



NIKHIL ADHESIVES LTD.

An ISO 9001 : 2015 Certified Company



34th ANNUAL REPORT
2019-2020

34th ANNUAL REPORT 2019-2020

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

Link Intime India Pvt. Ltd.
(Sharex Dynamic (India) Pvt. Ltd. Merged with the Link
Intime India Pvt. Ltd.)
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai- 400 083

BANKERS

Bank of India
Standard Chartered Bank
Yes Bank Ltd
DBS Bank

REGISTERED OFFICE

315, The Summit Business Bay, Behind Gurunanak
Petrol Pump, Opp. Cinemax, Andheri Kurla Road,
Andheri (East), Mumbai – 400093.



COMPANY IDENTIFICATION NUMBER (CIN):

L51900MH1986PLC041062

CONTENTS
NOTICE
MANAGEMENT DISCUSSION AND ANALYSIS REPORT
DIRECTORS REPORT
REPORT ON CORPORATE GOVERNANCE
AUDITORS REPORT
BALANCE SHEET
STATEMENT OF PROFIT AND LOSS
CASH FLOW STATEMENT
NOTES FORMING PART OF FINANCIAL STATEMENT

NOTICE

Notice is hereby given that the **Thirty Fourth Annual General Meeting** of Nikhil Adhesives Limited will be held on **Wednesday, 30th December, 2020 at 11:30 AM through Video Conferencing ('VC')/Other Audio Visual Means ('OVAM')** 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, 2020 together with the reports of the Board of Directors and Auditors thereon.
2. To declare dividend of Re.1 per equity shares of face value of Rs. 10 for the financial year ended 31st March, 2020.
3. To appoint a Director in place of Mr. Tarak. J. Sanghavi (DIN:00519403), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
4. Appointment of M/s. PPV & Co., Chartered Accountant (Firm Registration No. 153929W) as a Statutory Auditor in the place of existing auditor M/s. PHD & Associates, Chartered Accountant (Firm Registration No. 111236W).

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

"Resolved That pursuant to section 139 and other applicable provisions of the Companies Act, 2013 ("the Act"), and the Companies (Audit and Auditors) Rules, 2014 made thereunder and other applicable rules, if any, under the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. PPV & Co., Chartered Accountant (Firm Registration No. 153929W) be and is hereby appointed as a Statutory Auditor in the place of existing auditor M/s. PHD & Associates, Chartered Accountant (Firm Registration No. 111236W) for a period of 5 years commencing from the conclusion this Annual General Meeting till the conclusion of Annual General Meeting to be held in the year 2025, at a remuneration including the out pocket expenses incurred during the audit process, which will be mutually agreed between the Board of Directors and the Auditor."

"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."

SPECIAL BUSINESS

5. **Ratification of Remuneration of Cost Auditor M/s. B. F. Modi & Associates, Cost Accountants (Firm Registration No. 10064).**

To consider and if thought fit, to pass with or without modification(s), 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 thereunder, as amended from time to time and such other permissions as may be necessary, the payment of remuneration of ₹ 50,000/- per annum (Rupees Fifty Thousand Only) with applicable Goods and Services Tax plus reimbursement of out of pocket expenses at actual to M/s. B. F. Modi & Associates, Cost Accountants (Firm Registration No. 10064) who was appointed by the Board of Directors of the Company as a "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 31st March, 2021, be and is hereby ratified and approved.

“Resolved Further That any of the Directors of the Board of the Company be and is hereby authorised either severally or jointly to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this Resolution.”

6. Reappointment of Mrs. Ishita Gandhi (DIN: 07137098) as an Independent Director for 2nd term of 5 years.

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

“Resolved That pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Mrs. Ishita Gandhi (DIN: 07137098), who was appointed as a Non- Executive Independent Director of the Company for five consecutive years from 28th March 2015 up to 27th March 2020 and being eligible, be and is hereby re-appointed as a Non-Executive Independent Director of the Company to hold office for a second consecutive term of 5 years effective from 28th March 2020 up to 27th March 2025 and she shall not be liable to retire by rotation.”

“Resolved Further That any of the Directors of the Board of the Company be and is hereby authorised either severally or jointly to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this Resolution.”

7. Reappointment of Mr. Rajendra J. Sanghavi (DIN: 00245637) as a Whole Time Director for a period of 3 years.

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

“Resolved That subject to the provisions of sections 196, 197, 198 and 203 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 re-appointment of Mr. Rajendra J. Sanghavi (DIN: 00245637) as a Whole Time Director of the Company, liable to retire by rotation with effect from 1st January, 2021 to hold office for a period of three years (i.e. for the period 1st January, 2021 to 31st December, 2023) who was appointed for 3 years as a Whole time Director from 01st January, 2018 to 31st December, 2020, whose term of office expires on 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 the prescribed provisions of the Act and or schedules thereto applicable, if any.”

