

30th ANNUAL REPORT 2015 – 2016

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. M M. Vora	Non Executive, Independent Director
Mr. H. S. Kamath	Non Executive, Independent Director
Mrs. Ishita Gandhi	Non Executive, Independent Director

AUDITORS

PHD & Associates
Chartered Accountants

COMPANY SECRETARY

Mrs. Rinky Pandey

BANKERS

Bank of India
Standard Chartered Bank
Yes Bank Ltd.

REGISTRARS AND TRANSFER AGENTS

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

REGISTERED OFFICE:

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

COMPANY IDENTIFICATION NUMBER (CIN):

L51900MH1986PLCO41062

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NOTICE

Notice is hereby given that the **Thirtieth Annual General Meeting** of **Nikhil Adhesives Limited** will be held on Thursday the 29th September, 2016 at 11.00 a.m. at the Registered Office of the Company at **Shreeji Industrial Estate, Vadkun, Colloge 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, 2016 including Audited Balance Sheet as at 31st March, 2016 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.Tarak J. Sanghavi (DIN: 00519403), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
- 3) Ratification of Appointment of Auditors:
To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:
“RESOLVED that pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the appointment of M/s. PHD & Associates, Chartered Accountants, (Firm Registration Number: 111236W) as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Thirty First AGM of the Company to be held in the year 2017, to examine and audit the accounts of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS

- 4) **To consider and 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, 2017, 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 **22nd September, 2016 to 29th September, 2016** (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.
- 5) Members may avail the facility of nomination by nominating a person to whom their shares in the Company shall vest in the event of death. The prescribed form can be obtained from the Company's Registrar and Share Transfer Agent.
- 6) Shareholders desiring any information relating to the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
- 7) 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.
- 8) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Sharex Dynamic (India) Pvt. Ltd.
- 9) The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" allowing paperless compliances by Companies through electronic mode. Companies are now permitted to send various notices/documents to its members through electronic mode to the registered e-mail addresses of members. Members holding shares in dematerialized form are requested to register their e-mail ID with their Depository Participants and members holding shares in physical form are requested to register their e-mail ID with Registrar and Share Transfer Agents of the Company i.e. Sharex Dynamic (India) Pvt. Ltd.

10) Voting through Electronic means :

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

The instruction for members for voting electronically is as under:

- (i) The voting period begins on Monday, 26th September, 2016 (10:00 am) and ends on the Wednesday, 28th September, 2016 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Thursday the 22nd September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Log on to the e-voting website www.evotingindia.com
- (iii) Click on "Shareholders".
- (iv) Now, enter your User ID
 - (a) For CDSL: 16 digits beneficiary ID.
 - (b) For NSDL: 8 character DP ID followed by 8 digits client ID.
 - (c) Members holding shares in Physical Form should enter folio number registered with the company.
- (v) Next enter the image Verification as displayed and click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For 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).

(viii) After entering this details appropriately, click on “SUBMIT” tab.

(viii) 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.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Select on the **EVSN (ELECTRONIC VOTING SEQUENCE NUMBER)** of **NIKHIL ADHESIVES LIMITED** on which you choose to vote.

(xi) 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.

(xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xiii) 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.

(xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

(xvi) 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

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

(xviii) **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 heldesk.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 Thursday, 22nd September, 2016.
- 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 two days after the conclusion of the AGM to the chairman of the company, who shall counter sign the same. The chairman will declare the result of voting within two days after the conclusion of the AGM.
- 5) The result declared along with the scrutinizer report shall be placed on the company's website www.nikhiladhesives.com. 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 29th September, 2016.
- 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 22nd September, 2016 (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 sharexindia@vsnl.com or contact Sharex Dynamic (India) Private Limited on 022-28515606/28515644.

ANNEXURE TO NOTICE

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

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

Item No. 4

Messrs B. F. Modi & Associates, Cost Accountants, were appointed as Cost Auditors for the year ending 31st March, 2017 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.4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2017.

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. 4 of the Notice.

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

Name of the Director	Mr. Tarak J. Sanghavi
Date of Birth	02.10.1962
Date of Appointment	Since Inception
Status	Executive Director
Qualification	B. Com
Expertise in specific functional type	Market Analysis & Commercial Management
Directorship of Other Companies	None
Shareholding (No. of Shares)	1,12,490

Registered Office:
Shreeji Industrial Estate,
Vadkun, College Road, Dahanu,
Dist. Palghar – 401 602
Date : 30th May , 2016

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 are pleased to present the Thirtieth Annual Report together with the Audited Accounts for the financial year ended 31st March 2016.

FINANCIAL HIGHLIGHTS:

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

Particulars	(₹ in Lakhs)	
	Financial Year 2015 - 2016	Financial Year 2014 - 2015
Gross Profit Before Depreciation and Tax	336.87	235.34
Less :- Depreciation	155.44	181.53
Profit Before Tax	181.43	53.81
Less :- <u>Provision for Taxation</u>		
Current Tax	-	-
Deferred Tax	22.46	15.79
Profit After Tax	158.97	38.02
Add :- Balance Brought Forward	267.75	229.73
Profits Available For Distribution	426.72	267.75
Balance Carried Forward to Balance Sheet	426.72	267.75
	426.72	267.75

DIVIDEND

In order to conserve resources, your Directors express their inability to declare any dividend.

RESULT OF OPERATIONS

The Financial Year 2015-2016 continued the phase of positive outlook and optimism in the country due to previous year's decisive political mandate which had resulted in an overall improvement in the economic outlook. Even though the global economy remained lukewarm due to several factors your company has nevertheless improved its profitability.

During the financial year 2015-16, the sales turnover of your company has increased from ₹28355 lakhs to ₹29519 lakhs registering growth of 4.11%. Other income for the year is ₹2 lakhs as against ₹33 lakhs for the previous year. The operating profit before depreciation and tax is ₹337 lakhs compared to ₹235 lakhs in the previous year registering 43.40 % increase

The net profit after depreciation and tax is improved to ₹159 lakhs compared to ₹38 lakhs for the previous year. Net profit of ₹159 lakhs for the current year is after providing for deferred tax of ₹22 lakhs.

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

FIXED DEPOSITS

The deposits at the beginning of the financial year were NIL.

During the year, your Company accepted deposits amounting to Rs. 165.25 from its members.

