

## 31<sup>st</sup> ANNUAL REPORT 2016 – 2017

### BOARD OF DIRECTORS

Mr. Rajendra J. Sanghavi	Executive Chairman
Mr. Umesh J. Sanghavi	Managing Director
Mr. Tarak J. Sanghavi	Executive Director
Mr. M. M. Vora	Non Executive, Independent Director
Mr. H. S. Kamath	Non Executive, Independent Director
Mrs. Ishita Gandhi	Non Executive, Independent Director

### AUDITORS

PHD & Associates  
Chartered Accountants

### REGISTRARS AND TRANSFER AGENTS

Sharex Dynamic (India) Pvt. Ltd.  
Unit No. 1, Luthra Ind. Premises,  
Andheri Kurla Road, Safed Pool,  
Andheri East, Mumbai 400072

### COMPANY SECRETARY

Mr. Nirmal Tiwari

### BANKERS

Bank of India  
Standard Chartered Bank  
Yes Bank Ltd.

### REGISTERED OFFICE:

Shreeji Industrial Estate,  
Vadkun, College Road,  
Dahanu  
Dist- Palghar –401602

### COMPANY IDENTIFICATION NUMBER (CIN):

L51900MH1986PLCO41062

<b>CONTENTS</b>	
NOTICE	2
MANAGEMENT DISCUSSION & ANALYSIS REPORT	12
DIRECTORS REPORT	16
REPORT ON CORPORATE GOVERNANCE	35
AUDITORS REPORT	46
BALANCE SHEET	52
STATEMENT OF PROFIT AND LOSS	53
NOTES FORMING PART OF FINANCIAL STATEMENTS	54
CASH FLOW STATEMENT	76
ATTENDANCE SLIP	77
ROUTE MAP	79

## NOTICE

Notice is hereby given that the **Thirty first Annual General Meeting** of Nikhil Adhesives Limited will be held on Thursday the 28th September, 2017 at 11.00 a.m. at the Registered Office of the Company at **Shreeji Industrial Estate, Vadkun, College Road, Dahanu, Dist. Palghar – 401 602** to transact the following business:

### ORDINARY BUSINESS

- 1) To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2017 together with the reports of the Board of Directors and Auditors thereon.
- 2) To appoint a director in place of Mr. RajendraSanghavi, Director (DIN: 00245637), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
- 3) Ratification of Appointment of Auditors:  
To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:  
“RESOLVED that pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the appointment of M/s. PHD & Associates, Chartered Accountants, (Firm Registration Number: 111236W) as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Thirty Second AGM of the Company to be held in the year 2018, to examine and audit the accounts of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

### SPECIAL BUSINESS

- 4) **To consider and pass the following resolution as an Special Resolution.**

“**RESOLVED THAT** subject to the provisions of sections 196, 197, 198 and other applicable provisions of the Companies Act, 2013 (“the Act”), if any, read with Schedule V to the Act, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and any other Rules framed there under (including any statutory modification(s) or re-enactment or amendments thereof for the time being in force), and subject to the provisions of Articles of Associations of the Company, and such other approvals as may be necessary, the consent of the members be and is hereby accorded to the appointment of Mr. Tarak J. Sanghavi (DIN: 00519403) as the Whole Time Director of the Company liable to retire by rotation with effect from 1st January, 2018 to hold office for a period of three years (i.e. for the period 1st January, 2018 to 31st December, 2020).”

“**RESOLVED FURTHER THAT** approval be and is hereby accorded to the remuneration, perquisites, benefits and amenities payable as per the terms and conditions entered into by Mr. Tarak J. Sanghavi with the Company for the aforesaid appointment and as per the details provided in the explanatory statement; annexed to this notice (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his reappointment), with authority to the Board of Directors of the Company to alter and/ or vary the terms and conditions of the said appointment in accordance with, if any, the prescribed provisions of the Act and or schedules thereto.”

“**RESOLVED FURTHER THAT** the Board may, subject to the approvals, if any required, increase, augment, vary and modify the remuneration payable and the benefits and amenities provided to the Appointee including the monetary value thereof from time to time during Appointee’s tenure, upto the limits prescribed in that behalf under or pursuant to The Companies Act, 2013, or any statutory amendment, modification or re-enactment thereof from time to time enforced and/ or the guidelines for managerial remuneration issued by the Central Government from time to time, from the date the statutory amendment, modification or re-enactment and/ or guidelines coming into force.”

“**RESOLVED FURTHER THAT** the aggregate of the remuneration and perquisites payable shall be subject to the overall ceilings laid down in Sections 197 & 198, and other applicable provisions of the act and rules made there under read with Schedule V of the said act, or any statutory modification(s) or re-enactment thereof for the time being in force, or otherwise as may be permissible by law.”

5) **To consider and pass the following resolution as an Special Resolution.**

**“RESOLVED THAT** subject to the provisions of sections 196, 197, 198 and other applicable provisions of the Companies Act, 2013 (“the Act”), if any, read with Schedule V to the Act, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and any other Rules framed there under (including any statutory modification(s) or re-enactment or amendments thereof for the time being in force), and subject to the provisions of Articles of Associations of the Company, and such other approvals as may be necessary, the consent of the members be and is hereby accorded to the appointment of Mr. Rajendra J. Sanghavi (DIN: 00245637) as the Chairman & Whole Time Director of the Company liable to retire by rotation with effect from 1st January, 2018 to hold office for a period of three years(i.e. for the period 1st January, 2018 to 31st December, 2020).”

**“RESOLVED FURTHER THAT** approval be and is hereby accorded to the remuneration, perquisites, benefits and amenities payable as per the terms and conditions entered into by Mr. Rajendra J. Sanghavi with the Company for the aforesaid appointment and as per the details provided in the explanatory statement; annexed to this notice (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his reappointment), with authority to the Board of Directors of the Company to alter and/ or vary the terms and conditions of the said appointment in accordance with, if any, the prescribed provisions of the Act and or schedules thereto.”

**“RESOLVED FURTHER THAT** the Board may, subject to the approvals, if any required, increase, augment, vary and modify the remuneration payable and the benefits and amenities provided to the Appointee including the monetary value thereof from time to time during Appointee’s tenure, upto the limits prescribed in that behalf under or pursuant to The Companies Act, 2013, or any statutory amendment, modification or re-enactment thereof from time to time enforced and/ or the guidelines for managerial remuneration issued by the Central Government from time to time, from the date the statutory amendment, modification or re-enactment and/ or guidelines coming into force.”

**“RESOLVED FURTHER THAT** the aggregate of the remuneration and perquisites payable shall be subject to the overall ceilings laid down in Sections 197 & 198, and other applicable provisions of the act and rules made there under read with Schedule V of the said act, or any statutory modification(s) or re-enactment thereof for the time being in force, or otherwise as may be permissible by law.”

6) **To consider and pass the following resolution as an Special Resolution.**

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and all other applicable provisions of any, of the Companies Act, 2013, read with Schedule V of the said act, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s) thereof, for the time being in force), or any other law and such other consent(s), approval(s) and permission(s) as may be necessary in this regard and subject to such conditions as may be imposed by any authority while granting such consent(s), approval(s) and permission(s) and as agreed by the Board of Directors (herein after referred to as The Board, which term shall unless repugnant to the context or meaning thereof, be deemed to include any committee thereof or any person authorized by The Board in this behalf), the company hereby approves the reappointment and the remuneration of Mr. Umesh J. Sanghavi (DIN: 00491220) as the ‘Managing Director’ of the company not liable to retire by rotation for a period of 3 years i.e. from 1st January, 2018 to 31st December, 2020 on the terms and conditions as set out in the Explanatory Statement annexed to this notice (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his reappointment), with liberty to The Board to alter and vary the terms and conditions of the said reappointment and/ or remuneration, in such manner as may be agreed to between The Board and Mr. Umesh J. Sanghavi.”

**“RESOLVED FURTHER THAT** The Board be and is hereby authorized to take all such steps as may be necessary for obtaining necessary approvals – statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign execute deeds, applications, documents and writings that may be required, on behalf of the company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient and incidental for giving effect to the resolution.”

7) **To consider and pass the following resolution as an Ordinary Resolution.**

**“RESOLVED THAT** pursuant to provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Rules framed there under, as amended from time to time and such other permissions as may be necessary, the payment of remuneration of ₹ 50,000/- (Rupees Fifty Thousand) with applicable Service Tax plus reimbursement of out of pocket expenses at actual to Messrs B. F. Modi & Associates, Cost Accountants who were appointed by the Board of Directors of the Company as “Cost Auditors” to conduct the audit of the cost records maintained by the Company in accordance with the Companies (Cost Records and Audit) Rules, 2014, as amended, for the financial year ending 31st March, 2018, be and is hereby ratified and approved.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**NOTES:**

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. The instrument of proxy, in order to be effective, must be deposited at the Registered Office of the Company duly completed and signed not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.

A person can act as proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

- 2) The statement, pursuant to Section 102 of the Act with respect to item nos. 4 to 7 forms part of this notice. Additional information, pursuant to Regulations 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard - 2 issued by Institute of Company Secretaries of India as notified by the Central Government on general meetings in respect of Directors seeking appointment or reappointment at the Annual General Meeting is furnished as Annexure to the notice.
- 3) Members who hold shares in dematerialized form are requested to bring their Client ID and DPID numbers for easy identification for attendance at the meeting.
  - a. The Register of Members and the Share Transfer Books of the company will remain closed from 26th September, 2017 to 28th September, 2017 (both days inclusive).
- 4) Members are requested to notify immediately any change of address
  - a) To their Depository Participants (DPs) in respect of their electronic share accounts, and
  - b) To the company’s Registrars, M/S Sharex Dynamic (India) Pvt. Ltd. in respect of their physical shares, if any, quoting their folio numbers.
- 5) Members may avail the facility of nomination by nominating a person to whom their shares in the Company shall vest in the event of death. The prescribed form can be obtained from the Company’s Registrar and Share Transfer Agent.
- 6) Shareholders desiring any information relating to the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
- 7) All unclaimed dividends upto the year 2008-09 have been transferred to the credit of the Investor Education and Protection Fund ('the Fund') established by the Central Government. Shareholders are hereby informed that pursuant to Section 125 of the Act, the Company will be obliged to transfer to the credit of the said Fund any money lying in the Unpaid Dividend Accounts remaining unclaimed for a period of seven years from the dates they became first due for payment. In accordance with provisions of the said Section, no claim shall lie against the Company or the fund in respect of individual amounts of dividend. The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company [www.nikhiladhesives.com](http://www.nikhiladhesives.com) and on the website of the Ministry of Corporate Affairs.

- 8) 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 their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Sharex Dynamic (India) Pvt. Ltd.
- 9) The Ministry of Corporate Affairs (MCA) has taken a “Green Initiative in Corporate Governance” allowing paperless compliances by Companies through electronic mode. Companies are now permitted to send various notices/documents to its members through electronic mode to the registered e- mail addresses of members. Members holding shares in dematerialized form are requested to register their e- mail ID with their Depository Participants and members holding shares in physical form are requested to register their e-mail ID with Registrar and Share Transfer Agents of the Company i.e. Sharex Dynamic (India) Pvt. Ltd.
- 10) Voting through Electronic means :

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members, the facility to exercise their right to vote at the Thirty First Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

**The instruction for members for voting electronically is as under:**

- (i) The voting period begins on Monday, 25th September, 2017 (10:00 am) and ends on the Wednesday, 27th September, 2017 (5:00 pm). During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Thursday the 21st September, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iii) Click on Shareholders/ Members
- (iv) Now, enter your User ID
- (a) For CDSL: 16 digits beneficiary ID.
- (b) For NSDL: 8 character DP ID followed by 8 digits client ID.
- (c) Members holding shares in Physical Form should enter folio number registered with the company.
- (v) Next enter the image Verification as displayed and click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	<b>For member holding shares in demat form and physical form</b>
PAN	Enter your 10 digit alpha-numeric PAN issued by income tax department ( Applicable for both demat shareholder as well as physical shareholder)
	<ul style="list-style-type: none"> <li>• Member who have not updated their PAN with the company/ depository participant are requested to use the first two letter of their name and 8 digit of the sequence number (refer serial no. printed on the name and address sticker/Ballot form/mail) in PAN field</li> <li>• In case the sequence number is less than 8 digit enter the applicable number of 0’s before the number after the first two character of the name in CAPITAL letter. E.g. if your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend bank Details OR Date of Birth (DOB)	Enter the dividend Bank Details or Date of Birth (in dd/mm/yy format) as recorded in your demat account or in the company records in order to login.  • If both the details are not recorded with the depository or company please enter the member id/ folio number in the dividend bank details field as mentioned in instruction(iv).

- (viii) After entering this details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen, however members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Select on the EVSN (ELECTRONIC VOTING SEQUENCE NUMBER) of NIKHIL ADHESIVES LIMITED on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution, if you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m- Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non-individual shareholder and custodian:
  - (a) Non-Individual shareholders (i.e. other than individuals, HUF, NRI, etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as corporate.
  - (b) A scanned copy of the registration Form bearing the stamp and sign of the entity should be emailed to [helldesk.evoting@cdslindia.com](mailto:helldesk.evoting@cdslindia.com).
  - © After receiving the log in details a compliance user should be created using the admin login and password. The compliance user should be able to link the account (s) for which they wish to vote on.
  - (d) The list of account linked in the login should be mailed to [helldesk.evoting@cdslindia.com](mailto:helldesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - (e) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - (f) In case you have any queries or issues regarding e-voting you may refer the Frequently Asked Questions (“FAQ”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) , under help section or write an email to [helldesk.evoting@cdslindia.com](mailto:helldesk.evoting@cdslindia.com)

**Other General Instructions:**

- 1) The facility for voting through ballot will also be made available at the AGM, and member or their proxies attending the AGM who have NOT cast their vote by remote e-voting, will be able to vote at the AGM.
- 2) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of the Thursday, 21st September, 2017.
- 3) Mr. Dharmesh Zaveri Practising Company Secretary & Proprietor M/s D. M. Zaveri & Co., has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner & voting by ballot at the AGM in a fair & transparent manner.
- 4) The scrutinizer shall, immediately after the conclusion of voting at the AGM, count the vote cast at the AGM and thereafter unblock the vote cast through remote e-voting in the presence of at least two witnesses not in the employment of the company. The scrutinizer shall submit a consolidated scrutinizer's report of the total vote cast in favour of or against the resolutions, not later than two days after the conclusion of the AGM to the chairman of the company, who shall counter sign the same. The chairman will declare the result of voting within two days after the conclusion of the AGM.
- 5) The result declared along with the scrutinizer report shall be placed on the company's website [www.nikhiladhesives.com](http://www.nikhiladhesives.com). The result will also be communicated to the stock exchange where the shares of the company are listed.
- 6) Subject to receipt of the requisite number of vote, the resolution shall be deemed to have been passed on the date of AGM i.e. the 28th September, 2017.
- 7) All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 am to 6.00 pm) on all working days, up to and including the date of the AGM of the Company.
- 8) Persons who have acquired the shares of the company after the dispatch of Annual Report and are members as on 21st September, 2017 (being record date for the purpose of voting), may send a request for obtaining their User ID and Password to [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com) or contact Sharex Dynamic (India) Private Limited on 022-28515606/28515644.

**ANNEXURE TO NOTICE**

**Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013**

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

**Item No. 4, 5 and 6**

In the Annual General Meeting held on 29th September, 2012, Members approved the appointment/ Reappointment of (1) Mr. Umesh J. Sanghavi (Managing Director), (2) Mr. Rajendra J. Sanghavi (Whole Time Director), and (3) Mr. Tarak J. Sanghavi (Whole Time Director); for the tenure of five years w.e.f 1st January, 2013, in each case, on the terms and conditions including the terms of remuneration payable to them as set out in the respective resolutions approved in the meeting. The said tenure shall expire on 31st December, 2017. In view of the vast experience of Mr. Umesh J. Sanghavi, Mr. Rajendra J. Sanghavi and Mr. Tarak J. Sanghavi (each one of them hereinafter individually referred to as the said Appointee and collectively referred to as the said Appointees), and considering the progress made by the company during the tenure of their Directorship, the Board, subject to the approval of Members, reappointed the Appointees as Managing Director and Whole Time Directors respectively, for further tenure of three years w.e.f 1st January, 2018 on the terms and conditions and on the remuneration (including perquisites) payable to them, as set out below in this resolution. Accordingly, consent of the members is sought by this resolution for reappointment of the Appointees and fix their remuneration including perquisites, subject to the limits fixed, with liberty to the Board to determine the remuneration including perquisites, from time to time, during respective Appointee's tenure, as may be agreed to by and between the Board and the respective Appointee.

Details of Remuneration, Perquisites and other Benefits payable to the Appointees are as follows:

- I) The remuneration payable to each Appointee shall not exceed a sum of ₹19,20,000/-per annum or ₹1,60,000/- per month, including dearness allowance, perquisites and other allowances. The perquisites may include reimbursement of medical expenses, leave travel allowance for self and family, rent free or concessional rent furnished/unfurnished residential accommodation, reimbursement of residential electricity and gas, personal accident insurance premium or other perquisites, as may be decided by the Board in consultation with the Appointee.
- II) A motor car with chauffeur shall be provided to the Managing Director to for discharge of duties as Managing Director; alternatively, the Company shall bear all running, maintenance and repair expenses plus the remuneration of a chauffeur for his own car. The use of car for personal purposes may be treated as perquisites, to be computed as per Income Tax Rules.
- III) Telephone(s) at the residence and cellular phone(s) shall be provided subject to the recovery of long distance personal calls, if any.
- IV) The perquisites shall be evaluated as per Income Tax Rules where so prescribed, and in other cases, on the basis of cost to the Company.
- V) The Appointee shall also be eligible to the following perquisites which shall not be included in the computation of the ceiling on remuneration as specified above:
  - a) contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
  - b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
  - c) encashment of leave at the end of the tenure as per Company's Rules.
- VI) The Appointee shall be entitled to claim reimbursement of all expenses incurred/paid by him in the course of and/or for the purposes of Company's business and/or discharging his functions as a Managing Director/Whole Time Directors.
- VII) the nature of appointment shall be contractual, terminable by either party giving notice of three months.

Further, the Board has been empowered to increase, augment, vary and modify the remuneration including perquisites provided/ to be provided to the respective Appointee subject to the limits prescribed in that behalf under or pursuant to the Companies Act, 2013 or any statutory amendment, modification or re-enactment thereof from time to time in force and/or the guidelines for managerial remuneration issued by the Central Government from time to time, from the date the statutory amendment, modification, re-enactment and/or the guidelines coming into force.



Notwithstanding anything to the contrary herein, wherein any financial year during the currency of the tenure of the Managing Director / Whole Time Director, the Company has no profits or its profits are inadequate, the Company will pay to the Managing Director / Whole Time Director, remuneration, perquisites, benefits and amenities not exceeding the ceiling for the time being laid down in Section II of Part II to Schedule V (as amended) of the Companies Act, 2013 and as maybe decided by the Board of Directors of the Company and subject to such sanctions and approvals as maybe necessary. The resolution set out in the notice is intended for this purpose.

The copy of the agreement for appointment of Mr. Umesh J. Sanghavi, Mr. Rajendra J. Sanghavi and Mr. Tarak J. Sanghavi, detailing terms and conditions of his appointment is available for inspection by the members at the Registered Office of the Company during working hours between 11.00a.m. and 1.00p.m. on all days except Saturdays, Sundays and Public Holidays, till the conclusion of the ensuing Annual General Meeting.

In the interest of the company, the Board commend the resolutions for approval by the members. Mr. Umesh J. Sanghavi, Mr. Rajendra J. Sanghavi and Mr. Tarak J. Sanghavi are related to each other. Save and except Mr. Umesh J. Sanghavi, Mr. Rajendra J. Sanghavi, Mr. Tarak J. Sanghavi and their relatives, to the extent of their shareholding interest, if any, in the company, none of the other Directors/ Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise.

