



HINDUSTAN ADHESIVES LIMITED

Date: 19.10.2018

To,

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

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

BSE Scrip Code- 514428

Sub: Annual Report 2017-18

In accordance with the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the soft copy of the Annual Report for the Financial Year 2017-18 duly approved and adopted by the shareholders of the Company at the 30th Annual General Meeting of the Company held on 29th September, 2018.

Kindly take the same on your record and oblige.

Thanking You,

Yours Faithfully

For HINDUSTAN ADHESIVES LIMITED

(Madhusudan Bagla)
Managing Director
DIN: 01425646



Works : 29th Milestone, G.T. Road, Achheja, Tehsil Dadri, Uttar Pradesh - 203207. India Tel. : 0120 - 2074618
Registered Office : 340/2-A, G.T. Road, Shahdara, Delhi - 110095. India Tel. : 011 - 22131880
Corporate Office : B-2/8, Safdarjung Enclave, New Delhi - 110029. India Tel. : 011 - 41650347
Fax : 011 - 26191358 E-mail : info@bagla-group.com Website : www.bagla-group.com
PAN No. AAACH1276N CIN No. L74899DL1988PLC031191

30th
Annual
Report
2017-2018



HINDUSTAN ADHESIVES LIMITED

30TH ANNUAL REPORT

2017 - 2018

BOARD OF DIRECTORS:

Mr. L. K. Bagla
 Mr. M. S. Bagla
 Mr. K. C. Gupta (up to 11th October, 2017)
 Mr. Pawan Geetaram Sharma
 Mr. Suresh Sridhar Ajila
 Mrs. Urmila Goenka
 Mr. Amit Kumar
 Mr. Shrikishan Mittal (up to 31st August, 2018)
 Mr. Nakul Bagla (CFO)

COMPANY SECRETARY:

Mr. S. S. Dua

AUDITORS:

M/s. SPMR and Associates
 Chartered Accountants,
 1208 Devika Tower,
 6, Nehru Place, New Delhi-110019

BANKERS:

Allahabad Bank, International Branch,
 1st Floor, 17, Parliament Street, New Delhi - 110 001

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

SHARE TRANSFER & DEMAT AGENT:

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

REGISTERED OFFICE:

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

FACTORY:

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

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

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

SHARES LISTED AT:

Mumbai, Kolkata
 Stock Exchanges

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**DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2017-2018**

To,
The Members,

The Directors have pleasure in presenting the 30th Annual Report of the company together with the financial statements, for the year ended on 31st March 2018.

FINANCIAL PERFORMANCE OF THE COMPANY:

During the Financial Year 2017-2018, The Financial position of the Company is as under:

(Amount in lakhs)

PARTICULARS	Year Ended 31st March 2018	Year Ended 31st March 2017
Gross Sales and Other Income	7,656	7,506
Earnings before interest, taxes, depreciation and amortization	911	1169
Profit/(loss) before depreciation and amortization, exceptional item and tax	648	879
Depreciation and Amortization	313	343
Profit / (Loss) before tax	335	536
Provision for tax	87	45
Net Profit// (Loss)	249	491
Earning Par share	4.87	9.60
Propose dividend on Equity Share	—	—
Tax on Dividend	—	—

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 2017-18.

RESERVES:

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

STATE OF COMPANY'S AFFAIR:

The Company is pleased to inform the shareholders that it has started unit in the Kutch region of the state of Gujarat for manufacturing BOPP Packaging Tapes for both the domestic and the international markets, the production of such facilities has been commenced and the company is making maximum efforts to sale maximum capacity in the overseas market

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

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

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 2017-18.

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

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

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES:

During the year, the company has sold substantial shares of M/s Bagla Wellness Private Limited, a subsidiary company during the year. Therefore, at the end of the year the M/s Bagla Wellness Private Limited is no more subsidiary company as defined u/s 2(87) of the companies act, 2013.

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 SPMR & Associates, Chartered Accountants (Registration No. 007578N), Statutory Auditors on the financial statements of the Company for the Financial year 2017-18 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 FY 2017-18.

The Board of Directors recommends appointment of **M/s. Rajan Goel & Associates, Chartered Accountants (Firm Registration No: 004624N)** as Statutory Auditors of the Company in place of M/s SPMR & Associates, Chartered Accountants (Registration No. 007578N) who has tendered their resignation as Statutory Auditors of the Company. The

Board of Directors of the Company at its meeting held on 14th August, 2018 have appointed M/s. Rajan Goel & Associates, Chartered Accountants (Firm Registration No: 004624N), subject to approval of shareholders at ensuing Annual General Meeting, to hold office from the conclusion of 30th Annual General Meeting till the conclusion of 35th Annual General Meeting.

The Board recommends to the members of the Company approval of appointment of M/s. Rajan Goel & Associates, Chartered Accountants (Firm Registration No: 004624N) as the Statutory Auditors of the Company. Your Company has received a letter from M/s. Rajan Goel & Associates, Chartered Accountants (Firm Registration No: 004624N) to the effect that their appointment, if made, would be under the second and third proviso to Section 139 (1) of the Companies Act, 2013 and that they are not disqualified within the meaning of Section 141 of the Companies Act, 2013 read with Rule 4(1) of the Companies (Audit and Auditors) Rules, 2014.

(2) SECRETARIAL AUDITORS:

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed **Mr. Puneet Kumar Pandey**, a Company Secretary in Practice to undertake the Secretarial Audit of the Company for the year ended 31st March, 2018. The Secretarial Audit Report is annexed as **“Annexure A”**.

The Secretarial Audit Report for the financial year ended 31st March, 2018 do not contain any qualification, reservation, adverse remark or disclaimer.

(3) INTERNAL AUDITOR

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

SHARE CAPITAL:

The paid up Equity Share Capital as on 31st March, 2018 was Rs. 5.11 Crores. During the year under review, the Company has not issued any shares.

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

EXTRACT OF THE ANNUAL RETURN:

The extracts of Annual Return in Form MGT – 9 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 for the Financial Year 2017-18 is furnished in **“Annexure-B”** and is attached to this report.

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

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

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- D”** to this Report.

The CSR committee comprises two Non-executive Independent Directors Namely Shri. Amit Kumar and Shri. Pawan Sharma 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. Lalit Kumar Bagla, (DIN 01596548) Director of the Company is liable to retire by rotation and being eligible, offer himself for re-appointment.

Mr. Sudeep Pande (DIN: 08212946) who was appointed as the Additional non executive Independent director of the Company by the Board with effect from 1st September, 2018 and who holds office under Section 161 of the Companies Act, 2013 (“the Act”) upto the date of the forthcoming Annual General Meeting but who is eligible for re-appointment, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director under the provision of Section 160 of the Companies Act, 2013.

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

NUMBER OF MEETINGS OF BOARD OF DIRECTORS:

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

BOARD EVALUATION:

In line with the requirement of Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a meeting of the Independent Directors of the Company was held on 31st March, 2018, wherein the performance of the non-independent directors including Chairman was evaluated.

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

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

AUDIT COMMITTEE:

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

STAKEHOLDERS RELATIONSHIP COMMITTEE:

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

Pursuant to the provisions of Section 177 (9) & (10) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 and as per the listing regulations, the Company has adopted a Whistle Blower Policy, which provides for a vigil mechanism that encourages and supports its Directors and employees to report instances of unethical behavior, actual or suspected, fraud or violation of the Company’s Code of Conduct or Ethics Policy. It also provides

for adequate safeguards against victimization of persons who use this mechanism. The policy adopted by the company is also posted on the website of the company, www.bagla-group.com.

NOMINATION AND REMUNERATION COMMITTEE:

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

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act 2013 for the Financial Year 2017-18 in the prescribed format, **Form AOC-2** has been enclosed with the report as **"ANNEXURE E"**.

RISK MANAGEMENT POLICY:

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

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

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

DECLARATION OF INDEPENDENT DIRECTORS:

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

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

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- a) in the preparation of the annual financial statements for the year ended March 31, 2018, the applicable Accounting Standards had been followed along with proper explanation relating to material departures.
- b) for the financial year ended March 31, 2018, 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, 2018.
- 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: 01.09.2018

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, 2018
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on my verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to me and the representations made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018, 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, 2018 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

HINDUSTAN ADHESIVES LIMITED

- 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. **Not Applicable**
- 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.

Place : Delhi
Date : 01.09.2018

Puneet Kumar Pandey
M No- A29848
C P No- 10913

FORM NO. MGT-9**EXTRACT OF ANNUAL RETURN**As on the financial year ended on 31st March, 2018.

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1.	SELF ADHESIVE TAPES	2429	67.25
2.	POF FILM	2429	32.75

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
-	-	-	-	-	-

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a) Individual/ HUF	2393329	-	2393329	46.78	2393329	-	2393329	46.78	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	895366	-	895366	17.50	1110166	-	1110166	21.69	4.19
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	3288695	-	3288695	64.28	3503495	-	3503495	68.47	4.19
2. Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
c) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)=(A) (1) + (A)(2)	3288695	-	3288695	64.28	3503495	-	3503495	68.47	4.19
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	200	200	0.0039	0.0039
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.									
d) State Govt(s).	-	-	-	-	-	-	-	-	-
Sub-Total(B)(1)	-	-	-	-	-	200	200	0.0039	0.0039
2. Non Institutions									
a) Bodies Corp.									
(i) Indian	541817	39100	580917	11.35	302986	38500	341486	6.6745	-4.6797
(ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
Individual shareholding Rs holding nominal share capital up to Rs. 1 lakh	440179	492784	932963	18.2351	415939	472585	888524	17.3665	-0.8686
Individual shareholders holding nominal share capital in excess of Rs 1 lakh	241248	-	241248	4.7153	312677	-	312677	6.1114	1.3961

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (Specify)									
(c – i) Trust	-	-	-	-	-	100	100	0.002	0.0020
(c – ii) Non Resident Indian (Repat)	7286	0	7286	0.1424	5618	0	5618	0.1098	-0.0326
(c – iii) Non Resident Indian (Non Repat)	4461	0	4461	0.0872	5069	0	5069	0.0991	0.0119
(c-iv) Hindu Undivided Family	54277	0	54277	1.0609	51673	0	51673	1.0100	-0.0509
(c-v) Clearing Member	6353	0	6353	0.1242	7358	0	7358	0.1438	0.0196
(c- vi) Foreign National	—	100	100	0.0020	—	100	100	0.0020	0.0000
Sub-Total(B)(2)	1295621	531984	1827605	35.72	1101320	511285	1612605	31.5190	-4.2022
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1295621	531984	1827605	35.72	1101320	511485	1612805	31.5190	-4.2022
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total(A+B+C)	4584316	531984	5116300	100.00	4604815	511485	5116300	100.00	0.00

III. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
1.	Madhusudan Bagla	812419	15.88	N.A	812419	15.88	N.A	-
2.	Anju Bagla	598630	11.70	N.A	598630	11.70	N.A	-
3.	Sidhika Bagla	26350	0.52	N.A	26350	0.52	N.A	-
4.	Dhruv Bagla	314580	6.15	N.A	314580	6.15	N.A	-
5.	Nakul Bagla	372100	7.27	N.A	372100	7.27	N.A	-
6.	M.S. Bagla (HUF)	269250	5.26	N.A	269250	5.26	N.A	-
7.	Bagla Polifilms Limited	255400	4.99	N.A	255400	4.99	N.A	-
8.	Surya Consumer Goods Pvt Ltd	165000	3.22	N.A	165000	3.22	N.A	-
9.	Synergy Commerce Pvt Ltd	220000	4.30	N.A	220000	4.30	N.A	-
10.	Delhi Foils Private Limited	254966	4.98	N.A	254966	4.98	N.A	-
11.	Hamsafar Vanijya Private Limited**	—	—	—	2,14,800	4.19	N.A.	-
	Total	32,88,695	64.28	N.A.	3,503,495	68.48	N.A.	-

**Since Mr. Madhusudan Bagla, Mr. Dhruv Bagla, Mr. Nakul Bagla and their relatives have acquired the 58.20% shareholding of Hamsafar Vanijya Private Limited who is holding 4.19% equity shares in the Company. By virtue of indirect acquisition, Promoters Group holding has been increased and “Hamsafar Vanijya Private Limited” has been inducted in the Promoters Group.