As at 31 March, 2016, the amount of deposits stood at Rs. 165.25

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

CORPORATE GOVERNANCE

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

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Board at its meeting held on 12th February, 2016 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 2015-16. 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, 2016, 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, 2016 and the profit of the Company for the year ended on that date;
- c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) That the annual financial statements have been prepared on a going concern basis;
- e) That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f) That the systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

RISK MANAGEMENT AND ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company's system of financial and compliance controls with reference to the financial statements and risk management is embedded in the business process by which the Company pursues its objectives. The company uses foreign exchange forward contracts to hedge its exposure for movements in foreign exchange rate. The use of this foreign exchange forward contract reduces the risk to the company. The company does not use these for trading or speculative purpose. Additionally, the Audit Committee and the Board of Directors provide risk 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. Tarak J. Sanghavi (DIN: 00519403), 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.

The details of Directors seeking appointment/re-appointment as required under Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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

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

MEETINGS OF BOARD AND COMMITTEES

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

PERFORMANCE EVALUATION OF BOARD, COMMITTEES & DIRECTORS

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

SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

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

M/s. PHD & Associates, Chartered Accountants (Firm Registration No.111236W), were appointed as Statutory Auditors to hold office until the conclusion of the ensuing Annual General Meeting of the Company. 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 (30th 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 there under.

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

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Messrs N.K.Singhai & Associates, Company Secretaries were appointed to undertake the Secretarial Audit of the Company for the year ended 31 March, 2016. There are no adverse remarks or observations made by Messrs N.K.Singhai & Associates in the Secretarial Audit Report except for:

- (i) Non appointment of the Company Secretary by the company, required as per the provisions of Section 203 of the Companies Act, 2013, for which the company clarifies that subsequent to the closure of the F.Y. 2015-16, the company has appointed Mrs. Rinky Pandey as the Company Secretary on 30th May 2016.
- (ii) Pending MCA formality for the regularization of appointment of Mrs. Ishita Gandhi, the Independent Director, for which the company clarifies that the same shall be complied with soon.

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

MATERIAL CHANGES AND COMMITMENTS

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

REGULATORY/COURT ORDERS

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

RELATED PARTY TRANSACTIONS

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

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

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

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

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

EXTRACT OF ANNUAL RETURN

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

PARTICULARS OF EMPLOYEES

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

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

As required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules 2014, the information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in Annexure-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.

For and On Behalf of the Board of Directors

Place: Mumbai
Date: 30th May 2016

Rajendra J. Sanghavi
Chairman

ANNEXURE I
FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

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

To,
The Members,
NIKHIL ADHESIVES LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by “NIKHIL ADHESIVES LIMITED” having CIN L51900MH1986PLC041062 (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 my opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016 (‘Audit Period’) 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 maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

1. The Companies Act, 2013 (“The Act”) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during the Audit Period).**
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 **(Not applicable to the Company during the Audit Period).**
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014 notified on 28 October 2014. **(Not applicable to the Company during the Audit Period).**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. **(Not applicable to the Company during the Audit Period).**
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)** and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. **(Not applicable to the Company during the Audit Period).**
6. The Company has identified the following laws as specifically applicable to the Company:
 - (a) The Environment (Protection) Act, 1986 and The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989;
 - (b) Air (Prevention and Control of Pollution) Act, 1981 and Rules issued by the State Pollution Control Boards; and
 - (c) Water (Prevention and Control of Pollution) Act, 1974 and Rules issued by the State Pollution Control Boards.

The other laws as may be applicable to the Company are based on the Compliance Certificates issued by the designated officers of the Company and the Corporate Compliance Certificate issued thereafter by the Managing Director and submitted to the Board of Directors of the Company. We report that the Company has generally complied with the provisions of those laws that are applicable to the Company.

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

1. Secretarial Standards issued by The Institute of Company Secretaries of India;
2. The Listing Agreement entered into by the Company with Stock Exchanges;
3. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (with effect from 1st December, 2015).

During the period under review and as per representations and clarifications made, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation:

- i. *Company has not appointed Company Secretary in whole time employment as required under the provision of Section 203 of companies Act 2013, during the period under review.*
- ii. *As per the provision of section 161 (1) of Companies Act, 2013 Company has regularised the appointment of Mrs. Ishita Gandhi (DIN: 07137098) form additional director to director in the Annual General Meeting dated 26th September 2015. However the form DIR-12 for regularisation of Mrs. Ishita Gandhi (DIN: 07137098) has not filed during the period under review.*

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

Decision of Board meetings, as represented by the Management, was taken unanimously.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For N.K. Singhai and Associates

Company Secretaries

Nitin Kumar Singhai

Proprietor

Membership No: 31061

C.P. No: 12362

Date: 30 May 2016

Place: Mumbai

This Report is to be read with our letter of even date which is annexed as “**Appendix 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. The maintenance of the secretarial records 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 processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test check basis to ensure that the correct facts are reflected in the secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management Representations about the compliance of laws, rules and regulations and occurrence of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test check 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 N.K. Singhai and Associates

Company Secretaries

Nitin Kumar Singhai

Proprietor

Membership No: 31061

C.P. No: 12362

Date: 30 May 2016

Place: Mumbai

**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 2015-16 (Rs.)	Remuneration Paid for FY 2014-15 (Rs.)	% increase in remuneration In the F Y 2015-16	Ratio/Times Per median of employee Remuneration
1.	Mr.Rajendra Sanghavi	Chairman	10,08,000/-	10,08,000/-	-	4.20
2.	Mr.Umesh Sanghavi.	Managing Director	13,16,448/-	13,16,448/-	-	5.48
3.	Mr.Tarak Sanghavi.	Director	10,08,000/-	10,08,000/-	-	4.20
4.	Mr.Yogendra Nakre	CFO	4,08,000/-	4,08,000/-	-	1.70

2. Percentage increase in median remuneration:

Median remuneration of employees in FY 2015-16 (Rs.)	Median remuneration of employees in FY 2014-15 (Rs.)	Percentage increase/decrease
2,39,988/-	2,17,704/-	10.24%

3. No. of permanent employees as on 31.3.2016: 151 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 31.03.2016	As on 31.03.2015	Percentage increase
Market Capitalization of the Company	Rs.16,74,54,900/-	Rs.10,82,61,540/-	54.68%
PE Ratio	10.53	28.37	62.88%
Closing Market Share Price (BSE)	43.00	27.80	54.68%

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 2015-16	Percentile increase in managerial personnel remuneration in FY 2015-16	Justification
11.62%	There is no increase in managerial personnel remuneration for FY 2015-16.	The average percentile increases in the salaries of employees others than managerial personnel in FY 2015-16 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 6 employees who have received remuneration in excess of the highest paid Director. Their ratios to the highest paid director are 1.07, 1.23, 1.25, 1.55, 1.73 and 3.57.

