

29th ANNUAL REPORT 2014 – 2015

BOARD OF DIRECTORS

Mr.Rajendra.J.Sanghavi	Executive Chairman
Mr.Umesh.J.Sanghavi	Managing Director
Mr.Tarak.J.Sanghavi	Executive Director
Mr.S.R.Sanghavi (up to 12.04.2015)	Non Executive, Independent Director
Mr.Madhusudhan M. Vora	Non Executive, Independent Director
Mr.H.S.Kamath	Non Executive, Independent Director
Mrs. Ishita Gandhi (from 28.03.2015)	Non Executive, Independent Director

AUDITORS

PHD & Associates
Chartered Accountants

BANKERS

Bank of India
Standard Chartered Bank
Yes Bank Ltd.

COMPANY IDENTIFICATION

NUMBER (CIN) :
L51900MH1986PLCO41062

REGISTRARS AND TRANSFER AGENTS

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

REGISTERED OFFICE :

Shreeji Industrial Estate,
Vadkun, College Road,
Dahanu,
Dist- Palghar – 401062

CONTENTS	
NOTICE	02
DIRECTORS REPORT	08
MANAGEMENT DISCUSSION & ANALYSIS REPORT	25
REPORT ON CORPORATE GOVERNANCE	27
ACCOUNTS	
AUDITORS REPORT	35
BALANCE SHEET	38
STATEMENT OF PROFIT AND LOSS	39
NOTES FORMING PART OF FINANCIAL STATEMENTS	40
CASH FLOW STATEMENT	66
ATTENDANCE SLIP	67

NOTICE

Notice is hereby given that the **Twenty Ninth Annual General Meeting** of **Nikhil Adhesives Limited** will be held on Saturday the 26th September, 2015 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, 2015 including Audited Balance Sheet as at 31st March, 2015 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
- 2) To appoint a Director in place of Shri. R. J. Sanghavi (DIN: 00245637), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
- 3) To re-appoint M/s. PHD & Associates, Chartered Accountants, (Firm Registration Number: 111236W) the retiring auditors, as Auditors of the Company pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and rules framed there under for further period of up to five financial years starting from April 1, 2015 to hold office from the conclusion of this Annual General Meeting until the conclusion of the next five Annual General Meeting(s) of the Company, subject to ratification of the appointment by members at every Annual General Meeting held after this Annual General Meeting, on such remuneration as shall be decided by the Board of Directors of the Company from time to time.

SPECIAL BUSINESS

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

“RESOLVED THAT Smt. Ishita Gandhi (DIN:07137098) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 28th March, 2015 under Section 161(1) of the Companies Act, 2013 (“the Act”) and The Companies (Appointment and Qualification of Directors) Rules, 2014, who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act signifying his intention to propose the candidature of Smt. Ishita Gandhi (DIN: 07137098) for the office of Director, be and is hereby appointed as a Director of the Company.

FURTHER RESOLVED that pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement with the stock exchange, Smt. Ishita Gandhi (DIN:07137098) who has submitted a declaration that she meets the criteria of independence under Section 149(6) of the Act, and qualifies for being appointed as an Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years with effect from 28th March , 2015, not liable to retire by rotation.”

- 5) **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 there under, as amended from time to time and such other permissions as may be necessary, the payment of remuneration of Rs 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, 2016, be and is hereby ratified and approved.

FURTHER RESOLVED 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) A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
- 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.
- 4) The Register of Members and the Share Transfer Books of the company will remain closed from **19th September, 2015 to 26th September, 2015** (both days inclusive).
- 5) 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
- 6) 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.
- 7) 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.
- 8) Pursuant to the provisions of section 205A and 205C of the Companies Act, 1956 as amended, the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF). Shareholders are requested to ensure that they claim the dividend(s) from the Company before transfer of the said amounts to the IEPF.
- 9) 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.
- 10) 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.
- 11) 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 Twenty Ninth 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 Wednesday, 23rd September, 2015 (10:00 am) and ends on the Friday, 25th September, 2015 (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 Saturday the 19th September, 2015, 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”.
- (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 your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For member 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 the name and address sticker/Ballot form/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 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(s).

- (ix) After entering these 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 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.
- (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 “RESOLUTIONS 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 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) 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 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 helpdesk.evoting@cdslindia.com.
- (c) 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 helpdesk.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 , under help section or write an email to helpdesk.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 Saturday, 19th September, 2015.
- 3) Shri. Dhiren V. Vakharia, Partner M/s PHD & Associates, Chartered Accountants 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 three 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 three 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. 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 26th September, 2015.
- 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 19th September, 2015 (being record date for the purpose of voting), may send a request for obtaining their User ID and Password to helpdesk.evoting@cdslindia.com or shareindia@vsnl.com or contact Mr. Mahendra of Sharex Dynamic (India) Private Limited on 022-28515616/28515644.

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

The Board of Directors of the Company at its meeting held on 28th March, 2015 on the recommendation of Nomination and Remuneration Committee, appointed Smt. Ishita Gandhi as an Additional Director (Non-executive Independent) under Section 161(1) of the Companies Act, 2013 and Article 94 of the Articles of Association of the Company and she holds office as such up to the date of this Annual General Meeting. The Company has received notices in writing along with requisite deposit from a member under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director of the Company.

In terms of provisions of Section 149 and 152 of the Companies Act, 2013 which became effective from 1st April, 2014, an Independent Director of a company can be appointed for a term of five consecutive years and shall not be liable to retire by rotation. Accordingly, it is proposed to appoint Smt. Ishita Gandhi as an Independent Director of the Company to hold office as such for a period of 5 years i.e. up to 31st March, 2020, not liable to retire by rotation.

Smt. Ishita Gandhi has given a declaration pursuant to Section 149(7) of the Companies Act, 2013, to the effect that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. In the opinion of the Board, Smt. Ishita Gandhi fulfills the conditions specified in the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement for her appointment as an Independent Director of the Company and is independent of the management. The draft letter for appointment of Smt. Ishita Gandhi as an Independent Director is available for inspection by any member at the Registered Office of the Company during 11:00am and 1:00pm on all working days of the Company up to and including the date of this Annual General Meeting and will also be available for inspection at the venue of the said Meeting.

The Board considers that her association would be of immense benefit to the Company and it is desirable to avail services of Smt. Ishita Gandhi as an Independent Director. Smt. Ishita Gandhi would bring with her immense experience to the Board, being Chartered Accountant by qualification, interalia in the areas of management, administration and corporate governance. Accordingly, the Board recommends the resolution in relation to appointment of Smt. Ishita Gandhi as an independent Director for five consecutive years for a term up to 31st March, 2020 for the approval by the members of the Company.

Except Smt. Ishita Gandhi, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item no.5. This explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the stock exchanges.

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, additional information required to be furnished in respect of Smt. Ishita Gandhi is set out in the Annexure to the Notice.

Item No. 5

Messrs B. F. Modi & Associates, Cost Accountants, were appointed as Cost Auditors for the year ending 31st March, 2016 by the Board of Directors on the recommendation of the Audit Committee at a remuneration of Rs. 50,000/- plus Service Tax as 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 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.6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2016.

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.

Disclosure pursuant to Clause 49 of the Listing Agreement relating to Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting:

Name of the Director	Mr. Rajendra. J. Sanghavi	Mrs. Ishita Gandhi
Date of Birth	11.12.1955	18.12.1966
Date of Appointment	Since Inception	28.03.2015
Status	Executive Chairman	Non-Executive, Independent Director
Qualification	Diploma in Engineering	Chartered Accountant
Expertise in specific functional type	Businessman	Accounts & Finance
Directorship of Other Companies	Sanghavi Logistics Private Limited	None
Shareholding (No. of Shares)	1,19,700	1,000

Registered Office:
Shreeji Industrial Estate,
Vadkun, College Road, Dahanu,
Dist. Palghar – 401 602
Date : 30th May , 2015

By order of the Board of Directors

(Umesh J. Sanghavi)
Managing Director

DIRECTORS REPORT

To The Members of Nikhil Adhesives Limited

The Board of Directors is pleased to present the Twenty Ninth Annual Report together with the Audited Accounts for the financial year ended 31st March 2015.

FINANCIAL HIGHLIGHTS:

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

	(₹ in 000's)	
	Financial Year 2014 - 2015	Financial Year 2013 – 2014
Gross Profit Before Depreciation and Tax	23,534	27,884
Less :- Depreciation	18,153	24,176
	-----	-----
Profit Before Tax	5,381	3,708
Less :- <u>Provision for Taxation</u>		
Current Tax	-	-
Deferred Tax	1,579	1,059
	-----	-----
Profit After Tax	3,802	2,649
Add :- Balance Brought Forward	22,973	20,324
	-----	-----
Profits Available For Distribution	26,775	22,973
	-----	-----
Balance Carried Forward to Balance Sheet	26,775	22,973

DIVIDEND

In view of low profits after tax for the financial year 2014 -15, your Directors express their inability to declare any dividend.

RESULT OF OPERATIONS

The Financial Year 2014-2015 ushered a phase of positive outlook and optimism in the country due to decisive political mandate, which resulted in an overall improvement in the economic outlook. However, the global economy remained lukewarm mainly due to sharp fall in the commodity prices particularly crude oil. This coupled with volatility in foreign exchange market, affected the profitability of your company.

During the financial year 2014-15 ,the sales turnover of your company has increased from ₹25826 lakhs to ₹28355 lakhs registering growth of 9.79%. Other income for the year is ₹33 lakhs as against ₹18 lakhs for the previous year. The operating profit before depreciation and tax is ₹235.34 lakhs compared to ₹278.84 lakhs in the previous year registering 15.60% decrease due to forex losses and volatility in raw material prices.

The net profit after depreciation and tax is improved to ₹38.02 lakhs compared to ₹26.49 lakhs for the previous year. Net profit of ₹38.02 lakhs for the current year is after providing for deferred tax of ₹15.79 lakhs.

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

SUBSIDIARY COMPANY

During the year under report, M/s Sanghavi Logistics Private Limited ceased to be the subsidiary of the company.

