

Date: 08.09.2022

To,  
The Manager (Listing)  
BSE Limited  
1<sup>st</sup>Floor, New Trading Ring,  
Rotunda Building, P.J. Towers,  
Dalal Street, Mumbai- 400001

**Stock Code No: 514428****Sub:** Annual Report for the financial year 2021-22 and Notice convening the 34<sup>th</sup> Annual General Meeting

Dear Sir,

Pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for FY 2021-22 and Notice convening the 34<sup>th</sup> Annual General Meeting.

In compliance with Ministry of Corporate Affairs Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 5th May, 2020, 02/2021 dated 13th January, 2021, 21/2021 dated 14th December, 2021 and 2/2022 dated 5th May, 2022 respectively and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020, SEBI/HO/CFD2/ CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, the Annual Report of the Company for FY 2021-22 and Notice of 34<sup>th</sup> AGM being sent through email to all the Members whose Email Ids are registered with the Company/Depository Participant.

Request you to take the above information / documents on records.

Thanking you  
Yours faithfully

**For HINDUSTAN ADHESIVES LIMITED**

**MADHUSUDAN BAGLA**  
**MANAGING DIRECTOR**  
**DIN NO-01425646**

34<sup>th</sup>  
Annual  
Report  
2021-2022



**HINDUSTAN ADHESIVES LIMITED**

# 34<sup>TH</sup> ANNUAL REPORT

## 2021 - 2022

**BOARD OF DIRECTORS:**

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

**COMPANY SECRETARY:**

Mr. S. S. Dua

**AUDITORS:**

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

**BANKERS:**

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

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

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

HDFC Limited  
 B-7/3, Asaf Ali Road,  
 New Delhi-110002

**SHARE TRANSFER & DEMAT AGENT:**

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

**REGISTERED OFFICE;**

B-2/8, Safdarjung Enclave,  
 New Delhi-110029  
 CIN: L74899DL1988PLC031191

**FACTORY:**

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

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

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

**SHARES LISTED AT:**

BSE

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**HINDUSTAN ADHESIVES LIMITED**

CIN: L74899DL1988PLC031191

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

**NOTICE**

Notice is hereby given that the Thirty-Fourth Annual General Meeting of the Members of Hindustan Adhesives Limited will be held on Friday, 30th September, 2022 at 2.00 P.M. Indian Standard Time ("IST"), through Video Conferencing/ Other Audio-Visual Means ("VC/OAVM") Facility to transact following business:

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

The audited Financial Statements of the Company for the financial year ended March 31, 2022 and the Reports of the Board of Directors and Auditors thereon; and

**2. To appoint a Director in place of Mrs. Urmila Goenka (DIN 01165727), who retire by rotation and being eligible offers herself for re- appointment.****SPECIAL BUSINESS.****3. Re-appointment of Mr. Madhusudan Bagla (DIN: 01425646) as Managing Director of the Company:**

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

**RESOLVED THAT** pursuant to the provisions of Section 196, 203, Schedule V and other applicable provisions of the Companies Act, 2013 ("the Act"), if any and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members of the Company be and is hereby accorded to re-appoint Mr. Madhusudan Bagla (DIN 01425646) as Managing Director and key managerial personnel of the Company for a period of 5 (Five) years with effect from April 1, 2022 at a remuneration and upon such terms and conditions as set out below.

**Terms & Conditions of Appointment:**

Salary will be Rs. 7 00,000/- per month which shall include following perquisites:-

- Rent free furnished Accommodations:** (Amount not exceeding Rs. 2.5 Lakhs)
- Medical Reimbursement:** Expenses incurred for the appointee and his family subject to a ceiling of one month salary in one year.
- Leave Travel Concession:** As per rule of the Company.
- Club Fees:** Fees of club subject to maximum of two clubs. This will not include admission and life membership fees.
- Personal Accident Insurance:** Premium not to exceed Rs.4000/-per month.

**Following perquisites shall not be included in the salary:**

- Contribution to Provident Fund:** As per Company rules.
- Gratuity:** As per Company rules subject to maximum of half months salary for each completed year of service.
- Encashment of leaves-** As per rules of the Company at the end of tenure.

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as it may think necessary, expedient or desirable in order to give effect to the aforesaid resolution."

**4. Payment of remuneration to Mrs. Urmila Goenka, Whole time Director**

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

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

Companies Act, 2013 ("the Act") and Schedule V thereto and the Rules made thereunder and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation of Nomination Committee and the Board of Directors of the Company and subject to such approval as may be required, the approval of the members of the Company be and is hereby accorded for payment to Mrs. Urmila Goenka (DIN: 01165727), Whole time Director, such remuneration, as approved in the said resolution (reproduced in the annexed Explanatory Statement), as minimum remuneration in case the Company has no profits or the profits of the Company are inadequate during period commencing from September 30, 2022 to 29<sup>th</sup> September 2025, notwithstanding that such remuneration may exceed the limits specified under Section 197 and Schedule V of the Act.

**"RESOLVED FURTHER THAT** all other existing terms and conditions of appointment of Mrs. Urmila Goenka shall remain unchanged unless otherwise modified by the Board of Directors of the Company.

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

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

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Schedule V thereto and the Rules made thereunder and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation of Nomination Committee and the Board of Directors of the Company and subject to such approval as may be required, the approval of the members of the Company be and is hereby accorded for payment to Mr. Suresh Shridhar Ajila (DIN: 03203748), Whole time Director, such remuneration, as approved in the said resolution (reproduced in the annexed Explanatory Statement), as minimum remuneration in case the Company has no profits or the profits of the Company are inadequate during period commencing from September 30, 2022 to September 29, 2025, notwithstanding that such remuneration may exceed the limits specified under Section 197 and Schedule V of the Act.

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

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

#### 6. To approve transactions under Section 185 of the Companies Act, 2013

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

**"RESOLVED THAT** pursuant to Section 185 of the Companies Act, 2013 (as amended by Companies (Amendment) Act, 2017) ("said sections") read with section 186 of Companies Act, 2013 (including any statutory modification(s) or reenactment thereof for the time being in force) the consent of the Members of the Company be and is hereby accorded for advancing loan and / or giving of guarantee(s), and / or providing of security(ies) in connection with any loan taken / to be taken from financial institutions / banks / insurance companies / other investing agencies or any other person(s) / bodies corporate by any entity (said entity(ies) covered under the category of 'a person in whom any of the director of the company is interested' as specified in the explanation to Sub-section (b) of Section 2 of the said section, of an aggregate outstanding amount not exceeding Rs. 300,00,00,000/- (Rupees Three Hundred Crores only).

**"RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any committee thereof) be and is hereby authorized to negotiate, finalise and agree to the terms and conditions of the aforesaid Loans / Guarantees / Securities, and to take all necessary steps, to execute all such documents, instruments and writings and to do all necessary acts, deed and things in order to comply with all the legal and procedural formalities and to do all such acts, deeds or things incidental or expedient thereto and as the Board may think fit and suitable."

**7. Approval for remuneration of Mr. Dhruv Bagla and Holding an Office or Place of Profit in the Company.**

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

**“RESOLVED THAT** pursuant to the provisions of Section 188(1)(f) and all other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder (including any statutory modifications(s) or re-enactment thereof, for the time being in force), as per the recommendation and approval of the Nomination and Remuneration Committee and Audit Committee, approval of the shareholders be and is hereby accorded to pay the remuneration to Mr. Dhruv Bagla, Business Developer of the Company and holding an office or place of profit in the company, as computed under applicable provisions of Companies Act, 2013 and its allied rules to remuneration upto Rs. 5,00,000/- per month and such other perquisites in accordance with the Company rule.

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do, all such acts, matters, deeds and things, settle any queries/difficulties/ doubts arise from it, as may be considered necessary, proper or expedient to give effect to this resolution and for matters connected herewith or incidental there to in the best interest of the Company.”

**8. To ratify and confirm the remuneration payable to the Cost Auditors of the Company for the financial year ending March 31, 2023**

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

**“RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, & the Companies (Cost Records and Audit) Rules, 2014) (including any statutory modification(s), amendments(s) thereto or re-enactment(s) thereof for the time being in force), the remuneration of Rs.75,000/- (Rupees Seventy Five Thousand only)(plus out of pocket expenses and applicable taxes, if any), payable to M/s JSN & CO., Cost Accountants (Registration No. 000455), appointed by the Board as Cost Auditors to conduct the audit of cost records of the Company for the financial year ending March 31, 2023, be and is hereby ratified and confirmed.

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

New Delhi, 13<sup>th</sup> August, 2022  
CIN: L74899DL1988PLC031191

By Order of the Board  
HINDUSTAN ADHESIVES LIMITED

**Registered Office:**

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

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

(Madhusudan Bagla)

Managing Director

DIN:01425646

**IMPORTANT NOTES:**

1. In view of the continuing Covid-19 pandemic, the Ministry Corporate Affairs (“MCA”) has vide its General Circular nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 5th May, 2020, 02/2021 dated 13th January, 2021, 21/2021 dated 14th December, 2021 and 2/2022 dated 5th May, 2022, issued by the Ministry of Corporate Affairs (“MCA”) and also SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 12, 2020, January 15, 2021 and May 13, 2022 permitted holding of the Annual General Meeting (“the Meeting/AGM”) through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”), without the physical presence of the Members, Directors, Auditors or other eligible persons at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act, 2013”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and aforesaid MCA and SEBI Circulars, the AGM of the Company will be conducted through VC/OAVM.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, (“the Act”) for the matter included in the notice, which is unavoidable and therefore proposed for seeking approval at AGM, is enclosed herewith.



3. In accordance with the provisions of Section 108 of the Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations and in view of the aforesaid MCA and SEBI Circulars, the Company has engaged the services of Link Intime (India) Private Limited (LI IPL) to provide the facility of voting by electronic voting system to all the Members to enable them to cast their votes electronically during the AGM in respect of all the businesses to be transacted at the aforesaid Meeting. The facility of casting the votes by the Members using such electronic voting system from a place other than venue of the AGM ("remote e-voting") is also provided by LI IPL.
4. VC/OAVM facility provided by the Company, is having a capacity to allow 1000 members to participate at the Meeting on a first come-first-served basis. However, the large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, Directors, KMPs, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc. may be allowed to attend the Meeting without restriction on account of first-come-first-served principle.
5. Company is providing two-way teleconferencing facility for the ease of participation of the members. The instructions for members attending/ participating in the AGM through VC/ OAVM are provided at point no. 29A.
6. The facility for joining the AGM through VC/OAVM shall be open at least 15 minutes before the time scheduled to start the Meeting and shall not be closed till the expiry of 15 minutes after such scheduled time.
7. In compliance with the aforesaid MCA Circulars and SEBI Circulars, electronic copy of the Annual Report for the financial year 2021-22 and Notice of the 34th AGM of the Company, inter alia, indicating the process and manner of e-voting will be sent only through electronic mode to all the Members whose e-mail IDs are registered with the Company's Registrar & Share Transfer Agent/Depository Participant(s) for communication purposes, as the requirement of sending the hard copies of annual report and notice of AGM has been dispensed with. Members may note that the Notice and Annual Report will also be available on the Company's website [www.bagla-group.com](http://www.bagla-group.com), websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com).
8. Pursuant to the provisions the Act, a Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of him/her and the proxy need not be a Member of the Company. Since the 34th AGM is being held pursuant to the MCA Circulars, through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, in line with the MCA General Circular No. 14/2020 dated April 08, 2020, General Circular No. 02/2021 dated 13th January, 2021 and General Circular No. 02/2022 dated 05th May, 2022 the facility for appointment of proxies by the Members will not be available for the 34th AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
9. Institutional/Corporate Members intending to attend the Meeting are required to send a scan of certified copy of the Board Resolution (JPG/PDF format), pursuant to Section 113 of the Act, 2013, authorizing their representative to attend the Meeting through VC/OAVM on its behalf and vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address [magarwalandco@gmail.com](mailto:magarwalandco@gmail.com).
10. Recorded transcript of the Meeting shall be uploaded on the website of the Company and the same shall also be maintained in safe custody of the Company. The registered office of the company shall be deemed to be the place of Meeting for the purpose of recording of the minutes of the proceedings of this AGM.
11. The Securities and Exchange Board of India (SEBI) vide its Circular No. CIR/MRD/DP/10/2013 dated March 21, 2013 has mandated all Companies to use approved electronic mode of payment for making cash payments such as dividend to the Members (where core banking details are available) or to print the bank account details of the Members (as per the Company's records) on the physical payment instruments (in case where the core banking details are not available or electronic payment instructions have failed or rejected by the Bank). Hence, the Members are requested to furnish/ update their bank account name & branch, bank account number and account type along with other core banking details such as MICR (Magnetic Ink Character Recognition), IFSC (Indian Financial System Code) etc. at the earliest with their Depository Participants (DPs) in case shares are held in electronic form or with the Registrar & Share Transfer Agent of the Company in case of the shares are held in physical form.
12. Members having any queries related to accounts and operations or any other matter to be placed at the AGM of the

Company may write to the Company through an email on [accounts@hindustanadhesives.com](mailto:accounts@hindustanadhesives.com), at least seven working days in advance of the Meeting. The same will be replied by the Company suitably.

13. Members are requested to contact the Company's Registrar & Share Transfer Agent (RTA), Link Intime India Private Limited (LIPL) Noble Heights, 1st Floor, Plot NH 2 C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi-110058 (Phone No.: +91-11- 41410592; Fax No.: +91-11-41410591; Email: [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in) ) for reply to their queries/ redressal of complaints, if any, or contact Company through an email on [accounts@hindustanadhesives.com](mailto:accounts@hindustanadhesives.com)).
14. Members are requested to note that, in terms of Sections 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended) (the "IEPF"), dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Also all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the company in the name of Investor Education and Protection Fund. Therefore, Members, who have not yet encashed their dividend for the financial year ended March 31, 2016; March 31, 2017; March 31, 2018, March 31, 2019, March 31, 2020, March 31, 2021 and/or March 31, 2022 are requested to make their claim to the Company's RTA i.e. LIPL immediately.
15. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, to their DPs in case shares are held in electronic form or to Company's RTA i.e. LIPL in case shares are held in physical form.
16. Members may avail the facility of nomination by nominating a person to whom their shares in the Company shall vest in the event of their death. The prescribed form can be obtained from the Company's RTA i.e. LIPL. Members are requested to submit the said details to their DPs in case the shares are held in electronic form and to LIPL in case the shares are held in physical form.
17. Members who hold shares in physical form in multiple folios in identical names or joint names in the same order of names are requested to send the share certificates to the Company's RTA i.e. LIPL for consolidation into single folio.
18. As per Regulation 40 of the SEBI Listing Regulations, as amended, the securities of the listed company cannot be transferred in physical mode w.e.f. April 01, 2019, except in case of request received for transposition or transmission of securities. In view of this, Members holding shares in physical form are requested to get their shares dematerialized at the earliest. Members can contact the Company or the Company's RTA i.e. LIPL for assistance in this regard.
19. In respect of the physical shareholding, in order to prevent fraudulent transactions, members are advised to exercise due diligence and notify the Registrar of any change in their addresses, telephone numbers, e-mail ids, nominees or joint holders, as the case may be.  
  
The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/RTA i.e. LIPL.
20. The Members who have not registered their email addresses so far, to register their email addresses with their DPs in case shares are held by them in electronic form and with the Company's RTA i.e. LIPL in case shares are held by them in physical form for receiving all communication including annual report, notices, circulars etc. from the Company electronically.
21. Members attending the Meeting through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act, 2013.
22. Since the AGM will be conducted through VC / OAVM, the Route Map is not annexed to this Notice.
23. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Act, 2013, the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, 2013 read with Rules issued thereunder will be made available electronically for inspection by the Members during the Meeting. All documents referred to in the Notice will also be available for electronic inspection from the date



of circulation of this Notice up to the date of AGM. Also, the Notice for this 34<sup>th</sup> AGM along with requisite documents and the Annual Report for the financial year 2021-22 shall also be available on the Company's website [www.bagla-group.com](http://www.bagla-group.com). Further, the notice received, if any, under Section 160 of the Companies Act, 2013 will be put up on the website of the Company up to the date of the Meeting. Members seeking to inspect such documents can send an email to [accounts@hindustanadhesives.com](mailto:accounts@hindustanadhesives.com).

24. The remote e-voting facility will be available during the following voting period:
- Commencement of remote e-voting: From 9.00 a.m. IST of Tuesday, September 27, 2022.
  - End of remote e-voting: Up to 5.00 p.m. IST of Thursday, September 29, 2022.
25. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, September 23, 2022 may cast their vote through remote e-voting. The remote e-voting module shall be disabled by LIPL for voting thereafter and the facility will be blocked forthwith. The Register of Members and Share Transfer will remain closed from Saturday, 24<sup>th</sup> September, 2022 to Friday, 30<sup>th</sup> September, 2022 for the purpose of AGM.
26. In pursuant to SEBI circular no. SEBI/ HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.
27. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>Existing Users who have opted for Easi / Easiest facility, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat account number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>Existing IDeAS user can visit the e-Services website of NSDL viz...<a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing</li> </ol>

	<p>User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to “InstaVote” website for casting your vote during the remote e-Voting period.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL:<a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to “InstaVote” website for casting your vote during the remote e-Voting period.</p>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to “InstaVote” website for casting your vote during the remote e-Voting period.</p>

#### Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 – 4918 6000.

#### Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

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

#### 28. Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: [https:// instavote.linkintime.co.in](https://instavote.linkintime.co.in)
2. Click on “**Sign up**” under “**SHARE HOLDER**” tab and register with your following details:-
  - A. User ID:** Enter your User ID
    - Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
    - Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
    - Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company
  - B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
  - C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)
  - D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.
    - Shareholders/ members holding shares in **NSDL form**, shall provide ‘D’, above
    - Shareholders/ members holding shares in **physical form** but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above
      - » Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).
      - » Click “confirm” (Your password is now generated).
3. Click on ‘Login’ under ‘SHARE HOLDER’ tab.
4. Enter your User ID, Password and Image Verification(CAPTCHA) Code and click on ‘Submit’.
5. After successful login, you will be able to see the notification for e-voting. Select ‘View’ icon.
6. E-voting page will appear.
7. Refer the Resolution description and cast your vote by selecting your desired option ‘Favour / Against’ (If you wish to view the entire Resolution details, click on the ‘View Resolution’ file link).
8. After selecting the desired option i.e. Favour / Against, click on ‘Submit’. A confirmation box will be displayed. If you wish to confirm your vote, click on ‘Yes’, else to change your vote, click on ‘No’ and accordingly modify your vote.
9. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as ‘Custodian / Mutual Fund / Corporate Body’. They are also required to upload a scanned certified true copy of the board resolution / authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the ‘Custodian / Mutual Fund / Corporate Body’ login for the Scrutinizer to verify the same.