“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.”

8. Reappointment of Mr. Umesh J. Sanghavi (DIN: 00491220) as a Managing Director for a period of 3 years.

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

“Resolved That subject to the provisions of sections 196, 197, 198 and 203 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 re-appointment of Mr. Umesh J. Sanghavi (DIN: 00491220) as a Managing Director of the Company with effect from 1st January, 2021 to hold office for a period of three years (i.e. for the period 1st January, 2021 to 31st December, 2023) who was appointed as a Whole time Director from 01st January, 2018 to 31st December, 2020, whose term of office expires in 31st December, 2020. Whose office is not liable to retire by rotation.

“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. Umesh 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 the prescribed provisions of the Act and or schedules thereto applicable, if any.”

“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.”

9. Reappointment of Mr. Tarak J. Sanghavi (DIN: 00519403) as a Whole Time Director for a period of 3 years.

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

“Resolved That subject to the provisions of sections 196, 197, 198 and 203 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 re-appointment of Mr. Tarak J. Sanghavi (DIN: 00519403) as the Whole Time Director of the Company with effect from 1st January, 2021 to hold office for a period of three years (i.e. for the period 1st January, 2021 to 31st December, 2023). He shall be liable to retire by rotation who was appointed as a Whole time Director from 01st January, 2018 to 31st December, 2020, and whose term of office expires in 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 the prescribed provisions of the Act and or schedules thereto, if any.”

“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.”

NOTES:

1. In view of the COVID 19 pandemic, the Ministry of Corporate Affairs vide its Circular dated 5th May, 2020 read with Circulars dated 8th April, 2020 and 13th April, 2020 (collectively referred to as 'Circulars'), has introduced certain measures enabling Companies to convene their Annual General Meetings (AGM/ Meeting) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and also send notice of the Meeting and other correspondences related thereto, through electronic mode. In compliance with the said requirements of the MCA Circulars, electronic copy of the Notice along with the Annual Report for the financial year ended 31st March, 2020 consisting of financial statements including Board's Report, Auditors' Report and other documents required to be attached therewith (Collectively referred to as Notice) have been sent only to those members whose e- mail ids are registered with the Company or the Registrar and Share Transfer Agent or the Depository Participants(s) through electronic means and no physical copy of the Notice has been sent by the Company to any member. The Notice has also been hosted on the website of the Company (www.nikhiladhesives.com)
2. The deemed venue for Thirty Fourth e-AGM shall be the registered office of the Company.
3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this e-AGM is being held pursuant to the MCA Circulars through VC/OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the e-AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. The Statement, pursuant to Section 102(1) of the Act in respect of Ordinary Business & Special Businesses at Item No. 4, 5, 6, 7, 8 and 9 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 Director seeking appointment or re-appointment at the Annual General Meeting is furnished as Annexure to the notice.
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
6. In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Non-Resident Indian Members are requested to inform the R&TA immediately about the change in residential status on their return to India, if any.
8. Members who hold shares in dematerialised form are requested to quote their Client ID and DP ID numbers for easy identification for attendance at the meeting.
9. Nomination Facility: Members holding shares in the physical form and desirous of making/changing Nomination in respect of their shareholdings in the Company, as permitted under Section 72 of the Companies Act, 2013 and Rules made thereunder, are requested to submit the prescribed Form No. SH-13, as applicable for this purpose to the Company's Registrar and Share Transfer Agents (RTA), Link Intime India Private Limited, who will provide the form on request. In respect of shares held in electronic / demat form, the Members may please contact their respective depository participant.
10. A person, whose name is recorded in the register of members or in the register of beneficial owners of the Company, as on the cut-off date i.e. Wednesday, 23rd December, 2020 only shall be entitled to avail the facility of e-voting, either through remote e-voting and voting at the AGM. A person who is not a member as on the cut-off date should treat this notice for information purposes only.