IV. Change in Promoters' Shareholding

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	At the beginning of the year	32,88,695	64.28	32,88,695	64.28
	By virtue of indirect acquisition on 10.03.2018, “Hamsafar Vanijya Private Limited” has been inducted in the Promoters Group.	2,14,800	4.20	2,14,800	4.20
	At the End of the year	3,503,495	68.48	3,503,495	68.48

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

Sl. No.	Name	Shareholding at the beginning (01/04/2017)		Date	Increase/Decrease in shareholding	Reasons	Cumulative Shareholding during the year (01/04/2017) to (31/03/2018)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Saphire Hospitality Management Pvt Ltd	255320	4.99	—	—	—	255320	4.99
	At the end of the year	—	—	—	—	—	255320	4.99
2.	Hamsafar Vanijya Private Limited**	214800	4.20	—	—	—	214800	4.20
	At the end of the year	—	—	—	—	—	214800	4.20
3.	Deepinder Singh Poonian	133801	2.61	—	—	—	133801	2.61
	At the end of the year	—	—	—	—	—	133801	2.61
4.	Ashok Visvanathan	4716	0.0922	—	—	—	4716	0.0922
	Transfer			07.04.17	1123	Increase	5839	0.1141
	Transfer			14.04.17	16532	Increase	22371	0.4372
	Transfer			21.04.17	9229	Increase	31600	0.6176
	Transfer			28.04.17	2960	Increase	34560	0.6755
	Transfer			05.05.17	2000	Increase	36560	0.7146
	Transfer			12.05.17	2000	Increase	38560	0.7537
	Transfer			19.05.17	4500	Increase	43060	0.8416
	Transfer			02.06.17	9573	Increase	52633	1.0287
	Transfer			09.06.17	350	Increase	52983	1.0356

Sl. No.	Name	Shareholding at the beginning (01/04/2017)		Date	Increase/ Decrease in shareholding	Reasons	Cumulative Shareholding during the year (01/04/2017) to (31/03/2018)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
	Transfer			23.06.17	2798	Increase	55781	1.0903
	Transfer			17.11.17	1300	Increase	57081	1.1157
	Transfer			24.11.17	1500	Increase	58581	1.1450
	At the end of the year						58855	1.1503
5	Dheeraj Kumar Lohia	48518	0.9483	—	—	—	48518	0.9483
	At the end of the year	—	—	—	—	—	48518	0.9483
6.	SR GUPTA	32525	0.6357	—	—	—	32525	0.6357
	At the End of the Year	—	—	—	—	—	32525	0.6357
7.	Saurabh Ranjit Parikh	—	—	—	—	—	—	—
	Transfer			26.01.18	1349	Increase	1349	0.0264
	Transfer			02.02.18	8719	Increase	10068	0.1968
	Transfer			09.02.18	2502	Increase	12570	0.2457
	At the end of the year						23108	0.4517
8.	Mitin C Jain	—	—	—	—	—	—	—
	Transfer			02.02.18	8917	Increase	8917	0.1743
	Transfer			09.02.18	2243	Increase	11160	0.2181
	Transfer			23.02.18	5092	Increase	16252	0.3176
	At the End of the Year						17038	0.330
9.	Nishant R Parikh							
	Transfer			12.01.18	3098	Increase	3098	0.0606
	Transfer			19.01.18	7985	Increase	11056	0.2161
	Transfer			26.01.18	1500	Increase	12556	0.2454
	Transfer			02.02.18	1821	Increase	14377	0.2810
	Transfer			09.02.18	500	Increase	14877	0.2908
	At the End of the Year						15916	0.3111
10.	Bindal Mercantile Pvt. Ltd.	14800	0.2893	—	—	—	14800	0.2893
	At the End of the Year	—	—	—	—	—	14800	0.2893
11.	Value Industries Limited	14200	0.2775	—	—	—	—	—
	At the End of the Year						14200	0.2775
12.	Dr. Ramesh Chimanlal Shah	18322	0.3551	—	—	—	18322	0.3551
	Transfer			12.05.17	(500)	Decrease	17822	0.3483
	Transfer			06.10.17	(3822)	Decrease	14000	0.2736
	Transfer			27.10.17	1279	Increase	15279	0.2986

Sl. No.	Name	Shareholding at the beginning (01/04/2017)		Date	Increase/ Decrease in shareholding	Reasons	Cumulative Shareholding during the year (01/04/2017) to (31/03/2018)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
	Transfer			24.11.17	(5279)	Decrease	10000	0.1955
	Transfer			15.12.17	(1000)	Decrease	9000	0.1759
	Transfer			22.12.17	(3050)	Decrease	5950	0.1163
	Transfer			05.01.18	(2950)	Decrease	3000	0.0586
	At the End of the Year						3000	0.0586
13.	Soyuz Trading Company Ltd.	17739	0.3467	—	—	—	17739	0.3467
	Transfer	—	—	07.04.17	(8524)	Decrease	9215	0.1801
	Transfer	—	—	14.04.17	(9215)	Decrease	0	0.0000
	At the End of the Year	—	—	—	—	—	0	0.0000
14.	Lalit Jalan	16000	0.3127				16000	0.3127
				21.04.17	(6000)	Decrease	10000	0.1955
				28.04.17	(1900)	Decrease	8100	0.1583
				05.05.17	(1048)	Decrease	7052	0.1378
				12.05.17	(582)	Decrease	6470	0.1265
				19.05.17	(2040)	Decrease	4430	0.0866
				02.06.17	(2330)	Decrease	2100	0.0410
				09.06.17	(200)	Decrease	1900	0.0371
				16.06.17	(754)	Decrease	1146	0.0224
				23.06.17	(646)	Decrease	500	0.0098
				01.12.17	1762	Increase	2262	0.0442
				29.12.17	515	Increase	2777	0.0543
				19.01.18	(2777)	Decrease	0	0.0000
	At the End of the Year						0	0.0000

**Since Mr. Madhusudan Bagla, Mr. Dhruv Bagla, Mr. Nakul Bagla and their relatives have acquired the 58.20% shareholding of Hamsafar Vanija Private Limited who is holding 4.19% equity shares in the Company. By virtue of indirect acquisition, Promoters Group holding has been increased and “Hamsafar Vanija Private Limited” has been inducted in the Promoters Group.

VI. Shareholding of Directors and Key Managerial Personnel:

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

V. INDEBTEDNESS:

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2017)				
i) Principal Amount	20,42,52,267	44,60,000		20,87,12,267
ii) Interest due but not paid				
iii) Interest accrued but not due	36,563			36,563
Total (i + ii + iii)	20,42,88,830	44,60,000		20,87,48,830
Change in Indebtedness during the financial year				
- Addition	15,01,08,959	11,85,45,926		26,86,54,885
- Reduction	95,303	44,60,000		(43,64,697)
Net Change	15,02,04,262	11,40,85,926		26,42,90,188
Indebtedness at the end of the financial year (31.03.2018)				
i) Principal Amount	35,43,61,226	11,85,45,926		47,29,07,152
ii) Interest due but not paid				
iii) Interest accrued but not due	1,31,866	4,00,377		3,52,243
Total (i + ii + iii)	35,44,93,092	11,89,46,303		47,34,39,395

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	MADHUSUDAN LALIT KUMAR BAGLA	URMILA GOENKA	SURESH SHRIDHAR AJILA	Total Amount
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	54,00,000/-	1,80,000/-	6,00,000/-	61,80,000/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	30,00,000/-	20,000/-	2,04,400/-	32,24,400/-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- Others, specify...	-	-	-	-
5.	Others, please specify				
	Total (A)	84,00,000/-	2,00,000/-	8,04,400/-	94,04,400/-
	Ceiling as per the Act	the payment are as per schedule and as per section 197 of Company at 2013 and as approved by the ministry of company affairs			

B. Remuneration to other directors:
1. Independent Directors:

Particulars of Remuneration	KAILASH CHANDRA GUPTA	SHRI KISHAN MITTAL	PAWAN KUMAR GEETARAM SHARMA	AMIT KUMAR	TOTAL
• Fee for attending board committee meetings	7500/-	20,000/-	30,000/-	35,000/-	92,500/-
• Commission- Others, please specify	-	-	-	-	-
Total (1)	7500/-	20,000/-	30,000/-	35,000/-	92,500/-

2. Non – Executive Directors:

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

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		NAKUL BAGLA	SARABJEET SINGH DUA	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section17(1)of the Income-tax Act,1961	12,00,000/-	54,000/-	12,54,000/-
	(b) Value of perquisites u/s17(2) Income-tax Act,1961	16,80,000	Nil	16,80,000
	(c) Profits in lieu of salary under section17(3) Income-tax Act,1961			
2.	Stock Option	-	-	
3.	Sweat Equity	-	-	
4.	Commission - as % of profit - Others, specify...	-	-	
5.	Others, please specify	-	-	
	Total (C)	28,80,000/-	54,000/-	29,34,000/-



VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/punishments/compounding of offences for the year ended 31 March, 2018.

By order of the Board of Directors of
HINDUSTAN ADHESIVES LIMITED

Date: 01.09.2018
Place: New Delhi

SURESH AJILA
WHOLE TIME DIRECTOR
DIN: 03203748

MADHUSUDAN BAGLA
MANAGING DIRECTOR
DIN: 01425646

ANNEXURE C

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

(A) Conservation of energy-

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

(B) Technology absorption-

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

(C) Foreign exchange earnings and Outgo-

The Company's main line of Business is manufacturing Adhesives Tape, BOPP Film and POF Film (Polyolefin Shrink Film). The Company has achieved Export Turnover of Rs. **1012.49 lakhs during the year under report 2017-2018, as compared to Rs. 958.51 lakhs** in the previous year, 2016-2017.

(Rs. in Lakhs)

Particulars	2017-2018	2016-2017
Total Foreign Exchange Received (F.O.B. Value of Export)	969.28	905.66
Total Foreign Exchange used:		
i) Raw Materials	1597.77	1511.18
ii) Consumable Stores	9.59	2.14
iii) Capital Goods	1584.13	7.14
iv) Foreign Travels	29.24	39.45
v) Others	2.32	7.96

By order of the Board of Directors of
HINDUSTAN ADHESIVES LIMITED

Date: 01.09.2018
Place: New Delhi

SURESH AJILA
WHOLE TIME DIRECTOR
DIN: 03203748

MADHUSUDAN BAGLA
MANAGING DIRECTOR
DIN: 01425646

ANNEXURE D
ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES for the financial year ended 31st March 2018
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), web link address WWW.bagla-group/investor.

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 Sharma, Member, Independent Director c) Shri. Amit Kumar, Member, Independent Director.

3. 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. 382.07 Lakhs.

4. Prescribed CSR expenditure (2% of the amount as in item no.3 above): 7.64 Lakhs
5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year: Rs. 7.64 Lakhs/-

(b) Amount unspent, if any:

Being the initial year, the Company was in the process of evaluating the focus areas / locations of intervention for CSR activities to cater to the pressing needs of society and deliver optimal impact. As a socially responsible company, your Company is committed to increase its CSR impact and spend over the coming years, with its aim of playing a larger role in India's sustainable development by embedding wider economic, social and environmental objectives.

(c) Manner in which the amount spent during the financial year is detailed below:

S. No	CSR project or activity identified	Sector in which the project is covered	Projects or Program (a) local area or other (b) specify the state and district where projects or program was undertaken	Amount outlay (budget) project or programs wise (in Rs. Lakhs)	Amount spent on the projects or programs sub-head: (1) Direct expenditure on projects or programs (2) Overheads (in Rs. Lakhs)	Cumulative Expenditure up to the reporting Period (in Rs. Lakhs)	Amount spent: Direct or through implementing agency (in Rs. Lakhs)

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report:

Being the initial year, the Company was in the process of evaluating the focus areas / locations of intervention for CSR activities to cater to the pressing needs of society and deliver optimal impact. As a socially responsible company, your Company is committed to increase its CSR impact and spend over the coming years, with its aim of playing a larger role in India's sustainable development by embedding wider economic, social and environmental objectives.

7. Responsibility statement we hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with the CSR objectives and policy of the Company.