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

ANNEXURE III

FORM NO.MGT-9 EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31STMARCH, 2016

[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 01.04.2015				No. of Shares held at the end of the year as on 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
(1) Indian									
(a) Individual/HUF	2,501,010	-	2,501,010	64.222	2,501,010	-	2,501,010	64.222	-
(b) Central Government	-	-	-	-	-	-	-	-	-
(c) State Government(s) –through a Corporation	-	-	-	-	-	-	-	-	-
(d) Bodies Corporate	-	-	-	-	-	-	-	-	-
(e) Bank/FI	-	-	-	-	-	-	-	-	-
(f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total(A)(1)	2,501,010	-	2,501,010	64.222	2,501,010	-	2,501,010	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)	2,501,010	-	2,501,010	64.222	2,501,010	-	2,501,010	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	4,79,784	4,200	4,83,984	12.428	4,74,422	4,200	4,78,622	12.29	-0.138
(ii)Overseas	-	-	-	-	-	-	-	-	-
(b)Individuals	-	-	-	-	-	-	-	-	-
(i)Individual Shareholders holding nominal Share Capital up to Rs.1 lac	3,23,747	1,47,630	4,71,377	12.104	3,63,179	1,42,930	5,06,109	12.996	0.892
(ii)Individual Shareholders holding nominal Share Capital in excess of Rs.1 lac	4,17,904	19,000	4,36,904	11.219	3,87,918	19,000	4,06,918	10.449	-0.77
(c)Others (Specify) -	-	-	-	-	-	-	-	-	-
(i)Trusts, Societies, etc.	-	-	-	-	-	-	-	-	-
(ii)NRIs/OCBs	125	-	125	0.003	741	-	741	0.019	0.016
(iii)Clearing Members/Clearing House	-	-	-	-	-	-	-	-	-
Sub-Total(B)(2)	12,21,560	1,70,830	1,39,2390	35.754	12,26,260	1,66,130	1,39,2390	35.754	0.000
Total Public Shareholding (B)=(B)(1)+(B)(2)	1,22,1560	17,1730	1,39,3290	35.777	12,26,260	1,67,030	1,39,3290	35.777	0.000
C. Shares held by Custodian for GDRS & ADRs	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C)	3,722,570	17,1730	3,894,300	100	37,272,70	16,7030	3,894,300	100	0.000

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year as on 01.04.2015			Shareholding at the end of the year as on 31.03.2016			% change in Share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total Shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total Shares	
1.	TARAK J.SANGHAVI (HUF)	53,550	1.375	-	53,550	1.375	-	
2.	UMESH J. SANGHAVI (HUF)	54,700	1.405	-	54,700	1.405	-	
3.	ASHOK J. SANGHAVI	4,55,180	11.688	-	4,55,180	11.688	-	
4.	UMESH J. SANGHAVI	95,340	2.448	2.448	95,340	2.448	2.448	
5.	RAJENDRA J.SANGHAVI	1,19,700	3.074	3.074	1,19,700	3.074	3.074	
6.	ASHOK J. SANGHAVI (HUF)	300	0.008	-	300	0.008	-	
7.	RAJENDRAJ.SANGHAVI (HUF)	55,100	1.415	-	55,100	1.415	-	
8.	PAYAL A. SANGHAVI	700	0.018	-	700	0.018	-	
9.	ANITA U. SANGHAVI	2,39,740	6.156	-	2,39,740	6.156	-	
10.	MRUNALINI R.SANGHAVI	2,37,080	6.088	-	2,37,080	6.088	-	
11.	VASANTBEN J.SANGHAVI	2,45,360	6.300	6.300	2,45,360	6.300	6.300	
12.	VASANTBEN J. SANGHAVI (TRUST)	2,54,900	6.545	-	2,54,900	6.545	-	
13.	NIKHIL U.SANGHAVI	86,785	2.229	-	86,785	2.229	-	
14.	REKHA T.SANGHAVI	2,7,440	6.97	-	2,71,440	6.97	-	
15.	TARAK J. SANGHAVI	1,12,490	2.889	2.889	1,12,490	2.889	2.889	
16.	AVNI R. SANGHAVI	36,150	0.928	-	36,150	0.928	-	
17.	HEMAL U. SANGHAVI	85,785	2.203	-	85,785	2.203	-	
18.	SAGAR A.SANGHAVI	470	0.012	-	470	0.012	-	
19.	JANKI T. SANGHAVI	32,000	0.822	-	32,000	0.822	-	
20.	AMI T.SANGHAVI	32,170	0.826	-	32,170	0.826	-	
21.	TULSI R. SANGHAVI	32,070	0.824	-	32,070	0.824	-	

(iii) Change in Promoter's Shareholding

Promoter's Shareholding	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
At the beginning of the year	No change during the year			
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		Date	Increasing/ Decreasing in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the				No. of Shares	% of total Shares of the Company
1.	VISHWANATHAN K	19,000	0.488	01/04/2015				
	-Closing Balance	19,000	0.488	31/03/2016			19,000	0.488
2.	VISEN INDUSTRIES LTD.	93,463	2.4	01/04/2015				
	-Closing Balance	93,463	2.4	31/03/2016			93,463	2.4
3.	VSL SECURITIES PVT LTD	1,28,68	0.33	01/04/2015				
	-Closing Balance	1,28,68	0.33	31/03/2016			1,28,68	0.33
3.	VASANT POLYMERS & CHEMICALS PVT LTD.	3,02,000	7.755	01/04/2015				
				19/06/2015	7000	Transfer	3,09,000	7.935
	-Closing Balance	3,09,000	7.935	31/03/2016			3,09,000	7.935
4.	PRAVIN KANTILAL VAKIL (HUF)	29,350	0.754	01/04/2015				
				24/07/2015	-100	Transfer	29,250	0.751
				31/07/2015	-300	Transfer	28,950	0.743
				18/09/2015	390	Transfer	29,340	0.753
				04/12/2015	-390	Transfer	28,950	0.743
				31/12/2015	-500	Transfer	28,450	0.731
				08/01/2016	-1000	Transfer	27,450	0.705
				15/01/2016	-835	Transfer	26,615	0.683
				22/01/2016	450	Transfer	27,065	0.695
	-Closing Balance	27,065	0.698	31/03/2016	0		27,065	0.695
5.	VIJAY S NAIR	31,466	0.904	01/04/2015				
	-Closing Balance	31,466		31/03/2016			31,466	0.808
6.	SHARAD KANAYALAL SHAH	37,600	0.966	01/04/2015				
				11/09/2015	-325	Transfer	37,275	0.957
				18/09/2015	-1200	Transfer	36,075	0.923
	-Closing Balance			27/11/2015	-36075	Transfer		
7.	MADHUSUDAN MANMOHANDAS VORA	37,871	0.972	01/04/2015				
				08/01/2016	-3000	Transfer	34871	0.895
	-Closing Balance	37,871	0.895	31/03/2016			37871	0.972
8.	UMESH MORARJI THAKKAR	88,554	2.274	01/04/2015				
				01/05/2015	-1000	Transfer	87,554	2.248
				29/05/2015	2417	Transfer	89,971	2.31
				31/07/2015	300	Transfer	90,271	2.318
				07/08/2015	250	Transfer	90,521	2.324
				11/09/2015	100	Transfer	90,621	2.327
				18/09/2015	225	Transfer	90,846	2.333
				11/12/2015	175	Transfer	91,021	2.337