#### **Individual Shareholders holding securities in Physical mode has forgotten the password:**

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- \* Click on ‘**Login**’ under ‘**SHARE HOLDER**’ tab and further Click ‘**forgot password?**’
- \* Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password

should contain minimum 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No +Folio Number registered with the Company

**Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:**

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned depository/ depository participants website.

- \* It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- \* For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- \* During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

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

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

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

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

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>
  - » Select the “Company” and ‘Event Date’ and register with your following details:
    - A. Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio Number
      - Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
      - Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
      - Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company
    - B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
    - C. Mobile No.:** Enter your mobile number.
    - D. Email ID:** Enter your email id, as recorded with your DP/Company.
      - » Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).
      - » Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ Insta MEET website.

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

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on the [complianceofficer.hal@bagla-group.com](mailto:complianceofficer.hal@bagla-group.com).
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the Company.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panelist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.
 

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.
30. The voting rights of Members shall be in proportion to their shares of the total paid up equity share capital of the Company as on the cut-off date.
31. Any person, who acquires shares of the Company and becomes Member of the Company after sending the Notice of the Meeting and holding shares as of the cut-off date i.e. September 23, 2022, needs to refer the instruction above regarding login ID and password and may contact the Company or RTA for any query or assistance in this regard. Any person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
32. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM through VC/ OAVM but shall not be entitled to cast their vote again or change it subsequently.
33. Only those Members, whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date shall be entitled to avail the facility of remote e-voting as well as e-voting at the AGM.
34. The Board of Directors of the Company has appointed Mr. Mukesh Kumar Agarwal, Practicing Company Secretary as the Scrutinizer to scrutinize the e-voting and remote e-voting process for the Annual General Meeting in a fair and transparent manner.

35. The Chairman shall, at the AGM, at the end of discussion on the Resolutions on which the voting is to be held, allow voting with the assistance of the scrutinizer, by using e-voting facility for all those Members who are present at the AGM through VC/OAVM but have not cast their votes by availing the remote e-voting facility.
36. The Scrutinizer shall after the conclusion of voting at the Meeting, will first count the votes cast during the Meeting and thereafter unblock the votes cast through remote e-voting and shall make and submit, within 48 hours of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting within 48 hours of conclusion of the AGM.
37. The Notice of the AGM shall be placed on the website of the Company and LIPL till the date of AGM. The Results declared, along with the Scrutinizer's Report shall be placed on the Company's website [www.bagla-group.com](http://www.bagla-group.com) and on the website of LIPL i.e. [www.linkintime.co.in](http://www.linkintime.co.in) immediately after the declaration of result by the Chairman or a person authorized by him in writing. The Results shall also be immediately forwarded to the Stock Exchange(s) where the shares of the Company are listed. Further, the results shall be displayed on the Notice Board of the Company at its Registered Office as well as Corporate Office.

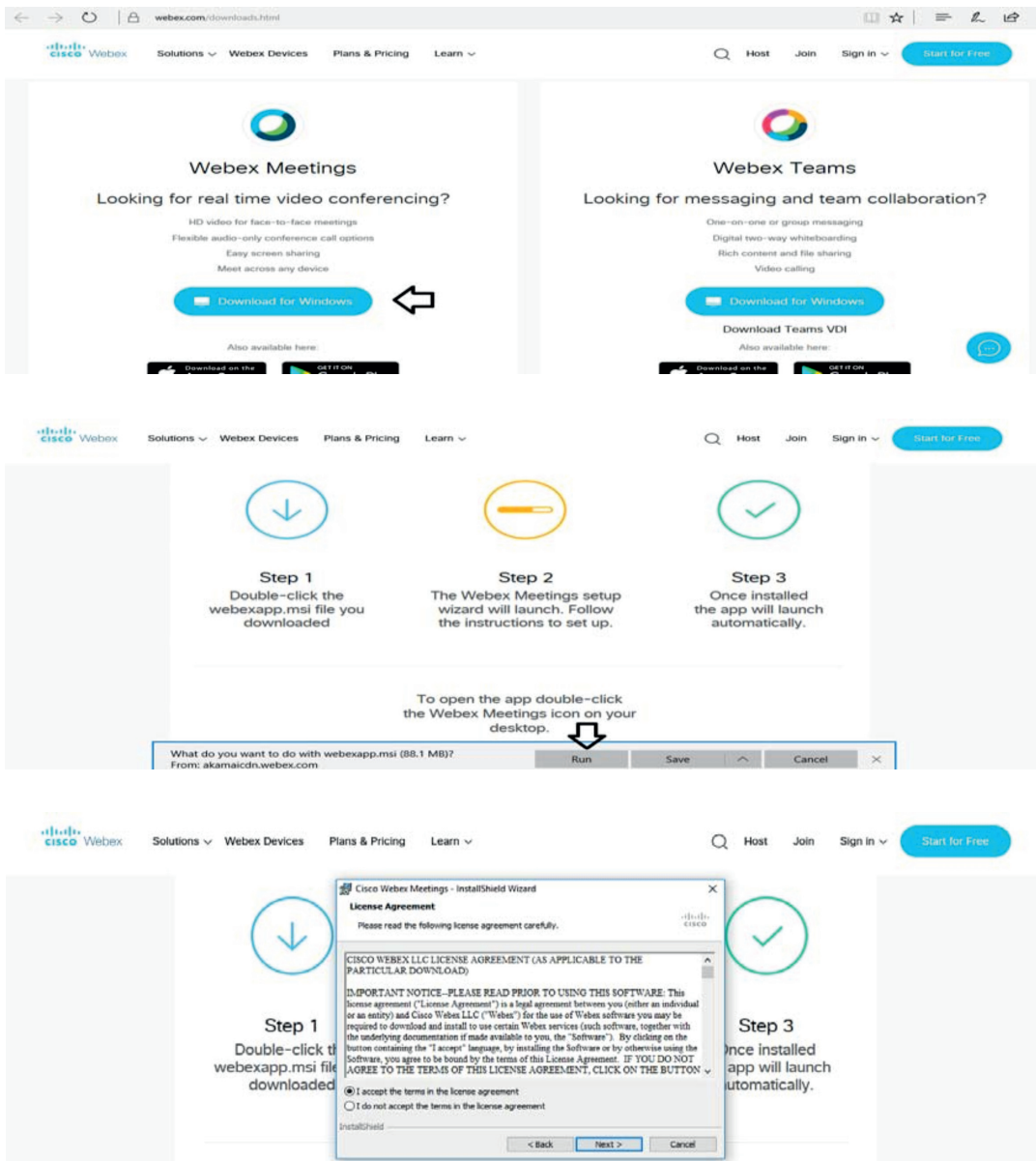


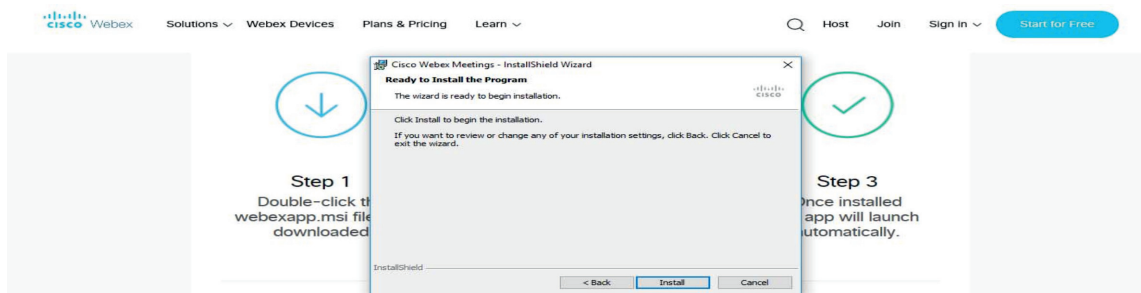
## ANNEXURE

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

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

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

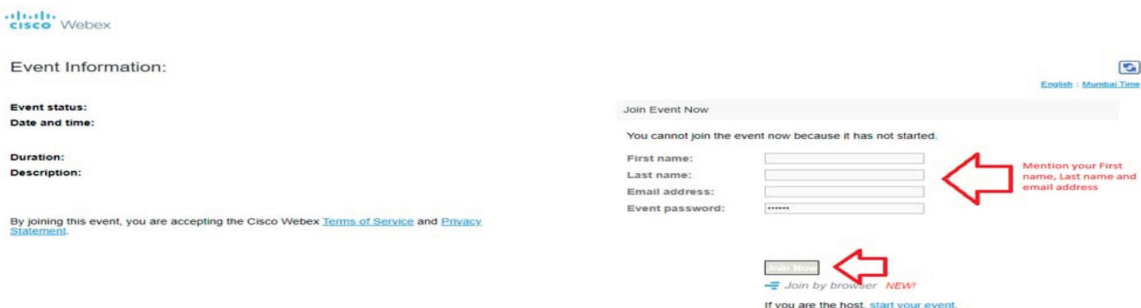




or

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

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



New Delhi, 13<sup>th</sup> August, 2022  
 CIN: L74899DL1988PLC031191

By Order of the Board  
 HINDUSTAN ADHESIVES LIMITED

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

(Madhusudan Bagla)  
 Managing Director  
 DIN:01425646

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

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

#### **ITEM No- 3**

Mr. M.S. Bagla has wide experience and expertise in the manufacturing business since the beginning of his career. His dedicated effort and leadership have helped to restructure the Company. Taking into consideration his commendable work and involvement in the day to day activities of the Company, the Board of Directors had in their meeting held on 17th December 2021 re-appointed Mr. Madhusudan Bagla as managing Director for the period of Five year w.e.f 01.04.2022, and remuneration on the term decided by the Board of Director on recommendations of nomination and remuneration Committee, subject to approval of Member in the ensuing General Meeting. The Nomination and Remuneration Committee comprising of Independent Directors namely Mr. Pawan Kumar Gupta (Chairman), Mr. Amit Kumar (Member) and Mr. Sudeep Pande (Member) approved and recommended the remuneration as set out in the body of the resolution no-3 which the Board has agreed to offer by its resolution dated 17th December 2021. The remuneration proposed is in accordance with Section 196, Section 197 and Section 203 of the Companies Act, 2013 read with its relevant rules made thereunder and Schedule V and all other applicable provisions of Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), Articles of Association of the Company and as approved by the Members of the Nomination and Remuneration Committee and Board of Directors and subject to the approval of Shareholders of the Company by way of the Special Resolution in the forthcoming AGM. The details of Mr. Madhusudan Bagla as required under the provisions of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions are provided in Annexure - A to this Notice. The Board of Directors recommends the resolution at Item No. 3 of this Notice for your approval. None of the Directors, Key Managerial Personnel and relatives thereof other than Mr. Madhusudan Bagla and their relatives, has any concern or interest, financial or otherwise, in the resolution at Item No. 3 of this Notice.

#### **Terms & Conditions of Appointment:**

- a) **Salary:** Rs. 7,00,000/- (Rupees Seven lakhs only) per month
- b) **Perquisites and Amenities:**
  - i. **Rent free furnished Accommodations:** (Amount not exceeding Rs. 2.5 Lakhs)
  - ii. **Medical Reimbursement:** Expenses incurred for the appointee and his family subject to a ceiling of one month salary in one year.
  - iii. **Leave Travel Concession:** As per rule of the Company.
  - iv. **Club Fees:** Fees of club subject to maximum of two clubs. This will not include admission and lifemembership fees.
  - v. **Personal Accident Insurance:** Premium not to exceed Rs.4000/-per month.
- c) **Following perquisites shall not be included in the salary:**
  - i. **Contribution to Provident Fund:** As per Company rules.
  - ii. **Gratuity:** As per Company rules subject to maximum of half months salary for each completed year of service.
  - iii. **Encashment of leaves:** As per rules of the Company at the end of tenure
- d) **Other term and Conditions**

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

Notwithstanding anything to the contrary contained in the Company's Articles of Association, Mr. Madhusudan Bagla

shall not so long as he acts as the Managing Director of the Company receive any fee for attending of the Board or a Committee meeting thereof.

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

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

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

**I. General Information:**

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

(ii) **Date of Commencement of commercial production:** 8th June 1988

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

	2019-20	2020-21	2021-22
<b>Revenue from operations</b>	<b>15,302</b>	<b>21,365</b>	<b>44,907</b>
<b>Profit(Loss) Before Tax</b>	<b>574</b>	<b>1366</b>	<b>1812</b>
<b>Profit(Loss) After Tax</b>	<b>658</b>	<b>874</b>	<b>1251</b>

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

**II. Information about the appointee:**

(i) **Background details:** He is a visionary entrepreneur and philanthropist, pioneered self adhesive water based carton Sealing tape manufacturing in India when he set up the Hindustan Adhesives Limited in 1988 along with the other promoters and has since then been managing the day to day affairs of the Company with the assistance of the Board of Directors and executives of the Company. From inception of the Company and after the first few years of success was involved in the expansion and Public Listing of the Company at a Premium in the year 1994.

In the year 2010, he led and established the Bagla Polifilms Limited for manufacturing of high-quality polyolefin shrink film. With the continuous innovation and technological capabilities, the company capture the market amongst the select few companies in the world that manufacture cross-linked shrink film with the unique E-Beam Technology from Europe. The companies'films exhibit balanced shrinkage, superior seal strength, exception tear strength, and high clarity.

The Company has installed a manufacturing capacity which has enabled them to serve the domestic as well as the international markets under the supervision of appointee.

In the year 2014, he started the Bagla Wellness private limited with the vision to provide holistic solution to make one aware and responsible for their own health and happiness.

This company provide "ifitness"- as a means to achieve and maintain physical wellness. iFitness has the latest state-of-the-art equipment ranging from treadmills, bikes, rowers to gym stations, strength machines and cross fit centres. Certified trainers are constantly there to monitor and guide you at every step - which prevents injuries and wrong postures during different exercises.

(ii) **Past remuneration:** 7,00,000 /-p.m..

- (iii) **Recognition or Awards:** Under his managerialship the company got awarded for the highest exporter by the PLEXCONCIL, a government body for the Plastics Industry.
- (iv) **Job profile and suitability:** Manufacturing and Marketing.
- (v) **Remuneration proposed:** 7,00,000/- p.m.
- (vi) **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):** The proposed Remuneration of Mr. Madhusudan Bagla, who is a thorough Professional, possessing invaluable and rich knowledge, experience and insights complemented with the vast business experience, is comparable with Executive Directors of other Companies and is in parity with the Industry Standards for such a responsible position.
- (vii) **Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:** None

### III. Other Information

- (i) **Reason of Inadequate Profit:** Lower capacity utilization and unfavorable market conditions.
- (ii) **Step taken or proposed to be taken:** Marketing efforts have been increased as post elections demand has started increasing.
- (iii) **Expected increase in the productivity and profit in measurable term:** 10% - 15%

None of the Directors other than Mr. Madhusudan Bagla is concerned or interested in this resolution. The Board of Directors recommends the resolution set at Item No. 3 of this Notice for your approval.

### ITEM No- 4

Mrs. Urmila Goenka has wide experience and expertise in the Human Resource Management. Her dedicated effort and leadership have helped to restructure the Company. Taking into consideration her commendable work and involvement in the day to day activities of the Company, the Board of Directors had in their meeting held on August 13, 2022 propose the remuneration of Mrs. Urmila Goenka, as approved by the Remuneration Committee at remuneration and upon such terms and conditions as set out below.

#### Terms & Conditions of Appointment:

- a) Salary of Rs. 30,000/- Per Month
- b) Perquisites and Amenities: N.A
- c) bonus: as per rule of the company

#### Other term and Conditions

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

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

Mrs. Urmila Goenka shall not so long as she functions as such become interested or otherwise concerned directly or through her husband and/or minor children in any selling agency of the Company without the prior approval of the Board and the Central Government where necessary.

The remuneration proposed is in accordance with Section 196, Section 197 and Section 203 of the Companies Act, 2013 read with its relevant rules made thereunder and Schedule V and all other applicable provisions of Companies Act, 2013(including any statutory modification(s) or re-enactment thereof for the time being in force),Articles of Association of the

Company and as approved by Board of Directors and subject to the approval of Shareholders of the Company by way of the Special Resolution in the AGM.

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

**I. General Information:**

- (i) **Nature of Industry:** Sale of Carton Sealing Tapes and a quality supplier of Adhesive Coated Products in India. The goodwill that the company commands because of superior quality products makes it a preferred choice supplier to a many new and existing multinational companies setting up facilities in India.
- (ii) **Date of Commencement of commercial production:** 8th June 1988
- (iii) **Financial Performance based on given indicators:** (In Lakhs)

	2019-20	2020-21	2021-22
Revenue from operations	15,302	21,365	44,907
Profit(Loss) Before Tax	574	1366	1812
Profit(Loss) After Tax	658	874	1251

- (iv) **Foreign Investments or collaborations:** NA

**II. Information about the appointee:**

- (i) **Background details:** She is an Executive Director of the Company and brings with her good management expertise with responsibility to overlook the Corporate Governance and enhance human relations within the organization.
- (iii) **Recognition or Awards:** None
- (iv) **Job profile and suitability:** Marketing and Human Resource Management.
- (v) **Remuneration proposed:** Rs. 30,000/- p.m.
- (vi) **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):**  
The proposed Remuneration of Mrs. Urmila Goenka, who is a thorough Professional, possessing invaluable and rich knowledge, experience and insights complemented with the vast business experience, is comparable with Executive Directors of other Companies and is in parity with the Industry Standards for such a responsible position.
- (vii) **Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:** N.A.

None of the Directors other than Mrs. Urmila Goenka is concerned or interested in this resolution. The Board of Directors recommends the resolution set at Item No. 4 of this Notice for your approval.