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: 01.09.2018

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	DURATION OF CONTRACT/ ARRANGEMENT/ TRANSCATIONS	AMOUNT PAID / RECEIVED AS ADVANCE	DATES(S) OF APPROVAL BY THE BOARD, IF ANY	AMOUNT PAID AS ADVANCE, IF ANY
Surbhi Bagla	Availing Professional Services for designing and Brand Consultant for Gujrat Unit	N.A.	Rs.1,16,000/-	11.11.2017	N.A.
Surbhi Bagla	Availing Professional Services for designing and Brand Consultant for Ghaziabad Unit	N.A.	Rs . 1,00,000/-	11.11.2017	N.A.
Nakul Bagla	Sale of Investment in Bagla Wellness Private Limited	N.A.	Rs.14,12,500/-	14.02.2018	N.A
Nakul Bagla	Sale of Investment in Bagla Polifilms Limited	N.A	Rs.33,38,000/-	14.02.2018	N.A.
Dhruv Bagla	Sale of Investment in Bagla Wellness Private Limited	N.A.	Rs. 1412500/-	14.02.2018	N.A.
Dhruv Bagla	Sale of Investment in Bagla Polifilm Limited	N.A	Rs.22,66,000/-	14.02.2018	N.A.

By order of the Board of Directors of
HINDUSTAN ADHESIVES LIMITED

Date: 01.09.2018

Place: New Delhi

SURESH AJILA
WHOLE TIME DIRECTOR
DIN: 03203748

MADHUSUDAN BAGLA
MANAGING DIRECTOR
DIN: 01425646

ANNEXURE – E

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	69.23
Urmila Goenka	1.48
Suresh Ajila	4.94

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

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

3. **The percentage increase in the median remuneration of employees in the financial year: - 17.07**
4. **The number of permanent employees on the rolls of Company: 255.**
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 5.01 % 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: 01.09.2018
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 Seven Directors. The Composition of Board of Directors is as under:-

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

- ii. None of the directors on the Board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a director. Necessary disclosures regarding committee positions in other public companies as on March 31, 2018 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 2017-18, the board met 7 (Seven) times (as against the minimum requirement of four meetings) on the following dates, namely:-

7th April, 2017, 23rd May, 2017, 30th May, 2017, 23rd June, 2017, 21st August, 2017, 11th November, 2017 and 14th February, 2018.**

* *The Board meeting that was going to be held on 14.08.2017 but, was adjourned due to want of some information and was rescheduled and held on 21.08.2017.

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

Sl. No.	Name	Category Membership	Attendance Particulars		Number of directorships		Number of committee positions held in other public companies	
			Board Meeting	Last AGM	in all other Companies	Excl. pvt. Ltd., *foreign & Sec. 8 Companies	Chairman	Member
01.	Mr. Lalit Kumar Bagla DIN: 01596548	Chairman (Non-Executive Director)	7	YES	3	1	NIL	NIL
02.	Mr. M. S. Bagla DIN: 01425646	Managing Director (Executive Director)	7	YES	7	2	NIL	NIL
03.	Mr. Pawan Sharma DIN: 01660557	Director (Independent)	6	YES	2	NIL	NIL	NIL
04.	Mr. K. C. Gupta* DIN: 01649210	Director (Independent)	1	NO	2	1	NIL	NIL
05.	Mr. Suresh ShridharAjila DIN: 03203748	Director (Executive Director)	6	NO	NIL	NIL	NIL	NIL
06.	Mrs. Urmila Goenka DIN: 01165727	Director (Executive Director)	6	NO	NIL	NIL	NIL	NIL
07.	Mr. Amit Kumar DIN: 06902856	Director (Independent)	7	YES	NIL	NIL	NIL	NIL
08	Mr. Shri Kishan Mittal**	Director (Independent)	3	YES	1	NIL	NIL	NIL

*Mr. K.C. Gupta has resigned from the Board w.e.f 11th October, 2017.

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

3. Audit Committee

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

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

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

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

To mandatorily review the following information:

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

The composition of the audit committee as at 31st March, 2018 and the details of meetings attended by its members are given below:

Name	Category	No. of Meetings during the Financial Year 2017-18	
		Held	Attended
Mr. K.C. Gupta* (Chairman)	Non Executive Independent Director	4	1
Mr. Pawan Sharma(Member)	Non Executive Independent Director	4	3
Mr. Amit Kumar(Member)	Non Executive Independent Director	4	4
Mr. Shri Kishan Mittal**(Chairman)	Non Executive Independent Director	4	2

* Mr. K.C. Gupta resigned from the board w.e.f. 11th October, 2017.

**Mr. Shri Kishan Mittal was appointed as director and Chairman w.e.f. 21st August, 2017.

During the financial year 2017-18, meetings of the Audit Committee were held 4 times i.e. on 30th May 2017, 21st August 2017**, 11th November 2017 and 14th February 2018.

*** Meeting scheduled at 14th August, 2017 was held and subsequently adjourned due to want of some information and was rescheduled and held on 21st August 2017.

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, 2018 and the details of meetings attended by its members are given below:

Name	Category	No. of Meetings during the Financial Year 2016-17	
		Held	Attended
Mr. Pawan Sharma (Chairman)	Non Executive Independent Director	1	1
Mr. K.C. Gupta (Member)*	Non Executive Independent Director	—	—
Mr. Amit Kumar(Member)	Non-Executive Independent Director	1	1
Mr. Shri Kishan Mittal**	Non Executive Independent Director	1	1

* Mr. K.C. Gupta resigned from the board w.e.f. 11th October, 2017.

**Mr. Shri Kishan Mittal was appointed as Director w.e.f. 21st August, 2017.

During the financial year 2017-18, one meetings of the Committee was held i.e. on 14th February 2018.

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. 84,000,000/-	Rs. 7,54,000/-	Rs. 1,80,000/-
Contribution to Superannuation Fund (Rs.)	NIL	Rs. 50,400/-	Nil
Bonus and performance linked Incentive (Rs.)	Nil	Nil	Rs.20000/-

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

Sl.No.	Name	Commission Payable (Rs.)	Sitting Fees	Shares held
1	Mr. L. K. Bagla	NIL	NIL	NIL
2	Mr. K. C. Gupta	NIL	Rs. 7,500	NIL
3	Mr. Pawan Sharma	NIL	Rs. 30,000	NIL
4	Mr. Amit Kumar	NIL	Rs. 35,000	NIL
5	Mr. Shri Kishan Mittal	NIL	Rs. 20,000	NIL

5. i) Stakeholders Relationship Committee

During the financial year 2017-18, meetings of the Stakeholder Relationship Committee were held on 30th May, 2017, 14th August, 2017, 11th November, 2017 and 14th February, 2018.

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 2017-18	
		Held	Attended
Mr. L.K. Bagla (Chairman)	Non Executive Director	4	4
Mr. M. S. Bagla (Member)	Executive Director	4	4

Details of investor complaints received and redressed during the year 2017-18 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 31st March, 2018 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 31st March, 2018, the Committee comprises of three members including two Non-Executive Independent Director namely Shri. Amit Kumar and Mr. Pawan Sharma, 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 14th February, 2018 and 31st March, 2018.

7. General Body Meeting

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

Financial year	Date	Time	Place
2014-2015	18.09.2015	10.00 A.M	Orchid Palace, Main Chattarpur Road, Asola Fatepur Beri, New Delhi-110074
2015-2016	30.09.2016	10.00 A.M	Orchid Palace, Main Chattarpur Road, Asola Fatehpur Beri, New Delhi-110074
2016-2017	29.09.2017	10.00 A.M	Orchid Palace, Main Chattarpur Road, Asola Fatehpur Beri, New Delhi-110074

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

Financial year	Items
2014-2015	-----
2015-2016	a) Resolution under Section 196 and 197 and any other applicable provisions of the Companies Act, 2013. b) Resolution under Section 196,203, Schedule V and other applicable provisions of the Companies Act, 2013.
2016-2017	a) Resolution for re-appointment of Mr. Suresh Shridhar Ajila, as Whole Time Director for a period of three Years. b) Resolution for re-appointment of Mrs. Urmila Goenka, as Whole Time Director for a period of three Years.

7. Disclosures

i. Related Party transactions

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

ii. Details of non-compliance by the Company, penalties, structures imposed on the Company by the stock exchanges or the securities and exchange board of India or any statutory authority, on any matter related to capital markets, during the last three years 2015-16, 2016-17 and 2017-18 respectively: **NIL**

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

iv. Reconciliation of share capital audit:

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

v. Code of Conduct

The members of the board and senior management personnel have affirmed the compliance with the Code applicable to them during the year ended March 31, 2018. The Annual Report of the Company contains a Certificate by the Managing Director in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

8. Postal Ballot:

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

9. Means of communication:

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

9. GENERAL SHAREHOLDER INFORMATION
9.1 Annual General Meeting

Date and Time	29 th September, 2018 at 10.00 A.M.
Venue	Orchid Palace, Main Chattarpur Road, Asola Fatehpur Beri, New Delhi-110074

9.2 Financial Calendar (2018-19)

Annual General Meeting	
For the next year ending 31 st March, 2019	before 29 th September 2019

9.3 Book Closure date 22.09.18 to 29.09.18

9.4 Dividend Payment date

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

9.6 Stock Code

(i) ISIN Numbers Equity Shares INE 074C01013

9.7 Registrar and Share Transfer Agent

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

9.8 Share Transfer Systems:

Share transfers are presently registered within a maximum period of fifteen days from the date of receipt provided the documents are complete in all respects. Board of Directors has authorized Registrar to approve all share transfers. Now, since the requirement of issuing option letter no more exist. The Registrar on receipt of Share transfer request, after confirming all details transfer the shares as per law and directly dispatches the same to the transferee.

9.9. Categories of equity shareholders as on March 31, 2018:

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

9.10. Distribution of Share holding as on March 31, 2018

No of Equity Shares Held	No of Shareholder	% of Shareholder	Number of Shares	% of Shareholding
1-500	6262	96.6209	643129	12.5702
501-1000	105	1.6201	87831	1.7167
1001-2000	48	0.7406	74263	1.4515
2001-3000	17	0.2623	40781	0.7971
3001-4000	9	0.1389	30175	0.5898
4001-5000	5	0.0771	22401	0.4378
5001-10000	12	0.1852	84703	1.6556
10001 and above	23	0.3549	4133017	80.7814
Total	6481	100	5116300	100

9.11 Market price data: High, low (based on daily closing prices) and number of equity shares traded during each month in the year 2017-18 on BSE

Month	High	Low	No. of shares traded
April 2017	86.90	60.00	85,544
May, 2017	80.00	66.30	49,268
June, 2017	83.95	69.10	27,818
July, 2017	83.95	72.35	25,604
August, 2017	81.90	60.50	27,083
September, 2017	83.40	64.50	32,763
October, 2017	104.00	67.60	67,527
November, 2017	99.00	70.00	62,601
December, 2017	89.75	76.20	57,122
January, 2018	114.25	77.10	1,22,267
February, 2018	150	97.00	52,540
March, 2018	117.90	101.10	11,892

9.12 Top ten equity shareholders of the Company as on March 31, 2018

S. No.	Name of the shareholder	No. of shares held	Percentage of shares held
1.	Saphire Hospitality Management Pvt Ltd	255320	4.99
2.	Deepinder Singh Poonian	133801	2.6152
3.	Ashok Visvanathan	58855	1.1503
4.	Dheeraj Kumar Lohia	48518	0.9483
5.	S R Gupta	32525	0.6357
6.	Saurabh Ranjit Parikh	23108	0.4517
7.	Mitin C Jain	17038	0.3330
8.	Nishant R Parikh	15916	0.3111
9.	Bindal Mercantile Private Limited	14800	0.2893
10.	Value Industries Limited	14200	0.2775

9.13 Dematerialisation of shares and liquidity

The Company's shares are compulsorily traded in dematerialised form. Equity shares of the Company representing 90.02% of the Company's equity share capital are dematerialised as on March 31, 2018. The Company's equity shares are regularly traded on BSE in dematerialised form. Under the depository system, the international securities identification number (ISIN) allotted to the Company's shares is **INE 074C01013**.

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

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence as on March 31, 2018, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

9.15 Plant Location:

- 1) 29th Mile Stone,
G.T. Road, Village Achheja
Tehsil- Dadri, Distt.-,
Gautambudh Nagar U.P
- 2) Plot No-15, KIE Industrial Estate,
Opposite Uttam Sugar Mill,
Village Mundiayaki, Pargana Manglore
Tehsil- Roorkee, Distt. -Haridwar-247667
- 3) Survey No 380/1, Village Bhardeshwar,
Mundra District, Gujrat

9.16 Address for Correspondence:

Share Transfer and Demat

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

Note: Shareholders holding shares in electronic mode should address all correspondence to their respective depository participants.