PUBLIC DEPOSITS

During the year under review, the Company has not accepted any Public Deposits and there were no unclaimed deposits or interest thereon as on 31st March, 2015.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, 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 its meeting held on 14th February, 2015 noted that in 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 2014-15. 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, 2015, 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, 2015 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 and option contracts to hedge its exposure to movements in foreign exchange rate. The use of this foreign exchange forward and option contracts reduces the risk /cost 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 oversight 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 mis-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, Shri. R.J. Sanghavi (DIN: 00245637), Director shall retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment as a Director of the Company.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Smt. Ishita Gandhi (DIN:071337098) was appointed as an Additional Director in the category of Non-executive Independent Director w.e.f. 28th March, 2015 and she holds office as such up to the date of ensuing Annual General Meeting. Smt. Ishita Gandhi is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. The Company has received requisite notice in writing from a member proposing her candidature as an Independent Director at the ensuing Annual General Meeting. Your Board based on the recommendation of the Nomination and Remuneration Committee recommends appointment of Smt. Ishita Gandhi as Independent Director not liable to retire by rotation for a period of 5 years with effect from 28th March, 2015.

The details of Directors/Managing Director seeking appointment/re-appointment as required under Clause 49 of the Listing Agreement with Stock Exchanges are given in the Notice of the ensuing Annual General Meeting, which is being sent to the shareholders along with Annual Report.

DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors of your Company have individually and severally given a declaration pursuant to Section 149(7) of the Companies Act, 2013 affirming compliance to the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement with stock exchanges. Based on the declaration(s) of Independent Directors, the Board of Directors recorded its opinion that all Independent Directors are independent of the Management and have full filled the conditions as specified in the Companies Act, 2013 rules made thereunder as well as relevant provisions of Clause 49 of the Listing Agreement with stock exchange.

KEY MANAGERIAL PERSONNEL

During the year under review the Board of Directors on the recommendation of the Nomination and Remuneration Committee appointed Mr. Yogendra.A.Nakre as Chief Financial Officer of the company.

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

Pursuant to the Provisions of the Companies Act, 2013 and as stipulated under Clause 49 of 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, inter alia, 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, inter alia, 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 IRREMUNERATION

The Board of Directors in consonance with the recommendation of Nomination and Remuneration Committee (NRC) has adopted a terms of reference which, inter alia, deals with the manner of selection of Directors and the Key Managerial Personnel of the Company. The NRC recommends appointment of Director/appointment or 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, view points, 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

Messrs 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. Since Messrs PHD & Associates have been functioning as Auditors of the Company since last five consecutive years, the Board of Directors unanimously agreeing to the recommendation of the Audit Committee, further recommends re-appointment of Messrs PHD & Associates as Statutory Auditors of the Company for another term of 5 (five) years from the conclusion of the ensuing Annual General Meeting (29th AGM) till the conclusion of fifth consecutive Annual General Meeting (34th AGM) hereafter, subject to ratification by shareholders in every Annual General Meeting, which is in accordance with the provisions of Section 139 read together with other provisions of Chapter X of the Companies Act, 2013 and the Rules made there under. A certificate has been received from them to the effect that their appointment as Auditors, if made, would be in accordance to the provisions of Section 139 and 141 of the Companies Act, 2013 and rules framed thereunder.

The Board of Directors has appointed Messrs B.F. Modi and 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 V. A. Vakharia & Associates, Company Secretaries were appointed to undertake the Secretarial Audit of the Company for the year ended 31st March, 2015. There are no adverse remarks or observations made by Messrs V A Vakharia & Associates in the Secretarial Audit Report except for the non appointment of the Company Secretary by the company, required as per the provisions of Section 203 of the Companies Act, 2013 The Report of the Secretarial Auditor is given in Annexure-I, which is attached hereto and forms a part of the Directors' Report.

The Company is in the process of appointing a Company Secretary.

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-III 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.

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.

On Behalf of the Board of Directors

Place : Mumbai
Date : 30th May 2015

(Rajendra J. Sanghavi)
Chairman

ANNEXURE I
FORM No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

[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

We 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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit and the representations made by the Company, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 generally 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:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by Company for the financial year ended on 31st March, 2015 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made there under;
- 2) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 ;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - 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;
 - h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998;
 - i) Other laws applicable to the Company as per the representations made by the Management.

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

- (i) The Listing Agreement entered into by the Company with BSE Limited.
- (ii) Secretarial Standards with respect to Board and General meetings of The Institute of Company Secretaries of India –Not examined as they were not in force as on the date of this report.

During the period under review and as per the explanations and clarifications given to us and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above. However, the Company has not yet appointed Company Secretary as required under the provisions of Section 203 of the Companies Act, 2013.

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

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

Decisions at the Board Meetings, as represented by the Management, were taken unanimously.

We further report that as per the explanations given to us and the representations made by the Management and relied upon by us 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 guidelines etc.

We further report that during the audit period there were no major events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc. However the company has passed following Special Resolutions in the Annual General Meeting held on 27th September, 2014.

- (a) Creation of charge/Mortgage etc. on company's movable or immovable properties in terms of Section 180(1) (a) of the Companies Act, 2013
- (b) In respect of Borrowing Limit of Rupees 100 Crores in terms of Section 180 (1) (c) of the Companies Act, 2013
- (c) Acceptance of Deposits in terms of Section 73 to 76 of the Companies Act, 2013

For V A Vakharia & Associates

Company Secretaries

V A Vakharia

Proprietor

FCS No: 557 CP No:9973

Place : Mumbai

Date : 30th May, 2015

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

To,

The Members,

NIKHIL ADHESIVES LIMITED

Our report of even date is to be read along with this letter.

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

For V A Vakharia & Associates

Company Secretaries

V A Vakharia

Proprietor

FCS No: 557 CP No:9973

Place : Mumbai

Date : 30th May, 2015

**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 2014-15 (Rs.)	Remuneration Paid for FY 2013-14 (Rs.)	% increase in remuneration In the F Y 2014-15	Ratio/Times Per median of employee remuneration
1.	Mr.Rajendra Sanghavi	Chairman	10,08,000/-	10,08,000/-	-	4.63
2.	Mr.Umesh Sanghavi.	Managing Director	13,16,048/-	13,16,048/-	-	6.05
3.	Mr.Tarak Sanghavi.	Director	10,08,000/-	10,08,000/-	-	4.63
4.	Mr.Yogendra Nakre	CFO	4,08,000/-	4,08,000/-	-	1.87

2. Percentage increase in median remuneration:

Median remuneration of employees in FY 2014-15 (Rs.)	Median remuneration of employees in FY 2013-14 (Rs.)	Percentage increase/decrease
2,17,704/-	1,74,995/-	24.41%

3. No. of permanent employees as on 31.3.2015 : 153 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 31.03.2015	As on 31.03.2014	Percentage increase
Market Capitalization of the Company	Rs.10,82,61,540/-	Rs.8,43,11,595/-	28.41%
PE Ratio	28.37	31.84	NA
Closing Market Share Price (BSE)	27.80	21.65	28.41%

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 2014-15	Percentile increase in managerial personnel remuneration in FY 2014-15	Justification
19.24%	There is no increase in managerial personnel remuneration for FY 2014-15.	The average percentile increases in the salaries of employees others than managerial personnel in FY 2014-15 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 5 employees who have received remuneration in excess of the highest paid Director. Their ratios to the highest paid director are 1.04, 1.07, 1.52, 1.64 and 3.50.

10. This is to affirm that the above remuneration is paid as per the Remuneration Policy of the Company

For and on behalf of the Board of Director

Place : Mumbai
Date : 30th May 2015

(Rajendra J. Sanghavi)
Chairman

**ANNEXURE III
FORM NO.MGT-9**

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31STMARCH, 2015
[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN:	L51900MH1986PLC041062
Registration Date	29.09.1986
Name of the Company	Nikhil Adhesives Limited
Category/Sub-Category of the Company	Public Limited Company
Address of the Registered Office and contact details	Shreeji Industrial Estate, Vadkun College Road, Dahanu, Dist-Palghar, Maharashtra PIN Code-401602
Whether listed Company	Listed Company (BSE LTD.)
Name, Address and Contact details of Registrar and Transfer Agent, if any	Sharex Dynamic (India) Pvt. Ltd. Unit No.1 Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East) Mumbai-400077

II. BUSINESS ACTIVITIES OF THE COMPANY

Sr.No.	Name and Description of main Products/ Services	NIC Code of the Product/Service	% to total turnover of the Company
1.	Polymeric Emulsions Adhesives, Plasticizers & solvent based Adhesives	24295	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name & address of the company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held
N.A.				

IV. SHAREHOLDING PATTERN

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year as on 01.04.2014				No. of Shares held at the end of the year as on 31.03.2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promotor									
(1) Indian									
(a) Individual/HUF	2501010	-	2501010	64.222	2501010	-	2501010	64.222	-
(b) Central Government	-	-	-	-	-	-	-	-	-
(c) State Government(s) –through a Corporation	-	-	-	-	-	-	-	-	-
(d) Bodies Corporate	-	-	-	-	-	-	-	-	-
(e) Bank/FI	-	-	-	-	-	-	-	-	-
(f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total(A)(1)	2501010	-	2501010	64.222	2501010	-	2501010	64.222	-
(2) Foreign									
(a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
(b) Other-Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corporate	-	-	-	-	-	-	-	-	-
(d) Bank/FI	-	-	-	-	-	-	-	-	-
(f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total(A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	2501010	-	2501010	64.222	2501010	-	2501010	64.222	-
B. Public Shareholding									
(1) Institutions									
(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)	-	-	-	-	-	-	-	-	-
Sub-Total(B)(1)	-	900	900	0.023	-	900	900	0.023	-
(2)Non-Institutions									
(a)Bodies Corporate									
(i)Indian	466448	4200	470648	12.086	479784	4200	483984	12.428	0.342
(ii)Overseas	-	-	-	-	-	-	-	-	-
(b)Individuals	-	-	-	-	-	-	-	-	-
(i)Individual Shareholders holding nominal Share Capital up to Rs.1 lac	351538	151730	503268	12.923	323747	147630	471377	12.104	-0.819
(ii)Individual Shareholders holding nominal Share Capital in excess of Rs.1 lac	399049	19000	418049	10.735	417904	19000	436904	11.219	0.484
(c)Others (Specify) -	-	-	-	-	-	-	-	-	-
(i)Trusts, Societies, etc.	-	-	-	-	-	-	-	-	-
(ii)NRIs/OCBs	425	-	425	0.011	125	-	125	0.003	-0.008
(iii)Clearing Members/Clearing House	-	-	-	-	-	-	-	-	-
Sub-Total(B)(2)	1217460	174930	1392390	35.755	1221560	170830	1392390	35.754	0.000
Total Public Shareholding (B)=(B)(1)+(B)(2)	1217460	175830	1393290	35.778	1221560	171730	1393290	35.777	0.000
C. Shares held by Custodian for GDRS & ADRs	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C)	3718470	175830	3894300	100	3722570	171730	3894300	100	0.000