**ITEM No- 5**

Mr. Suresh Shridhar Ajila has wide experience and expertise in the marketing business. His dedicated effort and leadership have helped to restructure the Company. Taking into consideration his commendable work and involvement in the day to day activities of the Company, the Board of Directors had in their meeting held on August 13, 2022 propose the remuneration of Mr. Suresh Shridhar Ajila, as approved by the Remuneration Committee at remuneration and upon such terms and conditions as set out below.

**Terms & Conditions of Appointment:**

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

He will be entitled to following Perquisite:

**HRA -** Rs. 17,000/- per month.



**Medical Allowance** - Rs. 1250/- per month.

**Special Allowance** - Rs. 8744/-per month.

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

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

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

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

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

### c) Other term and Conditions

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

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

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

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

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

### I. General Information:

- (i) **Nature of Industry:** Sale of Carton Sealing Tapes and a quality supplier of Adhesive Coated Products in India. The goodwill that the company commands because of superior quality products makes it a preferred choice supplier to a many new and existing multinational company setting up facilities in India.
- (ii) **Date of Commencement of Activity:** 08th June 1988 (iii) Financial Performance based on given indicators:
- (iii) **Financial Performance based on given indicators:**

(In Lakhs)

	2019-20	2020-21	2021-22
Revenue from operations	15,302	21,365	44,907
Profit Before Tax	574	1366	1812
Profit After Tax	658	874	1251

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

### II. Information about the appointee:

- (i) **Background details:** He has been working with the Company for almost 25 years and has been elevated as the

Sales Director, with the responsibility of promoting the sales of the Company and exploring new markets and products. He has vast experience in sales and the management thinks that with this additional responsibility he would be contributing further to enhance the performance of the Company.

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

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

(iv) **Remuneration proposed:** Rs.61,994/- p.m

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

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

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

#### **ITEM No-6**

As per the provisions of Section 185 of the Companies Act, 2013, no company shall, directly or indirectly, advance any loan including any loan represented by a book debt, to any of its Directors or to any other person in whom the Director is interested or give any guarantee or provide any security in connection with any loan taken by him or such other person. However, in order to promote ease of doing business, the entire Section 185 of the Companies Act, 2013 has been substituted vide Companies (Amendment) Act, 2017 and the same was notified by the Ministry of Corporate Affairs on 7th May, 2018

In terms of the amended Section 185 of the Act, a company may advance any loan, including any loan represented by a book debt, to any person in whom any of the Directors of the Company is interested or give any guarantee or provide any security in connection with any loan taken by any such person, subject to the condition that approval of the shareholders of the Company is obtained by way of passing a Special Resolution and requisite disclosures are made in the Explanatory Statement. The management is of the view that the Company may be required to invest surplus funds, if available in its subsidiary Companies or to any other body corporate(s) in which the Directors of the Company are interested, as and when required. Hence, as an abundant caution, the Board decided to seek approval of the shareholders pursuant to the amended provisions of Section 185 of the Act to advance any loan, including any loan represented by book debt, to its subsidiary company(ies) or other body corporate(s) in whom any of the Directors of the Company is interested or to give guarantee or provide any security in connection with any loans/ debentures / bonds etc. raised by its subsidiary company(ies) or other body corporate(s) in whom any of the Directors of the Company is interested up to an aggregate outstanding amount not exceeding Rs. 300,00,00,000/- (Rupees Three Hundred Crores only).

The Board of Directors recommends resolution as set out in item No. 6 for approval of the members of the Company by way of passing a Special Resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company as contemplated in the provisions of Section 102 of the Companies Act, 2013 is, in any way, financially or otherwise, concerned or interested in the resolution.

#### **ITEM No-7**

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings with related parties of the Company. The provisions of Section 188(1)(f) of the Companies Act, 2013 that govern the related party's appointment to any office or place of profit in the company, its subsidiary company or associate company.

In accordance with the provisions of section 188(1)(f) of the Companies Act, 2013, which govern the related party transactions, it is required for a company to obtain prior approval of the Board of Directors and Shareholders for the related party's appointment to any office or place of Profit.

The Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee, at their

meeting held on 14.02.2022, had approved the appointment of Mr. Dhruv Bagla as Business Developer of the Company, subject to the approval of Shareholders by way of an Ordinary Resolution at a remuneration upto Rs. 5,00,000 p.m. and such other perquisites in accordance with the Company rule.

The following disclosure(s) for related party's appointment to any office or place of profits in the company is made in accordance with the provisions of Section 188 of the Companies Act, 2013 and Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014:

S.No.	Particulars	Remarks
1.	Name of the Related Party	Mr. Dhruv Bagla
2.	Name of the Director or KMP who is related	Mr. Madhusudan Bagla and Mr. Nakul Bagla
3.	Nature of Relationship	Mr. Madhusudan Bagla is the Father of Mr. Dhruv Bagla and Mr. Nakul Bagla is the brother of Mr. Dhruv Bagla
4.	Nature, material terms, monetary value and particulars of the contract or arrangement	Maximum Monetary value of proposed aggregate transactions during the financial year 2022-23 is expected to be Rs. 60,00,000 as a basic Salary and such other perquisites as may be approved by Board from time to time.
5.	Any other information relevant or important for the members to take a decision on the proposed resolution	NA

Mr. Madhusudan Bagla, Mr. Nakul Bagla & their relatives are interested in this Item of business to the extent of their shareholding.

Except this, none of the Directors or KMP or their relatives of Directors and KMP, are in no way concerned with or interested financially or otherwise in the resolution at Item No. 7 of the accompanying notice.

Your Directors recommend the foregoing resolution for your approval by way of Ordinary Resolution.

#### **ITEM No-8**

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment of M/s JSN & CO., Cost Accountants (Registration No. 000455) as Cost Auditors of the Company at a remuneration of Rs. 75,000/- (Rupees Seventy-Five Thousand only) (plus out of pocket expenses and applicable taxes, if any) to conduct the audit of cost records of the Company for the financial year ending March 31, 2023. In terms of provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2023. None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board commends the Ordinary Resolution(s) set out at Item No. 8 of the Notice, for approval by the Members.

**ANNEXURE-A**

Details of Directors seeking appointment/re-appointment at the 34th Annual General Meeting [Pursuant to Regulation 36(3) and 26(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

PARTICULARS	MR. MADHUSUDAN BAGLA	MRS. URMILA GOENKA	MR. SURESH SHRIDHAR AJILA
Date of first Appointment	05.04.1988	30.04.2010	30.04.2010
Qualifications	M.B.A.	B.A.	Graduate
Experience	41 years	37 Years	25 years
Directorships held in other Companies (excluding foreign Companies)	1. Hindustan Foils Limited 2. Bagla Technopack Private Limited 3. Bagla Polifilms Limited 4. Synergy Commerce Private Limited 5. Bagla Wellness Private Limited 6. Hamsafar Vanijya Pvt Ltd 7. Agarwal Tracom Private Limited 8. Delhi Foils Private Ltd	Nil	Nil
Memberships/Chairmanships of Committees of other Companies	Nil	Nil	Nil
Number of shares held in the Company	812419	Nil	Nil
Relationship with other Directors/ KMP's	Mr. Madhusudan Bagla is the father of Mr. Nakul Bagla.	No relationship with other Directors	No relationship with other Directors
Remuneration	Rs. 84,00,000	Rs. 3,16,600	Rs. 8,90,734
Terms of appointment	Not liable to retire by rotation	Liable to retire by rotation	Liable to retire by rotation
Number of meetings of the Board attended during the year	13	1	3

New Delhi, 13<sup>th</sup> August, 2022  
CIN: L74899DL1988PLC031191

By Order of the Board  
HINDUSTAN ADHESIVES LIMITED

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

(Madhusudan Bagla)  
Managing Director  
DIN:01425646

## BOARD'S REPORT

To  
The Members,

The Directors have pleasure in presenting the 34<sup>th</sup> Annual Report of the company together with the financial statements, for the year ended on 31<sup>st</sup> March 2022.

### FINANCIAL PERFORMANCE OF THE COMPANY:

During the Financial Year 2021-2022, The Financial position of the Company is as under: (Amount in Lakhs)

PARTICULARS	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Gross Sales and Other Income	45339	22032
Less: Total Expenses	43527	20665
Profit / (Loss) before tax	1812	1367
Provision for tax	560	492
Net Profit/(Loss)	1252	875

### Results of Operations and the state of Company's affairs

#### Key Highlights of Financial performance

During the period under review, the turnover of the Company has increased to Rs. 449.08 Crores as against Rs. 213.65 Crores in the financial year 2021-22 and earned profit of Rs. 12.52 Crores in the year 2021-22 as compared to profit of Rs. 8.75 Crores in the previous year 2020-21.

#### 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 2021-22.

#### RESERVES:

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

#### STATE OF COMPANY'S AFFAIR:

The Company is pleased to present the results for the financial year 2021-22, with substantial increase in sales and as well as profits. Normalcy in business activities also resumed as the Pandemic has now reduced the disruptions in business globally.

The Company has completed all its planned expansions to increase the capacities of its manufacturing unit in the Kutch region of the state of Gujarat for manufacturing BOPP Packaging Tapes for the international markets and is now making efforts to explore newer markets so as to utilize 100% capacity in the overseas markets during the next financial year for its expanded capacity.

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

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

**CHANGE IN THE NATURE OF BUSINESS:**

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

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

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

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

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

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

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2021-22.

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

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

**SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES:**

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

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

The Company has duly complied with the provisions of Section 186 of the Act and as required therein the details of the Borrowers, Security, Investment etc., are annexed by way of notes to accounts.

**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. The Company had taken unsecured loan of Amount of Rs. 1,40,00,000 from Managing Director. The said Director had submitted a declaration that said unsecured load were provided to the Company out of his own fund.

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

The Report given by M/s. Rajan Goel & Associates, Chartered Accountants (Firm Registration No: 004624N), Statutory Auditors on the financial statements of the Company for the Financial year 2021-22 is part of Annual Report. The Notes on financial statements referred to in Auditor's Report are self-explanatory and do not call for any further comments. There has been no qualification, reservation or adverse remark or disclaimer in their Report on Financial Statement for F.Y. 2021-22.

**(2) SECRETARIAL AUDITORS:**

- a) Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed **Mr. Puneet Kumar**



**Pandey**, a Company Secretary in Practice to undertake the Secretarial Audit of the Company for the year ended 31<sup>st</sup> March, 2022. The Secretarial Audit Report is annexed as **"Annexure A"**.

**b) CERTIFICATE BY PRACTICING COMPANY SECRETARY**

The secretarial Auditor of the company M/s Puneet Pandey & Associates has issued a certificate that none of Director on the Board of the Company have been Debarred or disqualified from being appointed or continuing as a directors of the Companies by the board/Ministry of Corporate Affairs or any such statutory authority. The certificate is attached as **"ANNEXURE B"**.

**(3) INTERNAL AUDITOR**

As per section 138 of the Companies Act, 2013, the Company is required to have Internal Auditor. In this connection, the Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment of **M/s SJC & Co., Chartered Accountants (Firm Registration No. 031696N)** as the Internal Auditor of the Company.

**(4) COST AUDITOR**

Pursuant to Section 148 of the Companies Act, 2013 read with the relevant rules made thereunder or any amendments thereof, the Company is required to maintain cost records and accordingly such accounts and records are made and maintained by the Company in respect of its business activity and the same is required to be audited. Your Board had, upon the recommendation of the Audit Committee, appointed M/s JSN & CO., Cost Accountants to audit the cost accounts of the Company for the Financial Year 2022-23 at a remuneration of upto 75,000 (Rupees Seventy Five Thousand) plus taxes and out-of-pocket expenses. As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the members in a general meeting for ratification.

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

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

**REPORTING OF FRAUD BY AUDITORS**

During the year under review, neither the statutory auditors nor the Secretarial Auditors has reported to the Audit Committee under section 143(12) of the Companies Act, 2013, any instance of fraud committed against the Company by its officer or employees, the details of which would need to be mentioned in the Board's Report.

**SHARE CAPITAL:**

The paid-up Equity Share Capital as on 31<sup>st</sup> March, 2022 was Rs. 5,11,63,000. During the year under review, the Company has not issued any shares.

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

**ANNUAL RETURN:**

Pursuant to section 134(3)(a) and section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the annual return of the Company as at March 31, 2022 can be accessed through the web link [www.bagla-group.com](http://www.bagla-group.com).

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as **"ANNEXURE 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 Kumar Gupta and One Executive Director namely, Shri M. S. Bagla.

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

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

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

Pursuant to provisions of Section 152 of Companies Act, 2013 and the Articles of Association of the Company Mrs. Urmila Goenka (DIN: 01165727) Whole-Time Director of the Company is liable to retire by rotation and being eligible, offer himself for re-appointment.

Pursuant to the provisions of section 203 of the Act, the key managerial personnel of the Company are –

1. Mr. Madhusudan Bagla, Managing Director,
2. Mr. Suresh Ajila, Whole Time Director,
3. Mrs. Urmila Goenka, Whole Time Director
4. Mr. Ashok Kumar Pathak, Whole Time Director
5. Mr. Nakul Bagla, Chief Financial Officer and
6. Mr. Sarabjeet Singh Dua, Company Secretary.

During the Year, Company has appointed Mr. Ashok Kumar Pathak as whole time Director and Mr. Ravi Kumar Aggarwal as Non-executive Independent Director of the Company.

#### **NUMBER OF MEETINGS OF BOARD OF DIRECTORS:**

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

#### **BOARD EVALUATION:**

In line with the requirement of Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a meeting of the Independent Directors of the Company was held on 30th March, 2022, wherein the performance of the non-independent directors including Chairman was evaluated.

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

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

**AUDIT COMMITTEE:**

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

**STAKEHOLDERS RELATIONSHIP COMMITTEE:**

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

**VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

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

**NOMINATION AND REMUNERATION COMMITTEE:**

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

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

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

With reference to Section 134(3)(h) of the Act, all contracts and arrangements with related parties under Section 188(1) of the Act, entered by the Company during the financial year, were approved by the Audit Committee and wherever required, also by the Board of Directors. No contract or arrangement required approval of shareholders by a resolution.

Further, during the year, the Company had not entered into any contract or arrangement with related parties which could be considered 'material' (i.e. transactions exceeds rupees one thousand crore or ten percent of the annual consolidated turnover, whichever is lower as per the last audited financial statements entered into individually or taken together with previous transactions during the financial year) according to the policy of the Company on materiality of Related Party Transactions.

Further, there were no transactions undertaken during the year which were not at an arms' length basis, hence the disclosure under Form AOC-2 is not applicable to the Company.

During the year under review, the policy on Materiality of the Related Party Transactions and on dealing with the Related Party Transactions was amended to align it with the amendments in the listing Regulations.

Members may refer to Note No. 48 of the Standalone Financial Statements which sets out related party disclosures pursuant to Ind AS.

**RISK MANAGEMENT POLICY:**

The Board reviews the risks faced by the Company and formulates risk management and mitigation procedures from time to time, which are also reviewed to ensure that executive management controls risk through means of a properly defined framework. The major risks have been identified by the Company and its mitigation process/measures have been formulated

in the areas such as business, customer service, market, litigation, logistics, project execution, financial, human resources, environment and statutory compliance.

#### **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.

#### **SECRETARIAL STANDARD**

The Company complies with all applicable mandatory secretarial standards issued by the institute of Company Secretary of India.

#### **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:**

During the year under review no employee whether employed for the whole year or part of the year, was drawing remuneration exceeding the limits as laid down under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered Office of the Company during business hours on working days of the Company up to the date of ensuing Annual General Meeting. If any member is interested in inspecting the same, such member may write to the Company Secretary in advance.

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

#### **INSOLVENCY AND BANKRUPTCY CODE**

- a) There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.
- b) There was no instance of onetime settlement with any Bank or Financial Institution.

#### **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, 2022, the applicable Accounting Standards had been followed along with proper explanation relating to material departures.
- b) for the financial year ended March 31, 2022, 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, 2022.
- 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**

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

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

**Date:** 13.08.2022

**Place:** New Delhi

**FORM NO. MR-3  
SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022****[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

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

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

Based on my verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to me and the representations made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022, 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, 2022 according to the provisions of:

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

**Not Applicable**

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

**Not Applicable**

- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

**Not Applicable**

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

**Not Applicable**

- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.



g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

**Not Applicable**

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

**Not Applicable**

(vi) RBI Act, 1934

**Not Applicable**

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

**Not Applicable**

(viii) Industrial and Labour Laws which inter-alia includes **(based on the confirmation received from the Management):**

The Minimum Wages Act, 1948

The Payment of Bonus Act, 1965

The Payment of Gratuity Act, 1972

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

The Employee's State Insurance Act, 1948

Factory Act, 1948

Payment of Wages Act, 1936

The Workmen's Compensation Act, 1923

Contact Labour (Regulation and Abolition) Act, 1970

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

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

**I further report that:**

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

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

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

I further report that the penalty was imposed by the stock exchange regarding the violation of Regulation 17(2A) of SEBI (LODR) Regulations, 2015. Whereas company was already in compliance for the said regulation. However, the company had already paid the penalty due to procedural requirement on June 09, 2022 and request for the waiver of penalty.