Any query on Annual Report:

Secretarial Department
Hindustan Adhesives Ltd.
340/2-A, G. T. Road, Shahdara
New Delhi-110095

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

Place : New Delhi

Date : 01.09.2018

M.S.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, 2018.

Madhusudan Bagla
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

As per Regulation 34 of the SEBI Listing Regulations

INDUSTRY AND OUTLOOK:

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

OPPORTUNITIES AND THREATS:

The growing sales of Carton Sealing Tapes and the acceptance of the new products developed by the Company for the Indian market and as well growth in the FMCG sector in India for all manufactured products and services provides ample opportunity for the Company to utilize full capacities for production of Self Adhesive Tapes and be able to focus on building its Brand and Image as a quality supplier of Adhesive Coated Products in India.

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

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

RISKS & CONCERNS:

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

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

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

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

FINANCIAL PERFORMANCE:

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

HUMAN RESOURCE DEVELOPMENT:

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

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, 2018, 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, 2018 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

Place : New Delhi
Date : 01.09.2018

(Mukesh Kumar Agarwal)
Proprietor
C.P. No:3851

CEO/CFO CERTIFICATION

We, Mr. Madhusudan Bagla, Managing Director and Mr. Nakul Bagla, Chief Financial Officer hereby certify for the Financial year ended 31st March, 2018 that:

- a) We have reviewed the Financial Statements and Cash Flow Statement for the year ended 31st March, 2018 and to the best of our knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable Laws and Regulations.
- b) We are, to the best of my knowledge and belief; no transactions entered into by the Company during the year ended 31st March, 2018 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 : 01.09.2018

Sd/-
Managing Director

Sd/-
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Members of
Hindustan Adhesives Limited

Report on the Standalone Ind AS Financial Statements

- 1) We have audited the accompanying standalone Ind AS financial statements of Hindustan Adhesives Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

- 2) 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 and presentation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

- 3) Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion

- 4) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March, 2018, its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of matter

- 5) We draw the attention to Note no. 6 regarding investment in equity instruments in the company. The company has sold the shares of Bagla Wellness Private Limited due to which the said company is no more a subsidiary or an associate of the company.

Our opinion is not modified in respect of these matters.

Other Matters

- 6) The comparative financial information of the company for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April, 2016 included in these Ind AS financial Statements are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March, 2017 and 31st March, 2016 dated 30-05-2017 and 30-05-2016 respectively expressed an unmodified opinion on those financial statements and have been restated to comply with Ind AS. Adjustments made to the previously issued said financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.

Our opinion is not modified in respect of these other matters.

Report on Other Legal and Regulatory Requirements

- 7) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the said order.
- 8) As required by Section 143(3) of the Act, we report that:
- 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.
 - 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.
 - The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
 - In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
 - On the basis of the written representations received from the directors as at 31st March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as at 31st March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
 - With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 33 to the standalone Ind AS financial statements.
 - There was no amount which was required to be transferred to the Investor Education and protection fund by the Company.

For SPMR & Associates
Chartered Accountants
Firm Registration Number 007578N

Place: New Delhi
Date: 30th May, 2018

(CA Pramod Maheshwari)
Partner (M No. 085362)

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Annexure referred to in paragraph 7 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Hindustan Adhesives Limited on the Standalone Ind AS Financial Statements for the year ended 31st March, 2018)

- 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) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a Company in which the Director is interested to which provisions of Section 185 of the Companies Act, 2013. Further, Section 186 of the Companies Act 2013 is not applicable to the Company.
- 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 2018.
- 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.

HINDUSTAN ADHESIVES LIMITED

- 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 is 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 standalone 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 SPMR & Associates
Chartered Accountants
Firm Registration Number 007578N

Place: New Delhi
Date: 30thMay, 2018

(CA Pramod Maheshwari)
Partner (M No. 085362)

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Annexure referred to in paragraph 9(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Hindustan Adhesives Limited on the Standalone Ind AS Financial Statements for the year ended March 31, 2018)

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

1. We have audited the internal financial controls over financial reporting of "Hindustan Adhesives Limited" ("the Company") as of 31stMarch, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. 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.

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.

4. 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.
5. 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

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

7. 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

8. In our opinion, to the best of our information and according to the explanations given to us, 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, 2018, 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 SPMR & Associates
Chartered Accountants
Firm Registration Number 007578N

Place: New Delhi
Date: 30th May, 2018

(CA Pramod Maheshwari)
Partner (M No. 085362)

BALANCE SHEET AS AT 31ST MARCH, 2018

PARTICULARS	Notes	As At 31st March, 2018 (Rs. in Lakhs)	As At 31st March, 2017 (Rs. in Lakhs)	As At 31st March, 2016 (Rs. in Lakhs)
A. ASSETS				
1 Non-current assets				
a) Property, Plant and Equipment	4	2,053	2,252	2,215
b) Capital work in progress	5	3,160	106	-
c) Financial Assets				
(i) Investments	6	152	232	214
(ii) Loans and Advances	7	104	107	97
Total non-current assets		<u>5,469</u>	<u>2,697</u>	<u>2,526</u>
2 Current assets				
a) Inventories	8	1,853	1,230	1,251
b) Financial assets				
(i) Trade receivables	9	1,546	1,417	1,165
(ii) Cash and cash equivalents	10	153	100	163
(iii) Loans and Advances	11	318	269	74
c) Other current assets	12	261	92	109
Total current assets		<u>4,131</u>	<u>3,108</u>	<u>2,762</u>
Total Assets (1+2)		<u><u>9,600</u></u>	<u><u>5,805</u></u>	<u><u>5,288</u></u>
B. EQUITY AND LIABILITIES				
1 Equity				
a) Equity Share capital	13	512	512	512
b) Other equity	14	2,163	1,914	1,449
Total equity		<u>2,675</u>	<u>2,426</u>	<u>1,961</u>
Liabilities				
2 Non-current liabilities				
a) Financial Liabilities				
(i) Borrowings	15	3,003	330	345
(ii) Other financial liabilities	16	-	51	54
b) Provisions	17	128	112	94
c) Deferred tax liabilities (Net)	18	136	133	199
Total non-current liabilities		<u>3,267</u>	<u>626</u>	<u>692</u>
3 Current Liabilities				
a) Financial Liabilities				
(i) Borrowings	19	1,917	1,757	1,731
(ii) Trade payables	20	1,395	815	663



PARTICULARS	Notes	As At	As At	As At
		31st March, 2018 (Rs. in Lakhs)	31st March, 2017 (Rs. in Lakhs)	31st March, 2016 (Rs. in Lakhs)
b) Other current liabilities	21	318	169	167
c) Provisions	22	9	8	7
d) Current Tax Liabilities	23	19	4	67
Total current liabilities		3,658	2,753	2,635
Total liabilities (2+3)		6,925	3,379	3,327
Total equity and liabilities (1+2+3)		9,600	5,805	5,288

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

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

For SPMR and Associates
Chartered Accountants
Firm Regn . No. 007578N

For and on behalf of the Board of Directors

CA Pramod Maheshwari
Partner
Membership No. 085362

Place : New Delhi
Date : 30.05.2018

(S.S. Dua)
Company Secretary

(Amit Kumar)
Director
DIN 06902856

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

(N.M. BAGLA)
CFO

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018**

PARTICULARS	Notes	For the year ended 31st March, 2018 (Rs. in Lakhs)	For the year ended 31st March, 2017 (Rs. in Lakhs)
I Revenue From Operations (Gross)	24	7,553	7,412
II Other Income	25	103	94
III Total Income (I+II)		7,656	7,506
IV EXPENSES			
Cost of Materials Consumed	26	4,516	3,742
Changes in inventories of finished goods, Work in Process and Stock-in-Trade	27	(409)	9
Employee Benefits Expenses	28	810	728
Finance Cost	29	263	290
Depreciation and amortization Expenses	30	311	343
Other Expenses	31	1,831	1,858
Total expenses (IV)		7,322	6,970
V Profit/(loss) before exceptional items and tax (III-IV)		334	536
VI Exceptional Items		-	-
VII Profit/(loss) before tax (V-VI)		334	536
VIII Tax expense:			
(1) Current tax		94	110
(2) Deferred tax		3	(65)
(3) Mat Credit Entitlement		(11)	-
		86	45
IX Profit/(loss) for the period from continuing operations (VII-VIII)		248	491
X Profit/(loss) from discontinued operations before tax		-	-
XI Tax expense of discontinued operations		-	-
XII Profit/(loss) from Discontinued operations (after tax) (X-XI)		-	-
XIII Profit/(loss) for the period (IX+XII)		249	491
XIV Other Comprehensive Income			
A. Items that will not be reclassified to profit or loss			
(i) Re-measurements of the defined benefit liabilities / (asset)		1	-
(ii) Income tax relating to above		-	-
B. Items that may be reclassified to profit or loss			
Income tax relating to above		-	-
Total other comprehensive income		1	-
XV Total Comprehensive Income for the period (XIII+XIV)		249	491
XVI Earnings per equity share (for continuing operation):			
(1) Basic		4.86	9.59
(2) Diluted		4.86	9.59

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 SPMR and Associates**
Chartered Accountants
Firm Regn . No. 007578N**For and on behalf of the Board of Directors****CA Pramod Maheshwari**
Partner
Membership No. 085362**(S.S. Dua)**
Company Secretary**(Amit Kumar)**
Director
DIN 06902856**(M.S. BAGLA)**
Mg. Director
DIN 01425646**(N.M. BAGLA)**
CFOPlace : New Delhi
Date : 30.05.2018

STATEMENT OF CHAGNGE IN EQUITY
 AS AT MARCH 31, 2018

Particulars	Note No.	Capital Reserve	Security Premium account	Investment allowance utilization reserve	Retained earnings	Total
		INRAMOUNT IN	INRAMOUNT IN	INRAMOUNT IN	INRAMOUNT IN	INRAMOUNT IN
Balance at April 1, 2016		30	213	25	1,181	1,449
Profit for the year		-	-	-	491	491
Total comprehensive income for the year		-	-	-	491	491
Payment of dividends (net of corporate dividend tax)		-	-	-	(62)	(62)
Excess Provision for Income tax w/back		-	-	-	36	36
Balance at March 31, 2017		30	213	25	1,646	1,914
Profit for the year		-	-	-	248	248
Other comprehensive income for the year, net of income tax		-	-	-	1	1
Total comprehensive income for the quarter		-	-	-	249	249
Transfer to retained earnings		-	-	-	249	249
Balance at March 31, 2018		30	213	25	1,895	2,163

STATEMENT OF CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

PARTICULARS	For the year ended 31st March, 2018 (Rs. in Lakhs)	For the year ended 31st March, 2017 (Rs. in Lakhs)
A Cash flows from operating activities		
Profit/(loss) for the year (before tax)	334	536
<i>Adjustments for:</i>		
Depreciation and amortisation expense	312	343
Provision for doubtful receivables, advances and other assets (net)	12	7
Provision for Gratuity and Leaves	17	18
Liabilities no longer required written back	(10)	-
Net gain on sale of property, plant and equipment	-	(0)
Net gain on sale of investment	(4)	-
Interest expense	193	248
Interest income	(9)	(12)
Operating profit before changes in assets and liabilities	845	1,140
Changes in assets and liabilities :		
(Increase) decrease in inventories	(623)	21
(Increase) decrease in trade receivables and loans	(187)	(447)
(Increase) decrease in other financial assets	(167)	-
Increase (decrease) in trade payables	590	151
Increase (decrease) in other financial liabilities	149	-
Cash (used in)/generated from operating activities	607	865
Income tax paid (net of refund)	(68)	(147)
Net cash (used in)/from operating activities (A)	539	718
B CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(114)	(487)
Acquisition of property, plant and equipment (Capital WIP)	(3,054)	-
Proceeds from sale of property, plant and equipment	-	1
Purchase of investments	-	(18)
Proceeds from sale/maturity of investments	84	-
Interest received	9	12
Net cash flow from (used in) investing activities (B)	(3,075)	(492)
C CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment) / Proceeds of long term borrowings	2,622	(35)
(Repayment) / Proceeds from current- borrowings(net)	160	45
Interest paid	(193)	(248)
Dividend paid on equity shares	-	(51)
Net cash flow from (used in) financing activities (C)	2,589	(289)
Net decrease in cash and cash equivalents (A+B+C)	53	(63)
Cash and cash equivalents at the beginning of the year	100	163
Cash and cash equivalents at the end of the year	153	100

**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) - Statement of Cash Flows.
- b) Cash and cash equivalents comprises of:

Particulars	As at 31 March 2018	As at 31 March 2017
Balances with banks:		
- In current accounts	56	35
- In Term Deposit accounts	90	59
- In Dividend Accounts accounts	4	4
- Interest Accrued on Deposits	2	1
Cash on hand	1	1
Cash and cash equivalents as per balance sheet	153	100

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

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

For SPMR and Associates
Chartered Accountants
Firm Regn . No. 007578N

For and on behalf of the Board of Directors

CA Pramod Maheshwari
 Partner
 Membership No. 085362

Place : New Delhi
 Date : 30.05.2018

(S.S. Dua)
 Company Secretary

(Amit Kumar)
 Director
 DIN 06902856

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

(N.M. BAGLA)
 CFO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018**1 Corporate Overview**

Hindustan Adhesives Limited (the 'Company') is a Company domiciled in India with its registered office situated at 340/2-A, G.T. Road, Shahdara, Delhi 110095. 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 Uttrakhand and Bhadreshwar - 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) The financial statements for the year ended March 31, 2018 are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Accordingly, the Company has prepared an Opening Ind AS Balance Sheet as on April 1, 2016 and comparative figures for the year ended March 31, 2017 are also in compliance with Ind AS. An explanation of how the transition to Ind AS has effected the previously reported financial position, financial performance and cash flows of the Company .