STATEMENT AS REQUIRED UNDER CLAUSE (iv) OF PROVISIO TO PARAGRAPH (B) OF SECTION II OF PART II OF SCHEDULE V TO THE COMPANIES ACT, 2013

<b>GENERAL INFORMATION</b>					
1	Nature of Industry	The Company is in Manufacturing and sale of various type of Adhesives and Chemicals			
2	Date or expected date of commencement of commercial production	Not Applicable			
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable as the Company is an existing company.			
4	Financial Performance based on given indicators	<b>₹ . in lakhs</b>			
		Particulars	2016-17	2015-16	2014-15
		Total Income	26512	27035	25457
		Profit / (Loss) After Tax	204	159	38
		Equity Share Capital	390.49	390.49	390.49
		Reserves & Surplus	1405.24	1201.58	1042.62
		Basic and Diluted Earnings Per Share	5.23	4.08	0.93
5	Foreign investments or collaborations, if	Not Applicable			
<b>II</b>	<b>INFORMATION ABOUT THE APPOINTEE</b>				
1.	Background Details	<b>Mr. Tarak J. Sanghavi</b> is a commerce Graduate and has over 35 years of experience in industry. He has relevant experience in Market analysis and Commercial Management	<b>Mr. Rajendra J. Sanghavi</b> is a Diploma Engineer and has over 38 years experience in industry. He has relevant experience in Finance.	<b>Mr. Umesh J. Sanghavi</b> is a Commerce Graduate and has over 37 years of experience on industry. He has relevant experience in market analysis and Commercial Management.	

2.	Past remuneration	During the financial year 2016-17 Mr. Tarak J. Sanghavi has been paid remuneration of ₹10,08,000/- plus perquisites not forming part of the remuneration.	During the financial year 2016-17, Mr. Rajendra J. Sanghavi has been paid remuneration of ₹10,08,000/- plus perquisites not forming part of the remuneration.	During the financial year 2016-17, Mr. Umesh J. Sanghavi has been paid remuneration of ₹13,16,448/- plus perquisites not forming part of the remuneration.
3.	Recognition or awards	No such specific recognition or awards.	No such specific recognition or awards	No such specific recognition or awards
4.	Job profile and suitability	<b>Mr. Tarak J. Sanghavi</b> as Executive Director of the Company, is required to look after Business Head Purchase Division and overall management of the Company subject to direction, superintendence and control of the Board of Directors. In the view of his extensive experience in the corporate sector, the Board of Directors of the Company feels that he is suitable for the above job profile.	<b>Mr. Rajendra J. Sanghavi</b> as Executive Director & Chairman of the Company, is required to look after overall management of the Company subject to direction, superintendence and control of the Board of Directors. In the view of his extensive experience in the corporate sector, the Board of Directors of the Company feels that he is suitable for above job profile.	<b>Mr. Umesh J. Sanghavi</b> as Managing Director of the Company, is required to look after overall operation of the Company subject to direction, superintendence and control of the Board of Directors. In the view of his extensive experience in the corporate sector, the Board of Directors of the Company feels that he is suitable for the above job profile.
5.	Remuneration proposed (wef. 1st January, 2018)	As per the resolution at Item No. 4 of the Notice read with Explanatory Statement thereto	As per the resolution at Item No. 5 of the Notice read with Explanatory Statement thereto	As per the resolution at Item No. 6 of the Notice read with Explanatory Statement thereto
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates relevant details would be w.r.t the country of his origin)	Considering the experience & knowledge of Mr. Tarak J. Sanghavi, Umesh . J. Sanghavi & Rajendra J. Sanghavi who are consider to be a thorough professional in the area of dealing into Emulsion & Adhesives Business & their contributions towards the business of the Company, the Board of Directors considered the proposed remuneration to be inline with the industry norms, size of the Company and the segment into which the Company carries on its business.		
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Mr. Tarak J. Sanghavi holds 1,12,490 equity shares in the Company aggregating to 2.889% of the paid-up equity share capital of the Company.	Mr. Rajendra J. Sanghavi holds 1,19,700 equity shares in the Company aggregating to 3.074% of the paid-up equity share capital of the Company.	Mr. Umesh J. Sanghavi holds 95,340 equity shares in the Company aggregating to 2.448% of the paid-up equity share capital of the Company.
<b>III</b>				
<b>OTHER INFORMATION</b>				
1.	Reasons of loss or inadequate profits	During the financial year 16-17 the company has posted net profit of 204 lakhs as against Net Profit of ₹159 Lakhs during the financial year 15-16. The reason for inadequate profit during the year. (a) Higher depreciation and interest towards new Dahej Plant. (b) Under utilization of Dahej Plant. (c) Company Investing in developing in Consumer brand “Mahacol” and “Emdolith”		

2.	Steps taken or proposed to be taken for improvement	(a) Company is expecting to utilize Dahej Plant capacity from existing 60% to 85% to 90%. (b) As oil prices are much stable we expect our Raw Material price to be more stable in the coming year
3.	Expected increase in productivity and profits in measurable terms	With the measures already taken, the Company has already started to earn decent profit.
IV	<b>DISCLOSURES</b>	The details of remuneration package of Mr. Tarak J. Sanghavi, Mr. Rajendra J. Sanghavi and Mr. Umesh J. Sanghavi are as set out in the accompanying Notice. The Company makes appropriate applicable disclosures in the Directors' Report under the heading 'Corporate Governance' forming part of the Annual Report.

**Item No. 7**

Messrs B. F. Modi & Associates, Cost Accountants, were appointed as Cost Auditors for the year ending 31st March, 2018 by the Board of Directors on the recommendation of the Audit Committee at a remuneration of ₹50,000/- plus Service Tax as applicable thereon and reimbursement of traveling and other incidental expenses that may be incurred for the purpose to audit the cost records maintained by the Company in accordance with the Companies (Cost Records and Audit) Rules, as amended.

As per Rule 14 of the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditors as approved by the Board is required to be ratified subsequently by the Members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out in Item No.7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2018.

None of the Directors/Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item no.7 of the Notice.

**Disclosure pursuant to Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

Name of the Director	Mr. Tarak J. Sanghavi	Mr. Rajendra J. Sanghavi	Mr. Umesh J. Sanghavi
Date of Birth	02.10.1962	11.12.1955	26.06.1957
Date of Appointment	Since Inception	Since Inception	Since Inception
Status	Whole time Director	Whole time Director (Chairman)	Managing Director
Qualification	B. Com	Diploma in Engineering	B. Com
Expertise in specific functional type	Market Analysis & Commercial Management	Businessman	Businessman
Directorship of Other Companies	None	Sanghavi Logistics Private Limited	Sanghavi Logistics Private Limited
Shareholding (No. of Shares)	1,12,490	1,19,700	95,340

**Registered Office:**  
Shreeji Industrial Estate,  
Vadkun, College Road, Dahanu,  
Dist. Palghar – 401 602  
Date : 26th May , 2017

**By order of the Board of Directors**

**Umesh J. Sanghavi**  
Managing Director

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **INDUSTRY STRUCTURE AND DEVELOPMENT**

There is no major change in the industry structure.

Your Company operates under two major business segments i.e. Branded Consumer Products & Industrial Products.

Products such as Wood Adhesives, Construction Chemicals and sticker adhesive are covered under Branded Consumer products segment. These products are widely used by carpenters, printers, plumbers, mechanics, households, students, offices etc.

Industrial Products segment covers products such as Industrial Adhesives, synthetic emulsions resins among others, which caters to various industries like packaging, textiles, paints, leather etc.

### **OUTLOOK**

The Central Statistics Office and RBI have estimated GDP growth of 7.1% for the Indian economy for 2016-17. The growth of the economy could have been better but for short term impact of demonetization. Demonetization will however, be able to generate long-term benefits.

Our Consumer Products business is focused on providing customers with a complete range of consumer adhesives mainly wood working and packaging adhesive and rubber base adhesive. Our Adhesive Brand “Mahacol” and “Emdilith” has strong market presence and is known for its product quality among the influencers and consumers. With a nationwide network, our brand “Mahacol” and “Emdilith” is showing as a respectable player in the adhesive market. We are working on having a PAN India presence with a strong distribution network of dealers and distributors.

During the year 2017-18, it is expected that Goods and Service Tax (GST) will be implemented. The prices of raw material and packaging material have firmed up due to increase in crude prices and going forward marginal increases in costs are expected.

### **STRENGTH, OPPORTUNITIES, THREATS, RISKS, CONCERNS**

Your Company's intrinsic strength is its Brand Image. Since 1960's age old days of Hoechst Dyes and Chemicals and Mafatalal Dyes and Chemicals in its vast range of product for Paint, Textile, Packaging, Wood working, upholstery, Leather and various others that find usage in different industries and hence there is no over dependence on any particular industries.

Meteorological department (IMD) has predicted a good monsoon and with implementation of GST and with Government focusing on ease of business and spending huge amount on infrastructure development, your company expects great opportunity with corporate and non corporate customers.

The instability in international markets due to conflicts and tensions among various countries. Its difficult to predict trends in Global market. This global uncertainty may have effects on local markets.

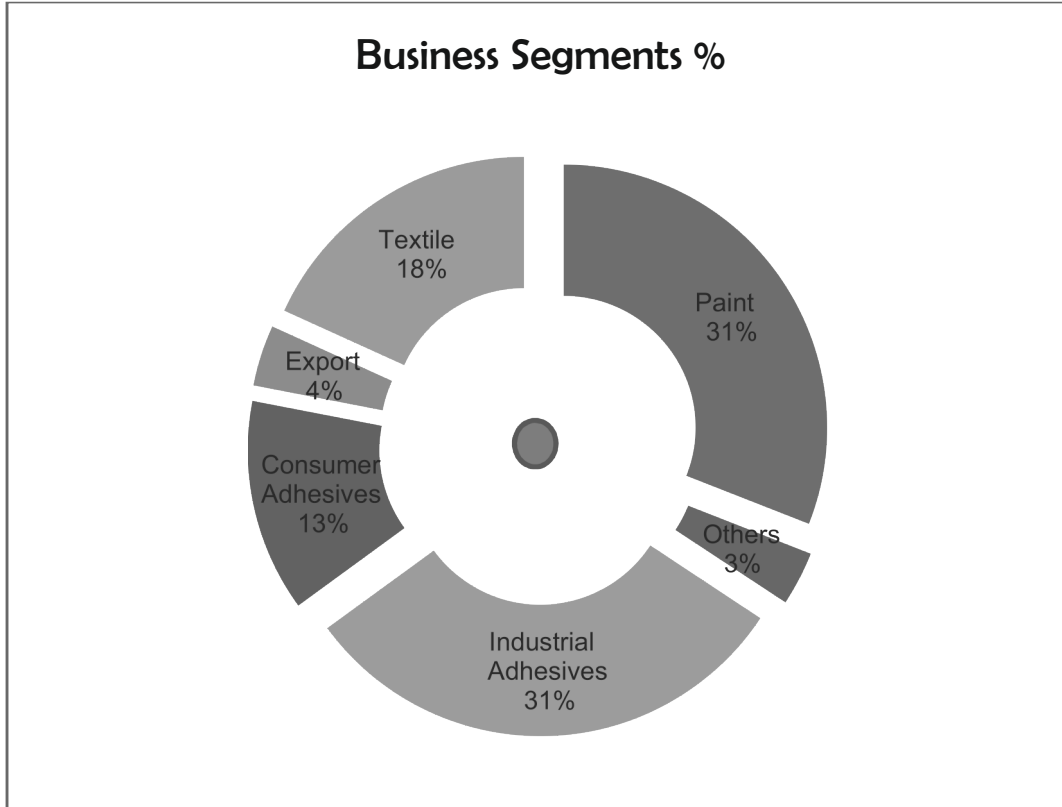
### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Your Company has in place the control systems based on the use of computer software that generate sufficient management information for internal control purpose. The directors closely monitor the operations of your Company personally. Having regard to the size and nature of the business, your Company has adequate internal control procedures for managerial control.

### **HUMAN RESOURCES/INDUSTRIAL RELATIONS**

Your companies' staff turnover ratio is very low which shows high satisfaction among employees. The industrial relations are cordial from inception till date.

## Graphical Presentation relating to the business operations



### Consumer Products

Branded Consumer Products Segment contributed 13% of the volume sales of the Company and had a significant growth of 20.79%.

This category includes Wood adhesives, Lamination adhesives, Sticker adhesives, Packaging adhesives, Art and Craft and Construction Chemicals.

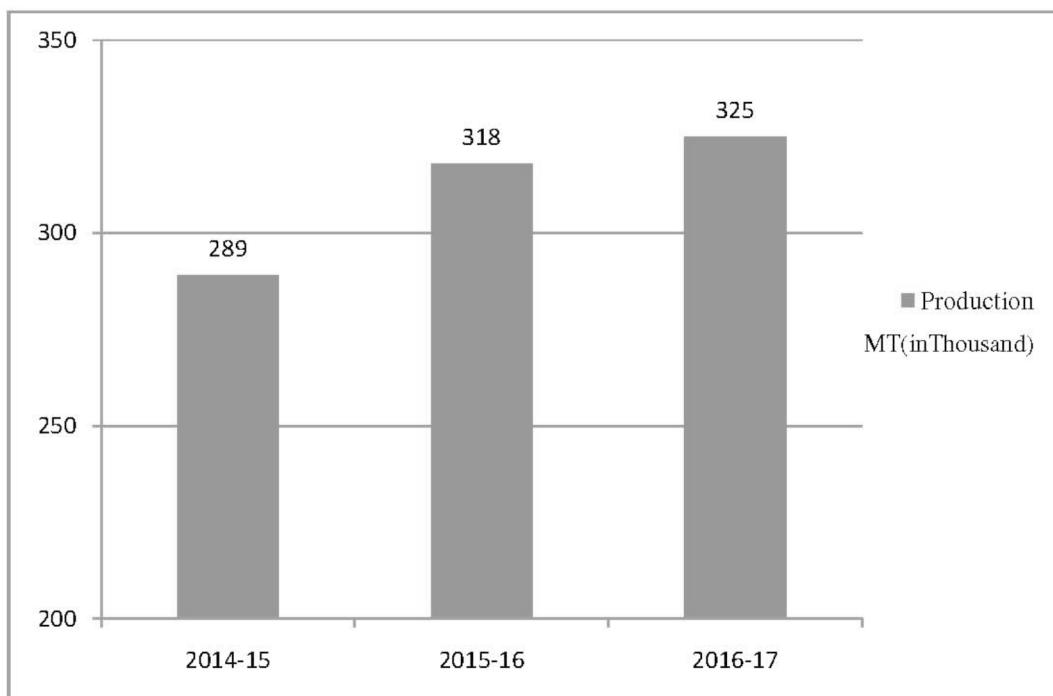
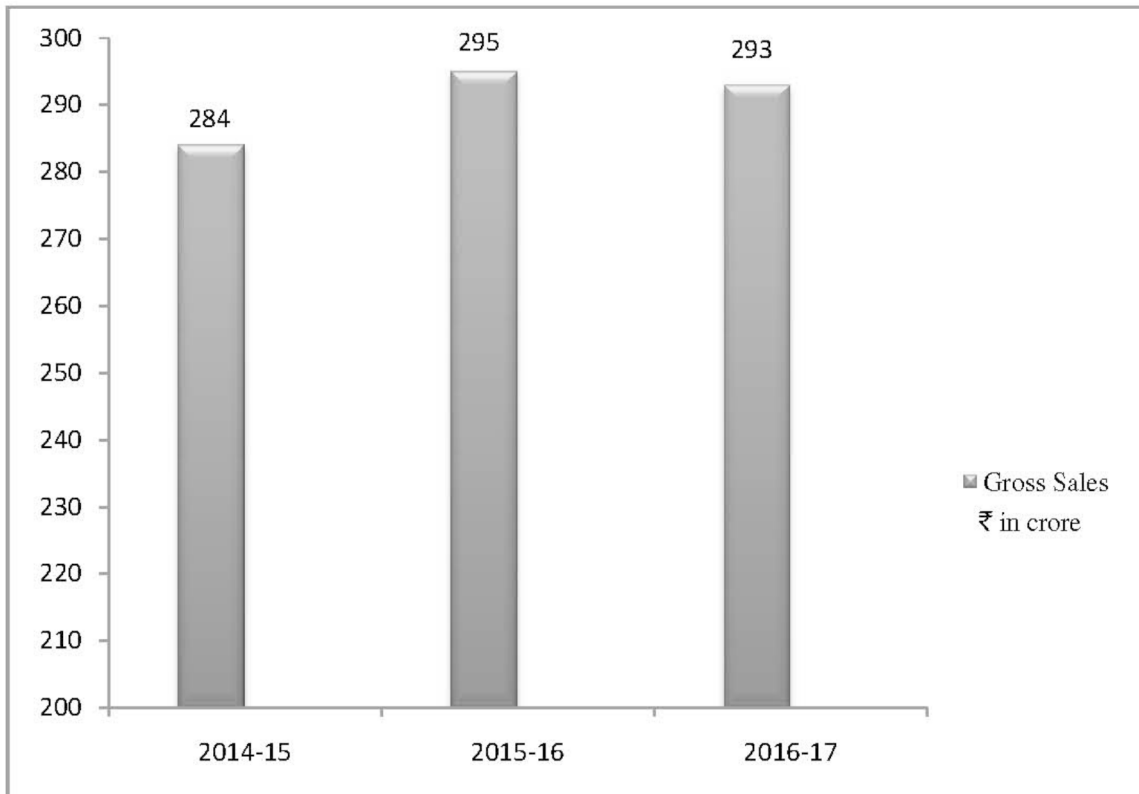
### Industrial Products

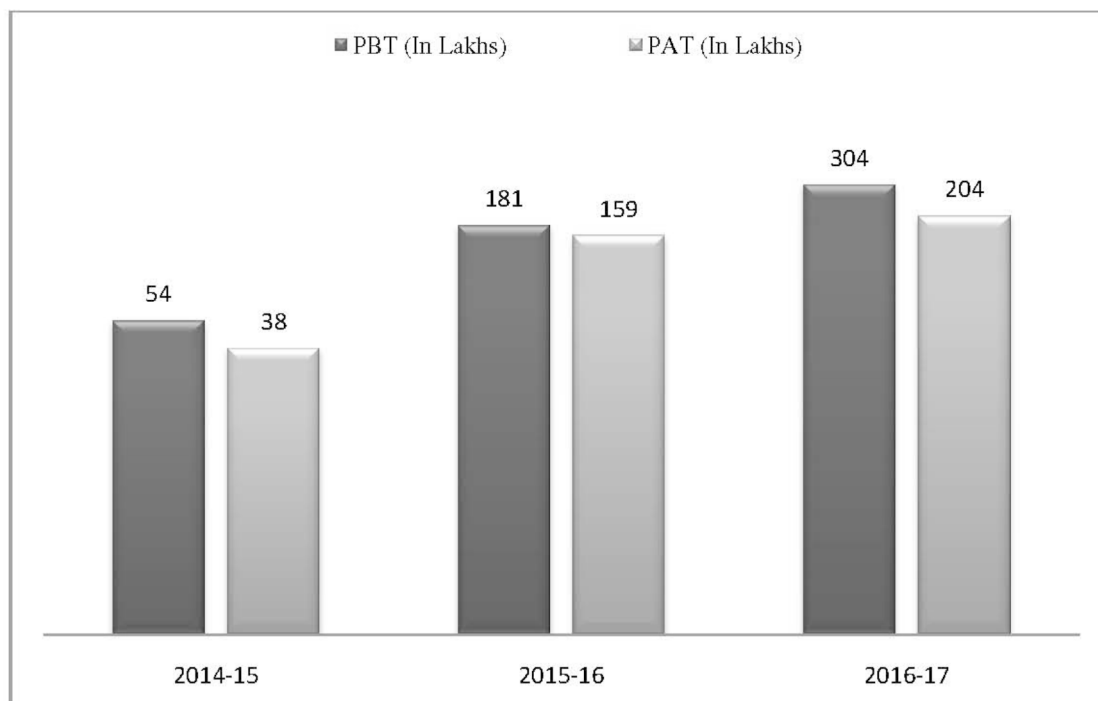
Industrial Products contributed 80% of the volume sales of the Company and Industrial Products includes Industrial adhesives, Paint emulsions, Textile emulsions.

Industrial Adhesives are used in packaging, Footwear, Cigarette and Automotive Industry. This category contributed 31% of sales and grew by 3.92%.

Paint Emulsions & Textile Emulsions contributed to 49% in the overall volume sales of the company and had a degrowth.

Export and others has shown a noticeable growth of 50.85%.





## FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

### MANUFACTURING DIVISION

During the year the volume wise the production has increased from 31820 M. Tonnes to 32549 M. Tonnes registering growth of 2.29%. However in value terms the manufacturing sales has increased from Rs.17224 Lakhs to Rs.18194 Lakhs registering growth of 5.63%.

### TRADING DIVISION

In the trading segment, the turnover has decreased from Rs.9809 Lakhs to Rs.8318 Lakhs. This was due a conscious decision to take advantage of the market elsewhere.