**Puneet Kumar Pandey**

**M No- A29848**

**C P No-.10913**

**Place:** Delhi

**Date:** 02.08.2022

**UDIN:** A029848D000725202

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

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

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

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

**Place:** Delhi  
**Date:** 02.08.2022

**Puneet Kumar Pandey**  
**M No-** A29848  
**C P No-** .10913  
**UDIN:** A029848D000725202

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
The Members  
**Hindustan Adhesives Limited ("the Company")**  
B-2/8, Safdarjung Enclave, New Delhi-110029

I, Mr. Puneet Kumar Pandey., have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Hindustan Adhesives Limited** having CIN L74899DL1988PLC031191 and having registered office at **B-2/8, Safdarjung Enclave, New Delhi-110029** (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications **(including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in))** as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name Of Director	DIN	Date of Appointment in Company
1.	Mrs. URMILA GOENKA	01165727	30/04/2010
2.	Mr. MADHUSUDAN BAGLA	01425646	05/04/1988
3.	Mr. SURESH SHRIDHAR AJILA	03203748	30/04/2010
4.	Mr. AMIT KUMAR	06902856	12/07/2014
5.	Mr. SUDEEP PANDE	08212946	01/09/2018
6.	Mr. PAWAN KUMAR GUPTA	08506390	12/07/2019
7.	Mr. RAVI KUMAR AGGARWAL	00114359	26/08/2021
8.	Mr. ASHOK KUMAR PATHAK	09283908	26/08/2021

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Delhi  
Date: 02.08.2022

**Puneet Kumar Pandey**  
M No- A29848  
C P No-.10913  
UDIN: A029848D000725191

**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 has continued its efforts in conserving energy in various forms like energy conservation projects, as also exploration of the costs for installation of LED lamps for lighting purposes in replacement to the conventional lighting.
- (ii) **The steps taken by the company for utilizing alternate sources of energy:** The Company is exploring the possibilities of getting wind energy for its new plant at Gujarat.
- (iii) **The capital investment on energy conservation equipments:** NIL

**(B) Technology absorption-**

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

**(C) Foreign exchange earnings and Outgo-**

The Company's main line of Business is manufacturing Adhesives Tape, BOPP Film and POF Film (Polyolefin Shrink Film). The Company has achieved Export Turnover of **Rs.35,398 Lakhs during the year under report 2021-2022, as compared to Rs. 15,785 Lakhs in the previous year, 2020-2021.**

**(Rs. in Lakhs)**

Particulars	2021-22	2020-21
Total Foreign Exchange Received (F.O.B. Value of Export)	32,080.08	15258.58
i) Raw Materials	23,561.57	8753.64
ii) Consumable Stores	26.22	15.15
iii) Capital Goods	300.03	569.22
iv) Foreign Travels	16.84	-
v) Bank Charges	9.38	13.30
vi) Commission Paid	316.71	104.90
vii) Clearing & Forwarding Export	1,839.14	241.04
viii) Repayment of loan (unsecured)	301.60	294.09

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 : 13.08.2022  
Place : New Delhi

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022**
**1. A brief outline of the company's CSR Policy, including overview of projects or programs undertaken and a reference to the web-link to the CSR policy and projects or programs:**

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

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

The CSR Committee of the Company comprises the following members:

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

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

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

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

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

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

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

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

The average net Profit of the Company for the preceding three financial years was Rs. 765.02 Lakhs.

- 7 (a). **Two percent of average net profit of the company as per section 135(5):** Rs. 15.30 Lakhs.  
 (b). **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil  
 (c). Amount required to be set off for the financial year, if any: NIL  
 (d). Total CSR obligation for the financial year (7a+7b-7c): 15.30 Lakhs

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

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

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

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

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the Project		Amount spent for Project the (in )	Mode of implementing Direct (Yes/No)	Mode of implementation Through implementing agency	
				State	Distric			Name	*CSR Reg. No.
1	Contribution to Bagla Foundation (Promoting Education and Construction of Meditation Centre)	Schedule VII Item-I&II	Yes	Delhi (South West Delhi)		15,80,500	Direct	Bagla Foundation	CSR 00022286
						15,80,500			

(d). Amount spent in Administrative Overheads: Nil

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

(f). Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 15,80,500

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

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

Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Lakhs)	Amount spent in the reporting Financial Year (in )	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any		remaining to be spent in succeeding financial years (in Lakhs)
			Name of the fund	Amount	
2018-2019	Nil	Nil	N.A	Nil	8.10
2019-2020	N.A	N.A	N.A	N.A	NIL
2020-21	N.A	0.485 LAKHS	N.A	N.A	NIL

Note: The amount transferred to Unspent CSR Account and any fund specified under Schedule VII has been shown as NIL because the revised provisions as per Section 135(5) of Companies Act, 2013 and Section 135(6) of Companies Act, 2013 have come into effect from 22.01.2021 and were not applicable for FY 18-19.

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

10. Details relating to the asset created or acquired through CSR spent in the financial year: Nil
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):  
NA

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

**Date** : 13.08.2022  
**Place** : New Delhi

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

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



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	34.71
Urmila Goenka	1.16
Suresh Ajila	4.40
Ashok Kumar Pathak	5.75

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)	9.60
Ashok Kumar Pathak	Nil
Nakul Bagla (CFO)	Nil
Sarabjeet Singh Dua(CS)	Nil

3. **The percentage increase in the median remuneration of employees in the financial year: 28**
4. **The number of permanent employees on the rolls of Company: 333**
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 39.62% in the salaries of the employees in comparison to the last financial year. Percentile increase in the managerial remuneration is 15.38.

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

SURESH AJILA  
(WHOLE-TIME DIRECTOR)  
DIN: 03203748

MADHUSUDAN BAGLA  
(MANAGING DIRECTOR)  
DIN: 01425646

Date : 13.08.2022  
Place : New Delhi

## 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 Eight Directors. The Composition of Board of Directors is as under:-

Category	No. of Directors
Executive Director(including a women director)	4
Non-executive independent Director	4
Total	8

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, 2022 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. There is no inter-se relationship between the Board Members.

v. During the year 2021-22, the board met 13 (Thirteen) (as against the minimum requirement of four meetings) on the following dates, namely:-

**14<sup>th</sup> May, 2021, 25<sup>th</sup> June, 2021, 03<sup>rd</sup> August, 2021, 11<sup>th</sup> August, 2021, 26<sup>th</sup> August, 2021, 11<sup>th</sup> September, 2021, 14<sup>th</sup> November, 2021, 23<sup>rd</sup> November, 2021, 17<sup>th</sup> December, 2021, 15<sup>th</sup> January, 2021, 20<sup>th</sup> January, 2022, 14<sup>th</sup> February, 2022 and 28<sup>th</sup> March, 2022.**

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

Sl. No.	Name	Category Membership	Attendance Particulars		Number of directorships		Number of committee positions held in other public companies	
			Board Meeting	Last AGM	in all other Companies	Excl. pvt. Ltd., *foreign & Sec. 8 Companies	Chairman	Member
01.	Mr. Madhusudan Bagla DIN: 01425646	Executive Director, MD	13	YES	8	2	NIL	NIL
02.	Mrs. Urmila Goenka DIN: 01165727	Executive Director, WTD	1	YES	NIL	NIL	NIL	NIL
03.	Mr. Suresh Shridhar Ajila DIN: 03203748	Executive Director, WTD	3	YES	NIL	NIL	NIL	NIL
04.	Mr. Amit Kumar DIN: 06902856	Non-Executive - Independent Director	12	YES	NIL	NIL	NIL	NIL
05.	Mr. Pawan Kumar Gupta DIN: 08506390	Non-Executive - Independent Director	5	YES	NIL	NIL	NIL	NIL
06.	Mr. Sudeep Pande DIN: 08212946	Non-Executive - Independent Director	7	NO	NIL	NIL	NIL	NIL
07.	Mr. Ravi Kumar Aggarwal DIN: 00114359	Non-Executive - Independent Director	3	YES	3	1	NIL	NIL
08.	Mr. Ashok Kumar Pathak DIN: 09283908	Executive Director, WTD	7	YES	NIL	NIL	NIL	NIL

**CHART/MATRIX SETTING OUT THE SKILLS/EXPERTISE/COMPETENCE OF THE BOARD OF DIRECTORS (as per Schedule V(C) (2) (h) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015**

The Board of Directors of the Company is composed of a wide range of Dignitaries, Technical experts, and Individuals with proven experience in Industry and /or various fields such as Corporate Law, Human resources, Chartered Accountancy, Company Secretary and Information Technology. The Board constantly endeavors to achieve the highest standards of Corporate Governance.

The Nomination and Remuneration Committee of the Company normally consider the following key qualifications, skills, and attributes which are taken into consideration while nominating candidates to serve on the Board of the Company for its effective functioning.

Key Board Qualification & experience

Name of Director	Leadership	Industry Global Business	Industry Sales and marketing	Financial
Mr. Madhusudan Bagla Executive Director, MD	✓	✓	✓	✓
Mrs. Urmila Goenka Executive Director, WTD	✓		✓	
Mr. Suresh Shridhar Ajila Executive Director, WTD		✓	✓	✓
Mr. Ashok Pathak Executive Director, WTD		✓	✓	
Mr. Amit Kumar Non-Executive Independent Director		✓	✓	✓

Name of Director	Leadership	Industry Global Business	Industry Sales and marketing	Financial
Mr. Pawan Kumar Gupta Non-Executive Independent Director			✓	✓
Mr. Sudeep Pande Non-Executive-Independent Director		✓	✓	✓
Mr. Ravi Kumar Aggarwal Non-Executive-Independent Director		✓	✓	✓

#### Independent Director:

Independent Directors fulfill all the conditions for being Independent to the Company, as stipulated under Regulation 16(1)(b) of SEBI LODR and the Companies Act, 2013. The maximum tenure of Independent Directors is determined in accordance with the Companies Act, 2013 and Regulation 25(2) of SEBI LODR. The Company has issued formal letters of appointment to Independent Directors in the manner as provided in the Companies Act, 2013 and the terms and conditions of such appointment are disclosed on the website of the Company.

Based on declaration received from independent directors, the Board is of the opinion that independent directors fulfill the conditions specified in these regulations and are independent of the management

### 3. Audit Committee

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

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

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

Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section 3 of section 134 of the Act

- Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment by management
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements
  - Disclosure of any related party transactions
  - 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, 2022 and the details of meetings attended by its members are given below:**

Name	Category	No. of Meetings during the Financial Year 2021-22	
		Held	Attended
Mr. Sudeep Pande(Chairman)	Non Executive Independent Director	6	6
Mr. Amit Kumar(Member)	Non Executive Independent Director	6	6
Mr. Pawan Kumar Gupta(Member)	Non Executive Independent Director	6	6

During the financial year 2021-22, meetings of the Audit Committee were held 6 times i.e. on 14<sup>th</sup> May 2021, 25<sup>th</sup> June 2021, 11<sup>th</sup> August 2021, 26<sup>th</sup> August 2021, 14<sup>th</sup> November 2021 and 14<sup>th</sup> February 2022.

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, 2022 and the details of meetings attended by its members are given below:**

Name	Category	No. of Meetings during the Financial Year 2021-22	
		Held	Attended
Mr. Pawan Kumar Gupta(Chairman)	Non-Executive Independent Director	2	2
Mr. Amit Kumar(Member)	Non-Executive Independent Director	2	2
Mr. Sudeep Pande (Member)	Non-Executive Independent Director	2	2

During the financial year 2021-22, Two meeting of the Committee was held i.e. on 26th August 2021 and 14<sup>th</sup> February 2022.

#### 5. DETAILS OF REMUNERATION PAID TO THE DIRECTORS

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

Particulars	Mr. M. S. Bagla (Managing Director)	Sh. Suresh Shridhar Ajila (Executive Director)	Mrs. Urmila Goenka (Executive Director)	Mr. Ashok Pathak (Executive Director)
Salary and Allowance	Rs. 84,00,000/-	Rs. 8,90,734/-	Rs.3,50,000/-	Rs.5,88,777/-
Contribution to Superannuation Fund (Rs.)	NIL	NIL	Nil	Nil
Bonus and performance linked Incentive (Rs.)	Nil	NIL	NIL	NIL
Service Contract	5 Years	3 Years	3 Years	3 Years
Notice period	30 Days	30 Days	30 Days	30 Days

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

Sl.No.	Name	Commission Payable (Rs.)	Sitting Fees	Shares held
1	Mr. Amit Kumar	—	90,000/-	—
2	Mr. Sudeep Pande	—	30,000/-	—
3	Mr. Pawan Kumar Gupta	—	15,000/-	—
4	Mr. Ravi Kumar Agarwal,	—	22,500/-	—

The Company follows a policy on remuneration of Directors and Senior Management Employees, which is available on the website of the Company at the following link [www.bagla-group.com](http://www.bagla-group.com).

#### 6. i) Stakeholders Relationship Committee

During the financial year 2021-22, meetings of the Stakeholder Relationship Committee were held on **25<sup>th</sup> June, 2021, 26<sup>th</sup> August, 2021, 22<sup>nd</sup> December, 2021 and 28<sup>th</sup> March, 2022.**

**Salient roles and responsibilities associated with Stakeholders Relationship Committee include, but are not limited to the following:**

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; and
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the company.

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 2021-22	
		Held	Attended
Mr. Amit Kumar (Chairman)	Non Executive Independent Director	4	4
Mr. M. S. Bagla (Member)	Executive Director	4	4
Mr. Sudeep Pande (Member)	Non Executive Independent Director	4	4

**Details of investor complaints received and redressed during the year 2021-22 are as follows:**

Received during the year	Resolved during the year	Closing balance
83	80	3 (resolved after closure of financial year and within time prescribed in Regulation)

The Company Secretary is designated as the “Compliance Officer” who oversees the redressal of the investors’ grievances.

#### ii) Independent Directors’ Meeting

The role of Independent Directors is to review the performance of the Non-Independent Directors (including the Chairman) and the entire Board and also to assess the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

During the year under review, one meeting of Independent Directors was held on 31<sup>st</sup> March, 2022 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.

#### 7. Corporate Social Responsibility Committee

##### Term of reference

The Corporate Social Responsibility Committee has been constituted by the Board to formulate and recommend to the



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

### Composition

As on 31<sup>st</sup> March, 2022, the Committee comprises of three members including two Non-Executive Independent Director namely Shri. Amit Kumar and Shri. Pawan Kumar Gupta, One Executive Director namely Shri. M.S. Bagla Managing Director.

During the year under review meeting of the Corporate Social Responsibility Committee were held on 25<sup>th</sup> June, 2021 and 26<sup>th</sup> August, 2021.

Name	Category	No. of Meetings during the Financial Year 2021-22	
		Held	Attended
Mr. M. S. Bagla( Chairman)	Executive Director	2	2
Mr. Amit Kumar (Member)	Non Executive Independent Director	2	2
Mr. Pawan Kumar Gupta (Member)	Non Executive Independent Director	2	2

### 8. General Body Meetings

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

Financial year	Date	Time	Place
2018-2019	30.09.2019	10.00 AM	Lilywhite Hotel, Chhatarpur Main Road, New Delhi-110074
2019-2020	23.09.2020	11.00 AM	Video Conferencing/ Other Audio-Visual Means ("VC/OAVM") Facility
2020-2021	29.09.2021	12.00 PM	Video Conferencing/ Other Audio-Visual Means ("VC/OAVM") Facility

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

Financial year	Items
2018-2019	a) Resolution for re-appointment of Amit Kumar as an Independent Director b) Resolution for re-appointment of Mr. Madhusudan Bagla (DIN: 01425646) as Managing Director of the Company
2019-2020	a) Resolution for Re-appointment of Mrs. Urmila Goenka as Whole-Time Director
2020-2021	a) Resolution to approve power to borrow funds pursuant to the provisions of section 180(1)(c) of the Companies Act, 2013. b) Resolution to Create Charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings. c) Resolution to approve enhancement in limits for making investments under Section 186 of the Companies, Act 2013. d) Resolution for appointment of Mr. Ashok Kumar Pathak as Whole-Time Director. e) Resolution for Payment of remuneration to Mr. Suresh Shridhar Ajila, Whole time Director

### 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. **Other Disclosures:**

### i. **Related Party transactions**

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

### ii. Details of non-compliance by the Company, penalties, structures imposed on the Company by the stock exchanges or the securities and exchange board of India or any statutory authority, on any matter related to capital markets, during the last three years 2019-20, 2020-21 and 2021-22 respectively:

Our Company has received a notice SOP-CReview-Nov20 through email from stock exchange regarding the violation of Regulation 20(2)/(2A) of SEBI (LODR) Regulations, 2015.,Whereas company was already in compliance for the said regulation. However, the company had paid the penalty due to procedural requirement on December 14, 2020 and request for the waiver of penalty and afterwards the Company has received mail from the exchange on May 07, 2021 regarding the approval for Waiver of fines levied.

I further report that our Company has received a notice SOP-Review-(20-May-2022) through email from stock exchange regarding the violation of Regulation 17(2A) of SEBI (LODR) Regulations, 2015,whereas company was already in compliance for the said regulation. However, the company had paid the penalty due to procedural requirement on June09, 2022 and request for the waiver of penalty.

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

### iv. **Reconciliation of share capital audit:**

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

### v. **Code of Conduct**

The members of the board and senior management personnel have affirmed the compliance with the Code applicable to them during the year ended March 31, 2022. The Annual Report of the Company contains a Certificate by the Managing Director in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### vi. Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) – Not Applicable

### vii. **Certificate of non- disqualification of Directors:**

Certificate from PCS that none of the directors are debarred or disqualified forms a part of this Annual Report

### viii. **Details of the payment to Statutory Auditors:**

Rajan Goel & Associates, Chartered Accountants (Firm Registration No. 004624N) have been appointed as the Statutory Auditors of the Company. During the year ended, the Company have paid a sum of 2.30 Lakhs to the Statutory Auditors.

### ix. The Company has not granted any loans and advances in the nature of loans to firms/companies in which directors are interested.

### x. The Company has complied with and disclosed all the mandatory corporate governance requirements under Regulation 17 to 27 and sub-regulation (2) of Regulation 46 of Listing Regulations, 2015 (relating to disclosure on the website of the Company).

M/s Mukesh Agarwal & Co., Practicing Company Secretaries has audited the conditions of the Corporate Governance and after being satisfied with the compliance of the same, a certificate on compliance of the same has been issued to the Company, which forms part of this report.

- xi. There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company at large.
- xii. The web link of policy for determining 'material' subsidiaries and policy on dealing with related party transactions available on the Company website [www.bagla-group.com](http://www.bagla-group.com).
- xiii. Recommendation of the Board Committees: During the year under review, there has been no instances of rejection by the Board of any recommendations made by any of its Committees.

#### 10. Means of communication:

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

#### 11. GENERAL SHAREHOLDER INFORMATION

##### 11.1 Annual General Meeting

Date and Time	30 <sup>th</sup> September, 2022 at 2.00 P.M.
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##### 11.2 Financial Calendar (2022-23)

Annual General Meeting	
For the next year ending 31 <sup>st</sup> March, 2023	on or before 30 <sup>th</sup> September, 2023
Venue	No Physical meeting is required to be held on as per the general Circular No. 02/2022, dated 5th May, 2022 issued by MCA, the meeting will be held through Video Conferencing other Audio/ Visual Matters.

11.3 Book Closure date	24.09.2022 to 30.09.2022
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11.4 Dividend Payment date	N.A
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11.5 Listing of Equity Shares on Stock Exchange Add:	BSE Limited 1st Floor, Rotunda Buildings, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
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The annual listing fee payable to the stock exchanges for the Financial year 2021-22 have been paid in full.