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 at 01 April 2016 for the purposes of the transition to Ind AS, 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 as at 01 April 2016, 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.

I. 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 FINANCIAL STATEMENTS

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	Total
At Cost										
Balance at April 1, 2016	27	299	453	4,240	132	144	33	24	9	5,361
Additions	88	10	-	119	37	111	6	8	0	379
Disposals / Adjustment	-	-	-	-	-	11	-	-	-	11
Balance at March 31, 2017	115	309	453	4,359	169	244	39	32	9	5,729
Additions	2	3	-	73	10	21	4	2	1	116
Disposals / Adjustment	-	-	-	-	15	14	14	13	8	64
Balance at March 31, 2018	117	312	453	4,432	164	251	29	21	2	5,781

Property Plant and Equipments-Accumulated Depreciation

Particulars	Freehold land	Electrical Installation	Buildings	Plant and equipment	Furniture & Fittings	Vehicles	Computer	Air Conditioner	Office Equipments	Total
Accumulated depreciation and impairment										
Balance at April 1, 2016	-	147	307	2,461	68	107	26	19	9	3,144
Depreciation expense	-	27	14	243	23	29	5	2	-	343
Eliminated on disposals of assets	-	-	-	-	-	11	-	-	-	11
Balance at March 31, 2017	-	173	320	2,705	91	126	31	21	9	3,476
Depreciation expense	-	25	12	205	21	41	5	3	-	312
Eliminated on disposals of assets	-	-	-	-	14	13	13	12	8	60
Balance at March 31, 2018	-	198	332	2,910	98	154	23	12	1	3,728

Particulars	Freehold land	Electrical Installation	Buildings	Plant and equipment	Furniture & Fittings	Vehicles	Computer	Air Conditioner	Office Equipments	Total
Balance at April 1, 2016	27	152	146	1,779	64	36	6	5	-	2,215
Balance at March 31, 2017	115	135	133	1,654	78	118	7	11	1	2,252
Balance at March 31, 2018	117	113	120	1,522	66	97	5	9	1	2,053

NOTES FORMING PART OF THE BALANCE SHEET FOR THE YEAR ENDED 31st MARCH, 2018
5 CAPITAL WORK IN PROGRESS (Rs. in Lakhs)

Particulars	Building	Pre-operative expense	Other Plant & Equipments	Total
Balance at April 1, 2016				
Additions	83	23	-	106
Balance at March 31, 2017	83	23	-	106
Additions	469	328	2,257	3,054
Balance at March 31, 2018	552	351	2,257	3,160

6 Investment

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Investment in Equity Instruments in subsidiary (Refer Note 6C)	-	227	214
Investment in Equity Instruments in Other Entities (Refer Note 6C)	146	-	-
Other Investment (Refer Note 6C)	6	5	-
Total Investments	152	232	214

6A Investment in Equity Instruments

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Investments in Subsidiaries ('Unquoted (fully paid up))			
NIL(162000)(162000) equity shares of Bagla wellness Pvt. Ltd.	-	64	64
Total Investments in Subsidiaries	-	64	64
Others (Unquoted (fully paid up))			
49000 (NIL)(NIL) equity shares of Bagla wellness Pvt. Ltd.	18	-	-
509900(650000)(600000) equity shares of Bagla Polyfilm Ltd.	128	163	150
Total Investments in Other Equity instruments	146	163	150
Net Investment in Equity Instruments	146	227	214
Aggregate carrying value of unquoted investments	146	227	214

6B Other investments

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
50000(50000)(50000) units of Mutual Fund (IDBI Mid Cap)	6	5	-
10000 (10000)(10000) equity shares of Banaras state bank Ltd.	1	1	1
Less: Provision for diminution in value	(1)	(1)	(1)
TOTAL INVESTMENTS	6	5	-

- 6C**
- The company has sold 140100 shares of Bagla Polyfilm Limited having face value of Rs 10/- each at the Fair Market Value as certified at Rs 40/- each to Mr. Dhruv Bagla and Mr .Nakul Bagla.
 - The company has sold 113000 shares of Bagla Wellness Private Limited having face value of Rs 10/- each at the Fair Market Value as certified at Rs 25/- each to Mr .Dhruv Bagla and Mr .Nakul Bagla due to which the said company is no more a subsidiary or an associate to the company.
 - As on 31-03-2018, Market value of Mutual Fund of IDBI bank was Rs 5,73,000/-

7 Loans and advances (Unsecured, considered good) (Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial assets amortized at cost			
(a) Security deposits	104	104	94
(b) Others			
- VAT on Capital goods	-	3	3
TOTAL	104	107	97

8 Inventories

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw Material	666	492	472
Finished Goods	340	186	156
Work in progress	686	431	471
Stores and spares, fuel and packing material	161	121	152
Scrap for sales	-	-	-
TOTAL	1,853	1,230	1,251

9 Trade receivables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Outstanding Exceeding 6 months			
(a) Unsecured, considered good	78	65	47
(b) Considered Doubtful	12	11	5
Provision for doubtful debts	(12)	(11)	(5)
	78	65	47
Outstanding Less than 6 months			
(a) Unsecured, considered good	1,468	1,352	1,118
TOTAL	1,546	1,417	1,165

10 Cash and cash equivalents

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance with banks	56	35	96
Term Deposits	90	59	63
Cash on hand	1	1	3
Balance with Bank (Dividend account)	4	4	-
Interest accrued but not due on Term Deposits	2	1	1
TOTAL	153	100	163

11 Short term loans and advances

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured, considered good			
Advances recoverable in cash or in kind for value to be received			
Advance for Capital goods	245	191	2
Advances to vendor for Supplies and services	61	68	63
Advances to employees	12	10	9
TOTAL	318	269	74

12 Other current assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance with Indirect tax authorities	231	55	78
Prepaid expenses	16	13	7
Assets held for sale	14	24	24
TOTAL	261	92	109

13 Equity Share Capital

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Authorised Capital 7,000,000 equity shares of Rs. 10 each	700	700	700
Issued, Subscribed and Paid up 5,116,300 equity shares of Rs. 10 each fully paid up	512	512	512
TOTAL	512	512	512

(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, 2018	As at March 31, 2017	As at April 1, 2016
Reconciliation of the number of shares			
Balance as at the beginning of the year	51	51	51
Movements	-	-	-
Balance as at the end of the year	51	51	51

(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.

(Rs. in Lakhs)

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	%	No. of Shares	%
1 Mr. Madhusudan Bagla	812419	15.88	812419	15.88
2 Mrs. Anju Bagla	598630	11.70	598630	11.70
3 Mr. Dhruv Bagla	314580	6.15	314580	6.15
4 Mr. Nakul Bagla	372100	7.27	372100	7.27
5 Mr. M.S.Bagla-Karta (M.S.Bagla-HUF)	269250	5.26	269250	5.26

14 Other equity

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Retained earnings			
Capital Reserve #	30	30	30
Security Premium account	213	213	213
Investment allowance utilization reserve ##	25	25	25
Balance of statement of profit and loss	1,895	1,646	1,181
#For Capital Subsidy received in earlier years			
##Free reserve			
TOTAL	2,163	1,914	1,449

Capital Reserve

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance at beginning of the year	30	30	30
Changes during the year	-	-	-
Balance at end of the year	30	30	30

Security Premium account

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance at beginning of the year	213	213	213
Changes during the year	-	-	-
Balance at end of the year	213	213	213

Investment allowance utilization reserve

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance at beginning of the year	25	25	25
Changes during the year	-	-	-
Balance at end of the year	25	25	25

Balance of statement of profit and loss

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance at beginning of the year	1,646	1,181	1,181
Profit/(Loss) after tax for the year	248	491	-
Excess Provision for Income tax w/back	-	36	-
Other Comprehensive Income	1	-	-
Dividend paid	-	(51)	-
Corporate dividend tax	-	(11)	-
Balance at end of the year	1,895	1,646	1,181

15 Long term borrowings

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured			
<u>Term loans from banks</u>			
Allahabad Bank (Refer Note-A)	1,738	-	33
IDBI Bank (Refer Note-B)	60	240	300
HDFC Bank (Refer Note-C)	3	9	12
Axis Bank (Refer Note-C)	9	30	-
	1,810	279	345
<u>Term loans from Others</u>			
Kotak Mahindra Prime Limited (Refer Note-C)	3	6	-
	1,813	285	345
Unsecured			
From Directors	280	45	-
From Body Corporate	343	-	-
From SACE FCT Spa. (Foreign Currency Loan)	567	-	-
	1,190	45	-
TOTAL	3,003	330	345

- A** Term Loans from Allahabad bank is secured by way of First pari passu charge on entire movable and immovable assets of the company both present and future of the companies new unit situated at Kutch (Gujarat) and Unit located at Dadri (Ghaziabad), second pari passu charge on the entire movable and immovable fixed assets of the company including land & construction thereon both present & future of the companies Unit located at Roorkee (Haridwar) to be shared along with IDBI Bank for its existing Term Loan. Loan is repayable in 24 Quarterly installments starting from July -Sept 2018, interest is payable on monthly basis.
- B** Term Loan from IDBI bank is secured by way first pari passu charge on entire movable and immovable assets of the company both present and future equitable mortgage on first pari passu basis on land and building situated at Roorkee (Haridwar) and second pari-passu charge on the entire movable and immovable assets of the company including land & construction thereon both present and future of the company plant located at Dadri (Ghaziabad) (excluding land admeasuring 0.0253 hectares part of the existing factory land). Second pari-passu charge on entire current assets of the company both present & future and unconditional & irrecoverable personal guarantee of promoter directors Shri M.S. Bagla & Shri L. K. Bagla. Loan is repayable in 20 Quarterly Installment and interest is on monthly basis on due amount.

C Loans from HDFC Bank, Axis Bank and Kotak Mahindra prime Limited are secured by way of hypothecation of the vehicle financed by them.

16 Other Non Current Liabilities (Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured- at amortised cost			
Deferred Credit	-	51	54
Total	-	51	54

17 Long term provisions

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Employee Benefits			
Provision for Leave encashment	6	7	6
Provision for Gratuity	122	105	88
TOTAL	128	112	94

18 Deferred Tax Liabilities (Net of Assets)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred Tax Liabilities			
On timing difference in accounting of Depreciation as per Income tax Rules and as per Companies Act.	189	179	239
On Fair Value of Investments	-	-	-
	189	179	239
Deferred Tax Assets			
On timing difference in accounting of Provision for Bonus, Gratuity and Compensated absence	53	46	40
TOTAL	136	133	199

19 Short term borrowings

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured			
Term loans from banks (Payable within next 12 Months) (Refer note no 15 "Long term borrowing")			
Allahabad Bank	150	31	132
IDBI Bank	180	195	120
HDFC Bank	6	6	4
Axis Bank	21	19	-
	357	251	256
Kotak Mahindra Prime Limited	3	3	-
	360	254	256

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Cash Credit Limits (Refer Note- A)			
Allahabad Bank	636	551	596
IDBI Bank	921	952	879
	1,557	1,503	1,475
TOTAL	1,917	1,757	1,731

- A** Working Capital Loans from Allahabad bank and IDBI bank is secured by way of First pari passu charge on entire Current assets of the company both present and future, second pari passu charge on the entire movable and immovable fixed assets of the company including land & construction thereon both present & future of the companies unit located Unit located at Roorkee (Haridwar), Dadri (Uttar Pradesh) and Kutch (Gujarat).