### FOREIGN EXCHANGE FLUCTUATIONS

Your Company's business is predominantly import-centric. In spite of volatility in the foreign exchange markets during the year under report, your company had a foreign currency gain of `80 Lakhs as compared to loss of `181 Lakhs in the previous year.

### DISCLAIMER

*Statements in the Management Discussion and Analysis Report describing your Company's objectives, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to your Company's operations include economic conditions affecting demand/ supply, price conditions in the domestic and overseas markets in which your Company operates, changes in Government regulations, tax laws and other statutes.*

## DIRECTORS' REPORT

### To The Members of Nikhil Adhesives Limited

The Board of Directors are pleased to present the thirtyfirst Annual Report together with the Audited Accounts for the financial year ended 31st March 2017.

The Financial Year 2016-2017 continued the phase of positive outlook and optimism in the country due to government policies which had resulted in an overall improvement in the economic outlook. Even though the global economy remained lukewarm due to several factors your company has nevertheless improved its profitability.

### FINANCIAL HIGHLIGHTS:

Summary of the Financial Results for the year is as under: -

Particulars	(₹ in Lakhs)	
	Financial Year 2016 - 2017	Financial Year 2015 - 2016
Gross Profit Before Depreciation and Tax	453.14	336.87
Less :- Depreciation	148.75	155.44
Profit Before Tax	304.39	181.43
Less :- <u>Provision for Taxation</u>		
Current Tax	77.00	-
Deferred Tax	23.73	22.46
Profit After Tax	203.66	158.97

### DIVIDEND

In order to conserve resources for expansion of plant capacity at Dahej, your Directors express their inability to declare any dividend.

### RESULT OF OPERATIONS

Particulars	(₹ in Lakhs)		
	2016-17	2015-16	%
Gross Sales Turnover	29489	29769	(0.94)
Net Sales Turnover	26512	27032	(1.93)
Other Income	8	2	300
Operating Profit	453	337	34.42
Net Profit	204	159	28.30

Detailed analysis of the performance of your Company is presented in the Management Discussion and Analysis Report forming part of this Annual Report.



## **PUBLIC DEPOSITS**

The deposits at the beginning of the financial year were ₹165.25 Lakhs.

During the year, your Company accepted deposits amounting to ₹74.50 Lakhs from its members.

As at 31 March, 2017, the amount of deposits stood at ₹231.50 Lakhs.

There has been no default in repayment of deposits or payment of interest during the year. All the deposits accepted by the Company are in compliance with the requirements of Chapter V of the Companies Act, 2013.

## **CORPORATE GOVERNANCE**

The Management Discussion and Analysis, Report on Corporate Governance and a Certificate by the Managing Director confirming compliance by all the Board Members and Senior Management Personnel with Company's Code of Conduct, Joint Certification by the Managing Director and CFO to the Board and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of the Annual Report.

## **CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The Board at meeting held on 13th February 2017 noted that accordance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Company is statutorily not required to contribute any amount towards CSR for the financial year 2016-17. Accordingly the company has not undertaken any CSR activities during the year under review.

## **DIRECTORS RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3) (c) of the Companies Act, 2013:

- a) That in the preparation of the annual financial statements for the year ended March 31, 2017, the applicable accounting standards read with requirements set out under Schedule III to the Companies Act, 2013, have been followed and there are no material departures from the same;
- b) That such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and the profit of the Company for the year ended on that date;
- c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) That the annual financial statements have been prepared on a going concern basis;
- e) That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f) That the systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## **RISK MANAGEMENT AND ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

The Company's system of financial and compliance controls with reference to the financial statements and risk management is embedded in the business process by which the Company pursues its objectives. The company uses foreign exchange forward contracts to hedge its exposure for movements in foreign exchange rate. The use of this foreign exchange forward contract reduces the risk to the company. The company does not use these for trading or speculative purpose. Additionally, the Audit Committee and the Board of Directors provide risk over sight through their review of potential risks which could negatively impact the operations, the proposed budget and plan, the Company's strategic framework and any risks that may negatively impact it. The management is committed to ensure an effective internal control environment commensurate with the size, scale and complexity of the operations, which provides assurance on the efficiency of the Company's operations and safety/security of its assets besides orderly and legitimate conduct of Company's business in the circumstances, which may reasonably be foreseen. The Company has defined organization structure authority levels delegated powers, internal procedures, rules and guidelines for conducting business transactions.

The Company's system and process relating to internal control and procedures for financial reporting have been designed to provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of Company's assets that could have a material effect on the financial statements and for preventing and detecting fraud and other irregularities or deliberate miss-statements. Management is responsible for establishing and maintaining adequate disclosure controls and procedures and adequate internal controls over financial reporting with respect to financial statements besides its effectiveness in the context of applicable regulations. The Internal Auditor, the Audit Committee as well as the Board of Directors conduct from time to time an evaluation of the adequacy and effectiveness of the system of internal controls for financial reporting with respect to financial statements.

## **INDUSTRIAL RELATIONS**

Industrial relations remained cordial throughout the year. Your Directors recognize and appreciate the sincere and hard work, loyalty, dedicated efforts and contribution of all the employees in the growth and performance of the Company during the year.

## **DIRECTORS**

In terms of Section(s) 149,152 and all other applicable provisions of the Companies Act, 2013, for the purpose of determining the directors liable to retire by rotation, the Independent Directors are not included in the total number of directors of the Company. Accordingly, Mr. Rajendra J. Sanghavi(DIN:00245637), Director shall retire by rotation at the ensuring Annual General Meeting and being eligible, has offered himself for re-appointment as a Director of the Company.

The details of Directors seeking re-appointment Mr.Umesh J. Sanghavi, Mr.Rajendra J. Sanghavi and Mr. Tarak J. Sanghavi as required under Regulation 26 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 are given in the notice of the ensuring Annual General Meeting, which is being sent to the shareholders along with Annual Report.

## **DECLARATION BY INDEPENDENT DIRECTORS**

The Independent Directors of the company have furnished the declaration that they meet the criteria of Independence as provided in Section 149 (6) of the Companies Act, 2013.

## **MEETINGS OF BOARD AND COMMITTEES**

During the year under review, six Board Meetings were convened and held. The details of which are given in the Report on Corporate Governance.

## **PERFORMANCE EVALUATION OF BOARD, COMMITTEES & DIRECTORS**

The Listing Agreement, the Board of Directors of the Company carried out the formal annual performance evaluation of all the Directors and also its self-evaluation process, interalia, to assess the skills set and contribution that are desired, recognizing that competencies and experiences evolves over time. The process was conducted by allowing the Board to engage in candid discussions with each Director with the underlying objective of taking best possible decisions in the interest of the Company and its stakeholders. The Directors were individually evaluated based on structured self-assessment and personal interaction to ascertain feedback on well defined parameters which, interalia, comprised of level of engagement and their contribution to strategic planning and other criteria based on performance and personal attributes of the Directors. During the process of evaluation, the Board of Directors also reviewed and discussed the annual performance evaluation of Directors carried out by the Nomination and Remuneration Committee. A statement in detail indicating the manner, in which formal annual evaluation has been made by the Board of Directors, is given in the Report on Corporate Governance which forms a part of the Annual Report.

## **SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION**

The Board of Directors in consonance with the recommendation of Nomination and Remuneration Committee(NRC)has adopted a terms of reference which, interalia, deals with the manner of selection of Directors and the Key Managerial Personnel of the Company. The NRC recommends appointment of Director/appointmen to re-appointment of Managing Director based on their qualifications, expertise, positive attributes and independence in accordance with prescribed provisions of the Companies Act, 2013 and rules framed there under. The NRC, in addition to ensuring diversity of race and gender, also considers the impact the appointee would have on Board's balance of professional experience, background, viewpoints, skills and areas of expertise.

The Board of Directors in consonance with the recommendation of Nomination and Remuneration Committee has also adopted the Remuneration Policy for the members of the Board and Executive Management. The said policy earmarks the principles of remuneration and ensures a well balanced and performance related compensation package taking into account shareholders' interest, industry practices and relevant corporate regulations in India.

## **VIGIL MECHANISM /WHISTLE BLOWER POLICY**

The Company has a Vigil Mechanism and Whistle-Blower Policy to deal with instances of fraud and mismanagement, if any, and conducting business with integrity including in accordance with all applicable laws and regulations. The details of the Vigil Mechanism and Whistle-Blower Policy are explained in the Report on Corporate Governance and also posted on the website of the Company.

## **AUDITORS**

M/s.PHD & Associates, Chartered Accountants(Firm Registration-No.111236W), were appointed as Statutory Auditors to hold office until the conclusion of the ensuing Annual General Meeting of the Company. In the 29th AGM, Messrs PHD & Associates who were functioning as Auditors of the Company for five consecutive years, the Board of Directors unanimously had agreed to the recommendation of the Audit Committee and had appointed Messrs PHD & Associates as Statutory Auditors of the Company for another term of 5(five) years from the conclusion of that Annual General Meeting (29th AGM) till the conclusion of fifth consecutive Annual General Meeting. In accordance with the first proviso of Section 139(1) of the Companies Act,2013 the appointment of the Auditors is to be ratified by members at every Annual General Meeting. The Auditors have confirmed their eligibility to the effect that the ratification of their appointment, if made ,would be within the prescribed limits of the Companies Act,2013 and that they are not disqualified for such appointment. There are no qualifications or adverse remarks in the Auditors Report.

The Board of Directors has appointed Messrs B. F. Modi & Associates, Cost Accountants, as Cost Auditors for conducting audit of the cost accounts maintained by the Company in respect of the products of the Company covered under The Companies (Cost Records and Audit) Amendment Rules,2014 and fixed their remuneration based on the recommendation of the Audit Committee. The remuneration payable to Cost Auditors is subject to ratification by the shareholders in the ensuing Annual General Meeting of the Company.

**SECRETARIAL AUDITOR**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Messrs D. M. Zaveri & Co., Company Secretaries were appointed to undertake the Secretarial Audit of the Company for the year ended 31 March, 2017. There are no adverse remarks or observations made by Messrs D. M. Zaveri & Co. in the Secretarial Audit Report.

The Report of the Secretarial Auditor is given in Annexure-I, which is attached hereto and forms a part of the Directors' Report.

**MATERIAL CHANGES AND COMMITMENTS**

There were no material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statement relate and the date of the report.

**REGULATORY/COURT ORDERS**

During the year under report no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

**RELATED PARTY TRANSACTIONS**

All related party transactions entered into during the financial year under review by the Company were on an arm's length basis and in the ordinary course of business. There are no material significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All related party transactions are placed before the meeting(s) of Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the financial year for the transactions which are of a foreseen and repetitive in nature. The statement giving details of all related party transactions entered into pursuant to the omnibus approval together with relevant documents/information are placed before the Audit Committee for review and approval on quarterly basis. The company has developed a Policy on materiality of Related Party Transactions and dealing with Related Party Transactions. The Policy on materiality of Related Party Transactions and dealing with Related Party Transactions as approved by the Board is uploaded on the company's website and the same is available at the web link <http://www.nikhiladhesives.com>

**PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The particulars of Loans, Guarantees and Investment in pursuance to Section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements.

**DISCLOSURE OF RATIO OF REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL, ETC.**

As required under Section 197(12) read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details of the ratio of the remuneration of each Director to the median employee's remuneration and such other details as prescribed therein are given in Annexure-II, which is attached here to and forms a part of the Directors' Report.

**EXTRACT OF ANNUAL RETURN**

An Extract of Annual Return as per Section 92(3) of the Companies Act, 2013 is given in Annexure- III, which is attached here to and forms a part of the Directors' Report.

## **PARTICULARS OF EMPLOYEES**

The particulars required pursuant to Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the company as there was no employee drawing remuneration to the extent mentioned therein.

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

As required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules 2014, the information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in Annexure-IV which is attached hereto and forms a part of the Directors' Report.

## **GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- b. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- c. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
- d. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- e. During the year under review, there were no cases filed or reported pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## **HUMAN RESOURCES**

Your Directors believe that the key to success of any company are its employees. Your company has a team of able and experienced professionals, whose dedicated efforts and enthusiasm has been an integral part of your Company's growth. Your Directors would like to place on record their deep appreciation of their continuous effort and contribution to the company.

## **ACKNOWLEDGEMENT**

The Board desires to place on record its grateful appreciation for the excellent assistance and co-operation received from the Government Authorities and continued support extended to the Company by the bankers, investors, suppliers and esteemed customers and other business associates. Your Directors also wish to place on record their deep sense of appreciation to all the employees of the Company for their unstinted commitment and continued contribution in the performance of the Company.

**For and On Behalf of the Board of  
Directors**

**Place: Mumbai  
Date: 26th May 2017**

**Rajendra J. Sanghavi  
Chairman**

**ANNEXURE I**

**Form No. MR-3**

**For the Financial year ended 31st March, 2017**

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

To,  
The Members,  
Nikhil Adhesives Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Nikhil 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 the Nikhil Adhesives Limited'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, I hereby report that in my opinion, the Company has, during the audit period covering the Financial year ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and the Bye-laws framed thereunder;
- (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;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('The SEBI'):-
  - (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, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not relevant / applicable, since there is no Issue and Listing of Debt Securities during the year)
  - (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 relevant / applicable, since there is no delisting of equity shares during the year)
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not relevant / applicable, since there is no buyback of securities during the year)
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (j) I further report that based on the explanation given by the management of the Company, there are no other laws that are specifically applicable to the Company.

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

- (I) Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the

Government of India, as applicable under the Companies Act 2013;

- (ii) The Listing Agreements entered into by the Company with BSE Limited in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Secretarial Standards, etc. mentioned above.

I further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive, Non – Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notice is given to all the directors to schedule the Board meetings, agenda and detailed notes on agenda were sent 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 meetings.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that 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.

**For D. M. Zaveri & Co**  
**Company Secretaries**

**Dharmesh Zaveri**  
**(Proprietor)**

**FCS. No.: 5418**  
**CP No.: 4363**  
**Place: Mumbai**  
**Date: 26<sup>th</sup> May 2017**

ANNEXURE II

**DISCLOSURE UNDER RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL), RULES, 2014**

1. The ratio remuneration of each director to the median remuneration of the employee and percentage increase in remuneration of Director, CFO and CS:

Sr. No.	Name	Designation	Remuneration Paid for FY 2016-17 (₹)	Remuneration Paid for FY 2015-16 (₹)	% increase/decrease in remuneration In the F Y 2016-17	Ratio/Times Per median of employee Remuneration
1.	Mr. Rajendra Sanghavi	Chairman	10,08,000/-	10,08,000/-	-	3.82
2.	Mr. Umesh Sanghavi.	Managing Director	13,16,448/-	13,16,448/-	-	4.99
3.	Mr. Tarak Sanghavi.	Director	10,08,000/-	10,08,000/-	-	3.82
4.	Mr. Yogendra Nakre ( up to 15.02.2017)	CFO	3,57,000/-	4,08,000/-	NA	1.35
5.	Ms. Ami Parikh (w.e.f. 15.02.2017)	CFO	60,000/-	-	NA	0.23
6.	Ms. Rinky Pandey (up to 16.12.2016)	CS	1,30,000/-	-	NA	0.49
7.	Mr. Nirmal Tiwari (w.e.f. 16.12.2016)	CS	1,31,250/-	-	NA	0.50

2. Percentage increase in median remuneration:

Median remuneration of employees in FY 2016-17 (₹)	Median remuneration of employees in FY 2015-16 (₹)	Percentage increase/decrease
2,64,000	2,39,988	10.01%

3. No. of permanent employees as on 31.3.2017: 159 employees

4. Relationship between average increase in remuneration and company performance :

The increase in remuneration is based on the company's performance and also includes various other factors like individual performance, experience, academic background and future growth prospects.

5. The KMP Remuneration is not wholly related to the Companies Performance. They are paid as per their terms of employment. As such there is no increase in the remuneration of the KMP.

6. Variation in market capitalization, PE ratio:

Particulars	As on 31.03.2017	As on 31.03.2016	Percentage increase
Market Capitalization of the Company	₹ 29,57,72,085	₹ 16,74,54,900/-	76.63%
PE Ratio	14.52	10.53	37.89%
Closing Market Share Price (BSE)	75.95	43.00	76.63%



7. Comparison between average percentile increase and salaries of employees (excluding managerial personnel) and percentile increase in managerial remuneration:

Average percentile increase in salaries of employees other than managerial personnel in FY 2016-17	Percentile increase in managerial personnel remuneration in FY 2016-17	Justification
15.50%	There is nominal increase in managerial personnel remuneration for FY 2016-17.	The average percentile increases in the salaries of employees others than managerial personnel in FY 2016-17 is in accordance with parameters specified in serial No.4 above.

8. The key parameters for any variable component of remuneration availed by Directors:  
There is no variable component in the remuneration paid to Directors.
9. There are 7 employees who have received remuneration in excess of the highest paid Director. Their ratios to the highest paid director are 1.05, 1.07, 1.23, 1.38, 1.55, 1.73 and 3.57.
10. This is to affirm that the above remuneration is paid as per the Remuneration Policy of the Company.

IV.SHAREHOLDING PATTERN

(i) Category-wise Shareholding

	No. of Shares held at the beginning of the year as on 01.04.2016				No. of Shares held at the end of the year as on 31.03.2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>(1)Indian</b>									
(a)Individual/HUF	2,501,010	-	2,501,010	64.222	2,501,010	-	2,501,010	64.222	-
(b)Central Government	-	-	-	-	-	-	-	-	-
(c)State Government(s) –through a Corporation	-	-	-	-	-	-	-	-	-
(d)Bodies Corporate	-	-	-	-	-	-	-	-	-
(e)Bank/FI	-	-	-	-	-	-	-	-	-
(f)Any other	-	-	-	-	-	-	-	-	-
<b>Sub-Total(A)(1)</b>	2,501,010	-	2,501,010	64.222	2,501,010	-	2,501,010	64.222	-
<b>(2)Foreign</b>									
(a)NRIs-Individuals	-	-	-	-	-	-	-	-	-
(b)Other-Individuals	-	-	-	-	-	-	-	-	-
(c)Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)Bank/FI	-	-	-	-	-	-	-	-	-
(f)Any other	-	-	-	-	-	-	-	-	-
<b>Sub-Total(A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	2,501,010	-	2,501,010	64.222	2,501,010	-	2,501,010	64.222	-
<b>B. Public Shareholding</b>									
<b>(1)Institutions</b>									
(a)Mutual Fund	-	900	900	0.023	-	900	900	0.023	-
(b)Bank/FI	-	-	-	-	-	-	-	-	-
(c)Central Government	-	-	-	-	-	-	-	-	-
(d)State Government(s)	-	-	-	-	-	-	-	-	-
(e)Venture Capital	-	-	-	-	-	-	-	-	-

(f)Insurance	-	-	-	-	-	-	-	-	-
(g)FIIs	-	-	-	-	-	-	-	-	-
(h)Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i)Other (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total(B)(1)</b>	-	900	900	0.023	-	900	900	0.023	-
<b>(2)Non-Institutions</b>									
(a)Bodies Corporate									
(i)Indian	4,74,422	4,200	4,78,622	12.290	5,22,900	4,200	5,27,100	13.535	1.245
(ii)Overseas	-	-	-	-	-	-	-	-	-
(b)Individuals	-	-	-	-	-	-	-	-	-
(i)Individual Shareholders holding nominal Share Capital up to Rs.1 lac	3,63,179	1,42,930	5,06,109	12.996	3,55,107	1,41,930	4,97,037	12.763	-0.233
(ii)Individual Shareholders holding nominal Share Capital in excess of Rs.1 lac	3,87,918	19,000	4,06,918	10.449	3,33,975	19,000	3,52,975	9.064	-1.385
(c)Others (Specify)	-	-	-	-	-	-	-	-	-
(i)Trusts, Societies, etc.	-	-	-	-	-	-	-	-	-
(ii)NRIs/OCBs	741	-	741	0.019	2,050	-	2,050	0.053	0.034
(iii)Clearing Members/Clearing House	-	-	-	-	13,228	-	13,228	0.34	0.34
<b>Sub-Total(B)(2)</b>	12,26,260	1,66,130	1,39,2390	35.754	12,27,260	1,65,130	1,39,2390	35.754	0.001
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	12,26,260	1,67,030	1,39,3290	35.777	12,26,260	1,67,030	1,39,3290	35.778	0.001
<b>C. Shares held by Custodian for GDRS &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>GRAND TOTAL (A+B+C)</b>	<b>3,727,270</b>	<b>1,,67,030</b>	<b>3,894,300</b>	<b>100</b>	<b>37,282,70</b>	<b>16,7030</b>	<b>3,894,300</b>	<b>100</b>	<b>0.000</b>