				31/12/2015	3150	Transfer	94,171	2.418
	-Closing Balance			31/03/2016			94,171	2.418
9.	SANGEETHA S	56,590	1.453	01/04/2015				
	-Closing Balance	56,590	1.453	31/03/2016			56,590	1.453
10.	DIPAK KANAYALAL SHAH	90,000	2.311	01/04/2014				
				27/11/2015	29070	Transfer	1,190,70	3.058
				15/01/2016	970	Transfer	1,20,040	3.082
	-Closing Balance	1,20,040	3.082	31/03/2016			1,20,040	3.082

(v) Shareholding of directors and Key Managerial Personnel:

Sr No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Rajendra Jayantilal Sanghavi				
	At the beginning of the year	1,19,700	3.074	1,19,700	3.074
	At the End of the year	1,19,700	3.074	119700	3.074
2.	Umesh Jayantilal Sanghavi				
	At the beginning of the year	95,340	2.445	95,340	2.445
	At the End of the year	95,340	2.445	95,340	2.445
3.	Tarak Jayantilal Sanghavi				
	At the beginning of the year	1,12,490	2.889	1,12,490	2.889
	At the End of the year	1,12,490	2.889	1,12,490	2.889
4.	M. M .Vora				
	At the beginning of the year	40,318	1.04	40,318	1.04
	At the End of the year	33,871	0.869	33,871	0.869
5.	Ishita Gandhi				
	At the beginning of the year	1,000	0.03	1,000	0.03
	At the End of the year	1,000	0.03	1,000	0.03
6.	H. S. Kamath				
	At the beginning of the year	1,000	0.03	1,000	0.03
	At the End of the year	100	0.01	100	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

(Amount in lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	2022.01	1513.53	-	3535.54
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total(i+ii+iii)	2022.01	1513.53		3535.54
Change in Indebtedness during the financial year				
•Addition	-	4195.62	165.25	4360.87
•Reduction	160.19	4305.65	-	4465.84
NetChange	160.19	8501.27	165.25	8828.70
Indebtedness at the end of the financial year				
(i) Principal Amount	1861.83	1403.50	-	3265.33
(ii) Interest due but not paid	-	-	165.25	165.25
(iii) Interest accrued but not due	-	-	10.36	10.36
Total(i+ii+iii)	1861.83	1403.50	175.61	3265.33

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	13,16,448	10,08,000	10,08,000
2.	Stock Options	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission-as % of profit-others, specify	-	-	-
5.	Others (Company's contribution to Provident and Superannuation Fund(s) to the extent not taxable)	-	-	-
Total(A)		13,16,448	10,08,000	10,08,000
Ceiling as per the Act		Rs. 42 Lakhs as per Schedule of the Companies Act, 2013.		

B. Remuneration to other Directors

(Amount in Rupees)

Sr No.	Particulars of Remuneration	Name of Director				Total Amount
		M.M.Vora	H.S.Kamath	Ishita Gandhi	S.R.Sanghavi	
1.	Independent Directors					
	Fees for attending Board/Committee Meetings	30,000	22,500	30,000		82,500
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total(1)	30,000	22,500	30,000		82,500
2.	Other Non-Executive Directors					
	Fee for attending Board/Committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total(2)	-	-	-	-	-
	Total(B)=(1+2)	-	-	-	-	82,500
	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 Amount (in Rupees)
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	4,08,000	4,08,000
2.	Stock Options	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify	-	-
5.	Others, please specify–Retiral/Retirement benefits	-	-
	Total(C)	4,08,000	4,08,000

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	DetailsofPenalty/ Punishment/ Compounding fees imposed	Authority	Appeal made, if any
A. Company / B. Directors / C. Other Officers in Default					
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, 2016 is given here below and Forms part of the Directors Report

(A) Conservation of Energy:

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

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

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

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

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

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

3) The capital investment on energy conservation equipments:

Rupees Three Lakhs were spent on energy conservation equipments.

(B) Technology absorption:

1) The efforts made towards technology absorption:

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

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

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

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

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

4) The expenditure incurred on Research and Development:

Rupees Twenty Lakhs were spent on Research and Development

(C) Foreign Exchange Earnings and Outgo:

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

For and On Behalf of the Board of Directors

Place: Mumbai
Date: 30th May 2016

Rajendra J. Sanghavi
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT

There is no major change in the industry structure.

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

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

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

India is an important player in the global trade of chemicals, plastics and allied products. The chemical industry has seen an increasing shift towards Asia, where Indian chemical industry stands out to be the third largest producer and 12th in the world in terms of volume.

OUTLOOK

Amongst its basket of products, your Company's major focus is to grow its Consumer product's business.

Most of the major players in this industry have predicted a better growth. Our emulsions are predominantly used for making decorative paints; which would certainly provide a greater fillip to our sales

Our Consumer Products business is focused on providing customers with a complete range of wood working adhesives. Our Adhesive Brand "Mahacol" has strong market presence and is known for its product quality among the influencers and consumers.

With a nationwide network, our brand "Mahacol" is showing as a respectable player in the adhesive market. We are working on having a PAN India presence with a strong distribution network of dealers and distributors.

Your company has started implanting its plant for introducing specialty chemicals in the textile sector. The export front continues to grow with more countries accepting our products

Prices of major raw materials and packing material were lower in the current year primarily due to sharp decline in crude prices and going forward marginal increases in costs are expected. . 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.

STRENGTH, OPPORTUNITIES, THREATS, RISKS, CONCERNS

Your company's policy of long term relation with the major imported raw material supplier's has been one of the key factor that has enabled your company to observe the huge impact on the product costing.

Your company's intrinsic strength is its Brand Image and its vast range of product that find usage in different industries, which shows there is no over dependence on any particular industries.

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 result shows good growth every year in case of Adhesives, some product not only have a good potential but also contribute significantly to value addition and thus these area are been 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 cost 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 directors closely monitor the operations of your Company personally. Having regard to the size and nature of the business, your Company has adequate internal control procedures for managerial control.