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year as on 01.04.2014			Shareholding at the end of the year as on 31.03.2015			% 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)	53550	1.375	-	53550	1.375	-	-
2.	UMESH J. SANGHAVI (HUF)	54700	1.405	-	54700	1.405	-	-
3.	ASHOK J. SANGHAVI	455180	11.688	-	455180	11.688	-	-
4.	UMESH J. SANGHAVI	95340	2.448	2.448	95340	2.448	2.448	-
5.	RAJENDRA J.SANGHAVI	119700	3.074	3.074	119700	3.074	3.074	-
6.	ASHOK J. SANGHAVI (HUF)	300	0.008	-	300	0.008	-	-
7.	RAJENDRAJ.SANGHAVI (HUF)	55100	1.415	-	55100	1.415	-	-
8.	PAYAL A. SANGHAVI	700	0.018	-	700	0.018	-	-
9.	ANITA U. SANGHAVI	239740	6.156	-	239740	6.156	-	-
10.	MRUNALINI R.SANGHAVI	237080	6.088	-	237080	6.088	-	-
11.	VASANTBEN J.SANGHAVI	245360	6.300	6.300	245360	6.300	6.300	-
12.	VASANTBEN J. SANGHAVI (TRUST)	254900	6.545	-	254900	6.545	-	-
13.	NIKHIL U.SANGHAVI	86785	2.229	-	86785	2.229	-	-
14.	REKHA T.SANGHAVI	271440	6.97	-	271440	6.97	-	-
15.	TARAK J. SANGHAVI	112490	2.889	2.889	112490	2.889	2.889	-
16.	AVNI R. SANGHAVI	36150	0.928	-	36150	0.928	-	-
17.	HEMAL U. SANGHAVI	85785	2.203	-	85785	2.203	-	-
18.	SAGAR A.SANGHAVI	470	0.012	-	470	0.012	-	-
19.	JANKI T. SANGHAVI	32000	0.822	-	32000	0.822	-	-
20.	AMI T.SANGHAVI	32170	0.826	-	32170	0.826	-	-
21.	TULSI R. SANGHAVI	32070	0.824	-	32070	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			
Date wise Increase/ Decrease in Promoters Share holding during the year 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	Shareholding at the beginning of the year		Date	Increasing/Decreasing in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1.	VISHWANATHAN K	19000	0.488	01/04/2014				
	Closing Balance			31/03/2015			19000	0.488
2.	VISEN INDUSTRIES LTD.	93463	2.4	01/04/2014				
	-Closing Balance			31/03/2015			93463	2.4
3.	VASANT POLYMERS & CHEMICALS PVT LTD.	302000	7.755	01/04/2014				
	-Closing Balance			31/03/2015			302000	7.755
4.	PRAVIN KANTILAL VAKIL (HUF)	30150	0.774	01/04/2014				
				23/05/2014	500	Transfer	29650	0.761
				08/08/2014	83	Transfer	29567	0.759
				22/08/2014	83	Transfer	29650	0.761
				31/10/2014	300	Transfer	29350	0.754
	-Closing Balance			31/03/2015			29350	0.754
5.	VIJAY S NAIR	35192	0.904	01/04/2014				
				06/02/2015	2125	Transfer	33067	0.849
				13/02/2015	1601	Transfer	31466	0.808
	-Closing Balance			31/03/2015			31466	0.808
6.	SHARAD KANAYALAL SHAH	37600	0.966	01/04/2014				
	-Closing Balance			31/03/2015			37600	0.966
7.	MADHUSUDAN MANMOHANDAS VORA	40318	1.035	01/04/2014				
				14/11/2014	972	Transfer	39346	1.01
				21/11/2014	1475	Transfer	37871	0.972
	-Closing Balance			31/03/2015			37871	0.972
8.	UMESH MORARJI	81459	2.092	01/04/2014				
				04/04/2014	6695	Transfer	88154	2.264
				08/08/2014	300	Transfer	87854	2.256
				15/08/2014	300	Transfer	87554	2.248
				19/12/2014	1000	Transfer	88554	2.274
	-Closing Balance			31/03/2015			88554	2.274
9.	SANGEETHA S	56590	1.453	01/04/2014				
	-Closing Balance			31/03/2015			56590	1.453
10.	DIPAK KANAYALAL SHAH	90000	2.311	01/04/2014				
	-Closing Balance			31/03/2015			90000	2.311

(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	119700	3.074	119700	3.074
	At the End of the year	119700	3.074	119700	3.074
2.	Umesh Jayantilal Sanghavi				
	At the beginning of the year	95340	2.445	95340	2.445
	At the End of the year	95340	2.445	95340	2.445
3.	Tarak Jayantilal Sanghavi				
	At the beginning of the year	112490	2.889	112490	2.889
	At the End of the year	112490	2.889	112490	2.889
4.	M. M .Vora				
	At the beginning of the year	40318	1.04	40318	1.04
	At the End of the year	37871	0.972	37871	0.972
5.	Ishita Gandhi				
	At the beginning of the year	1000	0.03	1000	0.03
	At the End of the year	1000	0.03	1000	0.03
6.	H. S. Kamath				
	At the beginning of the year	1000	0.03	1000	0.03
	At the End of the year	200	0.01	200	0.01
7.	Yogendra Nakre				
	At the beginning of the year	-	-	-	-
	At the End of the year	-	-	-	-

II) INDEBTEDNESS

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

(Rs.in lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	312812905	107023786	19526825	439363516
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	1169937	-	1169937
Total(i+ii+iii)	312812905	108193723	19526825	440533453
Change in Indebtedness during the financial year				
•Addition	-	447000000	300000	-
•Reduction	109561622	402670552	19826825	-
NetChange	109561622	44329448	19526825	173417895
Indebtedness at the end of the financial year				
(i) Principal Amount	202201188	151353234	-	353554422
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total(i+ii+iii)	202201188	151353234	-	353554422

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director

(Amount in Rupees)

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 17(2)	13,16,048	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)	-	-	-
Total(A)		1316048	1008000	1008000
Ceiling as per the Act		Rs. 42 Lakhs as per Schedule V of the Companies Act, 2013.		

B. Remuneration to other Directors

Sr. No	Particulars of Remuneration	Name of Director				Total Amount (Rs. in lacs)
		M.M.Vora	H.S.Kamat	Ishita Gandhi	S.R.Sanghavi	
1.	Independent Directors	M.M.Vora	H.S.Kamat	Ishita Gandhi	S.R.Sanghavi	
	Fees for attending Board/Committee	37,500	22,500	-	7,500	67,500
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
Total(1)		37,500	22,500	-	7,500	67,500
2.	Other Non-Executive Directors					
	Fee for attending Board/Committee	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total(2)	-	-	-	-	-
Total(B)=(1+2)		-	-	-	-	67,500
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	
		Mr. Yogendra. A. Nakre	Total(Rs. in lacs)
1.	Gross salary (a)Salary as per provisions contained in section 17(1)of the IncomeTaxAct,1961 (b)Value of perquisites u/s17(2)Income Tax Act, 1961 (c)Profits in lieu of salary under section17(3) Income Tax Act, 1961	408000	408000
2.	Stock Options	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify	-	-
5.	Others, please specify–Retiral/Retirement benefits	-	-
Total(C)		408000	408000

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Sectionofthe Companies Act	BriefDescription	DetailsofPenalty/Punishment / Compounding feesimposed	Authority [RD/NCLT/COURT]	Appealmade,ifany(givedetails)
A.Company/ B.Directors/C.OtherOfficersinDefault					
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, 2015 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) Use efficient lighting by replacing incandescent bulbs with compact fluorescent (CFLs). It directly impacts energy bill reducing considerably.
- b) Installing VFD panels on steering systems of the vessels and reactors to improve energy consumption.
- c) Atomization to improve Power factor, thus reducing the power bill by consuming lesser energy.
- d) Use of steam boilers with economizers, which utilizes fuel gases to heat the water, thus resulting in considerable reduction in fuel consumption and pollution.
- e) Instructions to every staff member to turn off the electronic as well as electrical devices whenever not in use.
- f) Plantation on regular basis to help reducing carbon dioxide load.
- g) Avoiding wastage of water by efficient management of water consumption.

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.
- b) 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 : Three lakhs

(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 : Nil

(C) Foreign Exchange Earnings and Outgo:

Details of Foreign Exchange Earnings and out go are contained in Note No.36 respectively of the Notes to the Financial Statements.

On Behalf of the Board of Directors

Place : Mumbai
 Date : 30th May 2015

(Rajendra J. Sanghavi)
 Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT

The emulsion industry continues to be dominated by 7 major manufacturers and several small scale ones spread across the country. The political uncertainty that was prevailing in the earlier years leading to discomfort in the industry had been overcome with the swearing in of majority led government at the centre. This had given rise to a sense of “feel good” factor to the industries and better days ahead are anticipated. The fluctuation in the Rupee/dollar parity has stabilized and oil bill import has gone down due to a steep fall in the crude prices.

However it was difficult for most of the industries to immediately come out of the earlier years negative effects and in the process a few of our competitors tried to increase their volumes by resorting to offering even below cost rates. Despite this scenario your company did not resort to any distress selling as was being done by some of the competitors as the same would have been counter productive. Your company managed to keep its market share by focusing more on exports and also expanding the customer base.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

MANUFACTURING DIVISION

During the year the production has increased from 27707 M. Tonnes to 28908 M. Tonnes in terms of volume, registering growth of 4.23 %. In value terms the sales has increased from ₹16589 Lacs to ₹ 18647 Lacs registering a growth of 12%. It is pertinent to note that the share of industrial adhesives, which is an important product category from your company’s perspective, has increased.

TRADING DIVISION

In the trading segment, the turnover has decreased from ₹6829 Lacs to ₹6778 Lacs registering a nominal decline due to company’s conscious decision to focus on manufacturing activities as the raw material prices are highly volatile.