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year as on 01.04.2016			Shareholding at the end of the year as on 31.03.2017			% change in Share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total Shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total Shares	
1.	TARAK J.SANGHAVI (HUF)	53,550	1.375	-	53,550	1.375	-	-
2.	UMESH J. SANGHAVI (HUF)	54,700	1.405	-	54,700	1.405	-	-
3.	ASHOK J. SANGHAVI	4,55,180	11.688	-	4,55,180	11.688	-	-
4.	UMESH J. SANGHAVI	95,340	2.448	2.448	95,340	2.448	2.448	-
5.	RAJENDRA J.SANGHAVI	1,19,700	3.074	3.074	1,19,700	3.074	3.074	-
6.	ASHOK J. SANGHAVI (HUF)	300	0.008	-	300	0.008	-	-
7.	RAJENDRA J.SANGHAVI (HUF)	55,100	1.415	-	55,100	1.415	-	-
8.	PAYAL A. SANGHAVI	700	0.018	-	700	0.018	-	-
9.	ANITA U. SANGHAVI	2,39,740	6.156	-	2,39,740	6.156	-	-
10.	MRUNALINI R.SANGHAVI	2,37,080	6.088	-	2,37,080	6.088	-	-
11.	VASANTBEN J.SANGHAVI	2,45,360	6.300	6.300	2,45,360	6.300	6.300	-
12.	VASANTBEN J. SANGHAVI (TRUST)	2,54,900	6.545	-	2,54,900	6.545	-	-
13.	NIKHIL U.SANGHAVI	86,785	2.229	-	86,785	2.229	--	-
14.	REKHA T.SANGHAVI	2,71,440	6.97	-	2,71,440	6.97	-	-
15.	TARAK J. SANGHAVI	1,12,490	2.889	2.889	1,12,490	2.889	2.889	-
16.	AVNI R. SANGHAVI	36,150	0.928	-	36,150	0.928	-	-
17.	HEMAL U. SANGHAVI	85,785	2.203	-	85,785	2.203	--	-
18.	SAGAR A.SANGHAVI	470	0.012	-	470	0.012	-	-
19.	JANKI T. SANGHAVI	32,000	0.822	-	32,000	0.822	--	-
20.	AMI T.SANGHAVI	32,170	0.826	-	32,170	0.826	-	-
21.	TULSI R. SANGHAVI	32,070	0.824	-	32,070	0.824	--	-

iii) Change in Promoter's Shareholding

Promoter's Shareholding	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
At the beginning of the year	No change during the year			
Datewise Increase/Decrease in Promoters Shareholding during the years specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc)	No change during the year			
At the end of the year	No change during the year			

(iv) Shareholding Pattern of top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr.No	Name	No.of Shares at the beginning /end of the Year	% of the Shares of the company	Date	Increasing/Decreasing in share-holding	Reason	No.Of shares	% of total Shares of the company
1	VASANT POLYMERS & CHEMICALS PVT. LTD.	309000	7.935	01-04-2016				
	-Closing Balance			31-03-2017		No Change	309000	7.935
2	VISEN INDUSTRIES LTD	93463	2.4	01-04-2016				
	-Closing Balance			31-03-2017		No Change	93463	2.4
3	UMESH MORARJI THAKKAR	94171	2.418	01-04-2016				
				22-04-2016	-3	Sold	94168	2.418
				06-05-2016	-718	Sold	93450	2.4
				13-05-2016	50	Buy	93500	2.401
				20-05-2016	700	Buy	94200	2.419
				17-02-2017	2650	Buy	96850	2.487
				24-02-2017	500	Buy	97350	2.5
				03-03-2017	-5478	Sold	91872	2.359
	-Closing Balance			31-03-2017			91872	2.359
4	BRIGHTLIGHT AGENCY PRIVATE LIMITED	70000	1.797	10-03-2017				
	-Closing Balance			31-03-2017		No Change	70000	1.797
5	DHEERAJ KUMAR LOHIA	25643	0.658	17-02-2017				
				24-02-2017	1000	Buy	26643	0.684
				03-03-2017	40660	Buy	67303	1.728
	-Closing Balance			31-03-2017			67303	1.728
6	SANGEETHA S	56590	1.453	01-04-2016				
	-Closing Balance			31-03-2017		No Change	56590	1.453
7	MADHUSUDAN MAN-MOHANDAS VORA	34871	0.895	01-04-2016				
				05-08-2016	-1000	Sold	33871	0.87
	-Closing Balance			31-03-2017			33871	0.87
8	VIJAY S NAIR	31466	0.808	01-04-2016				
	-Closing Balance			31-03-2017		No Change	31466	0.808
9	PRAVIN KANTILAL VAKIL HUF	27065	0.695	01-04-2016				
				17-06-2016	-200	Sold	26865	0.69
				05-08-2016	-817	Sold	26048	0.669
				12-08-2016	60	Buy	26108	0.67
				26-08-2016	275	Buy	26383	0.677
				28-10-2016	-1000	Sold	25383	0.652
				16-12-2016	2000	Buy	27383	0.703
				23-12-2016	1134	Buy	28517	0.732
				13-01-2017	-925	Sold	27592	0.709

				17-02-2017	-900	Sold	26692	0.685
				03-03-2017	-50	Sold	26642	0.684
				17-03-2017	50	Buy	26692	0.685
				24-03-2017	-50	Sold	26642	0.684
	-Closing Balance			31-03-2017			26642	0.684
10	ANUSHKA MOHAN NAIR	19000	0.488	30-09-2016		Transfer		
	-Closing Balance			31-03-2017		No Change	19000	0.488

(v) Shareholding of directors and Key Managerial Personnel:

Sr No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Rajendra Jayantilal Sanghavi				
	At the beginning of the year	1,19,700	3.074	1,19,700	3.074
	At the End of the year	1,19,700	3.074	119700	3.074
2.	Umesh Jayantilal Sanghavi				
	At the beginning of the year	95,340	2.445	95,340	2.445
	At the End of the year	95,340	2.445	95,340	2.445
3.	Tarak Jayantilal Sanghavi				
	At the beginning of the year	1,12,490	2.889	1,12,490	2.889
	At the End of the year	1,12,490	2.889	1,12,490	2.889
4.	M. M .Vora				
	At the beginning of the year	33,871	0.869	33,871	0.87
	At the End of the year	33,871	0.869	33,871	0.87
5.	Ishita Gandhi				
	At the beginning of the year	1,000	0.03	1,000	0.03
	At the End of the year	1,000	0.03	1,000	0.03
6.	H. S. Kamath				
	At the beginning of the year	100	0.010	100	0.010
	At the End of the year	400	0.010	400	0.010
7.	Ms. Ami Parikh				
	At the beginning of the year	32,170	0.826	32,170	0.826
	At the End of the year	32,170	0.826	32,170	0.826

V. INDEBTEDNESS

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

(Amount in lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
(i) Principal Amount	1861.83	1403.50	-	3265.33
(ii) Interest due but not paid	-	-	165.25	165.25
(iii) Interest accrued but not due	-	-	10.36	10.36
<b>Total(i+ii+iii)</b>	1861.83	1403.50	175.61	3440.94
<b>Change in Indebtedness during the financial year</b>				
• Addition	12.82	-	74.50	87.32
• Reduction	-	177.50	8.25	185.75
<b>Net Change</b>	12.82	177.50	66.25	98.43
<b>Indebtedness at the end of the financial year</b>				
(i) Principal Amount	1874.65	1226	231.50	1645.15
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	20.73	20.73
<b>Total(i+ii+iii)</b>	1874.65	1226	252.23	1665.88

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Umesh J. Sanghavi (Managing Director)	Rajendra J. Sanghavi (Chairman)	Tarak J. Sanghavi (Director)
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s	13,16,448	10,08,000	10,08,000
2.	Stock Options	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission-as % of profit-others, specify	-	-	-
5.	Others (Company's contribution to Provident and Superannuation Fund(s) to the extent not taxable)	-	-	-
<b>Total(A)</b>		13,16,448	10,08,000	10,08,000
Ceiling as per the Act		₹42 Lakhs		

**B. Remuneration to other Directors (Amount in ₹) (Amount in ₹)**

Sr No.	Particulars of Remuneration	Name of Director			Total Amount
		M.M.Vora	H.S.Kamath	Ishita Gandhi	
1.	Independent Directors	M.M.Vora	H.S.Kamath	Ishita Gandhi	
	Fees for attending Board/Committee Meetings	30,000	7,500	22,500	60,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
<b>Total(1)</b>		30,000	7,500	22,500	60,000
2.	Other Non-Executive Directors				
	Fee for attending Board/Committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total(2)</b>	-	-	-	-
	<b>Total(B)=(1+2)</b>	-	-	-	60,000
Overall Ceiling as per the Act		NA			

**C. Remuneration to Key Managerial Personnel other than Managing Director/Manager/Whole time Director**

Sr.No	Particulars of Remuneration	Key Managerial Personnel		
		Ms. Ami Parikh(CFO) (w.e.f 15.02.2017)	Mr. Nirmal Tiwari(CS) (w.e.f 16.12.2016)	Total Amount (in ₹)
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) Income Tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	60,000/-	1,31,250/-	
2.	Stock Options	-	-	
3.	Sweat Equity	-	-	
4.	Commission - as % of profit - others, specify	-	-	
5.	Others, please specify - Retiral/Retirement benefits	-	-	
<b>Total(C)</b>		60,000/-	1,31,250/-	

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Detail of Penalty/Punishment/Compounding fees imposed	Authority	Appeal made, if any
<b>A. Company / B. Directors / C. Other Officers in Default</b>					
Penalty			NONE		
Punishment			NONE		
Compounding			NONE		



**ANNEXURE IV**

**DISCLOSURE OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO**

The Information under Section 134(3) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2017 is given here below and Forms part of the Directors Report

**(A) Conservation of Energy:**

The Company has a well structured energy management system in place and regular efforts are made to optimize process parameters and energy conservation. Additionally, while undertaking modernization and technological upgradation of production facilities, due consideration is also given in selection of plant and equipments which conforms to the best in class energy conservation parameters. The other identified key initiatives for conservation of energy during the year were-

**1) The steps taken or impact on conservation of energy:**

- a) Continuous replacement of incandescent bulbs with compact fluorescent (CFLs) and LED bulbs. These are energy efficient modern alternatives which save energy considerably & help consuming energy.
- b) Installing of VFD(variable frequency drive), the electronic device on the electrical motors, where the energy consumption is very high, by which considerable amount of energy is saved resulting in conservation of energy.
- c) Capacities are installed for effective distribution of Electricity supply and improve the power factor. The company has carried out Atomization of this system, resulting in better control and improving further power factor.
- d) Energy also can be saved by better utilization. Staff is well trained accordingly. Running of equipments unnecessary also results in wastage of energy. Energy is conserved by stopping the wastage.
- e) Undertaken thick plantation to help reducing pollution.
- f) Up gradation of effluent treatment plant is continued. Treated water is used for washing & cleaning.
- g) Water is consumed very efficiently avoiding any losses. Monitoring is done on day to day basis.
- h) Treated efficient water is used.

**2) The steps taken by the company for utilizing alternate sources of energy:**

- a) Alternative energy is any energy source that is an alternative to Fossil Fuel. There are various sources of alternate energy i.e. solar, wind, geothermal, biomass, bio fuels, hydropower etc. Solar power is the most convenient of all which can be made use of by installing solar panels and converting solar energy into directly electrical energy.

Management has understood the advantages of solar power and initiated the process to install solar panels which will help considerably to reduce power bill as well as conserving energy and in turn helping to reduce pollution.

**3) The capital investment on energy conservation equipments:**

Rupees Five Lakhs were spent on energy conservation equipments.

**(B) Technology absorption:**

**1) The efforts made towards technology absorption:**

We have a state of the art full fledged laboratory where constantly research and development work is carried out. The technology developed is effectively implemented on plant level. Continuous efforts are made to improve the quality and yield of the products.

**2) The benefits derived like product improvement, cost reduction, product development or import substitution, etc.:**

Improvisation in products quality helps to retain and increase the market share. Product development too helps to reduce cost and sustainability in market.

**3) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)**

Not applicable as no technology was imported during the last three years.

**4) The expenditure incurred on Research and Development:**

Rupees Thirty two Lakhs were spent on Research and Development.

**(C) Foreign Exchange Earnings and Outgo:**

Details of Foreign Exchange Earnings and out go are contained in Note No.33 in the Notes to the Financial Statements.

**For and On Behalf of the Board of Directors**

**Place: Mumbai**  
**Date: 26th May 2017**

**Rajendra J. Sanghavi**  
**Chairman**

## REPORT ON CORPORATE GOVERNANCE

### Company's Philosophy on Corporate Governance

Your Company firmly believes in and continues to practice good Corporate Governance. Your Company's essential character is shaped by the ethical practices in the conduct of its business transparency, professionalism and accountability. Your Company continuously endeavors to improve on these aspects on an ongoing basis. In order to achieve the objective, your Company is driven by the following guiding principles:

- Improving the effectiveness of the Board of Directors in supervising management; and
- Improving the quality of information and communication with stakeholders.

Your Company believes that these two principles will result in a better shareholders value.

### Board of Directors

The Board of Directors of your Company comprises of Executive Chairman, Managing Director, Executive Director and Independent Non Executive Directors. The Managing Director of your Company is responsible for day to day operations and the overall business of your Company.

### Composition of our Board and the No. of Directorship held by each Director:

Name of the Director	Status	No. of Board Meetings attended	Attendance At Annual General Meeting	No. of other Directorships	No. of other Committee Membership	
					Chairman	Member
Mr. R. J. Sanghavi	Executive Chairman, Promoter	6	Attended	Nil	-	-
Mr. U. J. Sanghavi	Managing Director, Promoter	6	Attended	Nil	-	-
Mr. T. J. Sanghavi	Executive Director, Promoter	6	Attended	Nil	-	-
Mr. M. M. Vora	Non-Executive, Independent Director	4	Attended	Nil	1	2
Mr. H. S. Kamath	Non-Executive, Independent Director	1	Not Attended	Nil	1	2
Mrs. Ishita Gandhi	Non-Executive, Independent Director	5	Not Attended	Nil	1	2

### Inter – se relationship between the Director

Mr. Umesh Sanghavi, Mr. Tarak Sanghavi and Mr. Rajendra Sanghavi are brothers. There is no relationship between any of the Non Executive Independent Directors.

### Board Meetings

During the financial year ended on March 31, 2017, Six Board Meetings were held on 30th May, 2016, 12th August, 2016, 14th November, 2016, 16th December, 2016, 01st February, 2017, and 13th February 2017.

The 30th Annual General Meeting of the company was held on 29th September, 2016.

All material information are circulated to the Directors before the meeting or placed at the meeting. All the directors have complete and unrestricted access to any information required by them to understand the transactions and take decisions. This enables the Board to discharge its responsibilities effectively and make an informed decision. The compliance report of all laws applicable to your Company as prepared and compiled and circulated to all the Directors along with the Agenda and placed/reviewed in each Board Meeting.

The Board has laid down a Code of Conduct for all Board Members and senior management personnel of your Company and the same has been posted on the website of your Company. For the year under review, all Directors and senior management personnel of your Company have affirmed their adherence to the provisions of the said Code.

Brief resume and profile of a Director's eligible for re-appointment at the ensuing Annual General Meeting (AGM) are given in the Notice of AGM of your Company, annexed to this Annual Report.

### Audit Committee

The terms of reference, role and scope of the Audit Committee are in line with those prescribed by Regulation 18 read with Schedule II ( Part C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Your Company also complies with the provisions of Section 177 of the Companies Act, 2013 pertaining to Audit Committee and its functioning.

Details of the meetings held by the Audit Committee are as follows:

Sr. No.	Name of the Director	Status	No. of Meetings held.	No. of Meetings attended.	Date of Audit Committee Meetings
1.	Mr. M. M. Vora (Chairman)	Non Executive / Independent	4	4	30 <sup>th</sup> May, 2016
2.	Mr. H. S. Kamath (Member)	Non Executive / Independent	4	1	12 <sup>th</sup> August, 2016 14 <sup>th</sup> November, 2016
3.	Mrs. Ishita Gandhi (Member)	Non Executive / Independent	4	3	13 <sup>th</sup> February, 2017

**Stakeholders Relationship Committee**

Non-Executive Director heading the Committee	Mrs.Ishita Gandhi
Compliance Officer	Mr. NirmalTiwari
Number of shareholders complaints received so far	Nil
Number of complaints not solved to the satisfaction of Shareholders	Nil
Number of pending Complaints	Nil

**Nomination and Remuneration Committee**

The terms of reference of the Nomination and Remuneration Committee inter alia includes determination of your Company's policy on specific remuneration packages for Directors.

Sr. No.	Name of the Director	Status	No. of Meetings held	No. of Meetings attended.	Date of Remuneration Committee Meetings
1.	Mr. H. S. Kamath (Chairman)	Non Executive / Independent	1	-	13 <sup>th</sup> February, 2017
2.	Mr. M. M. Vora (Member)	Non Executive / Independent	1	1	
3.	Mrs.Ishita Gandhi (Member)	Non Executive / Independent	1	1	

**Remuneration Policy**

The remuneration policy of the Company is to ensure that executive directors of the Company are rewarded in a fair and responsible manner, for their individual contributions to the success of your Company. The remuneration paid to the Executive Directors is recommended by the Nomination and Remuneration Committee in accordance with the Companies Act, 2013 and approved by the Board of Directors in the Board meeting, subject to the subsequent approval by the shareholders at the general meeting and such other authorities as and when required. Non – Executive Independent Directors are paid sitting fees for attending Board meetings.

## Remuneration to Directors

The remuneration details for the financial year 2016-17 are as follows:

Name of the Directors	Status	Salary ₹	Contribution to Provident Fund ₹	Commission	Sitting Fees ₹	Total ₹	Contract Period (No. of years)
Mr. R. J. Sanghavi	Executive Chairman	9,34,200	1,08,000	-	-	10,08,000	5 Years
Mr. U. J. Sanghavi	Managing Director	12,09,600	1,41,080	-	-	13,16,448	5 Years
Mr. T. J. Sanghavi	Executive Director	9,34,200	1,08,000	-	-	10,08,000	5 Years
Mr. M. M. Vora	Non Executive/ Independent	N.A	-	-	30,000	30,000	N.A
Mr. H. S. Kamath	Non Executive/ Independent	N.A	-	-	7,500	7,500	N.A
Mrs. Ishita Gandhi	Non Executive/ Independent	N.A	-	-	22,500	22,500	N.A

Notice period for the Directors is as applicable to the senior employees of your Company. No severance fee is payable to the Directors on termination of employment. Your Company does not have a scheme for stock options for the Directors or the employees.

### Shareholding of the Non Executive Directors as on 31<sup>st</sup> March 2017

Name of the Director.	Nature of Directorship	No of Shares held	Percentage to the paid-up capital
Mr. M. M. Vora	Independent	33,871	0.87
Mr. H. S. Kamath	Independent	400	0.01
Mrs. Ishita Gandhi	Independent	1,000	0.03

**Independent Directors Meeting:**

During the year under review, a separate meeting of Independent Directors was held on 13th February, 2017, inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking in to account the views of the Executive and Non-Executive Directors; and
- Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and necessarily perform its duties.

All the Independent Directors of your Company were present in the meeting.

**Performance Evaluation of Board, Committees and Directors**

A formal annual evaluation was carried out by the Board of its own performance and that of its committees and individual directors. During the year under review, one meeting of the Independent Directors was held wherein the performance of non-independent directors, Chairman (Non-executive) of your Company and the Board as a whole were reviewed. The performance evaluation of Committees and Independent Directors was carried out by the entire Board, excluding the director being evaluated. The Independent Directors also assessed the quality, quantity and timelines of flow of information between your Company management and the Board that is necessary for the Directors to effectively and necessarily perform their duties. The Board, its Committees and Directors evaluation provided a formal process of communication in raising issues that might not otherwise be vetted by the Board, with the underlying objectives to develop an action plan to improve the Board performance, inter alia, by ensuring compliance with the requirements of the Companies Act, 2013 and code of corporate governance.

