dividend	3.95	3.95
Other liability	170.47	55.09
<b>TOTAL</b>	<b>952.70</b>	<b>519.67</b>

**21 Short term provisions**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Employee Benefits</b>		
Provision for Leave encashment	0.36	0.43
Provision for Gratuity	20.99	24.81
<b>TOTAL</b>	<b>21.35</b>	<b>25.24</b>

**22 Current Tax Liabilities**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Current Tax</b>		
Provision for Income Tax	353.24	223.95
Less: Tax paid	254.92	113.18
<b>TOTAL</b>	<b>98.32</b>	<b>110.77</b>

## 23 Revenue From Operations

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A. Sale of products</b>		
Domestic Sale	5,467.67	5,809.86
Export Sale	15,784.74	9,407.41
Scrap Sale	83.02	56.56
	<b>21,335.43</b>	<b>15,273.83</b>
<b>B. Sale of services</b>	-	-
Job Work	29.70	29.03
<b>Total</b>	<b>21,365.13</b>	<b>15,302.86</b>

## 24 Other Income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>a) Interest income</b>		
<b>Interest on:</b>		
Term Deposits	7.65	7.83
Security deposit	3.12	3.68
	<b>10.77</b>	<b>11.51</b>
<b>b) Other gains and losses</b>	-	-
Export Incentives	261.98	288.71
Insurance Claim	146.75	71.45
Exchange rate fluctuation gain/(loss)	238.74	143.43
Excess Provision for Bonus written back	4.25	-
Provision for Doubtful Debts written back	3.08	-
Gain on Disposal of property, plant and equipment	1.11	-
Electricity Exemption	-	21.19
Dividend Income	-	18.28
Other Receipts	0.48	14.17
	<b>656.39</b>	<b>557.23</b>
<b>Total</b>	<b>667.16</b>	<b>568.74</b>

## 25 Cost of materials consumed

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening Stocks	826.65	839.29
Add: Purchases	14,187.94	9,517.90
Less: Closing Stocks	(1,214.77)	(826.65)
<b>Total</b>	<b>13,799.82</b>	<b>9,530.54</b>

**26 Changes in inventories of finished goods and work-in progress**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Opening Stock</b>		
Work in Process	550.04	719.40
Finished Goods	410.44	422.42
Material in Transit	-	-
Scrap	7.58	0.04
	<b>968.06</b>	<b>1,141.86</b>
<b>Closing Stock</b>	-	-
Work in Process	493.69	550.04
Finished Goods	365.25	410.44
Material in Transit	217.95	-
Scrap	0.08	7.58
	<b>1,076.97</b>	<b>968.06</b>
<b>Change in inventory</b>	<b>(108.91)</b>	<b>173.80</b>

**27 Employee Benefits Expenses**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, Wages and other Allowances	1,085.06	992.25
Contribution to Provident and other Allied Funds	31.16	39.73
Director's Remuneration	94.10	93.30
Staff Welfare and Benefits	101.74	85.89
Gratuity	37.30	33.44
Leave Encashment	0.04	3.40
<b>Total</b>	<b>1,349.40</b>	<b>1,248.01</b>

**28 Finance costs**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest to Banks on Cash/Packing credits	141.55	183.59
Interest to Bank on Term Loan	335.09	203.42
Interest on Other	31.52	85.58
Bank Commission and Charges	97.61	67.10
<b>Total</b>	<b>605.77</b>	<b>539.69</b>

**29 Depreciation and amortization Expenses**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Deprecation ( Note. 4 Property, Plant and Equipment)	825.50	688.37
<b>Total</b>	<b>825.50</b>	<b>688.37</b>