FOREIGN EXCHANGE FLUCTUATIONS

Your Company’s business is predominantly import-centric. Due to volatility in the foreign exchange market during the year under report, your company has incurred a foreign currency loss of ₹141.57Lacs as compared to loss of ₹459.10 Lacs in the previous year. Your company has reported lower profits of ₹38.02 Lacs (after deferred tax of ₹15.79 Lacs) primarily due to the said foreign currency fluctuation loss.

STRENGTH, OPPORTUNITIES, THREATS, RISKS, CONCERNS

Your company’s product mix can be broadly categorized into paint, adhesives, textiles and construction chemicals. Considering diversity of the end use where the products are supplied, this forms the intrinsic strength as there is no overdependence on any industry. Accordingly depending on the performance of the various segments thrust is given to generate volumes and profitability. Being associated with well known corporate in the paint sector your company seeks great opportunities as these companies have been continually performing well and their results show good growth every year. Similarly the opportunities for exports are huge and your company’s products are finding more and more acceptance in many countries. In the case of adhesives, some product not only have a good potential but also contribute significantly to value addition and thus these areas are being exploited more and more. The threat arising from activities of our competitors especially the MNC’s who have put up manufacturing units in India is being effectively neutralized due to our lower overhead costs and also products not being available in their range. However the one big concern, due to some of the large paint houses starting their own paint emulsion manufacture for captive consumption is being overcome by tapping more medium sized paint units who are financially sound and having reasonable presence in the market scenario.

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 executive 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

The industrial relations are cordial from inception till date.

OUTLOOK

Amongst its basket of products, your Company's major sales and focus pertain to the emulsions for the Paint Industry. Most of the major players in this industry have predicted a better growth in the decorative paint sector. Our emulsions are predominantly used for making decorative paints; which would certainly provide a greater fillip to our sales. The results also have been extremely encouraging in the other sectors including adhesives and the area of exports. All this augurs well for your Company in the coming months.

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.

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 Directors:

Name of the Director	Status	No. of Board Meetings attended	Attendance At Annual General Meeting	No. of other Director-ships	No. of other Committee Membership	
					Chairman	Member
Mr. R. J. Sanghavi	Executive Chairman, Promoter	6	Attended	1	-	-
Mr. U. J. Sanghavi	Managing Director, Promoter	6	Attended	1	-	-
Mr. T. J. Sanghavi	Executive Director, Promoter	6	Attended	Nil	-	-
Mr. M. M. Vora	Non-Executive, Independent Director	5	Attended	Nil	1	2
Mr. S. R. Sanghavi (upto 12.04.2015)	Non-Executive, Independent Director	2	Not Attended	Nil	1	2
Mr. H. S. Kamath	Non-Executive, Independent Director	4	Not Attended	Nil	1	2
Mrs. Ishita Gandhi (from 28.03.2015)	Non-Executive, Independent Director	NA	NA	Nil	1	2

Inter – se relationship between the Directors

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, 2015, Six Board Meetings were held on 30th May, 2014, 16th June, 2014, 14th August, 2014, 14th November, 2014, 14th February, 2015 and 28th March, 2015.

The 28th Annual General Meeting of the company was held on 27th September, 2014.

All material information are circulated to the Directors before the meeting or placed at the meeting including minimum information as required under Annexure-X to the Listing Agreement(s). 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 retiring by rotation and eligible for re-appointment, appointment of an Independent

woman Director 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 Clause 49. 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 th May, 2014
2.	Mr. S. R. Sanghavi (Member)(upto 12.04.2015)	Non Executive / Independent	4	2	14 th August, 2014 14 th November, 2014
3.	Mr. H. S. Kamath (Member)	Non Executive / Independent	4	4	14 th February, 2015
4.	Mrs. Ishita Gandhi (Member)(from 28.03.2015)	Non Executive / Independent	4	NA	

Stakeholders Relationship Committee

In terms of Section 178(5) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, your Company has rechristened the Shareholders / Investors' Grievance Committee as Stakeholders Relationship Committee (SRC).

Non-Executive Director heading the Committee	Mr. S. R. Sanghavi (upto 12.04.2015)
Non-Executive Director heading the Committee	Mrs. Ishita Gandhi (from 28.03.2015)
Compliance Officer	Mr. Yogendra.A Nakre
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 committee are in line with those prescribed by clause 49 of Listing Agreement with the Bombay Stock Exchange Ltd and with the provisions of Section 178(1) of the Companies Act, 2013 that inter alia include 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	1	30 th May, 2014
2.	Mr. S. R. Sanghavi (Member)(upto 12.04.2015)	Non Executive / Independent	1	1	
3.	Mr. M. M. Vora (Member)	Non Executive / Independent	1	1	
4.	Mrs. Ishita Gandhi (Member)(from 28.03.2015)	Non Executive / Independent	1	NA	

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 Schedule XIII of the Companies Act, 1956 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 2014 -15 are as follows:

Name of the Directors	Status	Salary (₹)	Contribution to Provident Fund (₹)	Comm-ission	Sitting Fees (₹)	Total (₹)	Contract Period (No. of years)
Mr. R. J. Sanghavi	Executive Chairman	9,00,000	1,08,000	-	-	10,08,000	5 Years
Mr. U. J. Sanghavi	Managing Director	11,75,400	1,41,080	-	-	13,16,448	5 Years
Mr. T. J. Sanghavi	Executive Director	9,00,000	1,08,000	-	-	10,08,000	5 Years
Mr. M. M. Vora	Non Executive/ Independent	N.A	-	-	37,500	37,500	N.A
Mr. H. S. Kamath	Non Executive/ Independent	N.A	-	-	22,500	22,500	N.A
Mr. S. R. Sanghavi (up to 12.04.2015)	Non Executive/ Independent	N.A	-	-	7,500	7,500	N.A
Mrs. Ishita Gandhi (from 28.03.2015)	Non Executive/ Independent	N.A	-	-	Nil	Nil	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.

Name of the Director.	Nature of Directorship	No of Shares held	Percentage to the paid-up capital
Mr. M. M. Vora	Independent	37871	0.97
Mr. H. S. Kamath	Independent	200	0.01
Mr. S. R. Sanghavi	Independent	Nil	Nil
Mrs. Ishita Gandhi	Independent	1000	0.03

Independent Directors Meeting:

During the year under review, a separate meeting of Independent Directors was held on March 30, 2015, interalia, 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 into 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

Pursuant to the governing provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, 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 timeliness 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 structured evaluation 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 familiarisation 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 29th September 2012, 28th September, 2013 and 27th September, 2014 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.42 of Notes to financial statements in the Annual Report.
- (b) Your Company has complied with the requirements of Stock Exchanges, 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 as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges to the extent applicable to your Company.
- (e) 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.
- (f) 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.
- (g) 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.
- (h) The Managing Director and the CFO have furnished a duly signed Certificate to the Board for the year ended March 31, 2015 in accordance with the provisions of Clause 49.IX of the Listing Agreement and the same has been placed in the Board Meeting held on May 30, 2015.
- (i) In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended, Shri. Yogendra. A. Nakre 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.

- (j) 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.
- (k) Your Company is familiarizing the Independent Directors on its Board on a quarterly basis and the details of familiarization programme is posted on the website of your Company and is available at the web link <http://www.nikhiladhesives.com>
- (l) 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 household 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).

General Shareholder Information

Sr. no	Particulars	
1	Annual general Meeting date, time, venue	26 th September, 2015, 11.00a.m. at Shreeji Industrial Estate Vadkun, College Road, Dahanu, Dist. Palghar – 401 602.
2	Date of Book closure	19 th September ,2015 to 26 th September, 2015 (both days inclusive)
3	Date of Payment of Dividend	-
4	<u>Financial Calendar (Tentative)</u> Unaudited financial result for the quarter ending 30 th June2015 Unaudited financial result for the quater ending 30 th September,2015 Unaudited financial result for the quater ending 31 st December,2015 Audited financial result for the year ending 31 st March,2016 Annual general meeting for the year ending 31 st march,2016	2 nd week of august,2015 2 nd week of November,2015 2 nd week of February,2016 4 th week of may,2016 September,2016
5	Listing of stock exchange	BSE ltd
6	Demat ISIN number of NSDL & CDSL	INE926C01014
7	Stock code on Mumbai stock exchange	526159
8	Grievance redressal division email ID	ami.sanghavi@nikhiladhesives.com

9 High / Low share price during last financial year (month wise)

Month	BSE (Rs)		SENSEX	
	HIGH	LOW	HIGH	LOW
April 2014	23.95	21.30	22,939	22,197
May 2014	25.00	20.70	25,375	22,277
June 2014	28.70	23.70	25,725	24,270
July 2014	29.85	25.35	26,300	24,892
August 2014	31.70	26.65	26,674	25,232
September 2014	33.10	24.00	27,354	26,220
October 2014	42.45	31.50	27,894	25,910
November 2014	57.00	44.55	28,822	27,739
December 2014	51.20	38.75	28,209	26,469
January 2015	52.80	42.10	29,844	26,776
Feburary 2015	53.85	37.10	29,560	28,044
March 2015	39.80	26.00	30,024	27,248

10 Distribution Schedule of Numbers of Shares as on 31.03.2015

Shares	No.of Holders	%	No. of Shares	%
Upto 100	714	49.24	58275	1.50
101 to 200	287	19.79	55695	1.43
201 to 500	235	16.21	98223	2.52
501 to 1000	104	07.17	89731	2.30
1001 to 5000	63	04.34	143474	3.68
5001 to 10000	13	00.19	92147	2.37
10001 to 100000	25	01.72	1118865	28.73
100001 and above	9	00.62	2237890	57.47
TOTAL	1450	100.00	3894300	100.00

11 Distribution Of Shareholding As On 31.03.2015

Category	No. of Share	% of Shareholding
A. Promoter's holding		
1. Promoters		
- Indian Promoters	25,01,010	64.222
- Foreign Promoters		
2. Persons acting in concert		
SUB TOTAL	25,01,010	64.222
B. Non-Promoters holding		
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)		
SUB TOTAL		
4. Others		
a. Bodies Corporate	470648	12.086
b. Indian Public	921317	23.658
c. NRI's / OCB's	-	-
d. Clearing Members	-	-
SUB TOTAL	392390	35.755
GRAND TOTAL	3894300	100.00

Sr.No	Particulars	
12	Registrars & Transfer Agents.	M/s Sharex Dynamic(India)Pvt. Ltd Registered Office : 17/B, Dena Bank Building , 2 nd Floor, Horminan Circle, Fort , Mumbai – 400 001 Branch office : 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 31.03.2015 is 3722570 i.e. 95.59% 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	PLANT 1: Shreeji Industrial Estate, Vadkun, College Road, Dahanu, Dist. Palghar – 401 602.