The structure valuation process was focused on identifying areas of improvement, if any, such as creating balance of power between the Board and management, long term strategy, more effectively fulfilling the Board's oversight responsibilities, the adequacy of committee(s) structures, the assessment of Board culture to ascertain whether the same is conducive to attract right individuals to join the Board and updating the evaluation process itself.

A review of fiduciary duties of the Board, governance policy adopted by your Company and acquaintance and familiarization of Independent Directors with your Company and its business model, their roles, rights, responsibilities in your Company, nature of the industry in which your Company operates, etc. and contribution by each director, committees of the Board was also carried out during the process of evaluation. The appraisal of the Managing Director and Chief Executive Officer and his level of engagement in the affairs of your Company was an important component of the Board evaluation.

The final evaluation was thereafter deliberated and assessed taking into account inputs from the Board about evaluation of independent directors and various Committees of the Board and suggesting action plan for improving Board performance and plan for next Board, its Committee(s) and individual director's evaluation.

**General Body Meetings**

The last three Annual General Meetings of your Company were held at the Registered Office of the Company on 27th September, 2014, 26th September, 2015 and 29th September, 2016 respectively.

**Disclosures**

- (a) There are no materially significant related party transactions entered into by your Company with its Promoters, Directors or Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of your Company at large. A statement in summary form of transactions with the related parties during the year in the ordinary course of business and at arm's length basis is disclosed in Note No.39 of Notes to financial statements in the Annual Report.
- (b) Your Company has complied with the requirements of Stock Exchange, Securities and Exchange Board of India and other statutory authorities on matter relating to capital markets during the last three years and consequently no penalties or strictures have been imposed on your Company by these authorities.

- (c) Your Company has generally complied with all the mandatory requirements of the Listing Agreement to the extent applicable to your Company.
- (d) While preparation of the financial statements during the year under review, no accounting treatment which was different from that prescribed in the Accounting Standards was followed. The significant accounting policies applied in preparation and presentation of financial statements have been set out in Note No.1 of Notes to financial statements in the Annual Report.
- (e) Your Company has laid down procedures to inform the Board members about the risk assessment and minimization procedures covering the entire gamut of business operations of your Company. These procedures are periodically reviewed to ensure that executive management controls risks by means of a properly defined framework.
- (f) The designated senior management personnel of your Company have disclosed to the Board that no material, financial and commercial transactions have been entered into during the year under review in which they have personal interest, which may have a potential conflict with the interest of your Company at large.
- (g) The Managing Director and the CFO have furnished a duly signed Certificate to the Board for the year ended March 31, 2017 in accordance with the provisions of SEBI ( Listing Obligations and Disclosure Requirements) and the same has been placed in the Board Meeting held on 26th May, 2017.
- (h) In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended Mr.NirmalTiwari has been designated as the Compliance Officer of your Company under your Company's Code of Conduct for Prevention of Insider Trading. He is responsible for adherence to the Code by your Company and its designated employees. Your Company also adheres to the disclosure practices for Prevention of Insider Trading as specified in the aforesaid SEBI Regulations.
- (i) Your Company has adopted a Vigil Mechanism/ Whistle Blower Policy for developing a culture where it is safe for all directors /employees to raise concerns about any unacceptable practice and any event of misconduct. The Policy allows unrestricted access to all employees and others to approach the Audit Committee and there has been no instance during the year where any personnel has been denied access to the Audit Committee. The quarterly report with number of complaints received under the policy and their outcome is being placed before the Audit Committee.
- (j) Your Company is familiarizing the Independent Directors on its Board on a quarterly basis and the detail of familiarization programme are posted on the website of your Company and is available at the weblink <http://www.nikhiladhesives.com>
- (k) Your Company has presently not adopted certain non-mandatory requirements in regard to maintenance of Non-Executive Chairman's office, sending half-yearly declaration of financial performance to each house hold of shareholders and reporting of internal auditors directly to the Audit Committee.

#### **Means of Communications**

Quarterly / Half-yearly financial results of your Company are forwarded to the BSE Ltd., published in Free Press Journal (English Daily) and Navshakti (Marathi Daily) and uploaded on your Company's website. ([www.nikhiladhesives.com](http://www.nikhiladhesives.com)).



**General Shareholder Information**

Sr. no	Particulars	
1	Annual general Meeting date, time, venue	28 <sup>th</sup> September, 2017, 11.00a.m. at Shreeji Industrial Estate, Vadkun, College Road, Dahanu, Palghar – 401 602.
2	Date of Book closure	26 <sup>th</sup> September ,2017 to 28 <sup>th</sup> September, 2017 (both days inclusive)
3	Date of Payment of Dividend	-
4	<u>Financial Calendar (Tentative)</u> Unaudited financial result for the quarter ending 30 <sup>th</sup> June 2017 Unaudited financial result for the quarter ending 30 <sup>th</sup> September, 2017 Unaudited financial result for the quarter ending 31 <sup>st</sup> December, 2017 Audited financial result for the year ending 31 <sup>st</sup> March, 2018 Annual general meeting for the year ending 31 <sup>st</sup> March, 2018	2 <sup>nd</sup> week of September, 2017 2 <sup>nd</sup> week of December, 2017 2 <sup>nd</sup> week of February, 2018 4 <sup>th</sup> week of May, 2018 September, 2018
5	Listing of stock exchange	BSE Ltd
6	Demat ISIN number of NSDL & CDSL	INE926C01014
7	Stock code on BSE Ltd	526159
8	Grievance redressal division email ID	<a href="mailto:ami.sanghavi@nikhiladhesives.com">ami.sanghavi@nikhiladhesives.com</a>

**8. High / Low share price during last financial year (month wise)**

Month	BSE (₹)		SENSEX	
	HIGH	LOW	HIGH	LOW
April 2016	46.00	39.50	26100	24523
May 2016	45.75	40.00	26837	25058
June 2016	57.30	45.00	27105	25911
July 2016	54.40	44.20	28240	27034
August 2016	56.75	47.90	28532	27628
September 2016	52.50	47.00	29077	27717
October 2016	58.60	48.80	28478	27488
November 2016	63.90	53.10	28030	28718
December 2016	56.70	47.00	26804	25754
January 2017	58.00	47.70	27980	26447
February 2017	77.60	52.70	29065	27590
March 2017	79.00	68.00	29825	28716

**10) Distribution Schedule of Numbers of Shares as on 31.03.2017**

Shares	No. of Holders	%	No. of Shares	%
Upto 100	781	51.38	59,898	1.54
101 to 200	291	19.14	56,236	1.44
201 to 500	240	15.79	98,740	2.54
501 to 1000	90	05.92	79,190	2.03
001 to 5000	73	04.80	1,65,227	4.24
5001 to 10000	16	01.05	1,10,031	2.83
10001 to 100000	21	01.38	10,80,088	27.74
100001 to above	8	00.53	22,44,890	57.65
<b>TOTAL</b>	<b>1520</b>	<b>100.00</b>	<b>3,894,300</b>	<b>100.00</b>

**11) Distribution of Shareholding as on 31.03.2017**

Category	No. of Share	% of Shareholding
<b>A. Promoter's holding</b>		
1. Promoters		
- Indian Promoters	25,01,010	64.222
- Foreign Promoters		
2. Persons acting in concert		
<b>SUB TOTAL(A)</b>	25,01,010	64.222
<b>B. Non-Promoters holding</b>		
3. Institutional investors		
a. Mutual funds and UTI	900	0.023
b. Banks, Financial Institutions, Insurance Companies (Central/State Government Institutions/Non Government Institution)		
c. FII(s)		
<b>SUB TOTAL (B)</b>	900	0.023
4. Others		
a. Bodies Corporate	4,72,463	12.132
b. Indian Public	9,19,927	23.622
c. NRI's / OCB's	-	-
d. Clearing Members	-	-
<b>SUB TOTAL (C)</b>	1,392,390	35.754
<b>GRAND TOTAL(A+B+C)</b>	3,894,300	100

Sr.No	Particulars	
12	Registrars & Transfer Agents.	M/s Sharex Dynamic(India )Pvt. Ltd  <b>Branch office :</b>  Unit No 1 , Luthra Ind. Premises  Andheri Kurla Road, Safed Pool,  Andheri East, Mumbai 400 072.
13	Share Transfer Systems	Since your Company's shares are compulsorily traded in the demat segment on the BSE, bulk of the transfers take place in the electronic form. Share transfers in physical are registered and returned within the stipulated time, if documents are clear in all respect. The Committee of Directors for Share transfer meets frequently to approve transfer of shares.
14	Dematerialization of Shares and Liquidity	Trading in equity shares of your Company is permitted only in dematerialized form.  Total No. of Shares dematerialized up to 31.03.2017 is 37,28,270 i.e. 95.73% of the total equity share capital of your Company.
15	Issue of any GDRs, ADRs etc	Your Company has not issued any GDRs, ADRs, Warrants or any Convertible Instruments.
16	Plant locations	<b>PLANT 1:</b>  Shreeji Industrial Estate,  Vadkun, College Road, Dahanu,  Dist. Palghar – 401 602.  <b>PLANT 2:</b>  Plot No.7,Govt Ind. Estate  Phase- I, Piparia, Silvassa-396230  <b>PLANT 3:</b>  Plot No.D-2/CH/49,  GIDC Estate, Dahej, Tal – Vagra. Dist. Bharuch, Gujarat – 392130.
17	Registered Office Address	Shreeji Industrial Estate, Vadkun, College Road, Dahanu, Dist. Palghar– 401 602, Maharashtra.
18	Address for Shareholders Correspondence	M/s. Sharex Dynamic (India) Pvt. Ltd.  Unit No. 1, Luthra Ind. Premises,  Andheri Kurla Road, Safed Pool, Andheri (East),Mumbai – 400 072

**DECLARATION**

As required under Schedule V (D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Board Members and the Senior Management Personnel have confirmed compliances with the Code of Conduct for the Board of Directors and the Senior Management for the year ended 31 March, 2017.

For Nikhil Adhesives Limited

Place: Mumbai  
Date: 26th May 2017

Umesh. J. Sanghavi  
Managing Director

**MANAGING DIRECTOR AND CFO CERTIFICATION**

The Board of Directors,  
Nikhil Adhesives Limited,  
Mumbai.

**Re: Financial Statements for the year 2016 - 2017 Certification by Managing Director and CFO.**

We the undersigned, on the basis of the review of the financial statements and the cash flow statement for the financial year ended March 31, 2017 and to the best of our knowledge and belief, hereby certify that:-

1. These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
2. 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.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2017 which is fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls; We have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that:-
  - a. There have been no significant changes in internal control during this year;
  - b. There have been no significant changes in accounting policies during this year;
  - c. There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems.

**Umesh J. Sanghavi**  
**Managing Director**  
**26th May, 2017**

**Ami Parikh**  
**Chief Financial Officer**  
**26th May, 2017**

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of  
Nikhil Adhesives Limited

We have examined the compliance of conditions of the Corporate Governance by Nikhil Adhesives Limited (“the Company”) for the year ended on 31st March, 2017, as stipulated in Regulation 15 (2) of Sebi (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Clause. 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, and based on the representations made by the Directors and the Management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the aforesaid regulations. We further state that such compliance 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.

**For PHD & Associates**  
**Chartered Accountants**  
**(Firm Registration No.111236W)**

**(D. V. Vakharia)**  
**Partner**  
**Membership No.: 46115**  
**Place: Mumbai**  
**Date: 26th May, 2017**

**INDEPENDENT AUDITORS' REPORT****TO THE MEMBERS OF NIKHILADHESIVES LIMITED****REPORT ON THE FINANCIAL STATEMENTS**

1. We have audited the accompanying financial statements of Nikhil Adhesives Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

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

**AUDITORS' RESPONSIBILITY**

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the ICAI. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.
6. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**OPINION**

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit and its cash flows for the year ended on that date.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

9. As required by ‘the Companies (Auditor’s Report) Order, 2016’ issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act (hereinafter referred to as the “Order”), and on the basis of such checks of the books and records of the Company as we consider appropriate and according to the information and explanations given to us, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 B.
  - (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - i. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - ii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iii. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management-Refer Note 44.

**For PHD & Associates**  
**Chartered Accountants**  
**Firm Registration No.111236W**

**Dhiren Vakharia**  
**Partner**  
**Membership No.: 46115**  
**Mumbai**  
**26 May 2017**

**Annexure A**

**Referred to in paragraph 9 of Independent Auditors' Report of even date to the members of Nikhil Adhesives Limited on the financial statements for the year ended 31 March 2017:**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us, we report that the title deeds, comprising all the immovable properties are held in the name of the Company as at the balance sheet date, except in respect of immovable properties that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) 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 Companies Act, 2013 ('the Act'). Accordingly, paragraphs 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has not provided any loans, or any guarantees or security to the parties covered under Section 186 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of making investments.
- (v) In our opinion and according to the information and explanations given to us, the Company has accepted deposits during the year and complied with the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 and other relevant provisions of the Companies Act, 2013 and the rules framed there under, as applicable.
- (vi) We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government of India, maintenance of cost records has been prescribed under sub section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii) In respect of statutory dues:
  - (a) According to the records of the Company, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2017, for a period of more than six months from the date of becoming payable.
  - (b) There are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax which have not been deposited as on March 31, 2017, on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks. The company did not have any outstanding dues to financial institutions or government or debenture holders.



- (ix) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with sections 177 and 188 of the Act, where applicable, for all transactions with the related parties and details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of Section 192 of the Act are not applicable.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

**For PHD & Associates**  
**Chartered Accountants**  
**Firm Registration No.111236W**

**Dhiren Vakharia**  
**Partner**  
**Membership No.: 46115**  
**Mumbai**  
**26<sup>th</sup> May 2017**

**Annexure B**

**Referred to in paragraph 10(f) of our report of even date to the members of Nikhil Adhesives Limited on the financial statements for the year ended March 31, 2017.**

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

1. We have audited the internal financial controls over financial reporting of Nikhil Adhesives Limited (“the Company”) as at March 31, 2017, 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**

2. The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

**Auditors’ Responsibility**

3. Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“the Guidance Note”) and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

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

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

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate
8. 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 March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For PHD & Associates**  
**Chartered Accountants**  
**Firm Registration No.111236W**

**Dhiren Vakharia**  
**Partner**  
**Membership No.: 46115**  
**Mumbai**  
**26<sup>th</sup> May 2017**

**Balance Sheet as at 31 March 2017**

Particulars	Note No.	As at 31 March 2017 ₹	As at 31 March 2016 ₹
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	2	39,049,603	39,049,603
(b) Reserves and Surplus	3	14,05,24,925	120,158,962
		<b>179,574,528</b>	<b>159,208,565</b>
<b>Non-Current Liabilities</b>			
(a) Long-Term Borrowings	4	265,217,187	16,17,62,715
(b) Deferred Tax Liabilities (Net)	5	2,50,81,601	2,27,08,889
(c) Other Long-Term Liabilities	6	15,95,533	5,57,188
(d) Long-Term Provisions	7	30,16,578	27,11,781
		<b>29,49,10,899</b>	<b>18,77,40,573</b>
<b>Current Liabilities</b>			
(a) Short-Term Borrowings	8	16,64,70,207	15,56,90,152
(b) Trade Payables	9		
i) Total Outstanding dues of Micro & Small Enterprises		-	-
ii) Total Outstanding dues of Creditors Other than Micro & Small Enterprises		57,52,73,261	60,31,72,297
(c) Other Current Liabilities	10	8,78,51,963	8,41,39,945
(d) Short-Term Provisions	11	5,71,301	4,70,181
		<b>83,01,66,732</b>	<b>84,34,72,575</b>
<b>Total</b>		<b>1,30,46,52,159</b>	<b>1,19,04,21,713</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets	12		
(i) Tangible Assets		24,59,78,425	24,16,60,545
(ii) Capital Work-in-Progress		85,36,237	39,04,664
		25,45,14,662	24,55,65,209
(b) Non-Current Investments	13	36,000	36,000
(c) Long-Term Loans and Advances	14	1,46,62,301	1,36,12,693
(d) Other Non-Current Assets	15	36,177	93,75,336
		<b>26,92,49,140</b>	<b>26,85,89,238</b>
<b>Current Assets</b>			
(a) Inventories	16	21,12,83,066	25,89,01,898
(b) Trade Receivables	17	64,81,43,160	44,17,80,764
(c) Cash and Bank Balances	18	4,56,98,971	6,01,54,216
(d) Short-Term Loans and Advances	19	12,13,45,338	12,93,91,827
(e) Other Current Assets	20	89,32,484	3,16,03,770
		<b>1,03,54,03,019</b>	<b>92,18,32,475</b>
<b>Total</b>		<b>1,30,46,52,159</b>	<b>1,19,04,21,713</b>
<b>Significant Accounting Policies</b>	1		
<b>The accompanying notes are an integral part of the financial statements.</b>			
As per our attached report of even date For PHD & Associates Chartered Accountants Firm Registration No. 111236W		For and on behalf of the Board of Directors	
	U. J. Sanghavi (Managing Director) DIN : 00491220	T. J. Sanghavi (Executive Director) DIN : 00519403	
Dhiren Vakharia (Partner) Membership No. 46115	R. J. Sanghavi (Executive Chairman) DIN : 00245637	M. M. Vora (Director) DIN : 00245427	
Place : Mumbai Date : 26th May 2017			

Statement of Profit and Loss for the Year Ended 31 March, 2017

Particulars	Note No.	For the Year Ended 31 March 2017 ₹	For the Year Ended 31 March 2016 ₹
Revenue from Operations	21	2,94,88,62,159	2,97,68,72,744
Less: Excise Duty	21	29,76,85,722	27,36,39,653
Other Income	22	2,65,11,76,437 7,57,562	2,70,32,33,091 2,43,326
<b>Total Revenue</b>		<b>2,65,19,33,999</b>	<b>2,70,34,76,417</b>
<b>Expenses :</b>			
(a) Cost of Materials Consumed	23	1,43,08,53,787	1,37,33,54,261
(b) Purchases of Stock-in-Trade	24	76,01,08,266	1,02,06,94,022
(c) Changes in Inventories of Finished goods and Stock-in-Trade	25	6,64,55,375	(6,43,70,203)
(d) Employee Benefit Expenses	26	6,49,73,807	5,95,77,763
(e) Finance Costs	27	6,82,16,560	7,86,38,772
(f) Depreciation and Amortization Expense	12	1,48,75,235	1,55,44,230
(g) Other Expenses	28	21,60,12,294	20,18,94,988
<b>Total Expenses</b>		<b>2,62,14,95,324</b>	<b>2,68,53,33,833</b>
<b>Profit Before Tax</b>		<b>3,04,38,675</b>	<b>1,81,42,584</b>
<b>Tax Expense:</b>			
(a) Current Tax (Refer Note 36)		77,00,000	-
(b) Deferred Tax		23,72,712	22,45,816
		1,00,72,712	22,45,816
<b>Profit for the Year</b>		<b>2,03,65,963</b>	<b>1,58,96,768</b>
<b>Earnings per equity share of Nominal Value of ` 10/- each</b>			
(a) Basic	34	5.23	4.08
(b) Diluted	34	5.23	4.08
<b>Significant Accounting Policies</b>	1		
<b>The accompanying notes are an intergral part of the financial statements</b>			

As per our attached report of even date

For PHD & Associates

Chartered Accountants

Firm Registration No. 111236W

For and on behalf of the Board of Directors

U. J. Sanghavi  
(Managing Director)  
DIN : 00491220

T. J. Sanghavi  
(Executive Director)  
DIN : 00519403

Dhiren Vakharia  
(Partner)  
Membership No. 46115

R. J. Sanghavi  
(Executive Chairman)  
DIN : 00245637

M. M. Vora  
(Director)  
DIN : 00245427

Place : Mumbai

Date : 26th May 2017

## Notes forming part of the financial statements

### NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of accounting and preparation of financial statement

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on accrual basis and under historical cost convention.

#### (b) Use of Estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumption that affect the reported amount of assets, liabilities, revenues & expenses and disclosure of contingent assets & liabilities. The estimates & assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the Financial Statements. Actual results may defer from the estimates & assumptions used in preparing the accompanying Financial Statements. Any differences of actual results to such estimates are recognised in the year in which the results are known / materialised.

#### (c) Revenue Recognition

- (i) Sales are accounted Net of excise duty and VAT/Sales tax collected from customers
- (ii) Sales include goods sold on High Seas / Bond Transfer basis.
- (iii) Income from services are accounted Net of service tax collected from customers.
- (iv) Interest income is recognised on accrual basis.
- (v) Dividend income is recognised when the right to receive payment is established.
- (vi) In respect of other heads of income, the Company accounts the same on accrual basis.