## 30 Other Expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>MANUFACTURING EXPENSES</b>		
Power & Fuel Consumed	798.89	731.88
Store, Spares & Tools Consumed	115.55	97.60
Packing Expenses	1,004.46	658.92
Carriage Inward	71.04	4.76
<b>Repairs and Maintenance:</b>	-	-
Building and Shed	10.09	7.04
Plant and Machinery	247.86	232.03
Research & Development charges	14.90	7.56
	<b>2,262.79</b>	<b>1,739.80</b>
<b>ADMINISTRATIVE AND OTHER OVERHEADS</b>	-	-
Rent, Rates and Taxes	58.03	24.01
Printing and Stationery	14.55	15.41
Traveling and Conveyance	44.26	152.09
Vehicle Running Maintenance	33.49	38.82
Postage & Telephone charges	31.25	41.37
Electricity and Water Overheads	15.22	12.42
Data processing Expenses	28.15	22.59
Legal and Professional Charges	51.35	43.49
Advertisement Expenses	4.54	2.47
<b>Auditor's Remuneration :</b>	-	-
For Audit Fees	1.00	1.00
Fees & Subscription	20.96	20.26
Insurance Charges	33.22	35.03
General Expenses	97.13	68.20
Provision for doubtful debts/advances	0.69	2.86
Sundry Balances Written off ( Net )	42.80	7.39
Loss on Sale of Investments	-	0.27
Donation & charity #	1.34	15.00
Previous year adjustment (Net)	11.29	0.33
	<b>489.27</b>	<b>503.01</b>
<b>SALES AND DISTRIBUTION OVERHEADS</b>	-	-
Freight and Carriage Outward	1,228.17	722.19
Discount, Rebates and Claims	4.19	11.01
Brokerage & Commission	154.57	88.77

**30 Other Expenses (Contd.)**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Business Promotion Expenses	51.08	38.62
Statutory Demands, Sales Tax & Excise Duty ,	3.70	0.31
Exhibition & Conference Expenses	-	13.46
	<b>1,441.71</b>	<b>874.36</b>
<b>Total</b>	<b>4,193.77</b>	<b>3,117.17</b>

**31 Government Grants**

The Company has applied the requirements in Ind AS 109, Financial Instruments, and Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance, .

**32 Contingent liabilities not provided for in respect of:**

- Bank Guarantees given by the Company Rs. 60.33 Lacs (Previous year Rs.58.71 Lacs)
- Foreign letter of credit opened with IDBI Bank, Indian Bank & State Bank of India for import of Raw material etc. worth Rs. 728.90 Lacs (Previous year Rs.32.60 Lacs) and domestic letter of credit for procurement of raw material from domestic supplier Rs. Nil (Previous year Rs. NIL )
- Central Sales tax payable for Assessment year 2013-14 in respect of its Roorkee unit, for which an appeal is pending before the Commissioner Appeals .Rs. 42.39 Lacs (Previous year 42.39 Lacs)

**33** Estimated Amount of capital commitment for contracts remaining to be executed Rs. 10.42 crore (Previous year 4.71 Crore)against which advances are given Rs. 5.28 Crore (previous year Rs.4.35 Crore ).

**34 Insurance Claim receivable includes following claims which are not yet settled and any variation therein will be accounted for in the year of actual realisation:**

- Claim with The Universal Sampo General Insurance Company Limited for loss of finished goods under fire broke out on 07/12/2019 at 1st floor of the factory building at Dadri plant Rs. 78.81 Lacs (previous year Rs. 71.45 Lacs).The Claim has been increased by the amount of GST input reversal Rs.7.36 Lacs during the year .
- Claim with The Universal Sampo General Insurance Company Limited for loss of finished goods and packing material and scrap under fire broke out on 28/04/2020 at 1st floor of the factory building at Dadri plant Rs. 30.61 Lacs.
- Claim with The Universal Sampo General Insurance Company Limited for loss of Raw Material,Finished Goods, packing material and Work in progress under fire broke out on 30/04/2020 at Ground floor of the factory building at Dadri plant Rs. 110.58 Lacs.
- Claim with The Oriental Insurance Company Limited for loss of Building , Plant and machineries, Electric installation etc.under fire broke out on 30/04/2020 at Ground floor of the factory building at Dadri plant Rs.108.20 Lacs.

**35** The Company's Unit at Badreshwar, Gujarat is eligible for Electricity duty Exemption. An amount of Rs. 21,18,980 realised in respect of past period has been shown as other income, whereas the amount realised in respect of period for the year has been adjusted in the Power and fuel consumption.

**36** Balance with Indian Bank- Ahmedabad Rs.15,150 having no transactions during the year is subject to Confirmation.

**37** 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.

**38** 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, Goods and Service 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.

39 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 credited to capital reserves.