		<p>PLANT 2: Plot No.7, Govt Ind. Estate Phase- I, Piparia, Silvassa-396230</p> <p>PLANT 3: Plot No.D-2/CH/49, GIDC Estate, Dahej, Tal – Vagra. Dist. Bharush, Gujrat – 392130.</p>
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

DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERANCE TO THE CODE OF CONDUCT.

In accordance with Clause 49 sub – clause I(D) of the Listing Agreement with the Stock Exchange, I hereby confirm that, all the Directors and the Senior Management Personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the Financial Year ended March 31, 2015.

For Nikhil Adhesives Limited

(Mr. Umesh. J. Sanghavi)
Managing Director

Place : Mumbai
Date: 30th May, 2015.

MANAGING DIRECTOR AND CFO CERTIFICATION

The Board of Directors,
Nikhil Adhesives Limited,
Mumbai.

Re: Financial Statements for the year 2014 - 2015 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, 2015 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, 2015 which are 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.

(Mr. Umesh J. Sanghavi)
Managing Directors
30th May, 2015

(Mr. Yogendra.A. Nakre)
Chief Financial Officer
30th May, 2015

COMPLIANCE CERTIFICATE FROM AUDITORS OF THE COMPANY

To,
The Members of
Nikhil Adhesives Limited

We have examined the compliance of conditions of the Corporate Governance by Nikhil Adhesives Limited for the year ended on 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Mumbai stock exchange.

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 with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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: 30th May, 2015

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NIKHIL ADHESIVES LIMITED

We have audited the accompanying financial statements of Nikhil Adhesives Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Profit and Loss Statement, 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

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 the financial statements that 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

Our responsibility is to express an opinion on the financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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.

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

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, 2015, and its profit and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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 Profit and Loss Statement, 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, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 30 to the financial statements.

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For PHD & Associates
 Chartered Accountants
 Registration No.111236W

Dhiren V. Vakharia
 Partner
 Membership No.: 46115
 Mumbai
 30 May 2015

Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2015, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (ii) (a) The inventory (except the bonded stocks) has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and the same have been properly dealt with in the books of account.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Hence, the question of reporting under sub clauses (a) & (b) of the clause 3(iii) of the Order does not arise.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory, fixed assets and with regard to the sale of goods and services. In the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account and records maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. The contents of these accounts and records have not been examined by us.
- (vii) (a) According to the information and explanations given to us and according to the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any other statutory dues, wherever applicable. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at March, 31 2015 for a period of more than 6 month from the date they became payable.
- (b) According to information and explanations given to us, there are no dues of Income Tax, Sales tax/Value added tax, Custom duty, Excise duty, Service Tax, Cess which have not been deposited on account of any dispute.
- (viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.

- (ix) The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year.
- (x) The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) The Company has applied the term loans for the purposes for which the loans were obtained.
- (xii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For PHD & Associates
Chartered Accountants
Registration No.111236W

Dhiren V. Vakharia
Partner
Membership No.: 46115
Mumbai
30th May, 2015

Balance Sheet as at 31 March 2015

Particulars	Note No.	As at 31 March 2015 ₹	As at 31 March 2014 ₹
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	2	39,049,603	39,049,603
(b) Reserves and Surplus	3	104,262,194	100,460,138
		143,311,797	139,509,741
Non-Current Liabilities			
(a) Long-Term Borrowings	4	174,792,468	166,391,740
(b) Deferred Tax Liabilities (Net)	5	20,463,073	18,884,406
(c) Long-Term Provisions	6	2,555,968	1,763,107
		197,811,509	187,039,253
Current Liabilities			
(a) Short-Term Borrowings	7	154,598,863	227,739,250
(b) Trade Payables	8	535,116,966	527,270,588
(c) Other Current Liabilities	9	84,121,837	81,138,114
(d) Short-Term Provisions	10	864,777	1,143,144
		774,702,443	837,291,096
Total		1,115,825,749	1,163,840,090
ASSETS			
Non-Current Assets			
(a) Fixed Assets	11		
(i) Tangible Assets		247,625,355	251,629,104
(ii) Capital Work-in-Progress		6,931,174	6,931,174
		254,556,529	258,560,278
(b) Non-Current Investments	12	36,000	136,000
(c) Long-Term Loans and Advances	13	16,990,498	12,956,587
(d) Other Non-Current Assets	14	1,533,392	14,033,788
		273,116,419	285,686,653
Current Assets			
(a) Inventories	15	252,243,838	250,539,847
(b) Trade Receivables	16	423,410,825	480,291,395
(c) Cash and Bank Balances	17	40,149,536	37,775,841
(d) Short-Term Loans and Advances	18	124,968,627	108,142,490
(e) Other Current Assets	19	1,936,503	1,403,864
		842,709,329	878,153,437
Total		1,115,825,749	1,163,840,090
Significant Accounting Policies			
1			
The accompanying notes are an integral part of the financial statements.			
As per our attached report of even date			
For PHD & Associates		For and on behalf of the Board of Directors	
Chartered Accountants			
Firm Registration No. 111236W			
	U. J. Sanghavi (Managing Director)	T. J. Sanghavi (Executive Director)	
D V Vakharia (Partner)	R. J. Sanghavi (Chairman)	M. M. Vora (Director)	
Membership No. 46115			
Place : Mumbai			
Date : 30th May, 2015			

Statement of Profit and Loss for the Year Ended 31 March, 2015

Particulars	Note No.	For the Year Ended 31 March 2015 ₹	For the Year Ended 31 March 2014 ₹
Revenue from Operations	20	2,843,046,687	2,595,097,867
Less: Excise Duty	20	300,599,231	253,398,367
		2,542,447,456	2,341,699,500
Other Income	21	3,307,838	1,804,693
Total Revenue		2,545,755,294	2,343,504,193
Expenses :			
(a) Cost of Materials Consumed	22	1,550,923,187	1,393,588,808
(b) Purchases of Stock-in-Trade	23	665,849,290	627,794,068
(c) Changes in Inventories of Finished goods and Stock-in-Trade	24	(3,829,009)	13,979,219
(d) Employee Benefit Expenses	25	61,504,813	48,549,537
(e) Finance Costs	26	60,604,233	54,691,445
(f) Depreciation and Amortization Expense	11	18,153,508	24,175,969
(g) Other Expenses	27	187,168,549	131,107,418
Total Expenses		2,540,374,571	2,293,886,464
Profit Before Exceptional Items and Tax		5,380,723	49,617,729
Exceptional Items	29	-	45,909,798
Profit Before Tax		5,380,723	3,707,931
Tax Expense:			
(a) Current Tax (Refer Note 38)		-	-
(b) Deferred Tax		1,578,667	1,059,302
		1,578,667	1,059,302
Profit for the Year		3,802,056	2,648,629
Earnings per equity share of Nominal Value of ₹ 10/- each			
(a) Basic	37	0.98	0.68
(b) Diluted	37	0.98	0.68
Significant Accounting Policies	1		
The accompanying notes are an integral part of the financial statements			
As per our attached report of even date		For and on behalf of the Board of Directors	
For PHD & Associates			
Chartered Accountants			
Firm Registration No. 111236W			
D V Vakharia (Partner)		U. J. Sanghavi (Managing Director)	T. J. Sanghavi (Executive Director)
Membership No. 46115		R. J. Sanghavi (Chairman)	M. M. Vora (Director)
Place : Mumbai			
Date : 30th May, 2015			

Notes forming part of the financial statements

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting and preparation of financial statements

The financial statements have been prepared on a going concern and on accrual basis, under the historical cost convention and in accordance with the generally accepted accounting principles, the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government and relevant provisions of the Companies Act 1956, to the extent applicable.

(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 as per rates prescribed in schedule XIV of the Companies Act, 1956 on Straight Line Method. In respect of assets acquired/ disposed off during the year, prorata depreciation is provided from/till the date of acquisition/ disposal. 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) 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.

(o) 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.

(p) 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.

(q) 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 2015 ₹	As at 31 March 2014 ₹
Authorised		
4,950,000 (4,950,000) Equity shares of ₹ 10/- each	49,500,000	49,500,000
50,000 (50,000) 8% Preference shares of ₹ 10/- each	500,000	500,000
Issued		
3,894,300 (3,894,300) Equity shares of ₹ 10/- each	38,943,000	38,943,000
Subscribed and fully paid up		
3,894,300 (3,894,300) Equity shares of ₹ 10/- each fully paid up	38,943,000	38,943,000
Add : Forfeited Shares account	106,603	106,603
Total	39,049,603	39,049,603

(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 2015		As at 31 March 2014	
	No. of Shares	₹	No. of Shares	₹
At the beginning of the year	3,894,300	38,943,000	3,894,300	38,943,000
Outstanding at the end of the year	3,894,300	38,943,000	3,894,300	38,943,000

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

Name of Shareholder	As at 31 March 2015		As at 31 March 2014	
	No. of Shares	% holding	No. of Shares	% holding
Equity shares of ₹ 10/- each fully paid :				
Ashok J. Sanghavi	455,180	11.69	455,180	11.69
Vasantben J. Sanghavi	246,960	6.34	246,960	6.34
V. J. Sanghavi Family Trust(Held by the trustees of the trust)	253,300	6.50	253,300	6.50
Mrunalini R. Sanghavi	237,080	6.09	237,080	6.09
Anita U. Sanghavi	239,740	6.16	239,740	6.16
Rekha T. Sanghavi	271,440	6.97	271,440	6.97
Vasant Polymers & Chemicals Private Limited	302,000	7.76	302,000	7.76

(c) Details of forfeited shares :