11. The Register of Members and the Share Transfer Books of the Company will remain closed from 23rd December, 2020 to 30th December, 2020 (both days inclusive). The dividend on equity shares as recommended by the Board of Directors, if declared, will be payable to those Equity Shareholders whose names stand on the Register of Members of the Company on 23rd December, 2020 and in respect of shares held in the electronic form, the dividend will be payable to the beneficial owners as per details furnished by the Depositories for this purpose.
12. Members are requested to notify immediately any change of address;
 - i. To their Depository Participants (DPs) in respect of their electronic shares account, and
 - ii. To the Company's Registrars, M/s Link Intime India Pvt. Ltd. in respect of their physical shares, if any, quoting their folio numbers.
13. 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.
14. All unclaimed dividends up to and including the year 2011-12 have been transferred to the credit of 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 claims 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 and on the website of the Ministry of Corporate Affairs.
15. The Securities and Exchange Board of India (SEBI) has amended Regulation 40 of SEBI LODR. Pursuant to amended Regulation 40 of SEBI LODR, effective from 01st April, 2019, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository. The Company in this regard has sent letters to the shareholders holding shares in physical form informing them about the above requirement. All shareholders holding shares in physical form are requested to demat their shares at the earliest.
16. 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/Link Intime India Pvt. Ltd.
17. **Voting through Electronic means:**

In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide members, the facility to exercise their right to vote at the Thirty Fourth Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting Services provided by the Central Depository Services (India) Limited (CDSL):

The instruction for members for voting electronically is as under:

 - i. The voting period begins on Sunday, 27th December, 2020 (9:00 AM) and ends on the Tuesday, 29th December, 2020 (5:00 PM). During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) of Wednesday, 23rd December, 2020, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

- iii. Log on to the e-voting website www.evotingindia.com
- iv. Click on Shareholders/Members.
- v. 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.
- vi. Next enter the image Verification as displayed and click on Login.
- vii. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then our existing password is to be used.
- viii. If you are a first time user, follow the steps given below:

		For Members holding shares in demat form and physical form
PAN		Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholder as well as physical shareholder)
		<ul style="list-style-type: none"> • 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 mail in PAN field. • 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 Mr. Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.
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. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member ID/folio number in the dividend bank details field as mentioned in instruction iv.

- ix. After entering this details appropriately, click on "SUBMIT" tab.
- x. 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, where in 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.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Select on the EVSN (ELECTRONIC VOTING SEQUENCE NUMBER) of NIKHIL ADHESIVES LIMITED on which you choose to vote.
- xiii. 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.
- xiv. Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolution details.
- xv. 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.
- xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

- xvii. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xviii. 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.
- xix. Shareholders can also cast their vote using CDSL’s mobile app “**m-Voting**” available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

Instructions for shareholders attending the AGM through VC/OAVM are as under:

- i. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholders/members login where the EVSN of Company will be displayed.
- ii. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- iii. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- iv. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at rachana.baria@nikhiladhesives.com. These queries will be replied to by the company suitably by email.
- vi. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

Instructions for shareholders for e-voting during the AGM are as under:-

- i. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- ii. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- iii. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- iv. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

Note for Non-individual shareholder and custodian:

- i. Non-Individual shareholders (i.e. other than individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as corporate.

- ii. A scanned copy of the registration form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- iii. 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.
- iv. The list of account linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- v. 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 scrutiniser to verify the same.
- vi. Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; dmz@dmzaveri.com and rachana.baria@nikhiladhesives.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- vii. 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, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

Other General Information

1. Since the meeting will be conducted through VC/OAVM facility, the Route Map is not annexed in this Notice.
2. The voting rights of shareholders shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date (record date) of the Wednesday, 23rd December, 2020.
3. Mr. Dharmesh Zaveri, Practicing Company Secretary & Proprietor of M/s D. M. Zaveri & Co., has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner. The Scrutiniser 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 Scrutiniser shall submit a consolidated Scrutiniser'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.
4. The result declared along with the Scrutiniser report shall be placed on the Company's website www.nikhiladhesives.com. The result will also be communicated to the stock exchange where the shares of the Company are listed.
5. 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 30th December, 2020.
6. All documents referred to in the accompanying Notice and 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.
7. The Company has been maintaining, inter alia, the following statutory registers at its registered office at Mumbai;

- i) Register of contracts or arrangements in which directors are interested under section 189 of the Act.
- ii) Register of Directors and Key Managerial Personnel and their shareholding under section 170 of the Act.

In accordance with the MCA circulars, the said registers shall be made accessible for inspection through electronic mode, which shall remain open and be accessible to any member during the continuance of the meeting.

1. Persons who have acquired the shares of the Company after the dispatch of the Annual Report and are members as on 23rd December, 2020 (being record date for the purpose of voting), may send a request for obtaining their User ID and Password to rnt.helpdesk@linkintime.co.in or contact Link Intime India Pvt. Ltd. on 022-4918 6000/022- 4918 6270.