20 Trade payables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial liabilities carried at amortized cost			
For Goods	1,231	686	547
For Services	164	129	116
TOTAL	1,395	815	663

21 Other current liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Statutory Liabilities	70	24	23
Advance from Customers	62	37	63
Payable for capital goods	81	37	16
Payable for employees	76	56	45
Interest accrued but not due	18	0	14
Unclaimed dividend	4	4	-
Other liability	7	11	6
TOTAL	318	169	167

22 Short term provisions

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Employee Benefits			
Provision for Leave encashment	1	1	1
Provision for Gratuity	8	7	6
TOTAL	9	8	7

23 Current Tax Liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current Tax			
Provision for Income Tax	94	110	138
Less: Tax paid	75	106	71
TOTAL	19	4	67

24 Revenue From Operations

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A. Sale of products		
Domestic Sale	7,026	7,208
Export Sale	1,012	958
Scrap Sale	30	32
	8,068	8,198
Less: Excise duty (See foot Note #) # (for the period up to 30th June, 2017 there after no adjustment is required under GST)	(450)	(790)
	7,618	7,408
Less: Transferred to Capital Expenditure Accounts (Refer Note No. 35)	88	-
	7,530	7,408
B. Sale of services		
Job Work	23	4
Total	7,553	7,412

25 Other Income

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
a) Interest income		
Interest on:		
Term Deposits	5	8
Security deposit	4	4
	9	12
b) Other gains and losses		
Rent on Machine	-	3
Export Incentives	43	47
Gain/loss on disposal of property, plant and equipment	-	-
Liabilities no longer required w/back	10	-
Gain/loss on disposal of Securities	4	-
Other Receipts	-	-
Exchange rate fluctuation (gain)/loss	37	32
	94	82
Less: Transferred to Capital Expenditure Accounts (Refer Note No. 35)	-	-
	94	82
Total	103	94

26 Cost of materials consumed

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening Stocks	492	472
Add: Purchases	4,761	3,762
Less: Closing Stocks	(666)	(492)
	4,587	3,742
Less: Transferred to Capital Expenditure Accounts (Refer Note No. 35)	(71)	-
Total	4,516	3,742

27 Changes in inventories of finished goods and work-in progress

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening Stock		
Work in Process	431	471
Finished Goods	186	155
Scrap	-	-
	617	626
Closing Stock		
Work in Process	686	431
Finished Goods	340	186
Scrap	-	-
	1,026	617
Change in inventory	409	(9)

28 Employee Benefits Expenses

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, Wages and other Allowances	649	542
Contribution to Provident and other Allied Funds	40	35
Director's Remuneration	93	92
Staff Welfare and Benefits	41	28
Gratuity	26	26
Leave Encashment	4	5
	853	728
Less : Transferred to Capital Expenditure Accounts (Refer Note No. 35)	(43)	-
Total	810	728

29 Finance costs

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest to Banks on Cash/Packing credits	160	169
Interest to Bank on Term Loan	130	66
Interest on Other	47	11
Bank Commission and Charges	70	44
	407	290
Less: Transferred to Capital Expenditure Accounts (Refer Note No. 35)	(144)	-
Total	263	290

30 Depreciation and amortization Expenses

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Deprecation as per Note. 4 Property, Plant and Equipment	312	343
Less: Transferred to Capital Expenditure Accounts (Refer Note No. 35)	(1)	-
Total	311	343

31 Other Expenses

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
MANUFACTURING EXPENSES		
Power & Fuel Consumed	603	509
Store, Spares & Tools Consumed	75	146
Packing Expenses	357	301
Carriage Inward	10	3
Repairs and Maintenance:		
Building and Shed	19	55
Plant and Machinery	95	102
Others	3	37
	1,162	1,153
Less: Transferred to Capital Expenditure Accounts (Refer Note No. 35)	(26)	-
	1,136	1,153
ADMINISTRATIVE AND OTHER OVERHEADS		
Rent, Rates and Taxes	16	10
Printing and Stationery	12	10
Traveling and Conveyance	129	121
Vehicle Running Maintenance	26	29
Postage & Telephone charges	39	40
Electricity and Water Overheads	17	8
Data processing Expenses	13	4
Legal and Professional Charges	56	23

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Advertisement Expenses	1	1
Auditor's Remuneration :		
For Audit Fees	1	1
For Tax Audit Fees	-	-
For Other Matters	-	-
Fees & Subscription	9	6
Insurance Charges	17	13
General Expenses	82	94
Provision for doubtful debts/advances	12	7
Sundry Balances Written off (Net)	3	5
Previous year adjustment (Net)	3	1
	436	373
Less: Transferred to Capital Expenditure Accounts (Refer Note No. 35)	(96)	-
	340	373
SALES AND DISTRIBUTION OVERHEADS		
Freight and Carriage Outward	285	220
Discount, Rebates and Claims	10	11
Brokerage & Commission	39	43
Business Promotion Expenses	32	49
Statutory Demands, Sales Tax & Excise Duty	-	5
Exhibition & Conference Expenses	24	4
	390	332
Less: Transferred to Capital Expenditure Accounts (Refer Note No. 35)	(35)	-
	355	330
Total	1,831	1,858

OTHER NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018
32 Explanation of transition to Ind AS

As stated in the accounting policies set out in Note 3, these are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31 March 2017, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The accounting policies set out in Note 3 have been applied in preparing these financial statements for the year ended 31 March 2018 including the comparative information for the year ended 31 March 2017 and the opening Ind AS balance sheet on the date of transition i.e. 01 April 2016.

In preparing the Ind AS balance sheet as at 01 April 2016 and in presenting the comparative information for the year ended 31 March 2017, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Optional exemptions availed and mandatory exceptions

In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

A. Optional exemptions availed

1. Property plant and equipment, capital work-in-progress and intangible assets

As per Ind AS 101 an entity may elect to:

- i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date; or
- ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to-
 - fair value;
 - or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); investment property that meets the recognition criteria in Ind AS 40, Investment property; and criteria in Ind AS 38 for revaluation (including the existence of an active market).

- iii) use carrying values of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101, if any) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of capital work-in-progress, investment property and intangible assets also.

2. Determining whether an arrangement contains a lease

Ind AS 101 includes an optional exemption that permits an entity to apply the relevant requirements in Appendix C of Ind AS 17 for determining whether an arrangement existing at the date of transition contains a lease by considering the facts and circumstances existing at the date of transition (rather than at the inception of the arrangement).

The Company has elected to avail of the above exemption.

B. Mandatory exceptions

1. Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- a) Fair valuation of financial instruments carried at Fair Value through Profit & Loss (FVTPL) and/ or Fair Value through other comprehensive income (FVOCI).
- b) Determination of the discounted value for financial instruments carried at amortised cost.
- c) Impairment of financial assets based on the expected credit loss model.

2. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

3. 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, prospectively to government grant existed as at the date of transition to Ind AS i.e. 01 April 2016.

33 Contingent liabilities not provided for in respect of:

- (a) Bank Guarantees given by the Company Rs.40.29 Lacs (Previous year Rs.9.69 Lacs)
 - (b) Foreign letter of credit opened with IDBI Bank & Allahabad Bank for import of Raw material etc. worth Rs 36.82 Lacs (Previous year Rs.113.21 Lacs) and domestic letter of credit for procurement of raw material from domestic supplier Rs. 61.90 Lac (Previous year Rs. NIL)
 - (c) Excise Duty demand pending appeals at High Court Rs NIL. (Previous year at Rs. 1.95 Lacs) against which protest money deposited NIL (Previous year at Rs. 1.95 Lacs).
 - (d) Excise duty demand NIL (Previous year at Rs. 15.39 Lacs) against which protest money deposited Rs. NIL (Previous year at Rs. 1.30 Lacs).
- 34 Estimated Amount of capital commitment for contracts remaining to be executed (net of Capital Advances) Rs.2,18,33,588 (Previous year NIL)
- 35 The Gujarat Unit of the company has been under trail run, and the direct expenses and interest charges incurred during the test and trial run are capitalized and revenue from sale of products earn during the period is abated to the capital cost of the project.
- 36 In accordance with company's consistent practice, no provision has been made for excise duty aggregating NIL (Previous year Rs. 15.32 Lacs) on finished goods lying at the factory premises, which are accounted for on clearance thereof. However, this will neither affect the Profit / loss nor net current assets for the year. After the GST regime no such adjustment is required.
- 37 During the year Company has sold a part of its holding in Bagla wellness Pvt. Ltd., to interse related party , due to which the said company is no more a subsidiary or an associate to the company.
- 38 Balance with Allahabad Bank- Ahmabad Rs.15,150 having no transactions during the year is subject to Confirmation.
- 39 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.
- 40 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.
- 41 Dues to Small Scale Industrial Undertaking could not be identified because necessary information from the suppliers are yet to be received, in absence of which amount outstanding as on Balance Sheet date and names of parties could not be given.

Additionally, the company is in the process of identifying Micro, Small and Medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Therefore, it is not possible for the company to ascertain whether

payment to such enterprises has been done within 45 days from date of acceptance of supply of goods or services rendered by such enterprise and to make requisite disclosure.

- 42 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.
- 43 Amount paid to Directors as remuneration:

A. Managing Director

Particulars	2017-18	2016-17
No. of Persons	One	One
Salary & Allowances (see note no. 47)	54	54
Perquisites	30	30

B. Whole Time Director

Particulars	2017-18	2016-17
No. of Persons	Two	Two
Salary & Allowances (see note no. 47)	8	8
Contribution to P.F & other funds	1	1
Perquisites	2	2

44 Earnings per share (EPS):

Particulars	2017-18	2016-17
Profit after Tax (Rs. in Lacs)	248.00	491.00
Average number of Equity Shares (Face Value of Rs.10)	5116300	5116300
Basic and Diluted EPS (in Rupees per Share)	4.85	9.60

45 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	2017-18	2016-17
Contribution to Provident Fund and Family Pension Fund	29	26

(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	
	2017-18	2016-17	2017-18	2016-17
Current Service Cost	9	8	1	1
Interest Cost	9	7	1	0
Past service cost	7	-	-	-
Actuarial Losses (Gains)	1	11	1	3
Total Expenses recognized	26	26	3	4

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

PARTICULARS	Gratuity		Leave Encashment	
	2017-18	2016-17	2017-18	2016-17
Present Value of Defined Benefit Obligation	130	112	7	7
Net Asset / (Liability) recognized in the Balance Sheet	130	112	7	7

III. Charge in Defined Benefit Obligation during the year.

PARTICULARS	Gratuity		Leave Encashment	
	2017-18	2016-17	2017-18	2016-17
Present value of defined Benefit obligation at the beginning of year	112	95	7	6
Current Service Cost	9	8	1	1
Interest Cost	9	7	1	0
Past service cost	7	-	-	-
Actuarial Losses/(Gains)	1	11	1	3
Benefits paid	(7)	(10)	(4)	(3)
Present value of Defined Benefit obligation at the end of year	131	111	6	7

IV. Actuarial Assumptions

PARTICULARS	2017-18	2016-17
Discount Rate	7.75%	7.50%
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.