##### 11.6 Stock Code

(i) ISIN Numbers	Equity Shares INE 074C01013
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##### 11.7 Registrar and Share Transfer Agent

Link Intime India Pvt. Ltd.  
Noble Heights, 1st Floor, Plot No. NH 2, LSC, C-1 Block,  
Near Savitri Market, Janakpuri, New Delhi-110058  
Phone No. +91 11 4141 0592

### 11.8 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.

### 11.9 Categories of equity shareholders as on March 31, 2022:

Category	No. of Shares	% of Shares
Promoter's Holding(including foreign Promoters if any)	3503495	68.48
Non Promoter's Holding	1612805	31.52
<b>TOTAL</b>	<b>5116300</b>	<b>100</b>

### 11.10 Distribution of Share holding as on March 31, 2022

No of Equity Shares Held	No of Shareholder	% of Shareholder	Number of Shares	% of Shareholding
1-500	6601	96.4635	602898	11.7839
501-1000	120	1.7536	97270	1.9012
1001-2000	49	0.7161	75424	1.4742
2001-3000	20	0.2923	48443	0.9468
3001-4000	11	0.1607	38391	0.7504
4001-5000	7	0.1023	33066	0.6463
5001-10000	14	0.2046	88311	1.7261
10001 and above	21	0.3069	4132497	80.7712
<b>Total</b>	<b>6843</b>	<b>100.0000</b>	<b>5116300</b>	<b>100.0000</b>

11.11 In accordance with provisions of Section 124 and Section 125 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, The Companies Shall transfer the dividend that has remained unclaimed for a period of seven years from the unpaid dividend account to the investor Education and protection Fund (IEPF). Further, the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to the IEPF. Once the unclaimed dividends/shares are transferred to the IEPF, Members will not able to claim the same from the Company. However, pursuant to the aforesaid provision, the member can claim their unclaimed dividends/shares transferred to IEPF, by making an online application to the IEPF Authority through Form IEPF-5 available on the website of the Authority [www.iepf.gov.in](http://www.iepf.gov.in).

**11.12 Market price data: High, low (based on daily closing prices) and number of equity shares traded during each month in the year 2021-22 on BSE**

Month	High	Low	No. of shares traded
April, 2021	120.00	96.10	0
May, 2021	211.85	105.10	3,00,000
June, 2021	239.80	165.80	1,00,000
July, 2021	304.00	204.00	1,00,000
August, 2021	333.00	240.00	1,00,000
September, 2021	274.70	242.00	0
October, 2021	295.00	250.00	0
November, 2021	278.00	221.60	0
December, 2021	323.95	208.80	1,00,000
January, 2022	398.70	281.00	1,00,000
February, 2022	419.60	305.50	1,00,000
March, 2022	533.95	325.10	1,00,000

**11.13 Top ten equity shareholders of the Company as on March 31, 2022(Excluding Promoters, Directors and Person Acting in Concert)**

S.No	Name of the shareholder	No. of Shares held	Percentage of shares held
1.	Saphire Hospitality Management Pvt Ltd	255320	4.9903
2.	Deepinder Singh Poonian	133801	2.6152
3.	Hardik Indramal Jain	67722	1.3237
4.	Varsha Chugh	36764	0.7186
5.	Sachin Kumar Bhartiya	36000	0.7036
6.	Bharat Kumar Gupta	34083	0.6662
7.	Camel Foods Private Limited	27834	0.5440
8.	Value Industries Limited	14200	0.2775
9.	Sharda Manoj Kasliwal	12800	0.2502
10.	Bindal Mercantile Private Limited	11200	0.2189

**11.14 Dematerialisation of shares and liquidity**

The Company's shares are compulsorily traded in dematerialised form. Equity shares of the Company representing 91.32% of the Company's equity share capital are dematerialised as on March 31, 2022. 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**.

**11.15 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, 2022, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

**11.16 During the period under review, the securities of the Company have not been suspended from trading.**

11.17 CARE Ratings Ltd. has assigned the ratings of bank loan facilities of the Company as follows:

Facilities	Tenure	Rating
Bank Facilities	Long Term	CARE BBB; Stable (Triple B; Outlook: Stable)
Bank Facilities	Short Term	CARE A3+ (A Three Plus)

11.18 Plant Location:

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

11.19 Address for Correspondence:

Share Transfer and Demat

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

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

Any query on Annual Report:

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

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

Date : 13.08.2022

Place : New Delhi

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

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

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

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby certified that all Board Members and Senior Management personnel have affirmed compliance with the Company's Code of Conduct for the financial year ended March 31, 2022

**Madhusudan Bagla**  
Managing Director

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

The Company is the largest integrated producer of Carton Sealing Tapes in the country and having production facilities for making BOPP Adhesive Tapes with both Acrylic and Hot-Melt technology. It also has its own adhesive making facility along with facilities for making paper cores and cartons in-house, besides multiple printing equipments, slitting and spooling facilities to make many value added import substitute products for both the domestic and international markets. The Company also produces many types of specialty tapes like Filament Tapes, Carry Handle Tapes, Tear Tapes, Tamper evident Tapes and many more.

**OPPORTUNITIES AND THREATS:**

With the focus towards becoming a leading International supplier of its products and with our efforts in supporting the vision of the Honorable Prime Minister of India for “Atmanirbhar Bharat”, as also for Make in India and supply to the world, the Company has ample opportunities to utilize full capacities for production of Self Adhesive Tapes and be able to focus on building its Brand and Image as a quality supplier of Adhesive Coated Products globally.

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

**RISKS & CONCERNS:**

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

**INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

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

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

**FINANCIAL PERFORMANCE:**

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

**HUMAN RESOURCE DEVELOPMENT:**

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



**SIGNIFICANT FINANCIAL RATIO**

S. No.	Particulars	2021-22	2020-21	Reason for change
1.	Current Ratio	1.06	1.16	Due to increase in current Assets.
2.	Debt- Equity Ratio	1.47	1.93	Due to decrease in retained earnings.
3.	Debt Service Coverage Ratio	1.47	1.93	During the year, the companies' interest cost increased due to the enhancement of the bank exposure of fund-based limits and the repayment of principal portion of COVID/GECL has also started.
4.	Return on Equity	22.83	20.21	Increase in the Profit during the current FY.
5.	Inventory Turnover Ratio	9.48	6.91	The company improves its capability in the production process of the products which have been sold in the market. It shows how many times a company rotates its inventory in a year.
6.	Trade Receivables Turnover Ratio	11.30	8.54	Due to better collection
7.	Trade Payable Turnover Ratio	11.70	10.78	Due to better payment
8.	Net Capital Turnover Ratio	52.41	23.41	Higher ratio shows that the companies' management is being very efficient in using a company's short-term assets and liabilities for supporting sales. Higher ratio gives the business a competitive edge over similar companies as a measure of profitability.
9.	Net Profit Ratio	2.79	4.10	Due to increase Turnover with reduced margin
10.	Return on Capital Employed	27.13	19.79	Increase in profit of the company in current year

**DISCLOSURE OF ACCOUNTING TREATMENT:**

In preparation of the financial statements, the applicable provisions of Companies Act, 2013, Indian Accounting Standards and other applicable Laws have been strictly adhere to. The Financial Statements of the Company along with the notes are further discussed in this Report

**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, 2022, 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, 2022 no investor complaint is pending against the Company as per the records maintained by the Stakeholders Relationship Committee.

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

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

**(Mukesh Kumar Agarwal)**  
Proprietor  
C.P. No:3851  
**UDIN:F005991D000750757**

**Place:** New Delhi  
**Date:** 05.08.2022

**CEO/CFO CERTIFICATION**

**We, Mr. Madhusudan Bagla, Managing Director and Mr. Nakul Bagla, Chief Financial Officer hereby certify for the Financial year ended 31<sup>st</sup> March, 2022 that:**

- a) We have reviewed the Financial Statements and Cash Flow Statement for the year ended 31<sup>st</sup> March, 2022 and to the best of our knowledge and belief:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable Laws and Regulations.
- b) We are, to the best of my knowledge and belief; no transactions entered into by the Company during the year ended 31<sup>st</sup> March, 2022 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee
  - (1) That there was no significant changes in internal control over financial reporting during the year;
  - (2) That there was no significant changes in accounting policies during the year; and
  - (3) That there was no instances of significant fraud of which we have become aware.

**Place :** New Delhi  
**Date:** 13.08.2022

**Sd/-**  
Managing Director

**Sd/-**  
Chief Financial Officer

## INDEPENDENT AUDITOR'S REPORT

### To Members of Hindustan Adhesives Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying Standalone Financial Statements of **Hindustan Adhesives Limited** hereafter referred to as the "Company") which comprise the Balance Sheet as at 31st March, 2022, and the statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and statement of cash flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

Key Audit Matters Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our Audit Addressed the key audit matter
Insurance Claim Receivable (as described in note no. 38 of the standalone financial statement)	
Insurance Claim from Universal Sampo General Insurance Company Limited at Dadri Plant increased by Rs 20.05 Lakhs due to GST Input reversal as per Goods and Service Tax Act, 2017	After discussion with management and assessing the GST Liability arise on reversal of Input credit due to the Loss of Raw Material, Work in Progress, Finished goods and Packing Material has been deposited with the Goods & Service Tax Department through DRC-03

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any

form of assurance conclusion thereon.

- In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Management's and Board of Directors' Responsibilities for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant of the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Standalone Balance Sheet, the Statement of Standalone Profit and Loss (including Other Comprehensive Income), Standalone Statement of Changes in Equity and the Standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act , as amended , in our opinion and to the best of our information and according to the explanation given to us the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact pending litigation on its financial position in its Standalone Financial Statements. Refer Note 35 to the standalone financial statements
  - (ii) The Company has made provisions as required under the applicable law or accounting standards for material foreseeable losses, if any on long - term contracts including derivative contracts
  - (iii) There was no amount which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - (iv)
    - (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure- "B" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.-

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

Place: New Delhi  
Date: 30/05/2022

**CA Rajan Kumar Goel**  
(Proprietor)  
Regn. 083829

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

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

We have audited the internal financial controls over financial reporting of **Hindustan Adhesives Limited** ("the Company") as of 31st March, 2022, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Management of the Company 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 (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls over Financial Reporting**

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



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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**CA Rajan Kumar Goel**  
(Proprietor)  
Regn. 083829

Place: New Delhi  
Date: 30/05/2022

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

With reference to the Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March, 2022, we report that:

**i) In respect of fixed assets:**

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
- b) As explained to us, The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification
- c) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
- d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
- e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

**ii) In respect of its inventories:**

- a) The inventory, 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.
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from State Bank of India as lead banker in the consortium where IDBI , HDFC and Indian Bank are members. on the basis of returns or statements filed by the Company with banks are in agreement with the books of account of the Company except for statements filed for month ended 30 June 2021, 30 September, 2021 ,31 December 2021 and 31 March 2022 where differences were noted between the amount as per books of account for respective months and amount as reported in the quarterly statements. The difference were in case of Debtors amounting to Rs 23 Lakhs (amount reported – Rs 2,366 Lakhs Vs amount per books of account – Rs 2,343), Rs 98 Lakhs (amount reported – Rs 2,311 Lakhs Vs amount per books of account – Rs 2,213 Lakhs), Rs 174 Lakhs (amount reported – Rs 3,553 Lakhs Vs amount as per books of account – Rs 3,379 Lakhs) and Rs 32 Lakhs (amount reported – Rs 3,567 Lakhs Vs amount as per books of account – Rs 3,535 Lakhs) for quarter ended 30 June 2021, 30 September 2021, 31st December 2021 and 31st March 2022. Further, Creditors had a difference of Rs 263 Lakhs (amount reported-Rs 1,760 Lakhs Vs amount per books of account- Rs 1,497), Rs 175 Lakhs (amount reported – Rs 1,880 Lakhs Vs amount per books of account – Rs 1,705 Lakhs), Rs 106 Lakhs (amount reported – Rs 2,250 Lakhs Vs amount per books of account – Rs 2,144 Lakhs) and Rs 1,102 Lakhs (amount reported – Rs 1,410 Lakhs Vs amount per books of account – Rs 2,512 Lakhs) for quarter ended 30 June 2021, 30 September 2021, 31st December 2021 and 31st March 2022. Further that, Turnover had a difference of Rs 34 Lakhs (amount reported-Rs 4,471 Lakhs Vs amount per books of account- Rs 4,504), Rs 167 Lakhs (amount reported – Rs 4,891 Lakhs Vs amount per books of account – Rs 5,058 Lakhs), Rs 24 Lakhs (amount reported – Rs 4,748 Lakhs Vs amount per books of account – Rs 4,724 Lakhs) and Rs 1,114 Lakhs (amount reported – Rs 3,794 Lakhs Vs amount per books of account – Rs 4,908 Lakhs) for quarter ended 30 June 2021, 30 September 2021, 31st December 2021 and 31st March 2022. The overall impact on Working capital based on figures as per books of account as compared to the reported figures are , increase in working capital by Rs. 273 lakhs and Rs. 243 Lakhs as on 30th June and 30th September respectively. Whereas the working capital got reduced by Rs. 92 Lakhs and Rs. 19 Lakhs as on 31st December and 31st March 2022.
- 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) According to the information and explanations given to us, there is no such deposits, taken by the Company, for which directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act,2013 and the rules framed thereunder, are required to be complied with.
- vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- 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, Goods and Service tax, Duty of Customs, Duty of Excise, Value added tax, Cess and other 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 2022.

- 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)** There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix)**
  - (a) 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.
  - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
  - (c) In our opinion and according to the information and explanations given to us by the management, the term loans were applied for the purpose for which the loans were obtained .
  - (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, as at 31 March 2022 we report that the no funds raised on short term basis have been used for long term investment.
  - (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.
  - (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- (x)**
  - (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
  - (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi)**
  - (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
  - (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
  - (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedure
- (xii)** The Company is not a Nidhi Company and therefore the provisions of Clause 3 (xii) of the order are not applicable to the company.
- (xiii)** According to the information and explanations given by the management, transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Ind AS financial statements etc., as required by the applicable accounting standards.
- (xiv)**
  - (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business

- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (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) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) There are no ongoing projects, for which the Company has to transfer unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year, to a Special account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135(6) of the Act.

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

**CA Rajan Kumar Goel**  
(Proprietor)  
Regn. 083829

Place: New Delhi  
Date: 30/05/2022

## BALANCE SHEET AS AT 31ST MARCH, 2022

Particulars	Notes No.	As at 31 March 2022 (Rs. in Lakhs)	As at 31 March 2021 (Rs. in Lakhs)
<b>A. ASSETS</b>			
<b>1 Non-current assets</b>			
a) Property, Plant and Equipment	4	8007.84	7616.08
b) Capital work-in-progress	5	-	-
c) Financial Assets			
i) Investments	6	167.43	132.68
ii) Other Financial Assets	7	185.76	154.98
d) Other-non current Assets	8	331.16	471.59
<b>Total non-current assets</b>		<b>8692.19</b>	<b>8375.33</b>
<b>2 Current assets</b>			
a) Inventories	9	4908.10	2547.72
b) Financial assets			
(i) Trade receivables	10	4733.64	3216.63
(ii) Cash and cash equivalents	11	340.46	384.93
(iii) Bank balances other than (ii) above	12	3.95	3.95
(iv) Other Financial Assets	13	164.43	331.53
c) Other current assets	14	1290.71	1491.25
<b>Total current assets</b>		<b>11441.29</b>	<b>7976.01</b>
<b>Total Assets</b>		<b>20133.48</b>	<b>16351.34</b>
<b>B. Equity and Liabilities</b>			
<b>1 Equity</b>			
a) Equity Share capital	15	511.63	511.63
b) Other equity	16	4972.54	3816.74
<b>Total equity</b>		<b>5484.17</b>	<b>4328.37</b>
<b>2 Liabilities</b>			
<b>Non-current liabilities</b>			
a) Financial Liabilities			
(i) Borrowings	17	3230.64	4618.58
b) Provisions	18	151.41	153.14
c) Deferred tax liabilities (Net)	19	430.88	383.98
<b>Total non-current liabilities</b>		<b>3812.93</b>	<b>5155.70</b>

Particulars	Notes No.	As at 31 March 2022 (Rs. in Lakhs)	As at 31 March 2021 (Rs. in Lakhs)
<b>3 Current Liabilities</b>			
a) Financial Liabilities			
(i) Borrowings	20	4815.24	3744.47
<b>(iii) Trade payables</b>	21		
a) Total Outstanding dues of micro, small and medium Enterprises (MSME)		372.22	167.09
b) Total Outstanding dues of Creditors other than MSME		3754.40	1883.33
iv) Other Financial liabilities	22	168.57	169.49
b) Other Current liabilities	23	1641.18	783.20
c) Provisions	24	41.52	21.35
d) Current Tax Liabilities (Net)	25	43.25	98.32
<b>Total current liabilities</b>		<b>10836.38</b>	<b>6867.26</b>
<b>Total liabilities</b>		<b>14649.31</b>	<b>12022.96</b>
<b>Total equity and liabilities</b>		<b>20133.48</b>	<b>16351.34</b>