Contact Details

Company	M/s Nikhil Adhesives Limited Registered Office: 315, The Summit Business Bay, Behind Gurunanak Petrol Pump, Opp. Cinemax, Andheri Kurla Road, Andheri (East), Mumbai – 400093. Tel: 022-2683 6564/58/59 Fax: 022-26840854 Email ID: ho@nikhiladhesives.com CIN: L51900MH1986PLC041062
Registrar and Share Transfer Agent	M/s. Link Intime India Private Limited C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai-400 083 Tel: 022 49186000/6270 Fax: 022-4098 6060 Email ID: rnt.helpdesk@linkintime.co.in
e-Voting Agency	Central Depository Services (India) Limited Email ID: helpdesk.evoting@cdslindia.com
Scrutiniser	CS Dharmesh Zaveri Practicing Company Secretary Office No. 145, 1 st Floor, Kesar Residency, Charkop Sector 3, Kandivali (West), Mumbai – 400067 Tel: 022-28679660 Email ID: dmz@dmzaveri.com

**By order of the Board of Directors
For, Nikhil Adhesives Limited**

**Sd/-
Umesh. J. Sanghavi
Managing Director**

**Date: 13th November, 2020
Place: Mumbai
DIN: 00491220**

ANNEXURE TO NOTICE

Item No. 4

This is an Ordinary Business as per the accompanying notice and as such not mandatory to provide a statement thereon. However the same has been provided for reference of shareholders.

Statutory Auditor M/s. PHD & Associates, Chartered Accountants, were appointed as a Statutory Auditor in 23rd Annual General Meeting (AGM) of the members for a period of 10 years, subject to ratification of the appointment after a period of 5 years. Their term would expire in the ensuing AGM according to Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014. The Board of Directors of the Company ('the Board') places on record the valuable services provided by them during their tenure as auditors of the Company.

On the approval of the Audit Committee ('the Committee'), the Board has recommended approval by the Members for appointment of M/s. PPV & Co., Chartered Accountants (Registration No. 153929W) as a Statutory Auditors, for a period of 5 consecutive years commencing from the conclusion of this AGM till the conclusion of 39th AGM in the place of the existing Statutory Auditor.

The Company has received consent from M/s. PPV & Co., Chartered Accountants under Sections 139 and 141 of the Companies Act, 2013 confirming their eligibility to be appointed as a Statutory Auditors of the Company.

None of the Directors and/or Key Managerial Personnel of the Company and/or their respective relatives is concerned or interested, financially or otherwise, in this Ordinary Resolution set out at Item No. 4 of the Notice.

Members are requested to consider the same and accord their approval for appointment of M/s. PPV & Co., Chartered Accountants as a Statutory Auditors of the Company for a term of five years.

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

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

Item No. 5

Messrs B. F. Modi & Associates, Cost Accountants, (Firm Registration No. 10064) were appointed as a Cost Auditors for the year ending 31st March, 2021 by the Board of Directors on the recommendation of the Audit Committee at a remuneration of ₹ 50,000/- p.a. Goods and Services Tax applicable thereon and reimbursement of travelling 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 has 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 at Item No.5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2021.

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. 5 of the Notice.

Item No. 6

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("LODR Regulations") an Independent Director shall hold office for a term up to five

consecutive years on the Board of the Company and shall be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board Report.

Mrs. Ishita T. Gandhi (DIN: 07137098) was appointed as an Independent Directors (Non-Executive) of the Company for a period of five (5) years commencing from 28.03.2015, and approved by the shareholders in the 29th Annual General Meeting of the members.

The Nomination and Remuneration Committee on the basis of her skills, experience, knowledge and report of her performance evaluation, has recommended re- appointment of Mrs. Ishita T. Gandhi (DIN: 07137098) as Non-Executive Independent Director for a second term for 5 years on the Board of the Company.

The Board of Directors of the Company at their meeting held on 30th July, 2020, based on the recommendations of the Nomination & Remuneration Committee, subject to the approval of the shareholders, have approved the appointment of Mrs. Ishita T. Gandhi (DIN: 07137098) as Non-Executive Independent Director in terms of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), to hold office for a second consecutive term of five years effective from 27.03.2020 and she shall not be liable to retire by rotation.

The Company has received a notice in writing from the Directors under Section 160 of the Companies Act, 2013, proposing her candidature for the office of Independent Directors of the Company.

Mrs. Ishita T. Gandhi, a Chartered Accountant, would bring immense experience to the Board as she possess with skills and knowledge in the areas of management, administration and corporate governance and she is highly qualified in the field of finance, accountancy and taxation matters.