#### (d) Excise Duty and Indirect Taxes

Excise Duty, VAT/Sales Tax and Service Tax collected from customers are credited to respective collection accounts. The Cenvat/VAT/Service Tax set off available is reduced from the cost of related materials or the expenses, and is adjusted against the Excise Duty or the Service Tax or the VAT liability, as per set off rules under the relevant statutes.

#### (e) Fixed Assets and Depreciation

- (i) Fixed Assets are stated at cost less depreciation. The cost of fixed assets include purchase price, transportation, duties, taxes and other attributable expenses, but excludes Cenvat/VAT/Service Tax Credits, if any, available.
- (ii) Depreciation is provided on straight line basis as per useful life prescribed in schedule II of the Companies Act, 2013. Cost of the leasehold land is amortised over the primary period of the lease.

#### (f) Intangible Assets and Amortisation

Intangible assets are recognized and stated in financial statements in accordance with AS – 26 “Intangible Assets” and are amortised on a straight line basis over a period of useful economic life or a period of ten years whichever is less, except when it is clearly established that the useful economic life of the asset is exceeding the period of ten years in which case it is amortised over its useful economic life with adequate disclosure in accordance with AS – 26 “Intangible Assets”. The assets acquired during the year are amortised on pro-rata basis.

#### (g) Capital Work-in-progress

Projects under Commissioning are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

#### (h) Inventories

Inventories are valued at lower of cost (Net of VAT Credits) or Net realisable value. The Cost is ascertained on First in First out (FIFO) basis. Finished goods include appropriate portion of overheads.

#### (I) Investments

Non-Current Investments are carried at cost. Provision for diminution in the value of Non-Current Investments is made only if such a decline is other than temporary in the opinion of the management.

Current Investments are carried at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

#### (j) Borrowing Costs

Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are included to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are charged to revenue.

**(k) Sales Tax Deferment**

Deferred sales tax liability under the Incentive Scheme of the Government is accounted for at its discounted present value as at the Balance Sheet date, calculated by applying the appropriate discount factor. The difference between the face value and the discounted value is credited to the Statement of Profit and Loss in the year/(s) in which the deferment benefit is availed. In the subsequent years the Statement of Profit and Loss is debited by an appropriate amount such that the accumulation in Sales Tax Deferral Account is equal to the amount of deferred sales tax liability falling due from time to time.

**(l) Research and Development expenditure**

Capital expenditure incurred for acquiring tangible fixed assets for the purpose of research & development is capitalised as fixed asset. Revenue expenditure on research and development is charged as expense in the year in which it is incurred under the respective heads of account.

**(m) Foreign Currency Transactions**

- (i) Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of Profit and Loss of the year.
- (ii) Foreign currency monetary items of The Company are restated in the accounts on the basis of the exchange rates prevailing at the close of the year.
- (iii) As per the notification dt. 29-12-2011 on "Accounting Standard (AS) 11" relating to "The Effects of Changes in Foreign Exchange Rates" the Company has exercised the option of adding the exchange difference, arising out of fluctuation in exchange rates on period end, to the cost of the Fixed asset and shall be amortised over the balance life of the asset.

**(n) Insurance Claims**

Insurance claims are accounted for on the basis of claims admitted/ expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection. The amount recoverable is measured at lower of the book value of the asset and the realisable amount of the asset. As and when claims are finally received from the insurance company, the difference, if any, between the claim receivable from the insurance company and claims received is adjusted to statement of Profit and Loss.

**(o) Employees Retirement Benefits**

**(i) Provident Fund**

The Company contributes to a recognised provident fund which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the Statement of Profit and Loss.

**(ii) Gratuity**

The employees of the Company are eligible for Gratuity in accordance with the Payment of Gratuity Act, and is a Defined Employee Benefit. The above benefit is not funded but provision is made in the accounts.

The Company's net obligation in respect of the gratuity benefit is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value.

The present value of the obligation under such benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method which recognises each period of service that give rise to additional unit of employee benefit entitlement and measures each unit separately to built up the final obligation.

The obligation is measured at present values of estimated future cash flows. The discounted rates used for determining the present value are based on the market yields on Government Securities as at the balance sheet date.

Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

**(iii) Compensated Leave**

Unutilised leave of staff lapses as at the year end and is not encashable. Accordingly, no provision is made for compensated absences.

**(p) Taxation**

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law), deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the year).

**Deferred Taxation**

The deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognised using the tax rates that have been enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of the assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.

**(q) Impairment of Assets**

The Carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

**(r) Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving a substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Financial Statements. Contingent Assets are neither recognised nor disclosed in the Financial Statements.

Notes forming part of the Financial Statements

**NOTE 2 SHARE CAPITAL**

Particulars	As at 31 March 2017	As at 31 March 2016
	₹	₹
<b>Authorised</b>		
4,950,000 (4,950,000) Equity shares of ₹ 10/- each	4,95,00,000	4,95,00,000
50,000 (50,000) 8% Preference shares of ₹ 10/- each	5,00,000	5,00,000
<b>Issued</b>		
3,894,300 (3,894,300) Equity shares of ₹ 10/- each	3,89,43,000	3,89,43,000
<b>Subscribed and fully paid up</b>		
3,894,300 (3,894,300) Equity shares of ₹ 10/- each fully paid up	3,89,43,000	3,89,43,000
Add : Forfeited Shares account	1,06,603	1,06,603
<b>Total</b>	<b>3,90,49,603</b>	<b>3,90,49,603</b>

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	As at 31 March 2017		As at 31 March 2016	
	No. of Shares	₹	No. of Shares	₹
At the beginning of the year	38,94,300	3,89,43,000	38,94,300	38,943,000
Outstanding at the end of the year	38,94,300	3,89,43,000	38,94,300	38,943,000

(b) Details of shareholders holding more than 5% shares in the company :

Name of Shareholder	As at 31 March 2017		As at 31 March 2016	
	No. of Shares	% holding	No. of Shares	% holding
Equity shares of ₹ 10/- each fully paid :				
Ashok J. Sanghavi	4,55,180	11.69	4,55,180	11.69
Vasantben J. Sanghavi	2,46,960	6.35	2,46,960	6.35
V. J. Sanghavi Family Trust(Held by the trustees of the trust	2,53,300	6.50	2,53,300	6.50
Mrunalini R. Sanghavi	2,37,080	6.09	2,37,080	6.09
Anita U. Sanghavi	2,39,740	6.16	2,39,740	6.16
Rekha T. Sanghavi	2,71,440	6.97	2,71,440	6.97
Vasant Polymers & Chemicals Private Limited	3,09,000	7.93	3,02,000	7.93

(c) Details of forfeited shares :

Class of shares	As at 31 March 2017		As at 31 March 2016	
	Number	₹	Number	₹
Equity Shares	21,320	106,603	21,320	106,603



Notes forming part of the Financial Statements

**NOTE 3 RESERVES AND SURPLUS**

Particulars	As at 31 March 2017 ₹	As at 31 March 2016 ₹
<b>Capital Reserve</b>		
Opening Balance	400,000	400,000
Closing Balance	<b>400,000</b>	<b>400,000</b>
<b>Securities Premium Account</b>		
Opening Balance	12,800,000	12,800,000
Closing Balance	<b>12,800,000</b>	<b>12,800,000</b>
<b>General Reserve</b>		
Opening Balance	64,287,415	64,287,415
Closing Balance	<b>64,287,415</b>	<b>64,287,415</b>
<b>Surplus balance in Statement of Profit and Loss</b>		
Opening balance	42,671,547	26,774,779
Add: Profit for the year	20,365,963	15,896,768
Closing Balance	<b>63,037,510</b>	<b>42,671,547</b>
<b>Total</b>	<b>140,524,925</b>	<b>120,158,962</b>

Notes forming part of the Financial Statements

**NOTE 4 LONG-TERM BORROWINGS**

Particulars	As at 31 March 2017 ₹	As at 31 March 2016 ₹
<b>Secured (Refer (a), (c) and (d) below):</b>		
<b>Term loans</b>		
From banks	118,005,836	-
Vehicle Finance		
From banks	905,629	312,519
	<b>118,911,465</b>	<b>312,519</b>
<b>Unsecured (Refer (b) and (d) below):</b>		
Deferred payment liabilities		
Sales Tax Deferral	5,528,622	4,985,196
<b>Deposits</b>		
From Shareholders	18,195,000	16,115,000
Loan from Related Party	122,582,100	140,350,000
	<b>146,305,722</b>	<b>161,450,196</b>
<b>Total</b>	<b>265,217,187</b>	<b>161,762,715</b>

(a) Details of security and terms of repayment for secured long term borrowings:

Particulars	Security and terms of repayment as at 31 March 2017	As at 31 March 2017 ₹	As at 31 March 2016 ₹
<b>Term loans from Banks:</b>			
<b>Aditya Birla Finance Ltd</b>	(a) Secured against first charge on present and future movable and immovable fixed assets of the plant at Dahej (b) Repayable in 84 monthly installments, last installment being due in Aug 2023. (c) Rate of Interest is 12.85%.	95,238,100	-
Term Loans I			
Term Loans II	(a) Secured against first charge on present and future movable and immovable fixed assets of the plant at Dahej (b) Repayable in 84 monthly installments, last installment being due in April 2024.	2,27,67,736	-
<b>Total</b>	(c)Rate of Interest is 11.75%.	<b>118,005,836</b>	<b>-</b>
<b>Vehicle Finance</b>			
<b>HDFC Bank</b>			
Vehicle I	(a) Secured against hypothecation of the vehicle financed. (b) Repayable in 33 monthly installments, last installment being due in December 2019. (c) Rate of Interest is 9.06%.	764,166	-
Vehicle II	(a) Secured against hypothecation of the vehicle financed. (b) Repayable in 21 monthly installments, last installment being due in December 2018.	141,463	312,519
<b>Total</b>	(c) Rate of Interest is 8.83%.	<b>905,629</b>	<b>312,519</b>

(b) Terms of repayment for the unsecured long term borrowings:

Particulars	Security and terms of repayment	As at 31 March 2017 ₹	As at 31 March 2016 ₹
<b>Sales Tax Deferral</b>	Sales tax collected under Package scheme of Incentives are payable in 5 to 6 yearly installments after 10 to 12 years from the year of collection.	5,528,622	4,985,196
<b>Total</b>		<b>5,528,622</b>	<b>4,985,196</b>

(c) Secured long term borrowings of ₹ 118,005,836/- (Previous year Nil) are personally guaranteed by some of the directors of the Company

(d) Current maturities of Term Loans, Vehicle Finance from Bank and Sales Tax Deferral amounting to ₹ 26,174,508/- (Previous Year ₹ 35,318,058/-) is disclosed under 'Other Current Liabilities' (Refer Note 10 )

Notes forming part of the Financial Statements

**NOTE 5 DEFERRED TAX LIABILITIES**

Particulars	As at 31 March 2017 ₹	As at 31 March 2016 ₹
<b>Tax effect of items constituting deferred tax liability :</b>		
On difference between book balance and tax balance of Fixed Assets	24,938,173	22,251,608
Deferred Sales Tax liability accounted in Books of Accounts on discounted present value basis which is considered for taxation purpose for tax value	1,308,536	1,488,193
	<b>26,246,709</b>	<b>23,739,801</b>
<b>Tax effect of items constituting deferred tax assets :</b>		
Expenses incurred during the year allowable as deduction in income tax in subsequent years	(1,165,108)	(1,030,912)
	(1,165,108)	(1,030,912)
<b>Total</b>	<b>25,081,601</b>	<b>22,708,889</b>

**NOTE 6 OTHER LONG TERM LIABILITIES**

Particulars	As at 31 March 2017 ₹	As at 31 March 2016 ₹
Interest accrued but not due on Public Deposits	1,595,533	557,188
<b>Total</b>	<b>1,595,533</b>	<b>557,188</b>

**NOTE 7 LONG- TERM PROVISIONS**

Particulars	As at 31 March 2017 ₹	As at 31 March 2016 ₹
<b>Provision for employee benefits (Refer Note 37)</b>		
Gratuity (Non funded)	3,016,578	2,711,781
<b>Total</b>	<b>3,016,578</b>	<b>2,711,781</b>

Notes forming part of the Financial Statements

**NOTE 8 SHORT-TERM BORROWINGS**

Particulars	As at 31 March 2017 ₹	As at 31 March 2016 ₹
<u>Secured</u> (Refer (a) and (b) below) :		
<b>Loans repayable on demand</b>		
Cash Credit from Banks	166,470,207	155,690,152
<b>Total</b>	<b>166,470,207</b>	<b>155,690,152</b>

(a) Particulars of security for the secured short-term borrowings:

Particulars	Nature of security	As at 31 March 2017 ₹	As at 31 March 2016 ₹
<b>Loans repayable on demand</b>			
<u>Cash Credit from Banks</u>			
1) Bank of India	The facilities from the consortium banks viz. Bank of India and Standard Chartered Bank are secured against hypothecation of stock of raw & packing materials, finished goods, book debts and plant & machineries of the company on pari passu basis. Further they are collaterally secured against equitable mortgage of factory blocks at Dahanu.	13,65,66,006	12,45,41,563
2) Standard Chartered Bank		62,16,329	2,19,87,388
3) Yes Bank		2,36,87,872	91,61,201
<b>Total</b>		<b>16,64,70,207</b>	<b>15,56,90,152</b>

(b) Secured short term borrowings of ₹ 166,470,207/- (Previous year ₹ 155,690,152/-) are personally guaranteed by some of the promoter directors and others and are collaterally secured against equitable mortgage of certain residential flats of the promoter directors in favour of the said banks on pari passu basis.

Notes forming part of the Financial Statements

**NOTE 9 TRADE PAYABLES**

Particulars	As at 31 March 2017 ₹	As at 31 March 2016 ₹
Trade Payables (Refer Note 42)		
i) Total Outstanding dues of Micro & Small Enterprises	-	-
ii) Total Outstanding dues of Creditors Other than Micro & Small Enterprises	57,52,73,261	60,31,72,297
<b>Total</b>	<b>57,52,73,261</b>	<b>60,31,72,297</b>

**NOTE 10 OTHER CURRENT LIABILITIES**

Particulars	As at 31 March 2017 ₹	As at 31 March 2016 ₹
Current maturities of Long term debt (Refer Note 4)	2,56,00,886	3,07,42,862
Interest accrued but not due on Public Deposits	4,77,322	4,78,430
Unclaimed dividend	4,01,666	4,76,016
Liabilities for expenses	3,15,38,344	2,91,90,293
Advances from customers	18,01,107	1,18,02,184
Security deposits	17,78,699	13,39,060
Statutory dues	63,31,777	43,37,678
Other payables	1,99,22,162	57,73,422
<b>Total</b>	<b>8,78,51,963</b>	<b>8,41,39,945</b>

There are no amounts due and outstanding to be paid to the "Investor Education and Protection Fund" as at 31 March 2017.

**NOTE 11 SHORT TERM PROVISIONS**

Particulars	As at 31 March 2017 ₹	As at 31 March 2016 ₹
<b>Provision for employee benefits (Refer Note 37)</b>		
Gratuity (Non funded)	571,301	470,181
<b>Total</b>	<b>571,301</b>	<b>470,181</b>

Notes forming part of the financial statements

NOTE 12 FIXED ASSETS

(Amount in ₹)

Fixed Assets	Gross Block			Accumulated Depreciation/Amortisation			Net Block		
	As at 1 April 2016	Additions	Adjustments	As at 31 Mar 2017	As at 1 April 2016	For the year	Adjustments	As at 31 Mar 2017	As at 31 March 2016
<b>Tangible Assets</b>									
<b>Own Assets :</b>									
Land	21,30,744	-	-	21,30,744	-	-	-	21,30,744	21,30,744
Buildings	7,18,42,212	56,44,355	-	7,74,86,567	1,35,80,664	23,93,229	-	6,15,12,674	5,82,61,548
Plant & Equipment	27,72,38,831	1,20,48,498	-	28,92,87,329	11,95,89,977	1,12,96,446	-	15,84,00,906	15,76,48,854
Furniture and Fixtures	63,46,302	2,29,588	-	65,75,890	33,38,568	6,01,426	-	26,35,896	30,07,734
Vehicles	53,64,845	12,85,885	(4,83,289)	61,67,441	40,25,569	4,10,110	(4,23,350)	21,55,112	13,39,276
Computers	66,34,230	44,728	-	66,78,958	66,10,823	13,448	-	54,687	23,407
<b>Assets under Lease :</b>									
Land	1,99,51,495	-	-	1,99,51,495	7,02,513	1,60,576	-	1,90,88,406	1,92,48,982
<b>Total</b>	<b>38,95,08,659</b>	<b>1,92,53,054</b>	<b>(4,83,289)</b>	<b>408,278,424</b>	<b>14,78,48,114</b>	<b>1,48,75,235</b>	<b>(4,23,350)</b>	<b>24,59,78,425</b>	<b>24,16,60,545</b>
Previous year	38,09,93,649	1,74,67,610	(8952600)	38,95,08,659	13,33,68,294	1,55,44,230	(1064411)	24,16,60,545	24,76,25,355
<b>Intangible Assets</b>									
<b>Own Assets :</b>									
Goodwill	6,50,000	-	-	6,50,000	6,50,000	-	-	6,50,000	-
Trademarks	10,98,500	-	-	10,98,500	10,98,500	-	-	10,98,500	-
Technical Know How	30,75,000	-	-	30,75,000	30,75,000	-	-	30,75,000	-
MDC Logo	35,00,000	-	-	35,00,000	35,00,000	-	-	35,00,000	-
No Complete Agreement	10,00,000	-	-	10,00,000	10,00,000	-	-	10,00,000	-
<b>Total</b>	<b>9,323,500</b>	-	-	<b>9,323,500</b>	<b>9,323,500</b>	-	-	<b>9,323,500</b>	-
Previous year	9,323,500	-	-	9,323,500	9,323,500	-	-	9,323,500	-
<b>Capital Work In Progress</b>									
	39,04,664	85,36,237	(3904664)	85,36,237	-	-	-	85,36,237	69,31,174
<b>Total</b>	<b>39,04,664</b>	<b>85,36,237</b>	<b>(3904664)</b>	<b>85,36,237</b>	-	-	-	<b>85,36,237</b>	<b>69,31,174</b>
Previous year	69,31,174	-	-	69,31,174	-	-	-	39,04,664	69,31,174

Notes forming part of the Financial Statements

**NOTE 13 NON-CURRENT INVESTMENTS**

Particulars	As at 31 March 2017 ₹	As at 31 March 2016 ₹
(At cost less provision for other than temporary diminution, if any):		
<b>Trade (quoted)</b>		
<b>Investment in equity shares, fully paid up :</b>		
800 (800) Equity Shares of Bank of India of ` 10/- each	36,000	36,000
<b>Total</b>	<b>36,000</b>	<b>36,000</b>
Aggregate amount of quoted investments	36,000	36,000
Aggregate market value of quoted investments	111,520	78,056

**NOTE 14 LONG TERM LOANS AND ADVANCES**

Particulars	As at 31 March 2017 ₹	As at 31 March 2016 ₹
<b>Unsecured, considered good :</b>		
Capital Advances	2,59,542	-
Security Deposits	71,48,848	63,24,688
Advance Income tax (Net of Provisions)	65,46,969	65,81,063
Other loans and advances	7,06,942	7,06,942
<b>Total</b>	<b>1,46,62,301</b>	<b>1,36,12,693</b>

**NOTE 15 OTHER NON CURRENT ASSETS**

Particulars	As at 31 March 2017 ₹	As at 31 March 2016 ₹
<b>Balances with banks :</b>		
Term deposits with more than twelve months maturity	36,177	93,48,699
Interest accrued on Term deposits with banks	-	26,637
<b>Total</b>	<b>36,177</b>	<b>9,375,336</b>

The above Term deposits are pledged with banks against Loans, Letter of Credit facilities and Bank Guarantees.