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

47 **Related Party Disclosure as per IND AS-24 (As certified by the Management):**

A) List of Related Parties

1 Where Control Exist:

Subsidiary Company:

Bagla Wellness Private Limited (Part of the year)

HINDUSTAN ADHESIVES LIMITED

Others

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

2 Key Management Personal:

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

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

Mrs. Anju Bagla - wife of Managing Director
 Mr. Dhruv Bagla - Son of Managing Director
 Mrs. Surbhi Bagla - Daughter in Law of Managing Director
 Mrs. Gayathri Ajila - wife of Whole time Director

4 Others

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

B) Transactions with Related Parties:

PARTICULARS		Volume of Transaction		Amt. Payable/ (Recoverable)	
		2017-18	2016-17	2017-18	2016-17
Where Control Exists	Loans & Advances Received and returned back	53	-	-	-
	Loans & Advances Given and received back	163	115	-	-
	Reimbursement payment on behalf of related party	7	12	-	-
	Rent Paid	2	2	-	-
	Sales	-	1	-	-
	Security Deposit given	-	-	(15)	(15)
Key Management Personal	Managing Director's Remuneration & Perks	84	84	(1)	(1)
	Loans & Advances Received	280	32	280	21
	Loan & advances Repaid	21	11	-	-
	Director's Remuneration	10	10	-	-
	CFO Remuneration	29	29	(2)	-
	Remuneration in advance	-	1	-	-
	Sale of Investments	48	-	-	-
	Rent Paid	15	15	-	-
	Hire charges Paid	-	2	-	-
Security Deposit	-	-	(8)	(8)	
Relative of Key Management Personal	Salary	29	29	(2)	(2)
	Loans & Advances Received	-	30	-	21
	Loan & advances Repaid	21	9	-	-
	Commission	9	8	-	-
	Rent Paid	19	19	-	-
	Office Maintenance	2	2	-	-
	Professional Fees Paid	2	-	-	-
	Sale of Investment	37	-	-	-
Security Deposit Given	-	-	(10)	(18)	

PARTICULARS		Volume of Transaction		Amt. Payable/ (Recoverable)	
		2017-18	2016-17	2017-18	2016-17
Others	Loan Received	23	3	-	3
	Loan Received repaid	26	-	-	-
	Sales	5	2	-	(1)

48 Derivative Instruments and un-hedged Foreign Currency disclosure

Particulars	2017-18			2016-17		
	Rs.	Value in Foreign Currency		Rs.	Value in foreign Currency	
Export Sales	114	USD	2	108	USD	2
	41	Euro	1	-	Euro	-
Advance for Machine	328	Euro	4	189	Euro	3
	21	USD	-	-	USD	-
	9	GBP	-	-	GBP	-
For Others	1	USD	-	1	USD	-
	-	GBP	-	-	-	-
Total	136	USD	2	109	USD	2
	9	GBP	-	-	GBP	-
	369	Euro	5	189	Euro	3
Payables						
Import- Material	282	USD	4	117	USD	2
	30	Euro	-	-	Euro	-
	4	GBP	-	-	GBP	-
Advance Received	54	USD	1	4	USD	-
	1	Euro	-	-	Euro	-
Foreign currency loan	567	Euro	7	-	Euro	-
Total	336	USD	5	121	USD	2
	598	Euro	7	-	Euro	-
	4	GBP	-	-	GBP	-

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

50 The above audited results for the quarter and year ended 31st March, 2018 has been reviewed by the Audit committee and approved by the Board of Directors at their respective meetings held on 30 May, 2018.



HINDUSTAN ADHESIVES LIMITED

CIN: L74899DL1988PLC031191

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

NOTICE

Notice is hereby given that the Thirtieth Annual General Meeting of the Members of Hindustan Adhesives Limited will be held on Saturday, 29th September, 2018 at 10.00 A.M. at Orchid Palace, Main Chattarpur Road, Asola Fatehpur Beri, New Delhi-110074 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:

The audited Financial Statements of the Company for the financial year ended March 31, 2018 and the Reports of the Board of Directors and Auditors thereon; and

- 2. To appoint a Director in place of Mr. Lalit Kumar Bagla (DIN 01596548), who retire by rotation and being eligible offers himself for re- appointment.**

SPECIAL BUSINESS

3. Appointment of Statutory Auditor to fill casual vacancy:

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

“RESOLVED THAT pursuant to the provisions of Section 139(8) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) **M/s. Rajan Goel & Associates**, Chartered Accountants, (Firms Registration No. 004624N), be and are hereby appointed as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of **M/s. SPMR & Associates**, Chartered Accountants (Registration No. 007578N).

“RESOLVED FURTHER THAT M/s. Rajan Goel & Associates, Chartered Accountants, (Firms Registration No. 004624N), be and are hereby appointed as Statutory Auditors of the Company to hold the office from 14th August, 2018, until the conclusion of this Annual General Meeting (30th) of the Company, at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Managing Director of the Company.”

4. Appointment of Statutory Auditor

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

“RESOLVED that pursuant to Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) **M/s. Rajan Goel & Associates**, Chartered Accountants, (**Firms Registration No. 004624N**), be and are hereby appointed as Statutory Auditors of the Company to hold office for a period of five years, from the conclusion of the 30th Annual General Meeting till the conclusion of the 35th Annual General Meeting of the Company to be held in the year 2023, subject to ratification of the appointment by the Members at every Annual General Meeting held after the 30th Annual General Meeting of the Company, at such remuneration plus applicable taxes and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Managing Director of the Company.”



5. Appointment of Mr. Sudeep Pande 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 pursuant to the provisions of Sections 149, 152, 161 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014(including any statutory modification(s) or re-enactment thereof, for the time being in force), and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Sudeep Pande (DIN: 08212946), who was appointed as an Additional Director by the Board of Directors of the Company and who holds office as such only up to the date of this Annual General Meeting and in respect of whom the Company has received a notice, pursuant to the provisions of Section 160 of the Act, from a member signifying his intention to propose Mr. Sudeep Pande as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation and to hold office for 5(five) consecutive years for a term upto 31st August, 2023.

New Delhi, 1st September, 2018
CIN : L74899DL1988PLC031191

By Order of the Board
HINDUSTAN ADHESIVES LIMITED

Registered Office:
340/2-A, G.T.Road Shahdara, Delhi-110095
Email: accounts@hindustanadhesives.com

(Madhusudan Bagla)
Managing Director
DIN: 01425646

NOTES

- a) The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) setting out material facts concerning the business under Item Nos. 3 to 5 of the Notice, is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), of the person seeking re-appointment as Director under Item Nos. 2 and 5 of the Notice, are also annexed.
- b) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than 10 % of total share of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share Capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
- c) Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- d) Pursuant to Rule 18(3) of The Companies (Management and Administration) Rules, 2014, you are requested to provide your e-mail id to facilitate easier and faster dispatch of the notices of the general meetings and other communications by electronic mode from time to time.
- e) Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

HINDUSTAN ADHESIVES LIMITED

- f) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- g) Route map of the venue of the Meeting (including prominent landmark) is annexed.
- h) Members/ proxies should bring the attendance slip duly filled in for attending the meeting.
- i) Members attending the meeting are requested to bring their copy of Annual Report as extra copies will not be supplied.
- j) The Register of Members and Share Transfer Books of the Company will be closed from **Saturday, 22.09.2018 to Saturday, 29.09.2018**, both days inclusive
- k) Relevant documents referred to in the Notice are open for inspection at the Registered Office of the Company on all working days, (except Saturdays, Sundays and Public Holidays) between 11.00 a.m. and 1.00 p.m. upto the date of the Meeting.
- l) Members/Proxies should bring their attendance slips duly completed for attending the Meeting.
- m) Members are requested to notify any change in their address, bank details, etc.:
 - (i) To their Depository Participants (DPs) in respect of shares held in demat form; and
 - (ii) To the Registrar & Share Transfer Agent of the Company in respect of shares held in physical form, quoting their folio numbers.
- n) The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to Link Intime India Private Limited, Registrar and Share Transfer Agent of the Company.
- o) The facility for voting, through polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote-voting shall be able to exercise their right at the meeting.
- p) The Members who have cast their vote by remote e-voting or by ballot form prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- q) Members can opt for only one mode of voting, i.e., either by Ballot Form or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Ballot Form shall be treated as invalid.
- r) **Voting through electronic means:**

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 30th AGM by electronic means and all the items of the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL). Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. **22nd September, 2018**, may cast their vote by electronic means or in the AGM. The instructions for e-voting are as under.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Wednesday, 26.09.2018, (9.00 a.m. IST) and ends on Friday, 28.09.2018, (5.00 P.M. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **Saturday, 22.09.2018**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

HINDUSTAN ADHESIVES LIMITED

- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv)

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <**HINDUSTAN ADHESIVES LIMITED**> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.



(xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Other Instructions:

- (i) The e-voting period commences on Wednesday, 26th September, 2018 (9.00 a.m. IST) and ends on Friday, 28th September 2018 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in electronic form, as on Saturday, 22nd September, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast and confirmed by the Member, he shall not be allowed to change it subsequently.
- (ii) The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on September 22, 2018.
- (iii) **Mr. Mukesh Kumar Agarwal**, Practicing Company Secretary (**Membership No. FCS 5991**), has been appointed as the Scrutinizer to conduct the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- (iv) The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 3 days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall counter sign the same and thereafter, the Chairman or the person so authorised shall declare the Results of the voting forthwith. This Notice as well as the Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website and on the website of CDSL and communicated to BSE & Calcutta Stock Exchange immediately.

New Delhi, 1st September, 2018
CIN : L74899DL1988PLC031191

Registered Office:
340/2-A, G.T.Road Shahdara, Delhi-110095
Email: accounts@hindustanadhesives.com

By Order of the Board
HINDUSTAN ADHESIVES LIMITED

(Madhusudan Bagla)
Managing Director
DIN: 01425646

EXPLANATORY STATEMENT

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

ITEM No- 3

The Members of the Company at its 29th AGM held on Friday, 29th September, 2017 had appointed M/s. SPMR & Associates, Chartered Accountants (Registration No. 007578N) as the Statutory Auditors of the Company to hold office from the conclusion of 29th AGM till the conclusion of 34th Annual General Meeting of the Company respectively subject to ratification of the appointment by the Members at every AGM held after the 29th AGM of the Company.

M/s. SPMR & Associates, Chartered Accountants (Registration No. 007578N) vide his letter dated 14th August, 2018 has resigned from the position of Statutory Auditors of the Company, resulting into a casual vacancy in the office of Statutory Auditors of the Company as envisaged by section 139(8) of the Companies Act, 2013. The Board of Directors at its meeting held on 14th August, 2018, as per the recommendation of the Audit Committee, and pursuant to the provisions of Section 139(8) of the Companies Act, 2013, have appointed **M/s. Rajan Goel & Associates**, Chartered Accountants, (Firms Registration No. 004624N), to hold office as the Statutory Auditors of the Company till the conclusion of 30th AGM and to fill the casual vacancy caused by the resignation of M/s. SPMR & Associates, Chartered Accountants (Registration No. 007578N) subject to the approval by the members at the 30th Annual General Meeting of the Company, at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Managing Director of the Company. The Company has received consent letter and eligibility certificate from **M/s. Rajan Goel & Associates**, Chartered Accountants, (Firms Registration No. 004624N), to act as Statutory Auditors of the Company in place of M/s. SPMR & Associates, Chartered Accountants, (Firm Registration No. 007578N), along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out in Item No. 3 of the Notice for appointment and payment of remuneration to the Statutory Auditors.

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution. The Board recommends an Ordinary Resolution set out in the Notice for approval by the Members.

ITEM No- 4

The Board of Directors at its meeting held on 14th August, 2018, as per the recommendation of the Audit Committee and pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions if any, recommended the appointment of **M/s. Rajan Goel & Associates**, Chartered Accountants (Registration No. 004624N), as Statutory Auditors of the Company to hold office for a period of five years, from the conclusion of the 30th AGM, till the conclusion of the 35th AGM of the Company to be held in the year 2023 subject to ratification of the appointment by the Members at every AGM held after the 30th AGM, at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Managing Director of the Company. The Company has received consent letter and eligibility certificate from **M/s. Rajan Goel & Associates**, Chartered Accountants, (Firms Registration No. 004624N) to act as Statutory Auditors of the Company along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out in Item No. 4 of the Notice for appointment and payment of remuneration to the Statutory Auditors.



None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution. The Board recommends an Ordinary Resolution set out in the Notice for approval by the Members.

ITEM No- 5

Mr. Sudeep Pande was appointed as an additional director on the Board of the Company with effect from 1st September, 2018 to hold office only up to the date of the ensuing Annual General Meeting. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the "Act") from a Member signifying his intention to propose the candidature of Mr. Sudeep Pande as a Director of the Company. Mr. Sudeep Pande is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. Section 149 of the Act inter alia stipulates the criteria of independence for appointment of an Independent Director on the Company's Board. An Independent Director can hold office for a term up to 5 (five) consecutive years on the Board of the Company and he shall not be included in the total number of directors liable to retire by rotation. The Company has received a declaration from Mr. Sudeep Pande 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. Sudeep Pande 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. Sudeep Pande is independent of the management. A copy of the draft letter of appointment of Mr. Sudeep Pande as an Independent Director setting out the terms and conditions is available for inspection by the Members at the registered office of the Company on all working days (except Saturdays, Sundays and Public Holidays) between 10:00 am to 1:00 pm up to the date of the AGM.