HUMAN RESOURCES/INDUSTRIAL RELATIONS

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

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

MANUFACTURING DIVISION

During the year the volume wise the production has increased from 28908 M. Tonnes to 31820 M. Tonnes registering growth of 10.07 %. However in value terms the sales has decreased from 18647 Lakhs to 17224 Lakhs, mainly due to reduction in raw material prices which in turn resulted in lower selling price.

TRADING DIVISION

In the trading segment, the turnover has increased from 6778 Lakhs to 9809 Lakhs. This was due to a conscious decision to take advantage of the market.

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 181 Lacs as compared to loss of 142 Lacs in the previous year. Your company's initiative to start export will help in reducing foreign exchange losses due to natural hedging.

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 Director:

Name of the Director	Status	No. of Board Meetings attended	Attendance At Annual General Meeting	No. of other Directorships	No. of other Committee Membership	
					Chairman	Member
Mr. R. J. Sanghavi	Executive Chairman, Promoter	6	Attended	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	NA	Not Attended	Nil	NA	NA
Mr. H. S. Kamath	Non-Executive, Independent Director	3	Not Attended	Nil	1	2
Mrs. Ishita Gandhi	Non-Executive, Independent Director	4	Not Attended	Nil	1	2

Inter – se relationship between the Director

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

Board Meetings

During the financial year ended on March 31, 2016, Six Board Meetings were held on 18th April, 2015, 30th May, 2015, 14th August, 2015, 26th September, 2015, 10th November, 2015 and 12th February 2016.

The 29th Annual General Meeting of the company was held on 26th September, 2015.

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 at the ensuing Annual General Meeting (AGM) are given in the Notice of AGM of your Company, annexed to this Annual Report.

Audit Committee

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

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

Sr. No.	Name of the Director.	Status	No. of Meetings held.	No. of Meetings attended.	Date of Audit Committee Meetings
1.	Mr. M. M. Vora (Chairman)	Non Executive / Independent	4	4	30 th May, 2016
2.	Mr. S. R. Sanghavi (Member) (upto 12.04.2015)	Non Executive / Independent	NA	NA	14 th August, 2016 10 th November, 2016
3.	Mr. H. S. Kamath (Member)	Non Executive / Independent	4	3	12 th February, 2017
4.	Mrs. Ishita Gandhi (Member)	Non Executive / Independent	4	4	

Stakeholders Relationship Committee

Non-Executive Director heading the Committee	Mr. S. R. Sanghavi (upto 12.04.2015)
Non-Executive Director heading the Committee	Mrs. Ishita Gandhi (from 13.04.2015)
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 Nomination and Remuneration Committee inter alia includes determination of your Company's policy on specific remuneration packages for Directors.

Sr. No.	Name of the Director	Status	No. of Meetings held	No. of Meetings attended.	Date of Remuneration Committee Meetings
1.	Mr. H. S. Kamath (Chairman)	Non Executive / Independent	1	1	30 th May, 2015
2.	Mr. S. R. Sanghavi (Member) (upto 12.04.2015)	Non Executive / Independent	NA	NA	
3.	Mr. M. M. Vora (Member)	Non Executive / Independent	1	1	
4	Mrs. Ishita Gandhi (Member)	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 the Companies Act, 2013 and approved by the Board of Directors in the Board meeting, subject to the subsequent approval by the shareholders at the general meeting and such other authorities as and when required. Non – Executive Independent Directors are paid sitting fees for attending Board meetings.

Remuneration to Directors

The remuneration details for the financial year 2015-16 are as follows:

Name of the Directors	Status	Salary (₹)	Contribution to Provident Fund (₹)	Commission	Sitting Fees (₹)	Total (₹)	Contract Period (No. of years)
Mr. R. J. Sanghavi	Executive Chairman	9,00,000	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	-	-	30,000	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	-	-	-	-	N.A
Mrs. Ishita Gandhi	Non Executive/ Independent	N.A	-	-	30,000	30,000	N.A

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

Shareholding of the Non Executive Directors as on 31st March 2016

Name of the Director.	Nature of Directorship	No of Shares held	Percentage to the paid-up capital
Mr. M. M. Vora	Independent	33,871	0.97
Mr. H. S. Kamath	Independent	100	0.01
Mr. S. R. Sanghavi	Independent	Nil	Nil
Mrs. Ishita Gandhi	Independent	1,000	0.03

Independent Directors Meeting:

During the year under review, a separate meeting of Independent Directors was held on March 30, 2016, 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 in to account the views of the Executive and Non-Executive Directors; and
- Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and necessarily perform its duties.

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

Performance Evaluation of Board, Committees and Directors

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

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

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

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

General Body Meetings

The last three Annual General Meetings of your Company were held at the Registered Office of the Company on 28th September 2013, 27th September, 2014 and 26th September, 2015 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 Exchange, Securities and Exchange Board of India and other statutory authorities on matter relating to capital markets during the last three years and consequently no penalties or strictures have been imposed on your Company by these authorities.
- (c) Your Company has generally complied with all the mandatory requirements of the Listing Agreement to the extent applicable to your Company.
- (d) While preparation of the financial statements during the year under review, no accounting treatment which was different from that prescribed in the Accounting Standards was followed. The significant accounting policies applied in preparation and presentation of financial statements have been set out in Note No.1 of Notes to financial statements in the Annual Report.
- (e) Your Company has laid down procedures to inform the Board members about the risk assessment and minimization procedures covering the entire gamut of business operations of your Company. These procedures are periodically reviewed to ensure that executive management controls risks by means of a properly defined framework.
- (f) The designated senior management personnel of your Company have disclosed to the Board that no material, financial and commercial transactions have been entered into during the year under review in which they have personal interest, which may have a potential conflict with the interest of your Company at large.
- (g) The Managing Director and the CFO have furnished a duly signed Certificate to the Board for the year ended March 31, 2016 in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) and the same has been placed in the Board Meeting held on May 30, 2016.
- (h) 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.
- (i) Your Company has adopted a Vigil Mechanism/ Whistle Blower Policy for developing a culture where it is safe for all directors /employees to raise concerns about any unacceptable practice and any event of misconduct. The Policy allows unrestricted access to all employees and others to approach the Audit Committee and there has been no instance during the year where any personnel has been denied access to the Audit Committee. The quarterly report with number of complaints received under the policy and their outcome is being placed before the Audit Committee.
- (j) Your Company is familiarizing the Independent Directors on its Board on a quarterly basis and the detail of familiarization programme are posted on the website of your Company and is available at the weblink <http://www.nikhiladhesives.com>
- (k) Your Company has presently not adopted certain non-mandatory requirements in regard to maintenance of Non-Executive Chairman's office, sending half-yearly declaration of financial performance to each house hold of shareholders and reporting of internal auditors directly to the Audit Committee.