Summary of significant accounting policies and other Notes 1-3

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

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

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

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

**(Amit Kumar)**  
Director  
DIN 06902856

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

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

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

Place: New Delhi

Date: 30/05/2022

UDIN: 22083829AKVANI4880, UDIN: 22083829AOFQLM4709

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

PARTICULARS	Notes No.	For the year ended 31st March, 2022 (Rs. in Lakhs)	For the year ended 31st March, 2021 (Rs. in Lakhs)
I Revenue From Operations (Gross)	26	44907.51	21365.13
II Other Income	27	431.75	667.16
III <b>Total Income (I+II)</b>		<b>45339.26</b>	<b>22032.29</b>
IV <b>EXPENSES</b>			
Cost of Materials Consumed	28	32286.15	13799.82
Purchase of Stock-in-Trade		0.00	0.00
Changes in inventories of finished goods,	29	-499.69	-108.91
Work in Process and Stock-in-Trade			
Employee Benefits Expenses	30	1901.95	1349.40
Finance Cost	31	834.60	607.34
Depreciation and amortization Expenses	32	1092.88	825.50
Other Expenses	33	7910.84	4192.20
<b>Total expenses (IV)</b>		<b>43526.73</b>	<b>20665.35</b>
V <b>Profit before exceptional items and tax (III-IV)</b>		1812.53	1366.94
VI Exceptional Items		0.00	0.00
VII <b>Profit before tax (V-VI)</b>		<b>1812.53</b>	<b>1366.94</b>
VIII <b>Tax expense:</b>			
(1) Current tax	25	463.08	238.83
(2) Deferred tax	19	46.89	156.95
(3) Mat Credit Utilisation		50.66	96.24
		560.63	492.02
IX <b>Profit for the period from continuing operations (VII-VIII)</b>		<b>1251.90</b>	<b>874.92</b>
X Profit from discontinued operations before tax		0.00	0.00
XI Tax expense of discontinued operations		0.00	0.00
XII Profit from Discontinued operations (after tax) (X-XI)		0.00	0.00
XIII <b>Profit for the period (IX+XII)</b>		<b>1251.90</b>	<b>874.92</b>
XIV <b>Other Comprehensive Income</b>		0.00	0.00
A. <b>Items that will not be reclassified to profit or loss</b>		0.00	0.00
(i) Re-measurements of the defined benefit liabilities / (asset)		0.00	0.00
(ii) Income tax relating to above		0.00	0.00
B. <b>Items that may be reclassified to profit or loss</b>		0.00	0.00
Income tax relating to above		0.00	0.00
<b>Total other comprehensive income</b>		0.00	0.00
XV <b>Total Comprehensive Income for the period (XIII+XIV)</b>		<b>1251.90</b>	<b>874.92</b>
XVI Earnings per equity share (for continuing operation):			
(1) Basic		24.47	17.10
(2) Diluted		24.47	17.10

Summary of significant accounting policies and other Notes 1-3

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

As per our report of even date attached

For Rajan Goel and Associates

Chartered Accountants

ICAI Firm Regn. No. 004624N

CA Rajan Kumar Goel  
Proprietor  
Membership No. 083829

(Amit Kumar)  
Director  
DIN 06902856

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

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

(N. M. BAGLA)  
CFO

Place: New Delhi

Date: 30/05/2022

UDIN: 22083829AKVANI4880, UDIN: 22083829AOFQLM4709

For and on behalf of the Board of Directors

## STATEMENT OF CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

PARTICULARS	For the year ended 31st March, 2022 (Rs. in Lakhs)	For the year ended 31st March, 2021 (Rs. in Lakhs)
<b>A Cash flows from operating activities</b>		
Profit for the year (before tax)	1812.53	1366.93
Adjustments for:		
Depreciation and amortisation expense	1092.88	825.50
Provision for doubtful receivables, advances and other assets (net)	5.79	-2.39
Provision for Gratuity and Leaves	18.44	11.80
Liabilities no longer required written back	0.87	4.25
Net gain on sale of property, plant and equipment	-1.15	-1.11
Interest expense	709.81	509.74
Interest income	-17.84	-10.77
<b>Operating profit before changes in assets and liabilities</b>	<b>3621.31</b>	<b>2703.95</b>
Changes in assets and liabilities :	0.00	0.00
(Increase) decrease in inventories	-2360.37	-543.85
(Increase) decrease in trade receivables and loans+	-1246.04	-1751.90
(Increase) decrease in other financial assets	149.87	-928.85
Increase (decrease) in trade payables	2076.19	955.09
Increase (decrease) in other financial liabilities	856.20	428.78
<b>Cash (used in)/generated from operating activities</b>	<b>3097.16</b>	<b>863.22</b>
Income tax paid (net of refund)	-614.25	-261.01
<b>Net cash (used in)/from operating activities (A)</b>	<b>2482.91</b>	<b>602.21</b>
<b>B Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	-1486.22	-2374.54
Acquisition of property, plant and equipment (Capital WIP)	0.00	1091.13
Proceeds from sale of property, plant and equipment	2.74	89.47
Proceeds from sale/maturity of investments	-34.76	0.00
Interest received	17.84	10.77
<b>Net cash flow from (used in) investing activities (B)</b>	<b>-1500.40</b>	<b>-1183.17</b>
<b>C Cash flows from financing activities</b>	0.00	0.00
(Repayment) / Proceeds of long term borrowings	-1387.94	181.08
(Repayment) / Proceeds from current- borrowings(net)	1070.77	1155.50
Interest paid	-709.81	-509.74
<b>Net cash flow from (used in) financing activities ( C)</b>	<b>-1026.98</b>	<b>826.84</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>-44.47</b>	<b>249.21</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>388.88</b>	<b>143.00</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>344.41</b>	<b>388.88</b>



**Note:**

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

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with banks:		
- In current accounts	32.13	41.54
- In Term Deposit accounts	307.51	341.18
- In Dividend Accounts	3.95	3.95
Cash on hand	0.82	2.21
<b>Cash and cash equivalents as per balance sheet</b>	<b>344.41</b>	<b>388.88</b>

As per our report of even date attached

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

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

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

**(Amit Kumar)**  
 Director  
**DIN 06902856**

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

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

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

Place: New Delhi

Date: 30/05/2022

UDIN: 22083829AKVANI4880, UDIN: 22083829AOFQLM4709

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2022**
**1 Corporate Overview**

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

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

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

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

**B. Basis of Preparation**

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

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

**C. Functional and presentation currency**

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

**D. Use of estimates**

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

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

**Assumptions and estimation uncertainties**

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

**E. Measurement of fair values**

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

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

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

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

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

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

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

### 3 Significant accounting policies

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

#### a. Foreign currency transactions

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

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

#### b. Financial instruments

##### i. Recognition and initial measurement

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

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

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

##### ii. Classification and subsequent measurement

###### Financial assets

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

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

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

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

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

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

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

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

#### Subsequent measurement and gains and losses

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

#### Financial liabilities

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

#### iii. De-recognition

##### Financial assets

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

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

##### Financial liabilities

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

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

#### iv. Offsetting

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

**v. *Derivative financial instruments***

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

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

**i. *Recognition and measurement***

**Property, plant and equipment**

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

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

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

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

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

**Capital work-in-progress**

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

**ii. *Transition to Ind AS***

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

**iii. *Subsequent expenditure***

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

**iv. *Depreciation***

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

Freehold land is not depreciated.

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

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

**d. *Inventories***

Inventories are valued as follows:

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

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

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

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

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

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

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

**f. Employee benefits**

**i. Short-term employee benefits**

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

**ii. Defined contribution plans**

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

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

**iii. Defined benefit plans**

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

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

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

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

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

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

**g. Revenue**

**i. Sale of goods**

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

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

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

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

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

**i. Government grants**

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

**j. Leases**

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

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

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

**ii. Assets held under leases**

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

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

**iii. Lease payments**

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

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

**k. Income-tax**

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

**i. Current tax**

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

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

**ii. Deferred tax**

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

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

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

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

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

**iii. MAT credit**

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

**l. Borrowing cost**

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

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

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



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

#### **Contingencies**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

# NOTES FORMING PART OF THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2022

## 4 Property Plant and Equipments

(Rs. in Lakhs)

Particulars	Freehold land	Electrical Installation	Buildings	Plant and equipment	Furniture & Fittings	Vehicles	Computer	Air Conditioner	Office Equipments	ETP, FIRE & Pollution	Total
<b>At Cost</b>											
Balance at April 1, 2020	117.26	662.80	1,354.20	7,519.31	198.83	330.60	39.36	24.35	10.13	127.90	10,384.74
Additions	38.00	40.90	380.93	1,860.51	0.87	-	8.75	5.18	2.16	37.24	2,374.54
Disposals / Adjustment	-	27.34	160.43	93.87	-	74.40	-	2.93	0.88	-	359.85
Balance at Mar., 31, 2021	155.26	676.36	1,574.70	9,285.95	199.70	256.20	48.11	26.60	11.41	165.14	12,399.43
<b>Property Plant and Equipments- Accumulated Depreciation</b>											
<b>Accumulated depreciation and impairment</b>											
Balance at April 1, 2020	-	291.71	474.33	3033.56	135.48	229.21	34.49	17.69	4.32	5.99	4226.78
Depreciation expense	-	49.79	90.31	633.92	15.99	30.52	4.07	1.80	1.66	-	828.06
Eliminated on disposals of assets	-	26.15	147.69	24.95	-	70.45	-	1.74	0.51	-	271.49
Balance at Mar., 31, 2021	-	315.35	416.95	3,642.53	151.47	189.28	38.56	17.75	5.47	5.99	4,783.35
<b>Property Plant and Equipments- Net Block</b>											
Balance at April 1, 2020	117.26	371.09	879.87	4,485.75	63.34	101.39	4.87	6.66	5.81	121.91	6157.96
Balance at March., 31, 2021	155.26	361.01	1,157.75	5,643.42	48.23	66.92	9.55	8.85	5.94	159.15	7,616.08

Particulars	Freehold land	Electrical Installation	Buildings	Plant and equipment	Furniture & Fittings	Vehicles	Computer	Air Conditioner	Office Equipments	ETP, FIRE & Pollution	Total
<b>At Cost</b>											
Balance at April 1, 2021	155.26	676.36	1,574.70	9,285.95	199.70	256.20	48.11	26.60	11.41	165.14	12,399.43
Additions	-	76.31	409.90	704.60	163.09	67.49	20.68	7.69	16.39	20.07	1,486.22
Disposals / Adjustment	-	-	-	-	-	5.20	-	-	-	-	5.20
Balance at Mar., 31, 2022	155.26	752.67	1,984.60	9,990.55	362.79	318.49	68.79	34.29	27.80	185.21	13,880.45
<b>Property Plant and Equipments- Accumulated Depreciation</b>											
<b>Accumulated depreciation and impairment</b>											
Balance at April 1, 2021	-	315.35	416.95	3,642.53	151.47	189.28	38.56	17.75	5.47	5.99	4,783.35
Depreciation expense	-	60.38	128.74	839.42	15.44	24.38	9.10	2.85	2.10	10.46	1,092.87
Eliminated on disposals of assets	-	-	-	-	-	3.61	-	-	-	-	3.61
Balance at Mar., 31, 2022	-	375.73	545.69	4,481.95	166.91	210.05	47.66	20.60	7.57	16.45	5,872.61
<b>Property Plant and Equipments- Net Block</b>											
Balance at April 1, 2021	155.26	361.01	1,157.75	5,643.42	48.23	66.92	9.55	8.85	5.94	159.15	7,616.08
Balance at Mar., 31, 2022	155.26	376.94	1,438.91	5,508.60	195.88	108.45	21.14	13.69	20.23	168.76	8,007.84

## NOTES FORMING PART OF THE BALANCE SHEET FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022

### 5 Capital work in progress

(Rs. in Lakhs)

Particulars	Building	Pre-operative expense	Other Plant & Equipments	Total
Balance at April 1, 2020	-	54.39	1,036.74	1,091.13
Additions	-	-	-	-
Adjustments/capitalised during the year	-	-54.39	-1,036.74	-1,091.13
Balance at Mar., 31, 2021	-	-	-	-

### Capital work in progress

Particulars	Building	Pre-operative expense	Other Plant & Equipments	Total
Balance at April 1, 2021	-	-	-	-
Additions	-	-	-	-
Adjustments/capitalised during the year	-	-	-	-
Balance at Mar., 31, 2022	-	-	-	-

### 6 Investment

Particulars	As at March 31, 2022	As at March 31, 2021
Investment in Equity Instruments in Other Entities (Refer Note 6A)	167.43	132.67
Other Investment (Refer Note 6B)	-	-
<b>Total Investments</b>	<b>167.43</b>	<b>132.67</b>

### 6A Investment in Equity Instruments

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Others (Unquoted ( fully paid up))</b>		
49000 (49000) equity shares of Bagla wellness Pvt. Ltd.	18.39	18.39
456900(456900) equity shares of Bagla Polifilms Ltd.	114.29	114.29
100000(Nil) equity shares of Bagla Technopack Pvt Ltd. @	10.00	0.00
247620(Nil) equity shares of Bagla Tecvision Pvt Ltd. @	24.76	0.00
<b>Total Investments in Other Equity instruments</b>	<b>167.43</b>	<b>132.68</b>
<b>Net Investment in Equity Instruments</b>	<b>167.43</b>	<b>132.68</b>
<b>Aggregate carrying value of unquoted investments</b>	<b>167.43</b>	<b>132.68</b>

@ Investments acquired during the year

### 6B Other investments

Particulars	As at March 31, 2022	As at March 31, 2021
10000 (10000) equity shares of Banaras state bank Ltd.	1.00	1.00
Less: Provision for diminution in value	-1.00	-1.00
<b>TOTAL INVESTMENTS</b>	<b>0.00</b>	<b>0.00</b>

**7 Other Financial Assets**

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposits	185.76	154.98
<b>TOTAL</b>	<b>185.76</b>	<b>154.98</b>

\* Security deposits for more than 12 months

**8 Other non-Current Assets**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Advances</b>		
Advance for Capital goods	307.00	439.33
<b>Others</b>		
Assets held for sale	24.16	32.26
<b>TOTAL</b>	<b>331.16</b>	<b>471.59</b>

**9 Inventories**

Particulars	As at March 31, 2022	As at March 31, 2021
Raw Material	1932.73	1214.77
Raw Material-in Transit	1116.07	217.95
Work in progress	678.52	493.69
Finished Goods	817.92	365.25
Stores and spares, fuel and packing material	282.65	255.98
Scrap for sales	80.21	0.08
<b>TOTAL</b>	<b>4908.10</b>	<b>2547.72</b>

**10 Trade receivables**

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Unsecured, considered good	4733.64	3216.63
(b) Credit Impaired	5.79	0.69
Provision for doubtful debts	-5.79	-0.69
<b>TOTAL</b>	<b>4733.64</b>	<b>3216.63</b>

**Note :**

- No trade receivables are due from directors or other officers of the company either severally or jointly with any other person.
- Trade receivables are generally non interest bearing
- Trade receivable includes due from related parties Rs.2,34,12,702 ( Previous year Rs. 25,49,302)
- Ageing required as per Schedule III, to the companies act are furnished in note No. 37(xxii)

**11 Cash and cash equivalents**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Balance with banks</b>		
On Current Account	32.13	41.54
On Term Deposits Account @+	307.51	341.18
<b>Cash in hand</b>		
As per Books and certified	0.82	2.21
<b>TOTAL</b>	<b>340.46</b>	<b>384.93</b>

@ Pledged with bank as margin for issuing letter of Guarantees

+ Maturity period of deposit are less than 12 months

**12 Bank Balance other than Cash and Cash Equivalents**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Balance with Bank (Dividend account)</b>	3.95	3.95
<b>TOTAL</b>	<b>3.95</b>	<b>3.95</b>

**13 Other Financial Assets**

Particulars	As at March 31, 2022	As at March 31, 2021
Interest Accrued-Fixed Deposit	3.19	3.33
Insurance Claim Receivable	161.24	328.20
<b>TOTAL</b>	<b>164.43</b>	<b>331.53</b>

**14 Other current assets**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>a) Advance other than capital advances</b>		
i) Advances to vendor for Supplies and services	480.32	374.95
ii) Advances to employees	18.18	11.51
<b>b) Advances to related Parties</b>	-	40.61
<b>c) Others Advances</b>		
i) Balance with Government Authorities	593.85	564.11
ii) Export Incentives receivable	147.03	315.35
iii) MAT Credit Entitlement	-	145.27
iv) Prepaid expenses	41.80	27.38
v) Other Receivables	9.53	12.07
<b>TOTAL</b>	<b>1290.71</b>	<b>1491.25</b>

**15 Equity Share Capital**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Authorised Capital</b>		
7,000,000 equity shares of 10 each	700.00	700.00
<b>Issued, Subscribed and Paid up</b>		
5,116,300 equity shares of 10 each fully paid up	511.63	511.63
<b>TOTAL</b>	<b>511.63</b>	<b>511.63</b>

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

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	51.16	51.16
Movements	-	-
<b>Balance as at the end of the year</b>	<b>51.16</b>	<b>51.16</b>

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

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

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	%	No. of Shares	%
1 Mr. Madhusudan Bagla	8,12,419	15.88%	8,12,419	15.88%
2 Mrs. Anju Bagla	5,98,630	11.70%	5,98,630	11.70%
3 Mr. Dhruv Bagla	3,14,580	6.15%	3,14,580	6.15%
4 Mr. Nakul Bagla	3,72,100	7.27%	3,72,100	7.27%
5 Mr. M.S.Bagla - Karta ( M.S.Bagla - HUF )	2,69,250	5.26%	2,69,250	5.26%

**(iv) a. Shareholding of Promoters (Equity Shares) as on 31/03/2022**

S. No.	Name of Promoter/(s)	No. of Shares	% Total Shares	% Change during the year 2021-22
1	Mr. Madhusudan Bagla	8,12,419.00	15.88%	-
2	Mrs. Anju Bagla	5,98,630.00	11.70%	-
3	Mr. Dhruv Bagla	3,14,580.00	6.15%	-
4	Mr. Nakul Bagla	3,72,100.00	7.27%	-
5	Mr. M.S.Bagla - Karta ( M.S.Bagla - HUF )	2,69,250.00	5.26%	-
6	Mrs Sidhika Goenka	26,350.00	0.52%	-

## (iv) b. Shareholding of Promoters (Equity Shares) as on 31/03/2021

S. No.	Name of Promoter/(s)	No. of Shares	% Total Shares	% Change during the year 2020-21
1	Mr. Madhusudan Bagla	8,12,419.00	15.88%	-
2	Mrs. Anju Bagla	5,98,630.00	11.70%	-
3	Mr. Dhruv Bagla	3,14,580.00	6.15%	-
4	Mr. Nakul Bagla	3,72,100.00	7.27%	-
5	Mr. M.S.Bagla - Karta ( M.S.Bagla - HUF )	2,69,250.00	5.26%	-
6	Mrs Sidhika Goenka	26,350.00	0.52%	-

## 16 Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Reserve #	30.00	30.00
Security Premium account	212.60	212.60
Investment allowance utilization reserve ##	25.00	25.00
Retained earnings	4704.94	3549.14
# For Capital Subsidy received in earlier years		
## Since 1992-93		
<b>TOTAL</b>	<b>4972.54</b>	<b>3816.74</b>

## Capital Reserve

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at beginning of the year	30.00	30.00
Changes during the year	-	-
<b>Balance at end of the year</b>	<b>30.00</b>	<b>30.00</b>

## Security Premium account

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at beginning of the year	212.60	212.60
Changes during the year	-	-
<b>Balance at end of the year</b>	<b>212.60</b>	<b>212.60</b>

## Investment allowance utilization reserve

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at beginning of the year	25.00	25.00
Changes during the year	-	-
<b>Balance at end of the year</b>	<b>25.00</b>	<b>25.00</b>

**Retained Earnings**

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at beginning of the year	3549.14	2683.95
Profit after tax for the year	1251.90	874.92
Provision for Income tax for earlier years	-96.10	-9.73
Other Comprehensive Income	-	-
<b>Balance at end of the year</b>	<b>4704.94</b>	<b>3549.14</b>

**17 Long term borrowings**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>		
<u>Term loans from banks</u>		
State Bank Of India ( Refer Note A)	532.98	977.62
Indian Bank (Refer Note-B)	1750.00	1975.00
ICICI Bank ( Refer Note - C)	6.77	-
Yes Bank ( Refer Note - C)	5.94	17.77
<b>Working Capital Term Loan (GECL-COVID-19 Loan )</b>		
State Bank Of India ( Refer foot Note A(h&i))	654.08	290.89
Indian Bank (Refer foot Note-B(ii))	174.89	309.30
IDBI Bank - (Refer Note-D)	101.66	156.53
<b>Working Capital Term Loan (COVID Emergency Credit Line)</b>		
Indian Bank (Refer foot Note-B(f))	4.32	56.36
	<b>3230.64</b>	<b>3783.47</b>
<b>Unsecured</b>		
From Directors	-	226.00
From Body Corporate	-	300.00
From SACE FCT Spa.-I (Foreign Currency Loan)	-	126.49
From SACE FCT Spa.-II (Foreign Currency Loan)	-	106.20
From SACE FCT Spa.-III (Foreign Currency Loan)	-	76.42
	-	<b>835.11</b>
<b>TOTAL</b>	<b>3230.64</b>	<b>4618.58</b>

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

- First pari-passu charge on entire movable and immovable fixed assets of the company (including Land and Building) of the manufacturing unit at Kutch , Gujrat along with Indian Bank - for Term Loan
- First charge over Factory Land and Building bearing survey no. Bigha, Biswa and sahi bushwansi, in Khasra No.9/0-17-0 and Khasra no.10/0-16-0,11/10-17-0,12/0-19-0,8/0-4-0,14/1 M/2-9-10, situated at village Acheja , Tehsil Dadri Dist. Ghaziabad, Gautam Budh Nagar(Uttar Pradesh) admeasuring total area 3 bigha,13 biswa,6 sahi, along with other term landers Indian Bank.