Notes forming part of the Financial Statements

**NOTE 16 INVENTORIES**

Particulars	As at 31 March 2017 ₹	As at 31 March 2016 ₹
(At lower of cost and Net realisable value)		
Raw Materials and components	14,36,66,098	12,55,76,803
Packing Materials	80,75,567	70,50,518
Finished goods	3,73,44,723	3,93,19,310
Trading Goods	2,19,01,781	8,66,45,227
Fuels	2,94,897	3,10,040
<b>Total</b>	<b>21,12,83,066</b>	<b>25,89,01,898</b>

**NOTE 17 TRADE RECEIVABLES**

Particulars	As at 31 March 2017 ₹	As at 31 March 2016 ₹
<b>Unsecured, considered good :</b>		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	42,98,286	38,16,967
Other Trade receivables	64,38,44,874	43,79,63,797
<b>Total</b>	<b>64,81,43,160</b>	<b>44,17,80,764</b>



Notes forming part of the Financial Statements

**NOTE 18 CASH AND BANK BALANCES**

Particulars	As at 31 March 2017 ₹	As at 31 March 2016 ₹
Cash and cash equivalents		
Balances with banks in current accounts	1,22,05,660	1,62,88,684
Cash on hand	9,45,635	15,77,238
<b>Total</b>	<b>1,31,51,295</b>	<b>1,78,65,922</b>
<b>Other bank balances</b>		
Term deposits with more than three months maturity but due within one year from the reporting date	3,20,71,522	4,16,33,178
In Earmarked accounts :	4,01,666	4,76,016
unpaid dividend account	74,488	1,79,100
balances held as margin money		
<b>Total</b>	<b>3,25,47,676</b>	<b>4,22,88,294</b>
The above Term deposits are pledged with banks against Loans, Letter of Credit facilities and Bank Guarantees.		

**NOTE 19 SHORT-TERM LOANS AND ADVANCES**

Particulars	As at 31 March 2017 ₹	As at 31 March 2016 ₹
Unsecured, considered good :		
Advance to Suppliers	95,38,116	98,03,189
Central Excise Balance	10,02,92,505	10,59,90,376
Prepaid Expenses	67,92,387	72,67,032
Advances recoverable in cash or in kind	47,22,330	63,31,230
<b>Total</b>	<b>12,13,45,338</b>	<b>12,93,91,827</b>

**NOTE 20 OTHER CURRENT ASSETS**

Particulars	As at 31 March 2017 ₹	As at 31 March 2016 ₹
Interest accrued on Term deposits with banks	2,98,605	11,10,115
Claims Receivable	86,33,879	3,04,93,655
<b>Total</b>	<b>89,32,484</b>	<b>3,16,03,770</b>

Notes forming part of the Financial Statements

**NOTE 21 REVENUE FROM OPERATIONS**

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	₹	₹
<b>Sale of products :</b>		
(a) <u>Manufactured goods</u>		
Adhesives and Emulsions	2,09,88,65,997	1,97,10,20,277
(b) <u>Traded goods</u>		
Chemicals	83,17,54,977	98,08,64,626
	<b>2,93,06,20,974</b>	<b>2,95,18,84,903</b>
<b>Other operating revenues :</b>		
(a) Labour Charges Income	1,02,04,464	48,57,854
(b) Foreign Exchange Gain	80,36,721	-
(b) Insurance Claim	-	2,01,29,987
	<b>1,82,41,185</b>	<b>2,49,87,841</b>
<b>Revenue from operations (Gross)</b>	<b>2,94,88,62,159</b>	<b>2,97,68,72,744</b>
Less : Excise duty	29,76,85,722	27,36,39,653
<b>Revenue from operations (Net)</b>	<b>2,65,11,76,437</b>	<b>2,70,32,33,091</b>

**NOTE 22 OTHER INCOME**

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	₹	₹
<b>Dividend income :</b>		
from non-current investments	-	4,000
Other non-operating income :		
(a) Sundry balances written back	-	1,35,604
(b) Sundry income	3,57,562	1,03,722
(c) Scrap sales	4,00,000	-
<b>Total</b>	<b>757,562</b>	<b>243,326</b>

Notes forming part of the Financial Statements

**NOTE 23 COST OF MATERIALS CONSUMED**

Particulars	For the year ended	For the year ended
	31 March 2017	31 March 2016
	₹	₹
<b>Raw Materials consumed (Refer details given below)</b>		
Opening stock	12,55,76,803	18,20,52,634
Add : Purchases	1,32,63,61,033	1,18,82,28,683
	1,45,19,37,836	1,37,02,81,317
Less : Closing stock	14,36,66,098	12,55,76,803
	<b>1,30,82,71,738</b>	<b>1,24,47,04,514</b>
<b>Packing Materials consumed</b>		
Opening stock	70,50,518	80,97,204
Add : Purchases	12,36,07,098	12,76,03,061
	13,06,57,616	13,57,00,265
Less : Closing stock	80,75,567	70,50,518
	12,25,82,049	12,86,49,747
<b>Total</b>	<b>1,43,08,53,787</b>	<b>1,37,33,54,261</b>

**Details of Raw Materials consumed :**

Particulars	For the year ended	For the year ended
	31 March 2017	31 March 2016
	₹	₹
Vinyl Acetate Monomer	28,87,35,622	35,75,62,367
Butyl Acetate Monomer	54,75,48,771	46,25,15,443
Other chemicals	47,19,87,345	42,46,26,704
<b>Total</b>	<b>1,30,82,71,738</b>	<b>1,24,47,04,514</b>

**NOTE 24 PURCHASE OF TRADED GOODS**

Particulars	For the year ended	For the year ended
	31 March 2017	31 March 2016
	₹	₹
<b>Traded Goods</b>		
Butyl Acetate Monomer		
Vinyl Acetate Monomer	27,45,68,433	40,84,91,588
Other chemicals	30,09,51,411	46,19,25,650
	18,45,88,422	15,02,76,784
<b>Total</b>	<b>76,01,08,266</b>	<b>1,02,06,94,022</b>

**NOTE 25 CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE**

Particulars	For the year ended	For the year ended
	31 March 2017	31 March 2016
	₹	₹
<b>Opening Stock</b>		
(a) <u>Finished goods</u>		
Adhesives & Emulsions	3,93,19,310	3,87,27,167
(b) <u>Stock-in-trade</u>		
Chemicals	8,66,45,227	2,28,11,043
	<b>12,59,64,537</b>	<b>6,15,38,210</b>
<b>Less : Closing Stock</b>		
(a) <u>Finished goods</u>		
Adhesives & Emulsions	3,73,44,724	3,93,19,310
(b) <u>Stock-in-trade</u>		
Chemicals	2,19,01,781	8,66,45,227
	<b>5,92,46,505</b>	<b>12,59,64,537</b>
Changes in Inventories		
Increase/(Decrease) in Excise duty on Finished goods	6,67,18,032	(6,44,26,327)
	(2,62,657)	56,124
<b>Total</b>	<b>6,64,55,375</b>	<b>(6,43,70,203)</b>

Notes forming part of the Financial Statements

**NOTE 26 EMPLOYEE BENEFIT EXPENSES**

Particulars	For the year ended 31 March 2017 ₹	For the year ended 31 March 2016 ₹
Salaries and wages		
Contributions to Provident and other funds	5,90,84,314	5,33,87,626
Staff welfare expenses	40,65,237	40,48,806
	18,24,256	21,41,331
<b>Total</b>	<b>6,49,73,807</b>	<b>5,95,77,763</b>

**NOTE 27 FINANCE COSTS**

Particulars	For the year ended 31 March 2017 ₹	For the year ended 31 March 2016 ₹
Interest expense	3,66,17,242	3,68,06,847
Other borrowing costs	3,46,26,740	4,49,09,138
	7,12,43,982	8,17,15,985
Less :		
Interest received (Gross)	30,27,422	30,77,213
<b>Total</b>	<b>6,82,16,560</b>	<b>7,86,38,772</b>

Notes forming part of the Financial Statements

**NOTE 28 OTHER EXPENSES**

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	₹	₹
Stores and spares consumed	41,31,743	43,59,101
Power and fuel	2,20,53,346	2,48,84,958
Labour charges	1,23,21,782	82,07,034
Rent	42,75,540	51,14,207
Repairs and Maintenance :		
Plant & Machinery	24,35,330	17,53,585
Building	1,10,757	1,17,112
Others	4,47,524	3,29,642
Printing and Stationery	7,01,645	6,24,956
Insurance	23,31,840	15,48,735
Loss on Insurance Claim	11,33,256	-
Storage charges expenses (Net)	1,21,59,322	1,18,64,745
Telephone expenses	23,84,815	25,67,277
Travelling and Conveyance expenses	1,27,67,030	1,01,64,028
Legal and Professional charges (Refer Note 29 below)	42,15,964	33,12,852
Sales promotion expenses	1,00,23,460	56,69,392
Transportation and Octroi charges	4,98,56,870	4,44,45,039
Brokerage and Commission	81,98,511	66,64,158
Bad debts	67,84,486	24,16,975
Discounts/Rebates (Net)	5,32,21,679	4,20,31,020
Directors sitting fees	60,000	82,500
Miscellaneous expenses	63,97,394	76,64,862
Net Foreign Exchange fluctuation loss (Refer Note 30)	-	1,80,72,810
<b>Total</b>	<b>21,60,12,294</b>	<b>20,18,94,988</b>

**NOTE 29 REMUNERATION TO AUDITORS**

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	₹	₹
Legal and Professional charges includes payments to the auditors towards :		
As Auditor*	4,40,000	3,65,000
For Taxation Matters*	50,000	85,000
For Other Services*	67,400	1,10,000
<b>Total</b>	<b>5,57,400</b>	<b>5,60,000</b>

\* Excluding Service Tax

Notes forming part of the Financial Statements

**NOTE 30 :** In terms of clause 46A of AS 11 "The Effects of Changes in the Foreign Exchange Rates" as inserted by Notification No. G.S.R. 914(E) dated 29th December, 2011 issued by the Ministry of Corporate Affairs, Government of India, the company has opted to capitalise the foreign exchange differences arising on long term monetary item, in so far as it relates to acquisition of depreciable capital assets, against the cost of such assets and depreciate the said adjustment over the balance life of the asset. Accordingly, the foreign exchange differences of ₹4,21,706/-, for the year has been added to the cost of the fixed assets relating to the expansion project at Dahej (Gujarat). (Previous year ₹27,64,764/-)

**NOTE 31 CIF VALUE OF IMPORTS**

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	₹	₹
Materials (for Manufacturing & Trading)	992,784,141	865,698,871

**NOTE 32 VALUE OF CONSUMPTION OF IMPORTED AND INDIGENOUS ITEMS**

Particulars	For the year ended 31 March 2017		For the year ended 31 March 2016	
	₹	%	₹	%
<b>Raw Materials :</b>				
Imported	1,12,61,14,691	86	97,08,16,613	78
Indigenous	18,21,57,047	14	27,38,87,901	22
<b>Total</b>	<b>1,30,82,71,738</b>	<b>100</b>	<b>1,24,47,04,514</b>	<b>100</b>
<b>Spare parts and components :</b>				
Indigenous	41,31,743	100	43,59,101	100

**NOTE 33 EARNINGS IN FOREIGN CURRENCY**

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	₹	₹
FOB value of exports	7,42,91,136	4,20,86,270
<b>Total</b>	<b>7,42,91,136</b>	<b>4,20,86,270</b>

**NOTE 34 EARNINGS PER SHARE**

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	₹	₹
Nominal Value of Equity shares	10	10
Net profit after tax available to the Equity shareholders	2,03,65,963	1,58,96,768
Weighted average number of Equity shares	38,94,300	38,94,300
Basic and Diluted Earnings per share	5.23	4.08

**NOTE 35 :** The company is liable to pay Income Tax as per provisions of section 115JB of the Income Tax Act for the Financial year 2015 - 2016. Since the same can be recouped against future years income, it has not been charged as Tax expense to the extent it can be recouped.

**NOTE 36 DETAILS OF LEASING ARRANGEMENTS**

Operating Lease: As a Lessee

The company has entered into cancellable operating leases. These lease arrangements are normally renewable on expiry. The lease arrangement can be cancelled either at the option of lessor giving notice for the period ranging from two months to three months or lessee giving two months notice.

Lease payments amounting to ₹ 4,275,540/-(Previous year ₹5,114,207/-) are included in rental expenditure in the Statement of Profit and Loss during the current year.

Notes forming part of the Financial Statements

**NOTE 37 EMPLOYEE BENEFIT PLANS**

**(a) Defined Contribution Plans:**

The amount recognised as expense in respect of Defined Contribution Plans (Contribution to Provident Fund) aggregate to ₹ 33,42,856/- (Previous year ₹ 31,28,093/-).

**(b) Retirement Benefit - Gratuity:**

The employees of the Company are eligible for gratuity in accordance with the Payment of Gratuity Act, and is a Defined Employee Benefit. The above benefit is not funded but provision is made in the accounts for accrued gratuity under Projected Unit Credit Method of actuarial valuation.

The following table summaries the components of the employee benefit expenses recognised in the Statement of Profit and Loss and the amount recognised in the Balance sheet for the gratuity provision made under actuarial method.

**Statement of Profit and Loss**

Net employee benefit expenses recognised in Employee Benefit Expenses (Note No 26)

(Amount in ₹)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>Components of employer expense</b>		
Current Service cost	4,64,782	5,41,372
Interest cost	2,57,103	2,72,291
Expected return on plan assets	-	-
Curtailement cost/(credit)	-	-
Settlement cost/(credit)	-	-
Past Service Cost	-	-
Actuarial Losses/(Gains)	496	1,07,044
<b>Total expense recognised in the Statement of Profit &amp; Loss</b>	<b>7,22,381</b>	<b>9,20,707</b>

**Balance Sheet**

Details of provision for gratuity

Net asset/(liability) recognised in balance sheet	As at 31 March 2017	As at 31 March 2016
Present value of Defined Benefit Obligation	(35,87,879)	(31,81,962)
Fair value of plan assets	-	-
Funded status [Surplus/(Deficit)]	(35,87,879)	(31,81,962)
Unrecognised Past Service Costs	-	-
<b>Net asset/(liability) recognised in balance sheet</b>	<b>(35,87,879)</b>	<b>(31,81,962)</b>

Change in Defined Benefit Obligations (DBO) during the year ended	For the year ended 31 March 2017	For the year ended 31 March 2016
Present Value of DBO at beginning of period	31,81,962	34,20,745
Current Service cost	4,64,782	5,41,372
Interest cost	2,57,103	2,72,291
Curtailement cost/(credit)	-	-
Settlement cost/(credit)	-	-
Plan amendments	-	-
Acquisitions	-	-
Actuarial (gains)/ losses	496	1,07,044
Past Service Cost	-	-
Benefits paid	(3,16,464)	(11,59,490)
<b>Present Value of DBO at the end of period</b>	<b>35,87,879</b>	<b>31,81,962</b>

**Principal actuarial assumptions as at the balance sheet date :**

Particulars	As at 31 March 2017	As at 31 March 2016
Discount Rate	7.34%	8.08%
Salary escalation	5%	5%
Attrition Rate	2%	2%

Notes forming part of the Financial Statements

NOTE 38 SEGMENTS REPORTING

(a) Information about Business Segments for the Year Ended 31 March, 2017

(Amount in ₹)

Particulars	Manufacturing of Adhesives & Emulsions	Trading in Chemicals	Total Rupees
<b>Revenue</b>			
Sales/Income From Operations	1,81,84,31,392	83,27,45,045	2,65,11,76,437
Inter-Segment Sales	-	-	-
<b>Total Revenue</b>	<b>1,81,84,31,392</b>	<b>83,27,45,045</b>	<b>2,65,11,76,437</b>
<b>Result</b>			
Segment Result	13,18,57,729	(88,80,722)	12,29,77,007
Unallocated Corporate Expenses(Net)			2,43,21,772
Operating Profit			9,86,55,235
Interest Expense(Net)			6,82,16,560
Income Taxes(including deferred tax)			1,00,72,712
Profit From Ordinary Activities			2,03,65,963
Extraordinary Items			-
<b>Net Profit</b>			<b>2,03,65,963</b>
<b>Other Informations</b>			
Segment Assets	1,07,89,82,265	20,74,40,228	1,28,64,22,493
Unallocated Corporate Assets			99,33,108
<b>Total Assets</b>			<b>1,29,63,55,601</b>
Segment Liabilities	62,24,24,889	2,37,38,628	64,61,63,517
Unallocated Corporate Liabilities			45,15,41,402
<b>Total Liabilities</b>			<b>1,11,67,82,073</b>
Add: Share Capital And Reserves			17,95,73,528
<b>Total Capital &amp; Liabilities</b>			<b>1,29,63,55,601</b>
Capital Expenditure (Including Capital work in Progress)	1,92,53,054	-	
Depreciation	1,48,75,235	-	

Notes :

- 1) The Information stated above is in conformity with Accounting Standard 17 "Segment Reporting" issued by The Institute of Chartered Accountants of India.
- 2) The Business Segment is the Primary Segment of the Company and there is no geographical segment having differing risk and returns.
- 3) For comparison with previous year, refer Note No. 38(b)



Notes forming part of the Financial Statements

NOTE 38 SEGMENTS REPORTING

(b) Information about Business Segments for the Year Ended 31 March, 2017

(Amount in ₹)

Particulars	Manufacturing of Adhesives & Emulsions	Trading in Chemicals	Total Rupees
<b>Revenue</b>			
Sales/Income From Operations	1,72,23,68,465	98,08,64,626	2,70,32,33,091
Inter-Segment Sales	-	-	-
<b>Total Revenue</b>	<b>1,72,23,68,465</b>	<b>98,08,64,626</b>	<b>2,70,32,33,091</b>
<b>Result</b>			
Segment Result	10,32,32,142	1,31,91,262	11,64,23,406
Unallocated Corporate Expenses(Net)			1,96,42,050
Operating Profit			9,67,81,356
Interest Expense(Net)			7,86,38,772
Income Taxes(including deferred tax)			22,45,816
Profit From Ordinary Activities			1,58,96,768
Extraordinary Items			-
<b>Net Profit</b>			<b>1,58,96,768</b>
<b>Other Informations</b>			
Segment Assets	1,01,73,11,525	15,48,80,529	1,17,21,92,054
Unallocated Corporate Assets			1,82,29,664
<b>Total Assets</b>			<b>1,19,04,21,718</b>
Segment Liabilities	65,68,22,220	74,35,888	66,42,58,108
Unallocated Corporate Liabilities			36,69,55,040
<b>Total Liabilities</b>			<b>1,03,12,13,153</b>
Add: Share Capital And Reserves			15,92,08,565
<b>Total Capital &amp; Liabilities</b>			<b>1,19,04,21,718</b>
Capital Expenditure (Including Capital work in Progress)	1,74,67,610	-	
Depreciation	1,55,44,230	-	

Notes :

- 1) The Information stated above is in conformity with Accounting Standard 17 "Segment Reporting" issued by The Institute of Chartered Accountants of India.
- 2) The Business Segment is the Primary Segment of the Company and there is no geographical segment having differing risk and returns.

Notes forming part of the Financial Statements

**NOTE 39 RELATED PARTY DISCLOSURES**

The following details give the information pursuant to Accounting Standard - 18 " Related Party Disclosures"

**(a) Name of the Related Parties and Nature of Relationship**

Name	Nature of Relationship
Umesh J. Sanghavi	Promoter Director and Key Management Personnel (KMP)
Rajendra J. Sanghavi	Promoter Director and Key Management Personnel (KMP)
Tarak J. Sanghavi	Promoter Director and Key Management Personnel (KMP)
Ashok J. Sanghavi	Promoter and Relative of Director
Anita U. Sanghavi	Relative of Director
Mrunalini R. Sanghavi	Relative of Director
Rekha T. Sanghavi	Relative of Director
Ami U. Parekh	Relative of Director
Vasant Polymers & Chemicals Pvt. Ltd.	A Company Significantly Influenced by relatives of KMP.
Zeki Software & Solutions Pvt. Ltd.	A Company Significantly Influenced by relatives of KMP.