Means of Communications

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

General Shareholder Information

Sr. no	Particulars	
1	Annual general Meeting date, time, venue	29 th September, 2016, 11.00a.m. at Shreeji Industrial Estate, Vadkun, College Road, Dahanu, Palghar – 401 602.
2	Date of Book closure	22 nd September ,2016 to 29 th September, 2016 (both days inclusive)
3	Date of Payment of Dividend	-
4	<u>Financial Calendar (Tentative)</u> Unaudited financial result for the quarter ending 30 th June2016 Unaudited financial result for the quarter ending 30 th September,2016 Unaudited financial result for the quarter ending 31 st December,2016 Audited financial result for the year ending 31 st March,2017 Annual general meeting for the year ending 31 st March,2017	2 nd week of August,2016 2 nd week of November,2016 2 nd week of February,2017 4 th week of May,2017 September,2017
5	Listing of stock exchange	BSE Ltd
6	Demat ISIN number of NSDL & CDSL	INE926C01014
7	Stock code on BSE Ltd	526159
8	Grievance redressal division email ID	ami.sanghavi@nikhiladhesives.com

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

Month	BSE (Rs)		SENSEX	
	HIGH	LOW	HIGH	LOW
April 2015	47.00	29.05	29095	26898
May 2015	44.85	31.50	28072	26424
June 2015	41.70	29.20	27969	26308
July 2015	46.50	30.15	27824	28579
August 2015	48.80	40.85	28090	28418
September 2015	48.80	36.05	26128	26,472
October 2015	39.00	35.25	26345	27196
November 2015	43.05	32.50	26825	25452
December 2015	55.95	42.75	26257	24868
January 2016	64.20	48.80	26198	23840
February 2016	51.00	41.90	25003	22495
March 2016	47.00	39.75	25480	23134

10) Distribution Schedule of Numbers of Shares as on 31.03.2016

Shares	No. of Holders	%	No. of Shares	%
Upto 100	745	49.73	58,489	1.50
101 to 200	306	20.43	58,804	1.51
201 to 500	241	16.09	1,00,188	2.57
501 to 1000	92	06.14	79,588	2.04
1001 to 5000	68	04.54	1,56,331	4.01
5001 to 10000	17	01.13	1,19,111	3.06
10001 to 100000	17	01.34	9,56,859	24.57
100001 to above	20	00.60	2,364,930	60.73
	9			
TOTAL	1498	100.00	3,894,300	100.00

11) Distribution of Shareholding as on 31.03.2016

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	(A)	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	(B)	900	0.023
4. Others			
a. Bodies Corporate		4,83,984	12.428
b. Indian Public		90,82,81	23.323
c. NRI's / OCB's		125	0.003
d. Clearing Members		-	-
SUB TOTAL	(C)	1,392,390	35.754
GRAND TOTAL	(A+B+C)	3,894,300	100

Sr.No	Particulars	
12	Registrars & Transfer Agents.	<p>M/s Sharex Dynamic(India)Pvt. Ltd</p> <p>Branch office :</p> <p>Unit No 1 , Luthra Ind. Premises</p> <p>Andheri Kurla Road, Safed Pool,</p> <p>Andheri East, Mumbai 400 072</p>
13	Share Transfer Systems	<p>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.</p>
14	Dematerialization of Shares and Liquidity	<p>Trading in equity shares of your Company is permitted only in dematerialized form.</p> <p>Total No. of Shares dematerialized up to 31.03.2016 is 3,727,270 i.e. 95.71% of the total equity share capital of your Company.</p>
15	Issue of any GDRs, ADRs etc	<p>Your Company has not issued any GDRs, ADRs, Warrants or any Convertible Instruments.</p>
16	Plant locations	<p>PLANT 1:</p> <p>Shreeji Industrial Estate,</p> <p>Vadkun, College Road, Dahanu,</p> <p>Dist. Palghar – 401 602.</p> <p>PLANT 2:</p> <p>Plot No.7, Govt Ind. Estate</p> <p>Phase- I, Piparia, Silvassa-396230</p> <p>PLANT 3:</p> <p>Plot No.D-2/CH/49,</p> <p>GIDC Estate, Dahej, Tal – Vagra. Dist. Bharuch, Gujarat – 392130.</p>
17	Registered Office Address	<p>Shreeji Industrial Estate, Vadkun, College Road, Dahanu, Dist. Palghar– 401 602, Maharashtra.</p>
18	Address for Shareholders Correspondence	<p>M/s. Sharex Dynamic (India) Pvt. Ltd.</p> <p>Unit No. 1, Luthra Ind. Premises,</p> <p>Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai – 400 072</p>

DECLARATION

As required under Schedule V (D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Board Members and the Senior Management Personnel have confirmed compliances with the Code of Conduct for the Board of Directors and the Senior Management for the year ended 31 March, 2016.

For Nikhil Adhesives Limited

Place: Mumbai

Umesh. J. Sanghavi

Date: 30th May, 2016.

Managing Director

MANAGING DIRECTOR AND CFO CERTIFICATION

The Board of Directors,
 Nikhil Adhesives Limited,
 Mumbai.

Re: Financial Statements for the year 2015 - 2016 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, 2016 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, 2016 which is fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls; We have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that:-
 - a. There have been no significant changes in internal control during this year;
 - b. There have been no significant changes in accounting policies during this year;
 - c. There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems.

Umesh J.Sanghavi

Yogendra.A. Nakre

Managing Director

Chief Financial Officer

30th May, 2016

30th May, 2016

CERTIFICATE OF COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONSS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,
The Members of
Nikhil Adhesives Limited.

We have examined the compliance of conditions of the Corporate Governance by Nikhil Adhesives Limited (“the Company”) for the year ended on 31st March, 2016 as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the Company with Stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the Company with Stock exchange.

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

For PHD & Associates

Chartered Accountants

(Firm Registration No.111236W)

(D. V. Vakharia)

Partner

Membership No.: 46115

Place: Mumbai

Date: 30th May, 2016

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NIKHIL ADHESIVES LIMITED

REPORT ON THE FINANCIAL STATEMENTS

1. We have audited the accompanying financial statements of Nikhil Adhesives Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

OPINION

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

9. As required by 'the Companies (Auditor's Report) Order, 2016' issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we consider appropriate and according to the

information and explanations given to us, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For PHD & Associates

Chartered Accountants

Firm Registration No.111236W

Dhiren Vakharia

Partner

Membership No.: 46115

Mumbai

30 May 2016

Annexure A

Referred to in paragraph 9 of Independent Auditors' Report of even date to the members of Nikhil Adhesives Limited on the financial statements for the year ended 31 March 2016:

- (i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and the records examined by us, we report that the title deeds, comprising all the immovable properties are held in the name of the Company as at the balance sheet date, except in respect of immovable properties that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraphs 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has not provided any loans, or any guarantees or security to the parties covered under Section 186 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of making investments.
- (v) In our opinion and according to the information and explanations given to us, the Company has accepted deposits during the year and complied with the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 and other relevant provisions of the Companies Act, 2013 and the rules framed there under, as applicable.
- (vi) We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government of India, maintenance of cost records has been prescribed under sub section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii) In respect of statutory dues:
 - (a) According to the records of the Company, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2016, for a period of more than six months from the date of becoming payable.
 - (b) There are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax which have not been deposited as on March 31, 2016, on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks. The company did not have any outstanding dues to financial institutions or government or debenture holders.