Class of shares	As at 31 March 2015		As at 31 March 2014	
	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 2015 ₹	As at 31 March 2014 ₹
Capital Reserve		
Opening Balance	400,000	400,000
Closing Balance	400,000	400,000
Securities Premium Account		
Opening Balance	12,800,000	12,800,000
Closing Balance	12,800,000	12,800,000
General Reserve		
Opening Balance	64,287,415	64,287,415
Closing Balance	64,287,415	64,287,415
Surplus balance in Statement of Profit and Loss		
Opening balance	22,972,723	20,324,094
Add: Profit for the year	3,802,056	2,648,629
Closing Balance	26,774,779	22,972,723
Total	104,262,194	100,460,138

Notes forming part of the Financial Statements

NOTE 4 LONG-TERM BORROWINGS

Particulars	As at 31 March 2015 ₹	As at 31 March 2014 ₹
Secured (Refer (a), (c) and (d) below):		
Term loans		
From banks	28,471,625	54,756,120
Vehicle Finance		
From banks	465,459	602,199
	28,937,084	55,358,319
Unsecured (Refer (b) and (d) below):		
Deferred payment liabilities		
Sales Tax Deferral	4,502,150	4,009,635
Others		
Loan from Related Party	141,353,234	107,023,786
	145,855,384	111,033,421
Total	174,792,468	166,391,740

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

Particulars	Security and terms of repayment as at 31 March 2015	As at 31 March 2015 ₹	As at 31 March 2014 ₹
Term loans from Banks:			
Standard Chartered Bank :		28,471,625	54,756,120
External Commercial Borrowing (ECB)	(a) Secured against first charge on present and future movable and immovable fixed assets of the plant at Dahej (b) Principle amount to be repayable in 12 quarterly installments, last installment falling due in January 2017 (c) Rate of Interest is LIBOR (including premium) + 350 bppa		
Total		28,471,625	54,756,120
Vehicle Finance			
HDFC Bank	(a) Secured against hypothecation of the vehicle financed. (b) Repayable in 57 monthly installments, last installment being due in December 2018. (c) Rate of Interest is 8.83%.	465,459	602,199
Total		465,459	602,199

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

Particulars	Security and terms of repayment	As at	As at
		31 March 2015	31 March 2014
		₹	₹
<u>Sales Tax Deferral</u>	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.	4,502,150	4,009,635
Total		4,502,150	4,009,635

(c) Secured long term borrowings of ₹ 28,471,625/- (Previous year ₹ 54,756,120/-) 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 ₹ 2,86,65,241/- (Previous Year ₹ 4,92,98,288/-) is disclosed under 'Other Current Liabilities' (Refer Note 9)

Notes forming part of the financial statements

NOTE 5 DEFERRED TAX LIABILITIES

Particulars	As at 31 March 2015 ₹	As at 31 March 2015 ₹
Tax effect of items constituting deferred tax liability :		
On difference between book balance and tax balance of Fixed Assets	19,925,046	18,019,655
Deferred Sales Tax liability accounted in Books of Accounts on discounted present value basis which is considered for taxation purpose for tax value	1,647,888	1,807,684
	21,572,934	19,827,339
Tax effect of items constituting deferred tax assets :		
Expenses incurred during the year allowable as deduction in income tax in subsequent years	(1,109,861)	(942,933)
	(1,109,861)	(942,933)
Total	20,463,073	18,884,406

NOTE 6 LONG- TERM PROVISIONS

Particulars	As at 31 March 2015 ₹	As at 31 March 2014 ₹
Provision for employee benefits (Refer Note 40)		
Gratuity (Non funded)	2,555,968	1,763,107
Total	2,555,968	1,763,107

Notes forming part of the Financial Statements

NOTE 7 SHORT-TERM BORROWINGS

Particulars	As at 31 March 2015 ₹	As at 31 March 2014 ₹
Secured (Refer (a) and (b) below) :		
Loans repayable on demand		
Cash Credit from Banks	144,598,863	227,739,250
	144,598,863	227,739,250
Unsecured		
Loans repayable on demand		
From other parties	10,000,000	-
	10,000,000	-
Total	154,598,863	227,739,250

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

Particulars	Nature of security	As at 31 March 2015 ₹	As at 31 March 2014 ₹
Loans repayable on demand			
<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.	82,574,565	179,433,746
2) Standard Chartered Bank		28,313,434	48,305,504
3) Yes Bank		33,710,864	-
Total		144,598,863	227,739,250

(b) Secured short term borrowings of ₹ 144,598,863/- (Previous year ₹ 227,739,250/-) 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.

NOTE 8 TRADE PAYABLES

Particulars	As at	As at
	31 March 2015	31 March 2014
	₹	₹
Trade Payables (Refer Note 44)	535,116,966	527,270,588
Total	535,116,966	527,270,588

NOTE 9 OTHER CURRENT LIABILITIES

Particulars	As at	As at
	31 March 2015	31 March 2014
	₹	₹
Current maturities of Long term debt (Refer Note 4)	28,665,241	49,298,288
Interest accrued but not due on Public Deposits	-	1,169,937
Unclaimed dividend	566,600	703,511
Liabilities for expenses	38,700,460	20,498,959
Advances from customers	2,262,150	1,500,559
Security deposits	1,507,741	1,849,163
Statutory dues	2,276,057	2,959,283
Other payables	10,143,588	3,158,414
Total	84,121,837	81,138,114

There are no amounts due and outstanding to be paid to the "Investor Education and Protection Fund" as at 31 March 2015.

NOTE 10 SHORT TERM PROVISIONS

Particulars	As at	As at
	31 March 2015	31 March 2014
	₹	₹
Provision for employee benefits (Refer Note 40)		
Gratuity (Non funded)	864,777	1,143,144
Total	864,777	1,143,144

NIKHIL ADHESIVES LIMITED
Notes forming part of the financial statements

NOTE 11 FIXED ASSETS

(Amount in ₹)

Fixed Assets	Gross Block		Accumulated Depreciation/Amortisation		Net Block			
	As at 1 April 2014	Additions	Deductions	As at 31 March 2015	As at 1 April 2014	For the year	As at 31 March 2015	As at 31 March 2014
Tangible Assets								
Own Assets :								
Land	2,130,744	-	-	2,130,744	-	-	2,130,744	2,130,744
Buildings	69,570,212	4,226,992	-	73,797,204	9,453,080	2,263,916	62,080,208	60,117,132
Plant & Equipment	262,116,456	8,999,981	-	271,116,437	95,193,192	13,455,676	162,467,570	166,923,264
Furniture and Fixtures	5,628,781	612,388	-	6,241,169	1,848,969	856,721	3,535,479	3,779,812
Vehicles	5,425,337	42,108	-	5,467,445	2,591,803	835,138	2,040,504	2,833,534
Computers	6,336,239	268,292	-	6,604,531	5,694,191	633,672	276,668	642,048
Assets under Lease :								
Land	15,636,119	-	-	15,636,119	433,549	108,388	15,094,182	15,202,570
Total	366,843,888	14,149,761	-	380,993,649	115,214,784	18,153,511	247,625,355	251,629,104
Previous year	313,671,148	53,172,740	-	366,843,888	91,038,815	24,175,969	251,629,104	222,632,333
Intangible Assets								
Own Assets :								
Goodwill	650,000	-	-	650,000	650,000	-	-	-
Trademarks	1,098,500	-	-	1,098,500	1,098,500	-	-	-
Technical Know How	3,075,000	-	-	3,075,000	3,075,000	-	-	-
MDC Logo	3,500,000	-	-	3,500,000	3,500,000	-	-	-
No Compete Agreement	1,000,000	-	-	1,000,000	1,000,000	-	-	-
Total	9,323,500	-	-	9,323,500	9,323,500	-	9,323,500	-
Previous year	9,323,500	-	-	9,323,500	9,323,500	-	-	-
Capital Work In Progress								
Total	6,931,174	-	-	6,931,174	-	-	6,931,174	6,931,174
Previous year	26,790,138	-	19,858,964	6,931,174	-	-	6,931,174	26,790,138

Notes forming part of the Financial Statements

NOTE 12 NON-CURRENT INVESTMENTS

Particulars	As at 31 March 2015 ₹	As at 31 March 2014 ₹
(At cost less provision for other than temporary diminution, if any):		
<u>Trade (unquoted)</u>		
Investment in equity shares, fully paid up :		
Investment in Subsidiaries :		
10,000 (10,000) Equity Shares of Sanghavi Logistics Private Limited of ₹ 10/- each	-	100,000
<u>Trade (quoted)</u>		
Investment in equity shares, fully paid up :		
800 (800) Equity Shares of Bank of India of ₹ 10/- each	36,000	36,000
Total	36,000	136,000
Aggregate amount of quoted investments	36,000	36,000
Aggregate market value of quoted investments	156,600	183,120
Aggregate amount of unquoted investments	-	100,000

Notes forming part of the Financial Statements

NOTE 13 LONG TERM LOANS AND ADVANCES

Particulars	As at 31 March 2015 ₹	As at 31 March 2014 ₹
Unsecured, considered good :		
Capital Advances	4,276,096	845,790
Security Deposits	6,346,051	6,279,771
Advance Income tax (Net of Provisions)	5,661,409	5,124,084
Other loans and advances	706,942	706,942
Total	16,990,498	12,956,587

NOTE 14 OTHER NON CURRENT ASSETS

Particulars	As at 31 March 2015 ₹	As at 31 March 2014 ₹
Balances with banks :		
Term deposits with more than twelve months maturity	1,533,392	13,918,289
Interest accrued on Term deposits with banks	-	115,499
Total	1,533,392	14,033,788
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 15 INVENTORIES

Particulars	As at 31 March 2015 ₹	As at 31 March 2014 ₹
(At lower of cost and Net realisable value)		
Raw Materials and components	182,052,634	184,361,686
Packing Materials	8,097,204	7,651,191
Finished goods	38,727,167	56,815,878
Trading Goods	22,811,043	683,914
Unused Promotional Material	-	300,000
Fuels	555,790	727,178
Total	252,243,838	250,539,847

NOTE 16 TRADE RECEIVABLES

Particulars	As at 31 March 2015 ₹	As at 31 March 2014 ₹
Unsecured, considered good :		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	3,707,723	5,560,389
Other Trade receivables	419,703,102	474,731,006
Total	423,410,825	480,291,395