- c) Second pari pasu charge entire movable fixed assets, both present and future, of the company's unit at Roorkee, Haridwar, both present & future to be shared with working capital lenders Indian Bank, IDBI Bank and HDFC Bank.
- d) Second pari-passu charge on the entire movable and immovable fixed assets of the company, including land and construction thereon, both present and future, of the company's plant located at Dadri, district Ghaziabad (excluding land admeasuring 0.0253 hectares part of the existing factory land) to be shared with working capital lenders Indian Bank, IDBI Bank and HDFC Bank .
- e) Second pari-passu charge on entire movable and immovable fixed assets of the company, including land and building construction thereon, both present and future, of the company's plant located at Bhadreswar, Kutch, near Mundra Port, Gujarat with working capital lenders Indian Bank, IDBI Bank and HDFC Bank .Second pari-passu charge on entire movable and immovable fixed assets of the company, including land and building construction thereon, both present and future, of the company's plant located at Bhadreswar, Kutch, near Mundra Port, Gujarat to be sharedwith IDBI bank.
- f) Personal guarantee of Mr. Madhusudan Bagla , the Managing Director of the Company and sh Lalit Kumar Bagla and Ex Director of the Company.
- g) The Term Loan is repayable in 24 Quarterly instalments, interest is payable on monthly basis
- h) The COVID Emergency Credit Line (CCECL) Term Loan of Rs. 3.74 Crores sanctioned in 2020 of is repayable in 36 Monthly instalments, starting from Feb-2022, interest is payable on monthly basis.
- i) The Emergency Credit Line (GECL) Term Loan of Rs. 5.00 crores sanctioned in 2022 of is repayable in48 Monthly instalments, starting from Jan 2024, interest is payable on monthly basis.

**B** Term Loans from Indian Bank is secured by way of :

- a) First pari-passu charge on entire movable and immovable fixed assets of the company (including Land and Building) of the manufacturing unit at Kutch , Gujrat along with State Bank of India
- b) First charge over Factory Land and Building bearing survey no. Bigha, Biswa and sahi bushwansi, in Khasra No.9/0-17-0 and Khasra no.10/0-16-0,11/10-17-0,12/0-19-0,8/0-4-0,14/1 M/2-9-10, situated at village Acheja , Tehsil Dadri Dist. Ghaziabad, Gautam Budh Nagar(Uttar Pradesh) admeasuring total area 3 bigha,13 biswa,6 sahi, along with State Bank of India
- c) Second pari pasu charge entire movable fixed assets, both present and future, of the company's unit at Roorkee, Haridwar, both present & future to be shared with working capital lenders State Bank of India , IDBI Bank and HDFC Bank.
- d) Personal guarantee of the Managing Director Mr. Madhusudan Bagla ,and Sh Lalit Kumar Bagla an Ex Director of the Company.
- e) The Term Loan of is repayable in 24 Quarterly instalments, starting from June 2021, interest is payable monthly.
- f) The COVID Emergency Credit Line (CCECL) Term Loan of Rs. 1.30 Crores sanctioned in 2020 is repayable in 30 Monthly instalments, starting from Nov-2020, interest is payable on monthly basis.
- i) The Emergency Credit Line (GECL) Term Loan of Rs. 3.30 Crores sanctioned in 2020 is repayable in 31 Monthly instalments, starting from March-2022, interest is payable on monthly basis.

**C** Loan from ICICI Bank and YES Bank are secured by way of hypothecation of the vehicle financed by them.

**D** Term Loans from IDBI Bank is secured by way of :

- a) Extension of Charges on Second pari-pasu basis on primary and collateral securities charged for other facilities.
- b) The Emergency Credit Line (CCECL) Term Loan of Rs. 1.61 Crores sanctioned in 2020 is repayable in 36 Monthly instalments, starting from March ,2022, interest is payable on monthly basis.

**18 Provisions- Non Current**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Provision for Employee Benefits</b>		
Leave Encashment	9.00	4.21
Gratuity	142.41	148.93
<b>TOTAL</b>	<b>151.41</b>	<b>153.14</b>

**19 Deferred Tax Liabilities (Net of Assets)**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Deferred Tax Liabilities -On timing difference</b>		
On accounting of Depreciation as per Income tax Rules and as per Companies Act.	497.14	439.35
On Fair Value of Investments	-	-
<b>Less:</b>		
<b>Deferred Tax Assets-On timing difference</b>		
On accounting of Doubtful debts	1.69	0.00
On accounting of Provision for Bonus, Gratuity and Compensated absence	64.59	55.37
<b>TOTAL</b>	<b>430.88</b>	<b>383.98</b>

**20 Short term borrowings**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Term loans from banks (Payable within next 12 Months) (Refer note no 15 "Long term borrowing")</b>		
State Bank of India	435.00	435.00
Indian Bank	225.00	225.00
ICICI Bank	3.47	-
Yes Bank	14.07	15.13
<b>Working Capital Term Loan (GECL-COVID-19 Loan )</b>		
State Bank of India	124.67	83.11
Indian Bank	124.09	20.70
IDBI Bank	53.67	4.47
<b>Working Capital Term Loan (COVID Emergency Credit Line)</b>		
Indian Bank	52.00	51.96
	<b>1031.97</b>	<b>835.37</b>
<b>Cash Credit Limits (Refer Note- A-B)</b>		
Allahabad Bank	95.51	80.51
IDBI Bank	1136.37	1030.24
State Bank of India	1976.15	1520.36
HDFC Bank	284.83	-
	<b>3492.86</b>	<b>2631.11</b>
<b>Unsecured</b>		
Form SACE FCT Spa-I (foreign Currency loan )	120.71	117.53
Form SACE FCT Spa- II (foreign Currency loan )	101.34	98.67
Form SACE FCT Spa- III (foreign Currency loan )	68.36	61.78
	<b>290.41</b>	<b>277.99</b>
<b>TOTAL</b>	<b>4815.24</b>	<b>3744.47</b>

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

## 21 Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Financial liabilities carried at amortized cost</b>		
For Goods	3299.35	1554.38
For Services	827.27	496.05
Note: Ageing required as per Schedule III, to the compnies act are furnished in note No. 37(xxiii)		
<b>TOTAL</b>	<b>4126.62</b>	<b>2050.43</b>
Total outstanding dues of micro enterprises and small enterprises (refer Note No. 37(xxiii))	372.22	167.10
Total outstanding dues of creditors other than micro enterprises and small enterprises	3754.40	1883.33
<b>TOTAL</b>	<b>4126.62</b>	<b>2050.43</b>

## 22 Other financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
i) Interest accrued but not due	16.21	52.24
ii) Unclaimed dividend*	3.95	3.95
iii) Payable for capital goods	56.89	47.43
iv) Payable for employees	91.52	65.87
<b>TOTAL</b>	<b>168.57</b>	<b>169.49</b>

\* The Amounts reflects the position as at year end. The actual amount to be transferred to Investor Education and Protection Fund in this respect shall be determined on the due dates. No amount is due to be transferred as at balance sheet date.

## 23 Other Current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Advance received from Customers	1198.94	570.40
Statutory Liabilities	68.71	42.33
Other liability	373.53	170.47
<b>TOTAL</b>	<b>1641.18</b>	<b>783.20</b>

**24 Provisions -Current**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Employee Benefits</b>		
Provision for Leave encashment	0.66	0.36
Provision for Gratuity	40.86	20.99
<b>TOTAL</b>	<b>41.52</b>	<b>21.35</b>

**25 Current Tax Liabilities (Net)**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Current Tax</b>		
Provision for Income Tax	463.08	353.24
Less: Tax paid	419.83	254.92
<b>TOTAL</b>	<b>43.25</b>	<b>98.32</b>

**26 Revenue From Operations**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A. Sale of products</b>		
Domestic Sale	9252.48	5467.67
Export Sale	35397.98	15784.74
Scrap Sale	253.57	83.02
	<b>44904.03</b>	<b>21335.43</b>
<b>B. Sale of services</b>		
Job Work	3.48	29.70
<b>Total</b>	<b>44907.51</b>	<b>21365.13</b>

**27 Other Income**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>a) Interest income</b>		
Term Deposits	16.81	7.65
Security deposit	1.03	3.12
	<b>17.84</b>	<b>10.77</b>
<b>b) Other gains and losses</b>		
Export Incentives	2.40	261.98
Insurance Claim	-	146.75
Exchange rate fluctuation gain/(loss)(Net)	391.22	238.74
Excess Provision for Bonus written back	0.87	4.25
Provision for Doubtful Debts written back	-	3.08

**27 Other Income (Contd.)**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Excess Provision for Leave Encashment written back	1.29	-
Gain on Disposal of property, plant and equipment	1.16	1.11
Sundry Balances Written off ( Net )	9.44	-
Other Receipts	7.53	0.48
	<b>413.91</b>	<b>656.39</b>
<b>Total</b>	<b>431.75</b>	<b>667.16</b>

**28 Cost of materials consumed\***

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening Stocks	1214.77	826.65
Add: Purchases	33004.11	14187.94
Less: Closing Stocks	-1932.73	-1214.77
<b>Total</b>	<b>32286.15</b>	<b>13799.82</b>

\* The Consumption amounts shown above have been ascertained on the basis of materials consumed and after considering excess/shortages ascertained on physical verifications.

**29 Changes in inventories of finished goods and work-in progress\***

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Opening Stock</b>		
Work in Process	493.69	550.04
Finished Goods	365.25	410.44
Material in Transit	217.95	-
Scrap	0.08	7.58
	<b>1076.97</b>	<b>968.06</b>
<b>Closing Stock</b>		
Work in Process	678.52	493.69
Finished Goods	806.51	365.25
Material in Transit	11.41	217.95
Scrap	80.22	0.08
	<b>1576.66</b>	<b>1076.97</b>
<b>Change in inventory</b>	<b>-499.69</b>	<b>-108.91</b>

\* Closing inventory is net off scrapped /reworked items and shortages/excesses.

**30 Employee Benefits Expenses**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, Wages and other Allowances	1518.71	1085.06
Contribution to Provident and other Allied Funds	51.51	31.16
Director's Remuneration	98.58	94.11
Staff Welfare and Benefits	201.66	101.74
Gratuity	23.94	37.30
Leave Encashment	7.55	0.03
<b>Total</b>	<b>1901.95</b>	<b>1349.40</b>

**31 Finance costs**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest to Banks on Cash/Packing credits	130.34	141.55
Interest to Bank on Term Loan	396.91	335.09
Interest on Other	182.56	33.09
Bank Commission and Charges	124.79	97.61
<b>Total</b>	<b>834.60</b>	<b>607.34</b>

**32 Depreciation and amortization Expenses**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Deprecation ( Note. 4 Property, Plant and Equipment)	1092.88	825.50
<b>Total</b>	<b>1092.88</b>	<b>825.50</b>

**33 Other Expenses**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>MANUFACTURING EXPENSES</b>		
Power & Fuel Consumed	1092.63	798.89
Store, Spares & Tools Consumed	167.57	115.55
Packing Expenses	1794.40	1004.46
Carriage Inward	167.40	71.04
<b>Repairs and Maintenance:</b>		
Building and Shed	7.41	10.09
Plant and Machinery	424.25	247.86
Research & Development charges	7.27	14.90
	<b>3660.93</b>	<b>2262.79</b>

**33 Other Expenses (Contd.)**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>ADMINISTRATIVE AND OTHER OVERHEADS</b>		
Rent, Rates and Taxes	85.50	58.03
Printing and Stationery	26.82	14.55
Traveling and Conveyance	123.26	44.26
Vehicle Running Maintenance	49.74	33.49
Postage & Telephone charges	41.63	31.25
Electricity and Water Overheads	15.76	15.22
Data processing Expenses	37.25	28.15
Legal and Professional Charges	144.02	51.35
Advertisement Expenses	0.99	4.54
<b>Auditor's Remuneration :</b>		
For Audit Fees	2.30	1.00
Fees & Subscription	16.54	20.96
Insurance Charges	53.81	33.22
General Expenses	103.48	89.93
Provision for doubtful debts/advances	5.79	0.69
Sundry Balances Written off ( Net )	-	42.81
Expenses on Corporate Social Responsibility	15.81	1.34
Previous year adjustment (Net)	1.51	11.29
	<b>724.21</b>	<b>482.08</b>
<b>SALES AND DISTRIBUTION OVERHEADS</b>		
Freight and Carriage Outward	3086.44	1228.17
Discount, Rebates and Claims	0.42	4.19
Brokerage & Commission	352.48	154.57
Business Promotion Expenses	62.14	51.08
Statutory Demands, Sales Tax, VAT, GST etc.	22.18	9.32
Exhibition & Conference Expenses	2.04	-
	<b>3525.70</b>	<b>1447.33</b>
<b>Total</b>	<b>7910.84</b>	<b>4192.20</b>

**34 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, .

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

- Bank Guarantees given by the Company Rs. 59.73 Lacs (Previous year Rs.60.33 Lacs)
- Foreign letter of credit opened with IDBI Bank, Indian Bank State Bank of India & HDFC Bank for import of Raw material etc. worth Rs. 989.91 Lacs (Previous year Rs.728.90Lacs) and domestic letter of credit for procurement of raw material from domestic supplier Rs. Nil (Previous year Rs. NIL )

- (c) Central Sales tax payable for Assessment year 2013-14 in respect of its Roorkee unit, for which an appeal has been settle Rs. 6.65 Lacs and case closed (Previous year 42.39 Lacs)
- 36** Estimated Amount of capital commitment for contracts remaining to be executed Rs.4.56 Crore (Previous year 10.42 Crore) against which advances are given Rs. 3.07 Crore (previous year Rs.4.39 Crore ).
- 37 Disclosures of the Additional Regulatory Information to the extent applicable to the company are made in compliance with the amendments made in Schedule III to the Companies Act 2013 vide Notification No. GSR 207(E) dated 24th March, 2021, are given as under:**
- The Title Deeds of the Property owned by the Company are held by the Company in its own Name , and the documents thereof are pledged with the State Bank of India.
  - The Company does not hold any property as Investment as any time during the year
  - The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets)
  - The Company does not have any intangible assets at any time during the year
  - The company has not granted Loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) at any time during the year, except Rs. 110000 shown in Note 34(xxvi) below which has been recovered in due course.
  - The Company does not own any Capital Work in Progress (CWIP) at the close of the financial year.
  - The Company does not have any Intangible assets under development at any time during the year
  - The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
  - The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from State Bank of India as lead banker in the consortium where IDBI , HDFC and Indian Bank are members. on the basis of returns or statements filed by the Company with banks are in agreement with the books of account of the Company except for statements filed for month ended 30 June 2021, 30 September, 2021 ,31 December 2021 and 31 March 2022 where differences were noted between the amount as per books of account for respective months and amount as reported in the quarterly statements.
- The difference were in case of Debtors amounting to Rs 23 Lakhs (amount reported – Rs 2,366 Lakhs Vs amount per books of account – Rs 2,343), Rs 98 Lakhs (amount reported – Rs 2,311 Lakhs Vs amount per books of account – Rs 2,213 Lakhs), Rs 174 Lakhs (amount reported – Rs 3,553 Lakhs Vs amount as per books of account – Rs 3,379 Lakhs) and Rs 32 Lakhs (amount reported – Rs 3,567 Lakhs Vs amount as per books of account – Rs 3,535 Lakhs) for quarter ended 30 June 2021, 30 September 2021, 31st December 2021 and 31st March 2022.
- Further, Creditors had a difference of Rs 263 Lakhs (amount reported-Rs 1,760 Lakhs Vs amount per books of account- Rs 1,497), Rs 175 Lakhs (amount reported – Rs 1,880 Lakhs Vs amount per books of account – Rs 1,705 Lakhs), Rs 106 Lakhs (amount reported – Rs 2,250 Lakhs Vs amount per books of account – Rs 2,144 Lakhs) and Rs 1,102 Lakhs (amount reported – Rs 1,410 Lakhs Vs amount per books of account – Rs 2,512 Lakhs) for quarter ended 30 June 2021, 30 September 2021, 31st December 2021 and 31st March 2022.
- Further that, Turnover had a difference of Rs 34 Lakhs (amount reported-Rs 4,471 Lakhs Vs amount per books of account- Rs 4,504), Rs 167 Lakhs (amount reported – Rs 4,891 Lakhs Vs amount per books of account – Rs 5,058 Lakhs), Rs 24 Lakhs (amount reported – Rs 4,748 Lakhs Vs amount per books of account – Rs 4,724 Lakhs) and Rs 1,114 Lakhs (amount reported – Rs 3,794 Lakhs Vs amount per books of account – Rs 4,908 Lakhs) for quarter ended 30 June 2021, 30 September 2021, 31st December 2021 and 31st March 2022.
- The overall impact on Working capital based on figures as per books of account as compared to the reported figures are, increase in working capital by Rs. 273 lakhs and Rs. 243 Lakhs as on 30th June and 30th September respectively. Whereas the working capital got reduced by Rs. 92 Lakhs and Rs. 19 Lakhs as on 31st December and 31st March 2022.
- The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.