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

For PHD & Associates

Chartered Accountants

Firm Registration No.111236W

Dhiren Vakharia

Partner

Membership No.: 46115

Mumbai

30 May 2016

Annexure B

Referred to in paragraph 10(f) of our report of even date to the members of Nikhil Adhesives Limited on the financial statements for the year ended March 31, 2016.

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

1. We have audited the internal financial controls over financial reporting of Nikhil Adhesives Limited (“the Company”) as at March 31, 2016, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For PHD & Associates

Chartered Accountants

Firm Registration No.111236W

Dhiren Vakharia

Partner

Membership No.: 46115

Mumbai

30 May 2016

Balance Sheet as at 31 March 2016

Particulars	Note No.	As at 31 March 2016 ₹	As at 31 March 2015 ₹
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	2	39,049,603	39,049,603
(b) Reserves and Surplus	3	120,158,962	104,262,194
		159,208,565	143,311,797
Non-Current Liabilities			
(a) Long-Term Borrowings	4	161,762,715	174,792,468
(b) Deferred Tax Liabilities (Net)	5	22,708,889	20,463,073
(c) Other Long-Term Liabilities	6	557,188	-
(d) Long-Term Provisions	7	2,711,781	2,555,968
		187,740,573	197,811,509
Current Liabilities			
(a) Short-Term Borrowings	8	155,690,152	154,598,863
(b) Trade Payables	9		
i) Total Outstanding dues of Micro & Small Enterprises		-	-
ii) Total Outstanding dues of Creditors Other than Micro & Small Enterprises		603,172,297	535,116,966
(c) Other Current Liabilities	10	84,139,945	84,121,837
(d) Short-Term Provisions	11	470,181	864,777
		843,472,575	774,702,443
Total		1,190,421,713	1,115,825,749
ASSETS			
Non-Current Assets			
(a) Fixed Assets	12		
(i) Tangible Assets		241,660,545	247,625,355
(ii) Capital Work-in-Progress		3,904,664	6,931,174
		245,565,209	254,556,529
(b) Non-Current Investments	13	36,000	36,000
(c) Long-Term Loans and Advances	14	13,612,693	16,990,498
(d) Other Non-Current Assets	15	9,375,336	1,533,392
		268,589,238	273,116,419
Current Assets			
(a) Inventories	16	258,901,898	252,243,838
(b) Trade Receivables	17	441,780,764	423,410,825
(c) Cash and Bank Balances	18	60,154,216	40,149,536
(d) Short-Term Loans and Advances	19	129,391,827	124,968,627
(e) Other Current Assets	20	31,603,770	1,936,503
		921,832,475	842,709,329
Total		1,190,421,713	1,115,825,749
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
Chartered Accountants
Firm Registration No. 111236W

For and on behalf of the Board of Directors

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

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

Dhiren Vakharia
(Partner)
Membership No. 46115

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

M. M. Vora
(Director)
DIN : 00245427

Place : Mumbai
Date : 30th May 2016

Statement of Profit and Loss for the Year Ended 31 March, 2016

Particulars	Note No.	For the Year Ended 31 March 2016 ₹	For the Year Ended 31 March 2015 ₹
Revenue from Operations	21	2,976,872,744	2,843,046,687
Less: Excise Duty	21	273,639,653	300,599,231
		2,703,233,091	2,542,447,456
Other Income	22	243,326	3,307,838
Total Revenue		2,703,476,417	2,545,755,294
Expenses :			
(a) Cost of Materials Consumed	23	1,373,354,261	1,550,923,187
(b) Purchases of Stock-in-Trade	24	1,020,694,022	665,849,290
(c) Changes in Inventories of Finished goods and Stock-in-Trade	25	(64,370,203)	(3,829,009)
(d) Employee Benefit Expenses	26	59,577,763	61,504,813
(e) Finance Costs	27	78,638,772	60,604,233
(f) Depreciation and Amortization Expense	12	15,544,230	18,153,508
(g) Other Expenses	28	201,894,988	187,168,549
Total Expenses		2,685,333,833	2,540,374,571
Profit Before Tax		18,142,584	5,380,723
Tax Expense:			
(a) Current Tax (Refer Note 36)		-	-
(b) Deferred Tax		2,245,816	1,578,667
		2,245,816	1,578,667
Profit for the Year		15,896,768	3,802,056
Earnings per equity share of Nominal Value of ` 10/- each			
(a) Basic	34	4.08	0.98
(b) Diluted	34	4.08	0.98
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			
	U. J. Sanghavi (Managing Director) DIN : 00491220	T. J. Sanghavi (Executive Director) DIN : 00519403	
Dhiren Vakharia (Partner) Membership No. 46115	R. J. Sanghavi (Executive Chairman) DIN : 00245637	M. M. Vora (Director) DIN : 00245427	
Place : Mumbai			
Date : 30th May 2016			

Notes forming part of the financial statements

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting and preparation of financial statement

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

(b) Use of Estimates

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

(c) Revenue Recognition

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

(d) Excise Duty and Indirect Taxes

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

(e) Fixed Assets and Depreciation

- (i) Fixed Assets are stated at cost less depreciation. The cost of fixed assets include purchase price, transportation, duties, taxes and other attributable expenses, but excludes Cenvat/VAT/Service Tax Credits, if any, available.
- (ii) Depreciation is provided 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 lease hold 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 often years which ever is less, except when it is clearly established that the useful economic life of the asset is exceeding the period often years in which case it is amortised over its useful economic life with adequate disclosure in accordance with As-26 "Intangible Assets". The as sets 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.in).

(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 (he 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) II" relating to "The Effects of Changes in Foreign Exchange Rates" the Company has exercised the option of adding the exchange difference, arising out of fluctuation in exchange rates on period end, to the cost of the Fixed asset and shall be amortised over the balance life of the asset.