None of the Directors, Key Managerial Personnel and their relatives other than Mr. Sudeep Pande and his relatives are concerned or interested in the said resolution. The resolution as set out in Item no. 5 of this Notice is accordingly commended for your approval.

New Delhi, 1st September, 2018
CIN : L74899DL1988PLC031191

By Order of the Board
HINDUSTAN ADHESIVES LIMITED

Registered Office:
340/2-A, G.T.Road Shahdara, Delhi-110095
Email: accounts@hindustanadhesives.com

(Madhusudan Bagla)
Managing Director
DIN: 01425646

**ANNEXURE-A**

Details of the Directors seeking appointment / re-appointment at the Annual General Meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions are as under

NAME OF THE DIRECTOR	Lalit Kumar Bagla	Sudeep Pande
AGE	76 years	55 Years
QUALIFICATIONS	Graduate	B.Tech in Plastic Technology M.B.A.
EXPERIENCE	Above 50 years	Above 25 Years
TERMS AND CONDITIONS OF APPOINTMENT/ REAPPOINTMENT ALONG WITH DETAILS OF REMUNERATION SOUGHT TO BE PAID	LIABLE TO RETIRE BY ROTATION	ACCORDING TO TERMS OF APPOINTMENT AS INDEPENDENT DIRECTOR
REMUNERATION LAST DRAW (2017-18)	—	—
NATURE OF EXPERTISE IN SPECIFIC FUNCTIONAL AREAS	Wide Experience in Manufacturing	Wide Experience in Operation Management & Product Development
DATE OF FIRST APPOINTMENT ON TO THE BOARD	25/04/1988	01/09/2018
NO. OF SHARES HELD IN THE COMPANY AS ON 31ST MARCH, 2018	—	—
RELATIONSHIP WITH OTHER DIRECTORS, MANAGER AND OTHER KEY MANAGERIAL PERSONNEL	MR. L.K. BAGLA IS FATHER OF MR. M.S. BAGLA.	N.A.
NO. OF MEETINGS OF THE BOARD ATTENDED DURING THE YEAR	SEVEN	—
DIRECTORSHIP IN OTHER COMPANIES AS ON 31ST MARCH, 2018	Bagla Polifilm Ltd. Hamsafar Vanijya Pvt. Ltd. Agarwal Tracom Pvt. Ltd.	—
CHAIRMANSHIP/MEMBERSHIP OF COMMITTEES OF OTHER BOARD	NIL	NIL

New Delhi, 1st September, 2018
CIN : L74899DL1988PLC031191

By Order of the Board
HINDUSTAN ADHESIVES LIMITED

Registered Office:
340/2-A, G.T.Road Shahdara, Delhi-110095
Email: accounts@hindustanadhesives.com

(Madhusudan Bagla)
Managing Director
DIN: 01425646



HINDUSTAN ADHESIVES LIMITED

CIN: L74899DL1988PLC031191

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

PROXY FORM

Form No. MGT-11

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

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

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

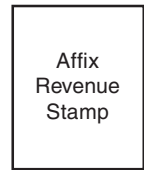
1. Name: Email Id:
 Address:
 Signature:, or failing him
2. Name: Email Id:
 Address:
 Signature:, or failing him
3. Name: Email Id:
 Address:
 Signature:, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the company, to be held on Saturday, the 29th day of September, 2018 at 10:00 a.m. at Orchid Palace, Main Chattarpur Road, Asola Fatehpur Beri, New Delhi-110074 and at any adjournment thereof in respect of such resolutions as are indicated below:

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

S. No.	Resolution	No. of Shares	For	Against
			I/We assent to the resolution	I/We dissent to the resolution
1.	Adoption of Audited Financial Statements of the Company for the Financial Year ended 31st March, 2018 together with the reports of the Board of Directors and Auditor's thereon.			
2.	Appointment of a Director in place of Mr. L.K. Bagla, who retires by rotation and being eligible, seeks re-appointment.			
Special Business				
3.	Appointment of M/s. Rajan Goel & Associates, Chartered Accountants as statutory Auditor to fill casual vacancy until conclusion of Thirtieth AGM.			
4.	Appointment of M/s. Rajan Goel & Associates, Chartered Accountants, as Statutory Auditors for a term of five years.			
5.	Appointment of Mr. Sudeep Pande as Non Executive Independent Director for a term of five years.			

Signed this.....day of.....2018



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

NOTES:

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



HINDUSTAN ADHESIVES LIMITED

CIN: L74899DL1988PLC031191

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

ATTENDANCE SLIP

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

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

*Applicable to members holding shares in electronic form.

I hereby record my presence at the **30th ANNUAL GENERAL MEETING of HINDUSTAN ADHESIVES LIMITED** held on Saturday, the 29th day of September, 2018 at Orchid Palace, Main Chattarpur Road, Asola Fatehpur Beri, New Delhi-110074 at 10.00 a.m.

Please (✓) in the box.

Member

Proxy

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

.....
Member's Signature

.....
Proxy's Signature



HINDUSTAN ADHESIVES LIMITED

CIN: L74899DL1988PLC031191

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

E-COMMUNICATION REGISTRATION FORM

(As per circular nos. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by the Ministry of Corporate Affairs)

Folio No./ DPID & Client ID	
Name of First Registered Holder	
Name of Joint Holder(s)	
Registered Address	
E-mail ID (to be registered)	

I/We, members of **HINDUSTAN ADHESIVES LIMITED**, agree to receive all communication from the Company in electronic mode. Please register my above-mentioned e-mail id in your records for sending communication through e-mail.

Date :

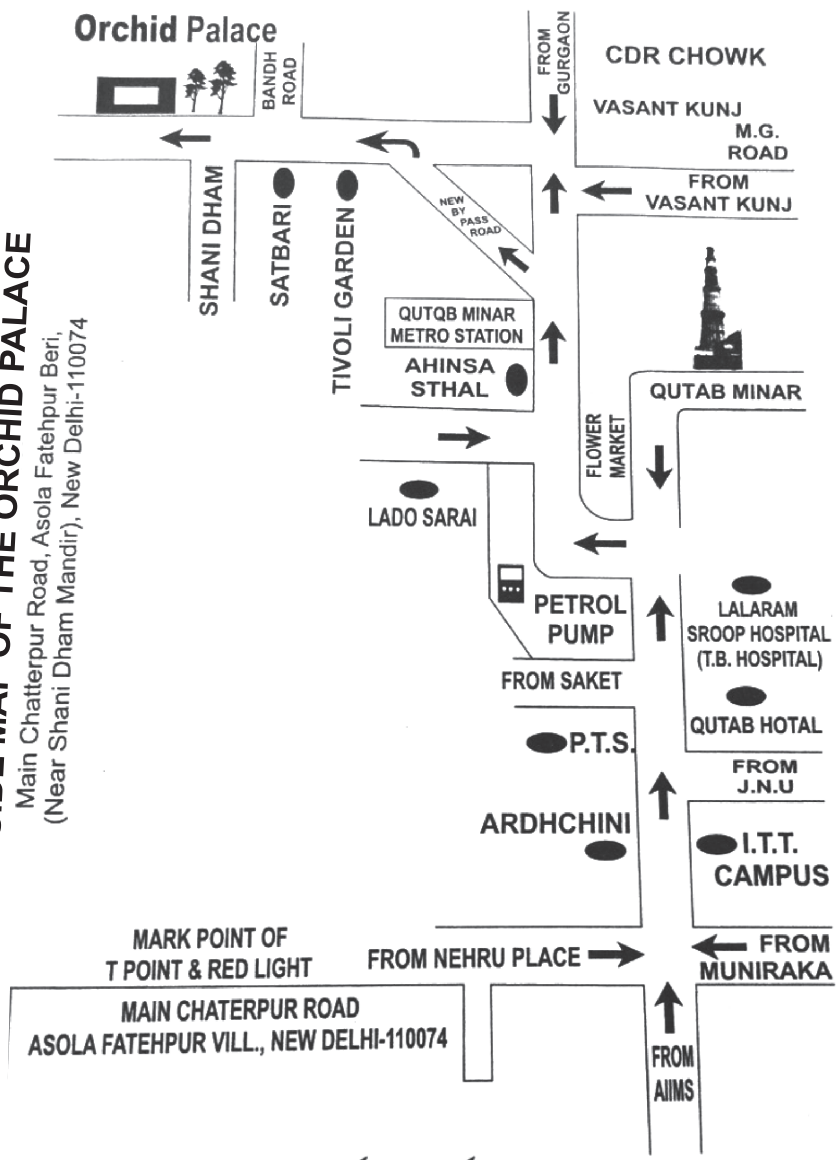
First Holder Signature :

Notes:

1. On registration, all the communication will be sent to the e-mail id registered for the folio.
2. Members are requested to keep the Company/Depository Participants informed as and when there is any change in the e-mail

GUIDE MAP OF THE ORCHID PALACE

Main Chatterpur Road, Asola Fatehpur Beri,
(Near Shani Dham Mandir), New Delhi-110074



Please follow the arrows to reach the Orchid Palace



Bagla Group

HINDUSTAN ADHESIVES LIMITED

CIN: L74899DL1988PLC031191

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

Tel.: 011-22131880, Fax: 011-26191358

Email: info@bagla-group.com, Website : www.bagla-group.com

BALLOT FORM

- (1) Name and Registered Address of the Sole/First named Shareholder
- (2) Name(s) of the Joint Holder(s):
(If any)
- (3) Registered Folio No.
- (4) Number of Share(s) held
- (5) I / We hereby exercise my / our vote(s) in respect of the resolutions set out in the notice of the Thirtieth Annual General Meeting (AGM) of the Company to be held on Saturday, September 29, 2018 by recording my / our assent or dissent to the said Resolutions by placing tick (✓) mark in the appropriate box below:

Item No.	Resolution	No. of Shares	(For)	(Against)
			I/We assent to the resolution	I/We dissent to the resolution
1.	Adoption of Audited Financial Statements of the Company for the Financial Year ended 31st March, 2018 together with the reports of the Board of Directors and Auditor's thereon.			
2.	Appointment of a Director in place of Mr. L.K. Bagla, who retires by rotation and being eligible, seeks re-appointment.			
Special Business				
3.	Appointment of M/s. Rajan Goel & Associates as statutory Auditor to fill casual vacancy until conclusion of Thirtieth AGM.			
4.	Appointment of M/s. Rajan Goel & Associates, Chartered Accountants, as Statutory Auditors for a term of five years.			
5.	Appointment of Mr. Sudeep Pande as Non Executive Independent Director for a term of five years.			

Place :

Date :

Signature :

INSTRUCTIONS

1. This Ballot Form is provided for the benefit of members who do not have access to e-voting facility.
2. A member can opt for only one mode of voting i.e. either through e-voting or by ballot. If a member casts vote by both modes, then voting done through e-voting shall prevail and ballot shall be treated as invalid.
3. For detailed instructions on e-voting, please refer to the notes appended to the notice of the AGM.
4. The scrutinizer will collate the votes downloaded from the e-voting system and votes cast through ballot to declare.
5. The final result for each of the resolutions forming a part of the notice of the AGM.

Process and manner for Members opting to vote by using the Ballot Form:

1. The Ballot Form should be signed by the member as per the specimen signature registered with the Company / Depositories. In case of Joint holding, the form should be completed and signed by the first named member and in his / her absence, by the next named joint holder. A Power Of Attorney (POA) holder may vote on behalf of a member, mentioning the registration no. of POA registered with the Company or enclosing an attested copy of POA.
2. In case the shares are held by companies, trusts, societies, etc. the duly completed Ballot Form should be accompanied by a certified true copy of the relevant Board Resolution / Authorization.
3. Votes should be cast in case of each resolution, either in favour or against by putting the tick (✓) mark in the column provided in the ballot.
4. The voting rights of shareholders shall be in proportion of the shares held by them in the paid up equity share capital of the Company as on 22nd September, 2018 and as per the register of members of the Company.
5. A member may request for a duplicate Ballot Form, if so required.
6. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms will be rejected. A form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the scrutinizer to identify either the member or as to whether votes are in favour or against or if signature cannot be verified.

The decision of the scrutinizer on the validity of the Ballot Form and any other related matter shall be final.

7. The results declared along with the Scrutinizers report, shall be placed on the Company's website www.Bagla-group.com within two working days of the passing of the resolutions at the AGM of the Company on September 29, 2018, and communicated to BSE Limited, where the shares of the Company are listed.