- xi) The company has not entered into any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- xii) There are no charges or satisfaction of Charges yet to be registered with Registrar of Companies beyond the statutory period.
- xiii) The Company does not have any subsidiary, hence the provision with regard to compliance with the number of layers for its holding in downstream companies prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 are not applicable to the company.
- xiv) During the year under report no Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- xv) The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
- xvi) The company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- xvii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year
- xviii) The Company does not have any transaction which are not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- xix) The Company has not received any Government Grant or Subsidy during the year.
- xx) **Details Corporate Social Responsibility (CSR)**
- |  |                                 |
|--|---------------------------------|
| a) amount required to be spent by the company during the year,   | 15.30 Lakhs                     |
| b) amount of expenditure incurred,   | 15.81 Lakhs                     |
| c) shortfall at the end of the year  | Nil                             |
| d) total of previous years shortfall,  | 0.49 Lakhs                      |
| e) reason for shortfall  | NA                              |
| f) the company has undertaken Education, skilling, health, environmental sustainability, COVID-19 relief activities under its CSR activities | Meditation Centre and Education |
| g) the entire amount of CSR has been spent through M/s Bagla Foundation - a related party.   |                                 |

xxi) **Ratio's**

Name of the Ratio	Formula	2021-22	2020-21	% change	Reason for change
(a) Current Ratio	Current Assets/Current Liabilities	1.06	1.16	-0.11	Due to decrease in current Assets.
(b) Debt-Equity Ratio	Total debt/Shareholder's Equity	1.47	1.93	-0.47	Due to increase in retained earnings
(c) Debt Service Coverage Ratio	Net Operating Income/ Debt Service	1.51	2.10	-0.59	NA
(d) Return on Equity Ratio	Net Income/ Shareholder's Equity	22.83	20.21	2.61	profit during the current FY.
(e) Inventory turnover ratio	COGS/Average Inventory	9.48	6.91	2.57	NA
(f) Trade Receivables turnover ratio	Net credit Sales/ Ave. Trade Receivable	11.30	8.54	2.76	Due to better collection
(g) Trade payables turnover ratio	Net credit purchase/ Ave. Trade payable	11.70	10.78	0.92	Due to better payment
(h) Net capital turnover ratio	Net Sales/Avg Working Capital	52.41	23.41	29.00	NA
(i) Net profit ratio	Net profit/Total Revenue	2.79	4.10	-1.31	Due to increase Turnover with reduced margin
(j) Return on Capital employed	EBIT/Capital Employed	27.13	19.79	7.34	
(k) Return on investment	Income earn on Investment/ Value of the Investment	NA	NA	NA	NA

## xxii) Trade Receivable Ageing Schedule

## Current Reporting Period

Particulars	> 6 Months	< 6 Months > 1 Years	1-2 Years	2-3 Years	More than 3 years	Total
i) Undisputed Trade Receivables- Considered good	4691.88	35.76	3.81	2.20	-	4733.64
ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade Receivables- Credit Impaired	-	-	-	-	-	-
iv) Disputed Trade Receivables- Considered good	-	-	-	-	-	-
v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade Receivables- Credit Impaired	-	-	-	-	5.79	5.79
	4691.88	35.76	3.81	2.20	5.79	4739.43
Less: Allowance for Doubtful Trade Receivable	-	-	-	-	-5.79	-5.79
<b>Total Receivables</b>	4691.88	35.76	3.81	2.20	-	4733.64

## Previous Reporting Period

Particulars	> 6 Months	< 6 Months > 1 Years	1-2 Years	2-3 Years	More than 3 years	Total
i) Undisputed Trade Receivables- Considered good	3179.62	15.51	13.81	7.69	-	3216.63
ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade Receivables- Credit Impaired	-	-	-	-	-	-
iv) Disputed Trade Receivables- Considered good	-	-	-	-	-	-
v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade Receivables- Credit Impaired	-	-	-	-	0.69	0.69
	3179.62	15.51	13.81	7.69	0.69	3217.32
Less: Allowance for Doubtful Trade Receivable	-	-	-	-	-0.69	-0.69
<b>Total Receivables</b>	3179.62	15.51	13.81	7.69	-	3216.63

Note: Trade receivable includes due from related party M/s Bagla LLC , USA Rs.2,34,12,702 ( Previous year Rs. 25,49,302)

## xxiii) Trade payables Ageing Schedule

## Current Reporting Period

Particulars	Less than 6 Months	6 Months to 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
i) MSME	371.78	0.44	-	-	-	372.22
ii) Others	3713.27	16.16	8.57	3.68	12.71	3754.40
iii) Disputed dues-MSME	-	-	-	-	-	-
iv) Disputed dues-Others	-	-	-	-	-	-
	4085.05	16.61	8.57	3.68	12.71	4126.62

## Previous Reporting Period

Particulars	Less than 6 Months	6 Months to 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
i) MSME	166.71	0.38	-	-	-	167.09
ii) Others	1846.09	12.85	8.93	6.20	9.26	1883.33
iii) Disputed dues-MSME	-	-	-	-	-	-
iv) Disputed dues-Others	-	-	-	-	-	-
	2012.81	13.23	8.93	6.20	9.26	2050.43

## xxiv) Disclosure of Loans or Advances granted to Promoters, Directors, KMP's and the related Parties

Type of Borrower	Amount of Loan or Advance Current year	% to the total Loans and Advances	Amount of Loan or Advance Previous year	% to the total Loans and Advances
Promoter	NIL	NA	NIL	NA
Directors	NIL	NA	NIL	NA
KMPs	NIL	NA	NIL	NA
Related Parties	NIL	NA	1.1	100%

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

- Claim with The Universal Sompo General Insurance Company Limited for loss of finished goods under fire broke out on 07/12/2019 at 1st floor of the factory building at Dadri plant (previous year Rs. 78.81 Lacs). The Claim has been settled during the year at Rs. 45 Lacs the Unrealised amount has been written off/adjusted in sundry balnces wrotten back
- Claim with The Universal Sompo General Insurance Company Limited for loss of finished goods and packing material and scrap under fire broke out on 28/04/2020 at 1st floor of the factory building at Dadri plant Rs. 33.91 (Previous Year Rs. 31.41 Lacs.), The claim has been increased by the amount of GST Input Reversal of Rs 2.50 Lacs during the year.
- Claim with The Universal Sompo General Insurance Company Limited for loss of Raw Material, Finished Goods, packing material and Work in progress under fire broke out on 30/04/2020 at Ground floor of the factory building at Dadri plant Rs. 129.79 Lacs (Previous Year Rs 112.24 Lacs). The claim has been increased by the amount of GST Input Reversal of Rs 17.55 Lacs during the year.

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

- 40 Balance with Indian Bank- Ahmadabad Rs.15,150 having no transactions during the year is subject to Confirmation.
- 41 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.
- 42 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.
- 43 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.

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

Particulars	2021-22	2020-21
Profit after Tax (Rs. in Lacs)	1252	875
Average number of Equity Shares (Face Value of Rs.10)	51.16	51.16
Basic and Diluted EPS (in Rupees per Share)	24.47	12.86

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

- 46 Amount paid to Directors as remuneration:

**A. Managing Director**

Particulars	2021-22	2020-21
No. of Persons	One	One
Salary & Allowances (see note no. 45)	54.00	54.00
Perquisites	30.00	30.91

**B. Whole Time Director**

Particulars	2021-22	2020-21
No. of Persons	Three	Two
Salary & Allowances (see note no. 45)	13.88	8.04
Contribution to P.F & other funds	0.76	0.50
Perquisites	3.66	1.74

- 47 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	2021-22	2020-21
Contribution to Provident Fund and Family Pension Fund	42.86	31.12
Employers Contribution to Employees State Insurance Scheme	6.08	6.99

**(B) Defined Benefit Plan (unfunded)**

**(a) A General description of the employees Benefit Plan:**

The Company has obligation towards gratuity, a funded defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on

termination of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

(b) Details of defined benefit plan as per Actuarial Valuation are as follows:

I. Components of employer expenses Charged in Defined Benefit Obligation during the year.

Particulars	Gratuity		Leave Encashment	
	2021-22	2020-21	2020-21	2019-20
Current Service Cost	15.59	13.10	5.93	0.31
Interest Cost	12.32	10.93	0.33	0.46
Past service cost	-	-	-	-
Actuarial Losses (Gains)	-4.33	13.27	-0.72	-2.02
<b>Total Expenses recognized</b>	<b>23.57</b>	<b>37.30</b>	<b>5.54</b>	<b>-1.25</b>

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

Particulars	Gratuity		Leave Encashment	
	2021-22	2020-21	2020-21	2019-20
Present Value of Defined Benefit Obligation	183.27	169.91	9.66	4.57
Net Asset / (Liability) recognized in the Balance Sheet	183.27	169.91	9.66	4.57

III. Charge in Defined Benefit Obligation during the year.

Particulars	Gratuity		Leave Encashment	
	2021-22	2020-21	2020-21	2019-20
Present value of defined Benefit obligation at the beginning of year	169.91	156.08	4.57	6.61
Current Service Cost	15.59	13.10	5.93	0.31
Interest Cost	12.32	10.93	0.33	0.46
Past service cost	-	-	-	-
Actuarial Losses/(Gains)	-4.33	13.27	-0.72	-2.02
Benefits paid	-10.22	-23.46	-0.46	-0.79
Present value of Defined Benefit obligation at the end of year	183.27	169.91	9.66	4.57

IV. Actuarial Assumptions

Particulars	2021-22	2020-21
Discount Rate	7.25%	7.00%
Salary escalation Rate	5.00%	5.00%

- V The assumption of the future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factor.

**48 Related Party Disclosure as per IND AS-24 (As certified by the Management):****A). List of Related Parties****1 Where Control Exist:****Subsidiary Company:** None**Others**

Hindustan Foils Ltd.

Bagla Wellness Private Limited

Agarwal Tracom Pvt. Ltd.

Bagla Polifilms Ltd.

Bagla Tecvision Private limited

Bagla Techopack private limited

**2 Key Management Personal:**

Mr. Madhusudan Bagla	- Managing Director
Mr. Suresh Sridhar Ajila	- Whole time Director
Mrs. Urmila Goenka	- Whole time Director
Mr. Ashok Kumar Pathak	- Whole time Director
Mr. Nakul M Bagla	- CFO
Mr. Sarabjeet Singh Dua	- Company Secretary

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

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

**4 Others**

Shree Shree Ishwar Satya Narayanjee &amp; Other Deities

Bagla Foundation

Bagla Polifilms LLC

**B) Transactions with Related Parties:**

Type/Name of the Related party	Nature of Transaction	Volume of Transactions		Amt. Payable/ (Recoverable)	
		2021-22	2020-21	2021-22	2020-21
<b>Where Control Exists</b>					
<b>Bagla Polifilms Ltd</b>	Loan Taken	210.00	300.00	-	-300.00
	Loan Repaid	510.00	-	-	-
	Purchase Goods	1315.60	751.06	-	-0.60
	Sales of Goods	155.87	43.20	-	0.00
	Interest Paid	12.44	6.13	-	-5.67
	Reimbursement	2.64	21.75	-	0.50
<b>Bagla Techvision (P)Ltd</b>	Repayment of Loan	-	12.50	-	-
	Purchase of Shares	24.76	-	-	-
	Reimbursement	1.22	0.80	-	-
<b>Bagla Technopack (P) Ltd</b>	Advances Given	-	40.00	40.00	40.00
	Advance Returned	40.00	-	-	-
	Purchase of Shares	10.00	-	-	-
	Reimbursement	0.76	0.61	0.61	0.61

Type/Name of the Related party	Nature of Transaction	Volume of Transactions		Amt. Payable/ (Recoverable)	
		2021-22	2020-21	2021-22	2020-21
Bagla Wellness (P) Ltd.	Reimbursement	1.74	1.56	-	-
	Advances Given	6.50	-	-	-
	Advance Returned	6.50	-	-	-
Agarwal Tracom (P)Ltd	Rent Paid	1.80	1.80	-	-
	Security Deposit	13.50	-	28.50	15.00
Hindustan Foils Ltd	Reimbursement	-	0.11	-	-
<b>Key Management Personal</b>					
Mr. Madhusudan Bagla	MD Remuneration	84.00	84.00	-	-
	Loans Taken	140.00	-11.50	-	-165.00
	Loan Returned	305.00	-	-	-
	Rent Paid	39.00	39.00	-	-
Mr. Suresh Ajila	Director's Remuneration	8.91	8.28	-0.45	-0.32
Mrs. Urmila Goenka	Director's Remuneration	3.50	3.17	-	-
Mr. Ashok Pathak	Director's Remuneration W.e.f 26/08/2021	5.89	-	-0.17	-
Mr. Nakul Bagla	CFO Remuneration	75.00	40.35	-2.65	1.10
	Rent Paid	15.00	15.00	-	-
	Security Deposit	-	-	7.50	7.50
<b>Relative of Key Management Personal</b>					
Mr. Dhruv Bagla	Rent Paid	15.00	15.00	-	-
Mrs. Gayatri Ajila	Commission	9.06	8.78	-	-
	Rent Paid	5.63	5.26	-	-0.20
	Office Maintenance	3.29	3.08	-	-0.11
	Security Deposit Given	-	-	10.00	10.00
Mr. Lalit Kumar Bagla	Loan Taken	-	-	-61.00	-61.00
	Loan Repaid	61.00	-	-	-
Mrs. Anju Bagla	Salary	28.80	28.80	-	-
Mrs. Surbhi Bagla	Professnal Fee	3.00	-	-	-
<b>Others</b>					
Bagla Foundation	Donation	15.81	1.05	-	-
M S BAGLA (HUF)	Reimbursement	0.10	-	-	-
Shree Shree Ishwar Satya Narayanjee & Other Deities	Advance Received	-	70.40	-	-
	Advance Given	-	6.00	-	-
Amit Kumar	Sitting Fees	0.90	-	-	-
Pawan Kumar Gupta	Sitting Fees	0.15	-	-	-
Ravi Kumar Agarwal	Sitting Fees	0.23	-	-	-
Sudeep Pande	Sitting Fees	0.30	-	-	-
SS Dua	Salary	0.72	-	-	-
Bagla Polifilms LLC	Sales	237.02	25.60	234.13	25.49

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

Particulars	2021-22			2020-21		
	Rs.	Value in Foreign Currency		Rs.	Value in foreign Currency	
Export Sales / return of equipment's purchased	3072.39	USD	41.28	1949.61	USD	26.78
	176.99	Euro	2.19	132.89	Euro	1.54
Advance for Machines/store items	345.72	Euro	4.18	63.60	Euro	0.73
	3.78	USD	0.05	0.00	USD	-
Advance for Material	266.22	USD	3.58	431.36	USD	5.95
	19.01	Euro	0.23	5.54	Euro	0.07
<b>Total</b>	<b>3342.40</b>	<b>USD</b>	<b>44.91</b>	<b>2380.97</b>	<b>USD</b>	<b>32.73</b>
	<b>19.01</b>	<b>GBP</b>	<b>0.23</b>	<b>5.54</b>	<b>GBP</b>	<b>0.07</b>
	<b>522.71</b>	<b>Euro</b>	<b>6.37</b>	<b>196.48</b>	<b>Euro</b>	<b>2.27</b>
<b>Payables</b>						
Import- Material	540.44	USD	7.03	714.07	USD	9.68
	0.82	Euro	0.01	58.54	Euro	0.67
	4.01	GBP	0.04	-	GBP	-
Import- Capital goods	66.30	Euro	0.77	52.81	Euro	0.65
	-	USD	-	0.93	USD	0.01
Import- Expenses	-	USD	-	115.06	USD	1.53
Import- Store	-	GBP	-	4.22	GBP	0.04
	5.02	USD	0.07	-	USD	-
	1.49	Euro	0.02	-	Euro	-
Ocean Freight	298.86	USD	3.89	-	USD	-
Advance Received	1157.57	USD	15.06	518.97	USD	6.96
	22.10	Euro	0.26	26.00	Euro	0.37
Foreign currency loan	290.41	Euro	3.37	591.07	Euro	6.74
<b>Total</b>	<b>2001.90</b>	<b>USD</b>	<b>26.04</b>	<b>1349.03</b>	<b>USD</b>	<b>18.18</b>
	<b>381.12</b>	<b>Euro</b>	<b>4.42</b>	<b>728.42</b>	<b>Euro</b>	<b>8.42</b>
	<b>4.01</b>	<b>GBP</b>	<b>0.04</b>	<b>4.22</b>	<b>GBP</b>	<b>0.04</b>

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

51 The above audited results for the quarter and year ended 31st March, 2022 has been reviewed by the Audit committee and approved by the Board of Directors at their respective meetings held on 30 May, 2022

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

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

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

**(Amit Kumar)**  
Director  
DIN 06902856

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

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

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

Place: New Delhi  
Date: 30/05/2022

UDIN: 22083829AKVANI4880, UDIN: 22083829AOFQLM4709



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Bagla Group

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