40 **Earnings per share (EPS):**

Particulars	2020-21	2019-20
Profit after Tax (Rs. in Lacs)	874.92	658.08
Average number of Equity Shares (Face Value of Rs.10)	5,116,300	5,116,300
Basic and Diluted EPS (in Rupees per Share)	17.10	12.86

41 There are no separately reportable segments in terms of IND AS-108.

42 Amount paid to Directors as remuneration:

**A. Managing Director**

Particulars	2020-21	2019-20
No. of Persons	One	One
Salary & Allowances (see note no. 45)	54.00	54.00
Perquisites	30.00	30.91

**B. Whole Time Director**

Particulars	2020-21	2019-20
No. of Persons	Two	
Salary & Allowances (see note no. 45)	8.04	8.04
Contribution to P.F & other funds	0.50	0.50
Perquisites	2.91	1.74

43 Dues to Small Scale Industrial Undertaking are identified only on the basis of information from the suppliers received, the amount outstanding as on Balance Sheet date and names of parties are given as under :

Sr No.	Name of the Concern	Amount Current Year	Amount Previous Year
1	Hindustan Plastics	-	1.01
2	SKN Industries	0.31	1.37
3	Shyam Adarsh Pack (P) Ltd	0.04	5.35
4	Om Enterprises	12.31	9.42
5	Precision moulds And Dies Private Limited	2.48	1.32
6	Satvik Ploychem Pvt Ltd	-	0.62
7	Board & Paper Laminators	9.96	3.36
8	Kriskote Industries	39.08	23.51
9	Creative Graphics solution pvt ltd	1.37	0.20
10	Vintex Rubber Industries	0.37	1.06
11	Mighty Engitech	0.27	0.05
12	Krishna Polimer	-	0.62
13	D.B.Traders	-	4.66

Sr No.	Name of the Concern	Amount Current Year	Amount Previous Year
14	Aalay Interface	4.19	3.38
15	Propack	0.35	-
16	Clarissa Chemicals	6.44	3.68
17	Resource Engimech India Pvt Ltd	-	0.16
18	Asian Metal Industries	2.03	4.34
19	Devi Graphics & Screen	0.57	0.17
20	Kamakhya Rubber & Hydraulics Industries	-	0.03
21	Kundan Industrial Products & Services	-	0.00
22	K U Sodalimuthu and Co. Pvt Ltd	-	0.46
23	Maheshwari Enterprise	0.10	0.51
24	Patel SwitchGear & Cable	-	0.40
25	Shree Laher Orgo Chem	0.57	0.08
26	Shashank Soft Services	0.23	0.20
27	Veekay Chemical	3.33	0.83
28	Link in Time India pvt ltd	0.24	-
	<b>Total</b>	<b>84.24</b>	<b>66.79</b>

44 Details of Employee Benefits as per IND AS -19 are as follows:

**(A) Defined contribution Plans**

The Company has recognized the following amounts in the profit and loss account:

PARTICULARS	2020-21	2019-20
Contribution to Provident Fund and Family Pension Fund	24.76	31.12
Employers Contribution to Employees State Insurance Scheme	4.58	6.99

**(B) 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 Charged in Defined Benefit Obligation during the year.**

Particulars	Gratuity		Leave Encashment	
	2020-21	2019-20	2020-21	2019-20
Current Service Cost	13.10	12.75	0.31	0.90
Interest Cost	10.93	9.34	0.46	0.42
Past service cost	0.00	0.00	0.00	0.00
Actuarial Losses (Gains)	13.27	11.35	-2.02	1.59
<b>Total Expenses recognized</b>	<b>37.30</b>	<b>33.44</b>	<b>-1.25</b>	<b>2.91</b>

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

Particulars	Gratuity		Leave Encashment	
	2020-21	2019-20	2020-21	2019-20
Present Value of Defined Benefit Obligation	169.91	156.08	4.57	6.61
Net Asset / (Liability) recognized in the Balance Sheet	169.91	156.08	4.57	6.61

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

Particulars	Gratuity		Leave Encashment	
	2020-21	2019-20	2020-21	2019-20
Present value of defined Benefit obligation at the beginning of year	156.08	133.45	6.61	6.50
Current Service Cost	13.10	12.75	0.31	0.90
Interest Cost	10.93	9.34	0.46	0.42
Past service cost	0.00	0.00	0.00	0.00
Actuarial Losses/(Gains)	13.27	11.35	-2.02	1.59
Benefits paid	-23.46	-10.81	-0.79	-2.28
Present value of Defined Benefit obligation at the end of year	169.91	156.08	4.57	6.61

**IV. Actuarial Assumptions**

Particulars	2020-21	2019-20
Discount Rate	7.00%	7.00%
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.