The Company has received a declaration from Mrs. Ishita Gandhi confirming that she meets the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013, the rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, she fulfils the conditions specified in the said Act and the rules made thereunder and is independent of the management.

Except for the Directors being appointed and their relatives, none of the Directors / Key Managerial Personnel of the Company / their relatives, in any manner, concerned or interested, financially or otherwise, in the respective resolution set out at Item No. 6 of the Notice.

The Board recommends the Special resolution set out at the Item No. 6 of the Notice for approval by the shareholders.

Item No. 7, 8 and 9

In pursuance of the Corporate Governance guidelines of the Company and pursuant to the recommendation of the Board, and Nomination and Remuneration Committee. In view of the years of industry experience in various fields, and considering the progress made by the Company during the tenure of their Directorship, the Board, subject to the approval of Members, re-appointed Mr. Umesh J. Sanghavi as a Managing Director, Mr. Rajendra J. Sanghavi as a Whole Time Director, and Mr. Tarak J. Sanghavi as a Whole Time Director of the Company for a term of 3 years effective 01st January, 2021 to 31st December, 2023.

The said Directors were appointed in their respective positions in the Annual General Meeting held on 28th September, 2017 for the tenure of 3 years which were effected from 01st January, 2018 to 31st December, 2020, 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 terms and conditions of their appointment and remuneration payable to them will be as provided in the resolution set out in this resolution. Accordingly, the consent of members is sought by this resolution and re-

appoint these 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 Appointees' tenure, as may be agreed to by and between the Board and the respective Appointees.

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

- I. The remuneration payable to each Appointees 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 Appointees.
- II. A motor car with chauffeur shall be provided to the Managing Director 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 Appointees 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' 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 Appointees 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 Appointees 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 Directors, the Company has no profits or its profits are inadequate, the Company will pay to the Managing Director / Whole Time Directors, 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.

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.

Disclosure required pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 of ICSI

Name of the Director	Mr. Rajendra J. Sanghavi	Mr. Umesh J. Sanghavi	Mr. Tarak J. Sanghavi	Mrs. Ishita Gandhi
Director Identification Number	00245637	00491220	00519403	07137098
Date of Birth	11.12.1955	27.06.1957	02.10.1962	18.12.1966
Date of Appointment	Since inception	Since inception	Since inception	28.03.2015
Status	Whole Time Director	Managing Director	Whole time Director	Non-Executive/Independent Director
Qualification	Diploma in Engineering	B.com	B.com	Chartered Accountant
Expertise in specific functional type	Businessman	Businessman	Market Analysis and Commercial Management	Finance and Accountancy
Terms and Conditions of Appointment/Re-appointment	Re-appointment on basis of expiry of his prior term of 3 years	Re-appointment on basis of expiry of his prior term of 3 years	Re-appointment on retiring by rotation & expiry of his prior term of 3 years.	As per Explanatory Statement
Directorship of Other Companies	None	None	None	None
Chairman/Member in the Committees of the Boards of companies	Chairman of the Board of Director of the Company and Member of Corporate Social Responsibility Committee	Member of Corporate Social Responsibility Committee	Member of Corporate Social Responsibility Committee and Stakeholders Relationship Committee	Chairman of Audit Committee and Stakeholders Relationship Committee and Members of Nomination & Remuneration Committee
Shareholding (No. of Shares)	1,19,700 shares	95,340 shares	112490 shares	1000 shares
Disclosure of relationships between Directors inter se	Mr. Umesh J. Sanghavi & Mr. Tarak J. Sanghavi are brothers of Mr. Rajendra J. Sanghavi	Mr. Tarak J. Sanghavi & Mr. Rajendra J. Sanghavi are brothers of Mr. Umesh J. Sanghavi	Mr. Umesh J. Sanghavi & Mr. Rajendra J. Sanghavi are brothers of Mr. Tarak J. Sanghavi	Not Related

**By order of the Board of Directors
For, Nikhil Adhesives Limited**

Sd/-

**Date: 13th November, 2020
Place: Mumbai**

**Umesh. J. Sanghavi
Managing Director
DIN: 00491220**

Mahacol®
The Right Adhesive
Since 1971



***SEASONS GREETINGS FROM THE BEST
WOOD WORKING ADHESIVES***



If undelivered Please return to :
Nikhil Adhesives Ltd.

Office No. 315, The Summit Business Bay, Opp. Cinemax Theatre, Andheri (E), Mumbai-93