**(b) Details of Related Party transactions during the year ended 31st March 2017**

(Amount in ₹)

Particulars	Directors & Key Management Personnel	Relatives of Directors & Key Management Personnel	Enterprises that are significantly influenced by the Directors and/or their Relatives	Total
Remuneration paid	33,32,448	28,65,000	-	61,97,448
	(33,32,448)	(26,08,700)	(-)	(59,41,148)
Loans Received	-	-	58,80,33,100	58,80,33,100
	(-)	(-)	(56,09,15,000)	(56,09,15,000)
Loans Repaid	-	-	46,54,51,000	46,54,51,000
	(-)	(-)	(42,05,65,000)	(42,05,65,000)
Interest Paid	-	-	73,240	73,240
	(-)	(-)	(87,791)	(87,791)
Rent Paid	-	-	2,40,000	2,40,000
	(-)	(-)	(2,40,000)	(2,40,000)
Sales	-	-	77,859	77,859
	(-)	(-)	(7,46,03,450)	(7,46,03,450)
Purchases	-	-	-	-
	(-)	(-)	-	-
Outstanding Credit/(Debit) Balance	-	-	12,25,82,100	12,25,82,100

Figures in brackets relates to the previous year

Notes forming part of the Financial Statements

**NOTE 40 : UNHEDGED FOREIGN CURRENCY EXPOSURE**

Particulars	As at 31st March 2017		As at 31st March 2016	
	Foreign Currency US \$	(₹ in lakhs)	Foreign Currency US \$	(₹ in lakhs)
Payable against Secured Loans (External <b>Commercial Borrowing</b> ):	-	-	4,55,546	3,01,79,923
<b>Payable against Import of goods</b>	20,60,427	13,59,12,738	36,07,803	24,35,43,366

**NOTE 41 : INSURANCE CLAIMS**

In the previous year due to fire, at a section of Dahej plant and a portion of building and plant and machinery along with inventories lying therein were damaged/destroyed. The insurance company has admitted the claims in this regard as follows:

(a) for loss of inventories ₹ 22,665,135/-

(b) for loss of plant & machinery and building ₹ 7,828,520/-

Upon the initial processing of the claim, in interim, the company has received the claim partly and expects to realise the balance amount shortly which will be sufficient to fully cover the loss caused by the fire.

**NOTE 42 :** There are no amounts payable to any Micro, Small and Medium Enterprises as identified by the Management from the information available with the Company and relied by Auditors.

**NOTE 43 :** The accounts of the Trade Receivables and Trade Payables who have not responded to the Company's request for confirmation of balances, are subject to reconciliation, if any, required.

**NOTE 44 : SPECIFIED BANK NOTES DISCLOSURE (SBNs)**

In accordance with MCA notification G.S.R. 308(E) dated March 30, 2017 details of Specified Bank Notes (SBNs) and Other Denomination Notes (ODNs) held and transacted during the period from November 8, 2016 to December 30, 2016 is given below:

Particulars	Specified Bank Notes	Other denomination notes	Total
Closing Cash in hand as on 08-11-2016	45,505	26,570	72,075
Add: Permitted receipts	-	9,02,000	9,02,000
Less: Permitted payments	32,025	5,95,587	6,27,612
Less: Amount deposited in Banks	13,480	-	13,480
Closing Cash in hand as on 30-12-2016	-	<b>3,32,983</b>	<b>3,32,983</b>

**NOTE 45 :** The figures for the previous year have been regrouped / rearranged wherever necessary.

**NOTE 46 :** Figures have been rounded off to nearest rupees.

As per our attached report of even date

For PHD & Associates

Chartered Accountants

Firm Registration No. 111236W

For and on behalf of the Board of Directors

U. J. Sanghavi  
(Managing Director)  
DIN : 00491220

T. J. Sanghavi  
(Executive Director)  
DIN : 00519403

Dhiren Vakharia  
(Partner)  
Membership No. 46115

R. J. Sanghavi  
(Chairman)  
DIN : 00245637

M. M. Vora  
(Director)  
DIN : 00245427

Place : Mumbai

Date : 26th May 2017

Cash Flow Statement for the year ended 31 March 2017

Particulars	For the year ended 31 March 2017		For the year ended 31 March 2016	
	₹	₹	₹	₹
<b>A Cash Flow from Operating Activities</b>				
Net Profit before tax		3,04,38,675		1,81,42,584
<b>Adjustment for :</b>				
Depreciation and Amortisation	1,48,75,235		1,55,44,230	
Finance costs	6,82,16,560		7,86,38,772	
Dividend income	-		(4,000)	
Provision for gratuity	4,05,917		(2,38,783)	
Sales Tax Deferral	5,43,426		4,83,046	
Unrealised Foreign currency translation Gain (Net)	44,78,543		(10,03,275)	
		8,85,19,681		9,34,19,990
<b>Operating profit before working capital changes</b>		<b>11,89,58,356</b>		<b>11,15,62,574</b>
<b>Adjustments for :</b>				
Trade Receivables	(20,62,57,784)		(1,85,49,039)	
Inventories	4,76,18,832		(66,58,060)	
Long term Loans and advances	(8,24,161)		21,363	
Short term Loans and advances	80,46,489		(44,23,200)	
Other Current assets	2,18,59,776		(2,01,00,000)	
Trade payables	(3,23,77,579)		6,90,58,606	
Other Current liabilities	88,55,102		(23,92,584)	
		(15,30,79,325)		16,957,086
<b>Cash generated from operations</b>		<b>(3,41,20,969)</b>		<b>12,85,19,660</b>
Direct Taxes paid (Net of refunds)		(76,65,906)		(9,19,654)
<b>Net cash flow from operating activities (A)</b>		<b>(4,17,86,875)</b>		<b>12,76,00,006</b>
<b>B. Cash Flow from Investing Activities</b>				
Purchase of Fixed assets including Capital Work-in-Progress	(2,40,84,230)		(99,05,705)	
Term Deposits with Banks (Placed)/ Matured(Net)	1,89,48,528		(1,33,69,319)	
Dividend income	-		4,000	
<b>Net cash flow used in investing activities(B)</b>		<b>(51,35,702)</b>		<b>(2,32,71,024)</b>
<b>C. Cash Flow from Financing Activities</b>				
Proceeds / (Repayment) of long term borrowings (Net)	10,29,11,046		(1,41,99,941)	
Proceeds / (Repayment) of short term borrowings (Net)	56,38,079		10,91,289	
Finance costs	(6,63,41,176)		(7,68,03,403)	
Dividend paid	-		(46,327)	
<b>Net cash flow from financing activities (C)</b>		<b>4,22,07,949</b>		<b>(8,99,58,382)</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>		<b>(47,14,628)</b>		<b>1,43,70,600</b>
Cash and cash equivalents at the beginning of the year		1,78,65,922		34,95,322
<b>Cash and cash equivalents at the end of the year</b>		<b>1,31,51,294</b>		<b>1,78,65,922</b>

Notes:

- 1 Cash and Cash Equivalents are as under:

Particulars	As at 31 March 2017 ₹	As at 31 March 2016 ₹
Cash in hand	9,45,634	15,77,238
Balances with banks in current accounts	1,22,05,660	1,62,88,684
	<b>1,31,51,294</b>	<b>1,78,65,922</b>

- 2 The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard -3 on "Cash Flow Statements" issued by the Institute of Chartered Accountants of India.
- 3 Previous year's figures have been regrouped / rearranged whenever necessary to conform to the current year's presentation.

As per our attached report of even date

For PHD & Associates  
Chartered Accountants  
Firm Registration No. 111236W

Dhiren Vakharia  
(Partner)  
Membership No. 46115

Place : Mumbai  
Date : 26th May 2017

For and on behalf of the Board of Directors

U. J. Sanghavi  
(Managing Director)  
DIN : 00491220

R. J. Sanghavi  
(Chairman)  
DIN : 00245637

T. J. Sanghavi  
(Executive Director)  
DIN : 00519403

M. M. Vora  
(Director)  
DIN : 00245427

**NIKHIL ADHESIVES LIMITED**

Corporate Identity Number (CIN) - L51900MH1986PLC041062

Registered Office: Shreeji Industrial Estate, Vadkun, College Road, Dahanu, District - Palghar - 4001602

Tel. No. +91-022 26835864/26836558 Fax No. 26840750. Website: www.nikhiladhesives.com

**ATTENDANCE SLIP**

**31<sup>st</sup> ANNUNAL GENERAL MEETING ON THURSDAY, 28<sup>th</sup> SEPTEMBER, 2017 AT 11.00 A.M.  
At Shreeji Industrial Estate, Vadkun, College Road, Dahanu, District - Palghar - 401602**

<b>Folio No. :</b>	<b>DP ID No. :</b>	<b>Client ID No. :</b>
--------------------	--------------------	------------------------

I/We hereby record my/our presence at the 31<sup>st</sup> Annual General Meeting of the company held on Thursday, the 28<sup>th</sup> September, 2017 at 11.00 a.m. at Shreeji Industrial Estate, Vadkun, College Road, Dahanu, Dist- Palghar-401 602.

Name of the Member:	Signature
Name of the Proxy holder:	Signature

- Notes: 1. Only Member/Proxy holder can attend the Meeting  
2. Please complete the Folio No. /DP ID No., Client ID No. and name of the Member/Proxy holder, sign this Attendance Slip and hand it over, duly signed, at the entrance of the Meeting hall.  
3. A Member/ Proxy holder attending the meeting should bring copy of Annual Report for reference at the Meeting.

**NIKHIL ADHESIVES LIMITED**

Corporate Identity Number (CIN) - L51900MH1986PLC041062

Registered Office: Shreeji Industrial Estate, Vadkun, College Road, Dahanu, District-Palghar-401602

Tel. No. 91/2226836558/59 Fax No. 26840750. Website: www.nikhiladhesives.com

**PROXY FORM**

Name of the Member(s):
Registered Address:
Email ID:
Folio No./DP-Client ID:

I/We being the member(s) of NIKHIL ADHESIVES LTD. holding : \_\_\_\_\_ Share, hereby appoint :

- Name : \_\_\_\_\_  
Address: \_\_\_\_\_  
Signature: \_\_\_\_\_ or failing him
- Name : \_\_\_\_\_  
Address: \_\_\_\_\_  
Signature: \_\_\_\_\_ or failing him
- Name : \_\_\_\_\_  
Address: \_\_\_\_\_  
Signature: \_\_\_\_\_ or failing him

As my/our proxy to attend and vote (on poll) for me/us on my/our behalf at the 31<sup>st</sup> Annual General Meeting of the Company to be held on Thursday, the 28<sup>th</sup> September, 2017, at 11.00a.m., at Shreeji Industrial Estate, Vadkun college Road, Dahanu, Dist.-Palghar-401602. And at any adjournment thereof in respect of such resolution as are indicated below:

Sr.No	Resolutions
1	Adoption of statement of Profit and Loss, Balance Sheet, Cash Flow Statement, Report of Board of Directors and Auditors for the year ended 31 <sup>st</sup> March,2017
2	Re-appointment of Mr. R. J. Sanghavi who retires by rotation.
3	Appointment of Auditors and fixing their remuneration.
4	Appointment of Mr. T. J. Sanghavi as Wholetime Director.
5	Appointment of Mr. R. J. Sanghavi as Chairman & Wholetime Director.
6	Appointment of Mr. U. J. Sanghavi as Managing Director.
7	Appointment of Cost Auditors and fixing their remuneration.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

Signed of the shareholder \_\_\_\_\_

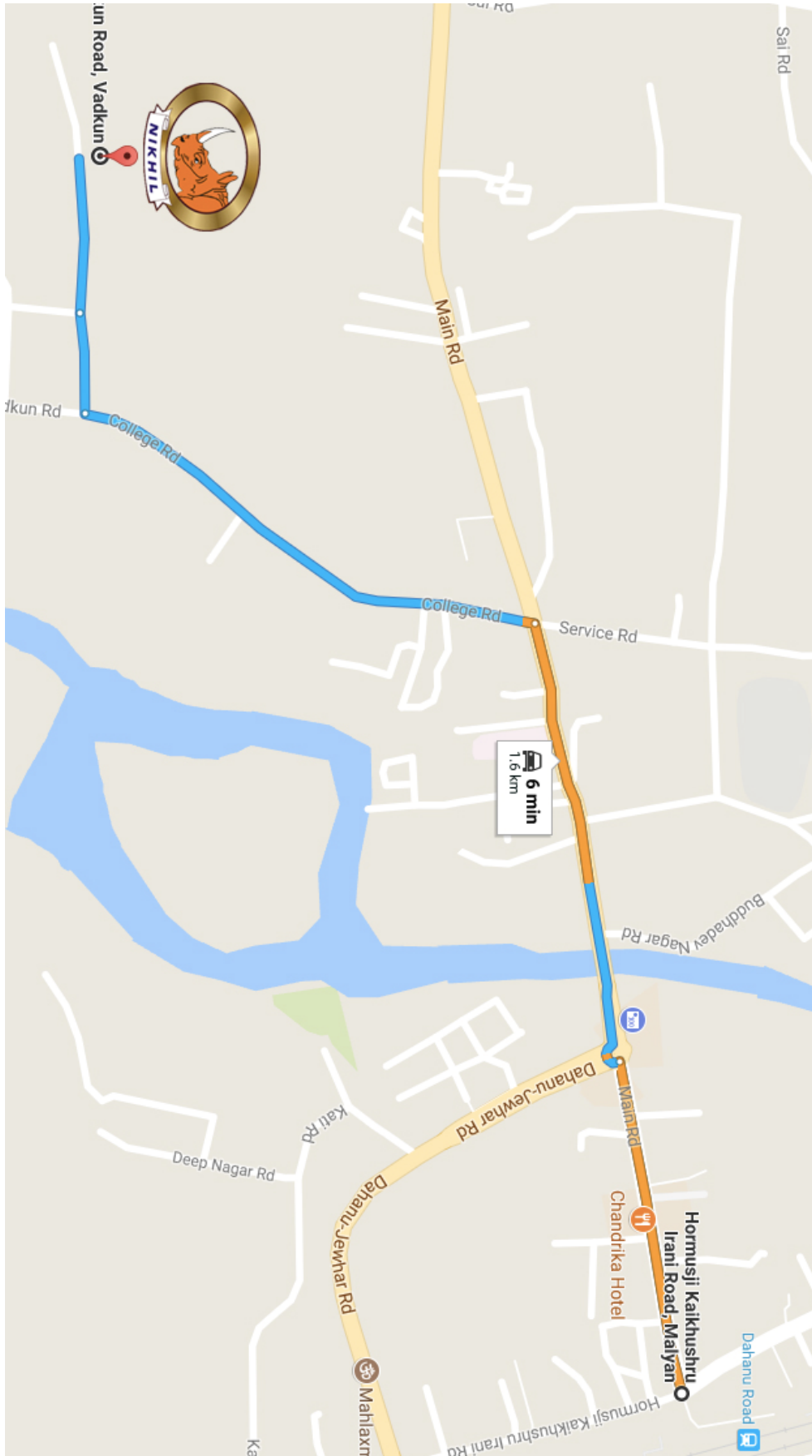
Signature of Proxy Holder \_\_\_\_\_

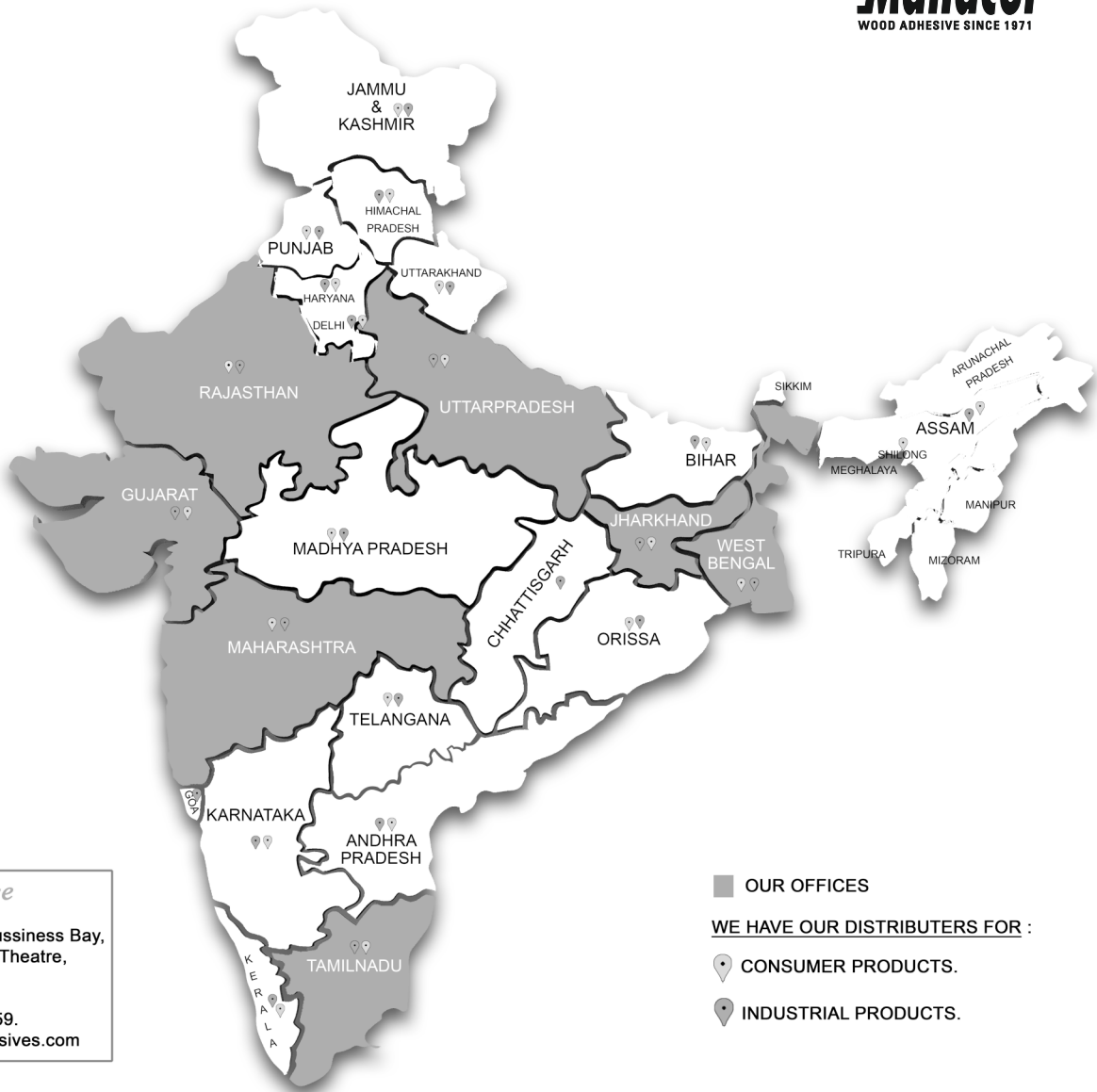
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Note:

1. This Form in order to be effective should be duly completed and deposited as the Registered office of the company at Shreeji Industrial Estate, Vadkun, College Road, Dahanu Dist-Palghar 401 602, not less than 48 hours before the commencement of the meeting.
2. A proxy need not be a member of the company.
3. For the Resolution, Explanatory Statement and Notes, Please refer to the Notice of the 31<sup>st</sup> ANNUAL REPORT of the company.

**Route Map to Venue of the AGM**





**Head Office**  
Office No. 315,  
The Summit Business Bay,  
Opp. Cinemax Theatre,  
Andheri (E),  
Mumbai-93  
Tel-26836558/59.  
ho@nikhiladhesives.com

- OUR OFFICES
- WE HAVE OUR DISTRIBUTERS FOR :
- 📍 CONSUMER PRODUCTS.
- 📍 INDUSTRIAL PRODUCTS.

*Branch offices*

**VAPI**  
A-6 Shyam Kunj,Gokul Vihar Township,  
N.H. No. 8, Opp. Vrundavan Row House,  
Chharwardapardi, Valsad GJ-396191.  
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Shailesh.bajani@nikhiladhesives.com

**JHARKHAND**  
Suraj Market, Shop No. 3,Mezzanine Floor,  
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Safdar.imam@nikhiladhesives.com

**KOLKATA**  
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cksinha@nikhiladhesives.com

**GHAZIABAD**  
C-341, kabir Dham Compound,Krishna Nagar,  
Opposite Regent Motors,Meerut Road,  
Ghaziabad (UP)-201009.  
Tel No.-09368521254  
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**CHENNAI**  
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S. B. 4. Vasudev Marg,  
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Jaipur - 302007.  
Tel. : 0141 - 313 70 70  
amar.kataria@nikhiladhesive.com

*Factories*

**PLANT - 1 & REGD.OFFICE**  
Shreeji Estate, Vadhkun, College Road,  
Dahanu, Maharashtra.  
Tel. : 02528 - 224463 , 223107

**PLANT - 2**  
7 - Government Industrial Estate,  
Post - Pipria, Silvasa.  
Tel. : 0260 - 2640 045

**PLANT - 3**  
Plot No. D-2/CH/49, Industrial Phase,  
Dahej - 2, G.I.D.C Industrial Estate - Dahej,  
Taluka - Vagra Dist - Bharuch  
Tel. : 09377824268