**45 Related Party Disclosure as per IND AS-24 (As certified by the Management):**
**A) List of Related Parties**
**1 Where Control Exist:**

**Subsidiary Company:** None

**Others**

Hindustan Foils Ltd.  
 Bagla Wellness Private Limited  
 Agarwal Tracom Pvt. Ltd.  
 Bagla Polifilms Ltd.  
 Bagla Tecvision Private limited  
 Bagla Techopack private limited

**2 Key Management Personal:**

Mr. Madhu Sudan Bagla - Managing Director  
 Mr. Suresh Sridhar Ajila - Whole time Director  
 Mrs. Urmila Goenka - Whole time Director  
 Mr. Nakul M Bagla - CFO  
 Mr. Sarabjeet Singh Dua - Company Secretary



**3 Relative of Key Management Personnel  
(With whom transactions taken place during the year)**

Mr. Lalit Kumar Bagla	- Father of Managing Director
Mrs. Anju Bagla	- Wife of Managing Director
Mr. Dhruv Bagla	- Son of Managing Director
Mrs. Surbhi Bagla	- Wife of CFO
Mrs. Gayathri Ajila	- Wife of Whole time Director

**4 Others**

Shree Shree Ishwar Satya Narayanjee & Other Deities
Bagla Foundation
Bagla Polifilms LLC
Surya Consumers Goods Pvt. Ltd.

**B) Transactions with Related Parties:**

Type/Name of the Related party	Nature of Transaction	Volume of Transactions		Amt. Payable/ (Recoverable)	
		2020-21	2019-20	2020-21	2019-20
<b>Where Control Exists</b>					
<b>Bagla Polifilms Ltd</b>	Loan Taken	300.00	139.00	(300.00)	-
	Purchase Goods	751.06	55.46	(0.60)	(8.43)
	Sales of Goods	43.20	32.17	-	-
	Interest Paid	6.13	12.88	(5.67)	(2.85)
	Reimbursement	21.75	0.87	0.50	0.09
<b>Bagla Techvision(P) Ltd</b>	Loan Repaid	12.50	-	-	4.36
	Reimbursement	0.80	-	-	-
<b>Bagla Technopack(P) Ltd</b>	Advances Given	40.00	-	40.00	-
	Reimbursement	0.61	-	0.61	-
<b>Bagla Wellness(P) Ltd.</b>	Reimbursement	1.56	0.16	-	-
<b>Agarwal Tracom(P) Ltd</b>	Rent Paid	1.80	1.80	-	-
	Security Deposit	-	-	15.00	15.00
<b>Hindustan Foils Ltd</b>	Reimbursement	0.11	0.42	-	0.42
<b>Key Management Personal</b>					
<b>Mr. Madhusudan Bagla</b>	MD Remuneration	84.00	84.91	-	(2.00)
	Loans & Advances Received	(11.50)	29.00	(165.00)	(181.50)
	Rent Paid	39.00	9.75	-	-
<b>Mr. Suresh Ajila</b>	Director's Remuneration	8.28	8.28	(0.32)	(0.37)
<b>Mrs. Urmila Goenka</b>	Director's Remuneration	3.17	2.00	-	-
<b>Mr. Nakul Bagla</b>	CFO Remuneration	40.35	28.80	1.10	-
	Rent Paid	15.00	15.00	-	-
	Security Deposit	-	-	7.50	7.50