Notes forming part of the Financial Statements

NOTE 17 CASH AND BANK BALANCES

Particulars	As at 31 March 2015 ₹	As at 31 March 2014 ₹
Cash and cash equivalents		
Balances with banks in current accounts	2,416,321	1,943,181
Term deposits with less than three months maturity	-	80,945
Cash on hand	1,079,001	592,503
Total	3,495,322	2,616,629
Other bank balances		
Term deposits with more than three months maturity but due within one year from the reporting date	36,079,166	33,636,317
In Earmarked accounts :		
unpaid dividend account	575,048	711,959
balances held as margin money	-	110,936
on account of public deposits	-	700,000
Total	36,654,214	35,159,212

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

NOTE 18 SHORT-TERM LOANS AND ADVANCES

Particulars	As at 31 March 2015 ₹	As at 31 March 2014 ₹
Unsecured, considered good :		
Advance to Suppliers	9,661,306	11,076,344
Central Excise Balance	103,942,606	80,470,130
Prepaid Expenses	5,160,141	7,101,645
Advances recoverable in cash or in kind	6,204,574	9,494,371
Total	124,968,627	108,142,490

NOTE 19 OTHER CURRENT ASSETS

Particulars	As at 31 March 2015 ₹	As at 31 March 2014 ₹
Interest accrued on Term deposits with banks	1,936,503	1,403,864
Total	1,936,503	1,403,864

Notes forming part of the Financial Statements

NOTE 20 REVENUE FROM OPERATIONS

Particulars	For the year ended 31 March 2015 ₹	For the year ended 31 March 2014 ₹
Sale of products :		
(a) <u>Manufactured goods</u>		
Adhesives and Emulsions	2,157,698,365	1,899,755,476
(b) <u>Traded goods</u>		
Chemicals	677,767,584	682,810,954
	2,835,465,949	2,582,566,430
Other operating revenues :		
(a) Labour Charges Income	7,566,926	12,531,437
(b) Bad debts recovered	13,812	-
	7,580,738	12,531,437
Revenue from operations (Gross)	2,843,046,687	2,595,097,867
Less : Excise duty	300,599,231	253,398,367
Revenue from operations (Net)	2,542,447,456	2,341,699,500

NOTE 21 OTHER INCOME

Particulars	For the year ended 31 March 2015 ₹	For the year ended 31 March 2014 ₹
Dividend income :		
from non-current investments	-	4,000
Other non-operating income :		
(a) Sundry balances written back	1,789,900	1,025,200
(b) Insurance claims	1,359,817	-
(c) Sundry income	158,121	775,493
Total	3,307,838	1,804,693

Notes forming part of the financial statements

NOTE 22 COST OF MATERIALS CONSUMED

Particulars	For the year ended 31 March 2015 ₹	For the year ended 31 March 2014 ₹
Raw Materials consumed (Refer details given below)		
Opening stock	184,361,686	103,767,960
Add : Purchases	1,435,593,438	1,372,700,561
	1,619,955,124	1,476,468,521
Less : Closing stock	182,052,634	184,361,686
	1,437,902,490	1,292,106,835
Packing Materials consumed		
Opening stock	7,651,191	7,054,879
Add : Purchases	113,466,710	102,078,285
	121,117,901	109,133,164
Less : Closing stock	8,097,204	7,651,191
	113,020,697	101,481,973
Total	1,550,923,187	1,393,588,808

NOTE 23 PURCHASE OF TRADED GOODS

Particulars	For the year ended 31 March 2015 ₹	For the year ended 31 March 2014 ₹
Traded Goods		
Butyl Acetate Monomer	293,119,321	43,266,397
Vinyl Acetate Monomer	173,476,478	-
Styrene Monomer	-	71,777,990
Other chemicals	199,253,492	512,749,681
Total	665,849,290	627,794,068

NOTE 24 CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE

Particulars	For the year ended 31 March 2015 ₹	For the year ended 31 March 2014 ₹
Opening Stock		
(a) <u>Finished goods</u>		
Adhesives & Emulsions	56,815,878	42,199,652
(b) <u>Stock-in-trade</u>		
Chemicals	683,914	29,314,776
	57,499,792	71,514,428
Less : Closing Stock		
(a) <u>Finished goods</u>		
Adhesives & Emulsions	38,727,167	56,815,878
(b) <u>Stock-in-trade</u>		
Chemicals	22,811,043	683,914
	61,538,210	57,499,792
Changes in Inventories	(4,038,418)	14,014,636
Increase/(Decrease) in Excise duty on Finished goods	209,409	(35,417)
Total	(3,829,009)	13,979,219

Notes forming part of the financial statements
NOTE 25 EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended 31 March 2015 ₹	For the year ended 31 March 2014 ₹
Salaries and wages	55,347,187	44,651,586
Contributions to Provident and other funds	3,932,629	2,686,694
Staff welfare expenses	2,224,997	1,211,257
Total	61,504,813	48,549,537

NOTE 26 FINANCE COSTS

Particulars	For the year ended 31 March 2015 ₹	For the year ended 31 March 2014 ₹
Interest expense	34,302,708	33,534,766
Other borrowing costs	30,111,235	25,905,081
	64,413,943	59,439,847
Less :		
Interest received (Gross)	3,809,710	4,748,402
Total	60,604,233	54,691,445

Notes forming part of the Financial Statements

NOTE 27 OTHER EXPENSES

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
	₹	₹
Stores and spares consumed	3,758,184	3,498,452
Power and fuel	28,825,571	25,394,866
Labour charges	5,093,298	2,223,343
Rent	4,232,854	4,396,380
Repairs and Maintenance :		
Plant & Machinery	1,841,148	1,240,186
Building	170,222	70,520
Others	408,845	374,875
Printing and Stationery	721,059	642,211
Insurance	1,776,422	1,420,209
Storage charges expenses (Net)	11,160,082	9,445,133
Telephone expenses	2,923,654	2,425,493
Travelling and Conveyance expenses	8,984,594	7,755,049
Service charges	8,000	80,545
Legal and Professional charges (Refer Note 28 below)	2,179,830	2,897,185
Sales promotion expenses	3,057,787	2,677,486
Transportation and Octroi charges	47,262,135	39,031,870
Brokerage and Commission	5,117,947	3,288,641
Bad debts	966,882	38,679
Discounts/Rebates (Net)	37,332,457	18,882,338
Directors sitting fees	67,500	75,000
Miscellaneous expenses	7,123,481	5,248,957
Net Foreign Exchange fluctuation loss (Refer Note 32)	14,156,597	-
Total	187,168,549	131,107,418

NOTE 28 REMUNERATION TO AUDITORS

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
	₹	₹
Legal and Professional charges includes payments to the auditors towards :		
Audit fees*	350,000	325,000
Tax Matters*	105,000	-
Other services*	82,800	97,000
Total	537,800	422,000

* Excluding Service Tax

NOTE 29 EXCEPTIONAL ITEMS

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
	₹	₹
Net Foreign Exchange fluctuation loss (Refer Note 32)	-	45,909,798
Total	-	45,909,798

Notes forming part of the financial statements

NOTE 30 : CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at	As at
	31 March 2015	31 March 2014
	₹	₹
Contingent Liabilities :		
Claims against the Company not acknowledged as debts	NIL	NIL
Guarantees given by the Company's Banker on behalf of the Company	16,183,857	24,183,857

NOTE 31 Dividend proposed to be distributed to equity shareholders is Nil per share (Previous Year ₹ 0 per share).

NOTE 32 Loss on account of Foreign Exchange Fluctuations (Net) was treated as an exceptional item, in the financial year 2013-2014 since the same occurred due to exceptionally volatile global market developments during the said reporting period.

NOTE 33 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 ₹ 31,47,787/-, for the year has been added to the cost of the fixed assets relating to the expansion project at Dahej (Gujarat). (Previous year ₹ 110,95,903/-)

NOTE 34 CIF VALUE OF IMPORTS

Particulars	For the year ended	For the year ended
	31 March 2015	31 March 2014
	₹	₹
Materials (for Manufacturing & Trading)	1,236,315,245	985,212,804

NOTE 35 VALUE OF CONSUMPTION OF IMPORTED AND INDIGENOUS ITEMS

Particulars	For the year ended 31 March 2015		For the year ended 31 March 2014	
	₹	%	₹	%
Raw Materials :				
Imported	1,155,503,670	80	1,091,625,846	84
Indigenous	282,398,820	20	200,480,989	16
Total	1,437,902,490	100	1,292,106,835	100
Spare parts and components :				
Indigenous	3,758,184	100	3,498,452	100

NOTE 36 EARNINGS IN FOREIGN CURRENCY

Particulars	For the year ended	For the year ended
	31 March 2015	31 March 2014
	₹	₹
FOB value of exports	16,280,887	16,238,365
Total	16,280,887	16,238,365

Notes forming part of the financial statements
NOTE 37 EARNINGS PER SHARE

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
	₹	₹
Nominal Value of Equity shares	10	10
Net profit after tax available to the Equity shareholders	3,802,056	2,648,629
Weighted average number of Equity shares	3,894,300	3,894,300
Basic and Diluted Earnings per share	0.98	0.68

NOTE 38 : The company is liable to pay Income Tax as per provisions of section 115JB of the Income Tax Act for the Financial year 2014-15. 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 39 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 ₹ 4,232,854/- (Previous year ₹ 4,396,380/-) are included in rental expenditure in the Statement of Profit and Loss during the current year.

Notes forming part of the financial statements

NOTE 40 EMPLOYEE BENEFIT PLANS

(a) Defined Contribution Plans:

The amount recognised as expense in respect of Defined Contribution Plans (Contribution to Provident Fund) aggregate to ₹ 29,76,329/- (Previous year ₹ 23,37,020/-).