Type/Name of the Related party	Nature of Transaction	Volume of Transactions		Amt. Payable/ (Recoverable)	
		2020-21	2019-20	2020-21	2019-20
<b>Relative of Key Management Personal</b>					
Mr. Dhruv Bagla	Security Deposit	-	-	7.50	7.50
	Rent Paid	15.00	15.00	-	-
Mrs. Gayatri Ajila	Commission	8.78	9.10	-	-
	Rent Paid	5.26	4.94	(0.20)	-
	Office Maintenance	3.08	2.88	(0.11)	-
	Security Deposit Given	-	-	10.00	10.00
Mr. Lalit Kumar Bagla	Loan Taken	-	61.00	(61.00)	(61.00)
Mrs. Anju Bagla	Salary	28.80	28.80	-	-
<b>Others</b>					
Bagla Foundation	Donation	1.05	2.50	-	-
Surya Consumers Goods Pvt. Ltd.	Reimbursement	-	0.86	-	-
Shree Shree Ishwar Satya Narayanjee & Other Deities	Advance Received	70.40	-	-	-
	Advance Given	6.00	-	-	-
Bagla Polifilms LLC	Sales	25.60	78.26	25.49	45.84

## 46 Derivative Instruments and un-hedged Foreign Currency disclosure

Particulars	2020-21			2019-20		
	Rs.	Value in Foreign Currency		Rs.	Value in foreign Currency	
Export Sales / return of equipment's purchased	1,949.61	USD	26.78	617.25	USD	8.21
	132.89	Euro	1.54	154.55	Euro	1.87
Advance for Machine/store itmes	63.60	Euro	0.73	412.36	Euro	5.01
Advance for Material	431.36	USD	5.95	91.65	USD	1.22
	5.54	Euro	0.07	5.20	Euro	0.07
For Others	-	USD	-	-	USD	-
	-	GBP	-	5.68	GBP	0.07
<b>Total</b>	<b>2,380.97</b>	<b>USD</b>	<b>32.73</b>	<b>708.91</b>	<b>USD</b>	<b>9.44</b>
	<b>5.54</b>	<b>GBP</b>	<b>0.07</b>	<b>10.87</b>	<b>GBP</b>	<b>0.14</b>
	<b>196.48</b>	<b>Euro</b>	<b>2.27</b>	<b>566.91</b>	<b>Euro</b>	<b>6.88</b>
Payables	-	-	-	-	-	-
Import- Material	714.07	USD	9.68	396.66	USD	5.23
	58.54	Euro	0.67	34.67	Euro	0.41
Import- Capital goods	52.81	Euro	0.65	54.05	Euro	0.64
	0.93	USD	0.01	-	-	-
Import- Expenses	115.06	-	1.53	-	-	-
Import- Store	4.22	GBP	0.04	3.87	GBP	0.04

Particulars	2020-21			2019-20		
	Rs.	Value in Foreign Currency		Rs.	Value in foreign Currency	
Advance Received	518.97	USD	6.96	291.01	USD	3.56
	26.00	Euro	0.37	17.72	Euro	0.23
Foreign currency loan	591.07	Euro	6.74	844.37	Euro	10.00
Total	<b>1,349.03</b>	<b>USD</b>	<b>18.18</b>	<b>687.67</b>	<b>USD</b>	<b>8.79</b>
	<b>728.42</b>	<b>Euro</b>	<b>8.42</b>	<b>950.79</b>	<b>Euro</b>	<b>11.29</b>
	<b>4.22</b>	<b>GBP</b>	<b>0.04</b>	<b>3.87</b>	<b>GBP</b>	<b>0.04</b>

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

48 The above audited results for the quarter and year ended 31st March, 2021 has been reviewed by the Audit committee and approved by the Board of Directors at their respective meetings held on 25th June, 2021

**For Rajan Goel and Associates**  
Chartered Accountants  
ICAI Firm Regn. No. 004624N

**For and on behalf of the Board of Directors**

**CA Rajan Kumar Goel**  
Proprietor  
Membership No. 083829

**(Amit Kumar)**  
Director  
DIN 06902856

**(M. S. BAGLA)**  
Mg. Director  
DIN 01425646

**(S. S. Dua)**  
Company Secretary  
M. No. ACS13343

**(N. M. BAGLA)**  
CFO

Place: New Delhi  
Date: 25/06/2021









Bagla Group

If Undelivered please return to :

**HINDUSTAN ADHESIVES LIMITED**

**Regd. Office** : B-2/8, Safdarjung Enclave,  
New Delhi-110029