(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 25)

Particulars	(Amount in ₹)	
	For the year ended 31 March 2015	For the year ended 31 March 2014
Components of employer expense		
Current Service cost	272,889	299,475
Interest cost	270,572	219,637
Expected return on plan assets	-	-
Curtailement cost/(credit)	-	-
Settlement cost/(credit)	-	-
Past Service Cost	-	-
Actuarial Losses/(Gains)	412,839	(275,130)
Total expense recognised in the Statement of Profit & Loss	956,300	243,982

Balance Sheet

Details of provision for gratuity

Net asset/(liability) recognised in balance sheet	As at 31 March 2015	As at 31 March 2014
Present value of Defined Benefit Obligation	3,420,745	2,906,251
Fair value of plan assets	-	-
Funded status [Surplus/(Deficit)]	(3,420,745)	(2,906,251)
Unrecognised Past Service Costs	-	-
Net asset/(liability) recognised in balance sheet	(3,420,745)	(2,906,251)

Change in Defined Benefit Obligations (DBO) during the year ended	For the year ended 31 March 2015	For the year ended 31 March 2014
Present Value of DBO at beginning of period	2,906,251	2,662,269
Current Service cost	272,889	219,637
Interest cost	270,572	299,475
Curtailement cost/(credit)	-	-
Settlement cost/(credit)	-	-
Plan amendments	-	-
Acquisitions	-	-
Actuarial (gains)/ losses	412,839	(275,130)
Past Service Cost	-	-
Benefits paid	(441,806)	-
Present Value of DBO at the end of period	3,420,745	2,906,251

Principal actuarial assumptions as at the balance sheet date :

Particulars	As at 31 March 2015	As at 31 March 2014
Discount Rate	7.96%	9.31%
Salary escalation	5%	5%
Attrition Rate	2%	2%

Notes forming part of the financial statements

NOTE 41 SEGMENTS REPORTING

(a) Information about Business Segments for the Year Ended 31 March, 2015

(Amount in ₹)

Particulars	Manufacturing of Adhesives & Emulsions	Trading in Chemicals	Total Rupees
Revenue			
Sales/Income From Operations	1,864,650,622	677,796,834	2,542,447,456
Inter-Segment Sales	-	-	-
Total Revenue	1,864,650,622	677,796,834	2,542,447,456
Result			
Segment Result	70,750,691	9,018,262	79,768,953
Unallocated Corporate Expenses(Net)			13,783,998
Operating Profit			65,984,955
Interest Expense(Net)			60,604,233
Income Taxes(including deferred tax)			1,578,667
Profit From Ordinary Activities			3,802,055
Extraordinary Items			-
Net Profit			3,802,055
Other Informations			
Segment Assets	969,769,095	146,020,654	1,115,789,749
Unallocated Corporate Assets			36,000
Total Assets			1,115,825,749
Segment Liabilities	533,063,107	65,433,351	598,496,458
Unallocated Corporate Liabilities			374,017,495
Total Liabilities			972,513,957
Add: Share Capital And Reserves			143,311,792
Total Capital & Liabilities			1,115,825,749
Capital Expenditure (Including Capital work in Progress)	13,960,228	189,533	14,149,761
Depreciation	18,153,508	-	18,153,508

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. 41(b)

Notes forming part of the financial statements

NOTE 41 SEGMENTS REPORTING

(b) Information about Business Segments for the Year Ended 31 March, 2014

(Amount in ₹)

Particulars	Manufacturing of Adhesives & Emulsions	Trading in Chemicals	Total Rupees
Revenue			
Sales/Income From Operations	1,658,888,546	682,810,954	2,341,699,500
Inter-Segment Sales	-	-	-
Total Revenue	1,658,888,546	682,810,954	2,341,699,500
Result			
Segment Result	65,529,664	7,604,636	73,134,300
Unallocated Corporate Expenses(Net)			14,734,924
Operating Profit			58,399,376
Interest Expense(Net)			54,691,445
Income Taxes(including deferred tax)			1,059,302
Profit From Ordinary Activities			2,648,629
Extraordinary Items			-
Net Profit			2,648,629
Other Informations			
Segment Assets	992,457,274	171,246,815	1,163,704,090
Unallocated Corporate Assets			136,000
Total Assets			1,163,840,090
Segment Liabilities	506,528,799	58,383,690	564,912,489
Unallocated Corporate Liabilities			459,417,861
Total Liabilities			1,024,330,349
Add: Share Capital And Reserves			139,509,741
Total Capital & Liabilities			1,163,840,090
Capital Expenditure (Including Capital work in Progress)	52,464,116	708,624	53,172,740
Depreciation	23,582,272	593,697	24,175,969

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

(b) Details of Related Party transactions during the year ended 31st March 2015

(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	3,332,448	2,407,200	-	5,739,648
	(3,332,448)	(2,407,200)	(-)	(5,739,648)
Loans Received	-	-	507,123,786	507,123,786
	(-)	(-)	(128,775,000)	(128,775,000)
Loans Repaid	-	-	365,770,552	365,770,552
	(-)	(-)	(21,751,214)	(21,751,214)
Rent Paid	-	-	240,000	240,000
	(-)	(-)	(240,000)	(240,000)
Sales	-	-	-	-
	(-)	(-)	(36,169,321)	(36,169,321)
Purchases	-	-	22,517,812	22,517,812
	(-)	(-)	(30,267,194)	(30,267,194)
Outstanding Credit/(Debit) Balance	-	-	141,353,234	141,353,234

Figures in brackets relates to the previous year

Notes forming part of the financial statements

NOTE 43 : Unhedged Foreign Currency Exposure.

Particulars	As at 31st March 2015		As at 31st March 2014	
	Foreign Currency	(₹ in lakhs)	Foreign Currency	(₹ in lakhs)
Payable against Secured Loans (External Commercial Borrowing):				
US Dollars	912,002	57,000,125	1,369,058	82,143,480
Payable against Import of goods				
US Dollars	3,414,161	213,646,992	5,817,295	362,998,648

NOTE 44 : 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 45 : 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 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

D. V. Vakharia
(Partner)
Membership No. 46115

Place : Mumbai
Date : 30th May, 2015

For and on behalf of the Board of Directors

U. J. Sanghavi
(Managing Director)

R. J. Sanghavi
(Chairman)

T. J. Sanghavi
(Executive Director)

M. M. Vora
(Director)

Cash Flow Statement for the year ended 31 March 2015

Particulars	For the year ended 31 March 2015		For the year ended 31 March 2014	
	₹	₹	₹	₹
A. Cash Flow from Operating Activities				
Net Profit before tax		5,380,722		3,707,931
Adjustment for :				
Depreciation and Amortisation	18,153,508		24,175,969	
Finance costs	60,604,233		54,691,445	
Dividend income	-		(4,000)	
Provision for gratuity	514,494		243,982	
Sales Tax Deferral	436,390		400,408	
Unrealised Foreign currency translation (Gain)/Loss(Net)	(247,326)		(10,590,583)	
		79,461,299		68,917,221
Operating profit before working capital changes		84,842,021		72,625,152
Adjustments for :				
Trade Receivables	56,991,506		(160,369,087)	
Inventories	(1,703,991)		(66,998,949)	
Long term Loans and advances	(66,280)		1,854,023	
Short term Loans and advances	(16,826,137)		(26,887,265)	
Trade payables	8,341,029		152,251,552	
Other Current liabilities	25,901,013		10,402,430	
		72,637,140		(89,747,296)
Cash generated from operations		157,479,162		(17,122,144)
Direct Taxes paid (Net of refunds)		(537,325)		(3,380,627)
Net cash flow from operating activities (A)		156,941,837		(20,502,770)
B. Cash Flow from Investing Activities				
Purchase of Fixed assets including Capital Work-in-Progress and Capital Advances	(15,656,998)		(34,141,913)	
Term deposits with banks with original maturity of more than three months - placed	(23,694,269)		(48,254,606)	
Term deposits with banks with original maturity of more than 3 months - matured	34,336,317		48,326,108	
Sale of Investments	100,000		-	
Dividend income	-		4,000	
Net cash flow used in investing activities (B)		(4,914,951)		(34,066,411)
C. Cash Flow from Financing Activities				
Proceeds / (Repayment) of long term borrowings (Net)	(15,816,496)		79,380,937	
Proceeds / (Repayment) of short term borrowings (Net)	(73,140,387)		28,882,521	
Finance costs	(62,191,310)		(53,877,991)	
Dividend paid (including distribution tax)	-		(3,600,361)	
Net cash flow from financing activities (C)		(151,148,193)		50,785,106
Net decrease in cash and cash equivalents (A+B+C)		878,693		(3,784,076)
Cash and cash equivalents at the beginning of the year		2,616,629		6,400,705
Cash and cash equivalents at the end of the year		3,495,322		2,616,629

Notes:

- 1 Cash and Cash Equivalents are as under:

Particulars	As at 31 March 2015 ₹	As at 31 March 2014 ₹
Cash in hand	1,079,001	592,503
Balances with banks in current accounts	2,416,321	1,943,181
Term deposits with less than three months maturity	-	80,945
	3,495,322	2,616,629

- 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 wherever 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

D. V. Vakharia
Partner
Membership No. 46115

Place : Mumbai
Date : 30th May 2015

For and on behalf of the Board of Directors

U. J. Sanghavi
(Managing Director)

R. J. Sanghavi
(Chairman)

T. J. Sanghavi
(Executive Director)

M. M. Vora
(Director)

NIKHIL ADHESIVES LIMITED

Corporate Identity Number (CIN) – L51900MH1986PLC041062

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

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

ATTENDANCE SLIP

29th ANNUAL GENERAL MEETING ON SATURDAY, 26th SEPTEMBER, 2015 AT 11.00 A.M.

at Shreeji Industrial Estate, Vadkun, College Road, Dahanu, District – Palghar – 401602

Folio No. :	DP ID No. :	Client ID No. :
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I/We hereby record my/our presence at the 29th Annual General Meeting of the company held on Saturday, the 26th September, 2015, 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. 91/2226835864/26836558 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: _____

1. Name : _____
Address: _____
Signature: _____ or failing him
2. Name : _____
Address: _____
Signature: _____ or failing him
3. Name : _____
Address: _____
Signature: _____

As my/our proxy to attend and vote (on poll) for me/us on my/our behalf at the 29th Annual General Meeting of the Company to be held on Saturday, the 26th September, 2015, at 11.00 a.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 st March,2015
2	Re-appointment of Mr.R.J.Sanghavi,who retires by rotation.
3	Appointment of Auditors and fixing their remuneration.
4	Appointment of Mrs. Ishita Gandhi as an independent Director of the company.
5	Appointment of cost Auditors & fixing their remuneration.

Signed this _____ day of _____ 2015

Signature of the shareholder _____

Signature of Proxy Holder _____

Affix Re.1.00 Revenue stamp

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 401602, 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 29th ANNUAL REPORT of the company.