(n) Insurance Claims

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

(o) Employees Retirement Benefits

(i) Provident Fund

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

(ii) Gratuity

The employees of the Company are eligible for Gratuity in accordance with the Payment of Gratuity Act, and is a Defined Employee Benefit. The above benefit I 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 build up the final obligation.

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

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

(iii) Compensated Leave

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

(p) Taxation

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

Deferred Taxation

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

(q) Impairment of Assets

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

(r) Provisions, Contingent Liabilities and Contingent Assets

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

Notes forming part of the Financial Statements

NOTE 2 SHARE CAPITAL

Particulars	As at 31 March 2016	As at 31 March 2015
	₹	₹
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 2016		As at 31 March 2015	
	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 2016		As at 31 March 2015	
	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 2016		As at 31 March 2015	
	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 2016	As at 31 March 2015
	₹	₹
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	26,774,779	22,972,723
Add: Profit for the year	15,896,768	3,802,056
Closing Balance	42,671,547	26,774,779
Total	120,158,962	104,262,194

Notes forming part of the Financial Statements

NOTE 4 LONG-TERM BORROWINGS

Particulars	As at 31 March 2016 ₹	As at 31 March 2015 ₹
<u>Secured</u> (Refer (a), (c) and (d) below):		
Term loans		
From banks	-	28,471,625
Vehicle Finance		
From banks	312,519	465,459
	312,519	28,937,084
<u>Unsecured</u> (Refer (b) and (d) below):		
Deferred payment liabilities		
Sales Tax Deferral	4,985,196	4,502,150
Deposits		
From Public	16,115,000	-
Others		
Loan from Related Party	140,350,000	141,353,234
	161,450,196	148,553,384
Total	161,762,715	174,792,468

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

Particulars	Security and terms of repayment as at 31 Mar 2016	As at 31 March 2016 ₹	As at 31 March 2015 ₹
<u>Term loans from Banks:</u>			
Standard Chartered Bank : External Commercial Borrowing (ECB)	(a) Secured against first charge on present and future movable and immovable fixed assets of the plant at Dahej (b) Rate of Interest is LIBOR (including premium) + 350 bppa	-	28,471,625
Total		-	28,471,625
<u>Vehicle Finance</u>			
HDFC Bank	(a) Secured against hypothecation of the vehicle financed. (b) Repayable in 33 monthly installments, last installment being due in December 2018. (c) Rate of Interest is 8.83%.	312,519	465,459
Total		312,519	465,459

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

Particulars	Security and terms of repayment	As at 31 March 2016 ₹	As at 31 March 2015 ₹
<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.	4,985,196	4,502,150
Total		4,985,196	4,502,150

© Secured long term borrowings of Nil (Previous year ₹ 28,471,625/-) 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 ₹ 34,827,862/- (Previous Year ₹ 28,665,241/-) is disclosed under 'Other Current Liabilities' (Refer Note 10)

Notes forming part of the financial statements

NOTE 5 DEFERRED TAX LIABILITIES

Particulars	As at 31 March 2016 ₹	As at 31 March 2015 ₹
Tax effect of items constituting deferred tax liabilities :		
On difference between book balance and tax balance of Fixed Assets	22,251,608	19,925,046
Deferred Sales Tax liability accounted in Books of Accounts on discounted present value basis which is considered for taxation purpose for tax value	1,488,193	1,647,888
	23,739,801	21,572,934
Tax effect of items constituting deferred tax assets :		
Expenses incurred during the year allowable as deduction in income tax in subsequent years	(1,030,912)	(1,109,861)
	(1,030,912)	(1,109,861)
Total	22,708,889	20,463,073

NOTE 6 OTHER LONG TERM LIABILITIES

Particulars	As at 31 March 2016 ₹	As at 31 March 2015 ₹
Interest accrued but not due on Public Deposits	557,188	-
Total	557,188	-

NOTE 7 LONG- TERM PROVISIONS

Particulars	As at 31 March 2016 ₹	As at 31 March 2015 ₹
Provision for employee benefits (Refer Note 37)	2,711,781	2,555,968
Gratuity (Non funded)		
Total	2,711,781	2,555,968

Notes forming part of the Financial Statements

NOTE 8 SHORT-TERM BORROWINGS

Particulars	As at 31 March 2016 ₹	As at 31 March 2015 ₹
<u>Secured</u> (Refer (a) and (b) below) :		
Loans repayable on demand Cash Credit from Banks	155,690,152	144,598,863
	155,690,152	144,598,863
<u>Unsecured</u>		
Loans repayable on demand From other parties	-	10,000,000
	-	10,000,000
Total	155,690,152	154,598,863

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

Particulars	Nature of security	As at 31 March 2016 ₹	As at 31 March 2015 ₹
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.	124,541,563	82,574,565
2) Standard Chartered Bank		21,987,388	28,313,434
3) Yes Bank		9,161,201	33,710,864
Total		155,690,152	144,598,863

(b) Secured short term borrowings of ₹155,690, (Pervious year ₹ 14,45,98,863/-) 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 9 TRADE PAYABLES

Particulars	As at 31 March 2016 ₹	As at 31 March 2015 ₹
Trade Payables (Refer Note 42)		
i) Total Outstanding dues of Micro & Small Enterprises	-	-
ii) Total Outstanding dues of Creditors Other than Micro & Small Enterprises	603,172,297	535,116,966
Total	603,172,297	535,116,966

NOTE 10 OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2016 ₹	As at 31 March 2015 ₹
Current maturities of Long term debt (Refer Note 4)	30,742,862	28,665,241
Interest accrued but not due on Public Deposits	478,430	-
Unclaimed dividend	476,016	566,600
Liabilities for expenses	29,190,293	38,700,460
Advances from customers	11,802,184	2,262,150
Security deposits	1,339,060	1,507,741
Statutory dues	4,337,678	2,276,057
Other payables	5,773,422	10,143,588
Total	84,139,945	84,121,837

There are no amounts due and outstanding to be paid to the "Investor Education and Protection Fund" as at 31 March 2016.

NOTE 11 SHORT TERM PROVISIONS

Particulars	As at 31 March 2016 ₹	As at 31 March 2015 ₹
Provision for employee benefits (Refer Note 37)		
Gratuity (Non funded)	470,181	864,777
Total	470,181	864,777

NIKHIL ADHESIVES LIMITED
Notes forming part of the financial statements

NOTE 12 FIXED ASSETS

Fixed Assets	Gross Block						Accumulated Depreciation/Amortisation			Net Block	
	As at 1 April 2015	Additions	Adjustments	As at 31 Mar. 2016	As at 1 April 2015	For the year	Adjustments	As at 31 Mar. 2016	As at 31 Mar. 2016	As at 31 March 2015	
	(Amount in ₹)										
Tangible Assets											
Own Assets :											
Land	2,130,744	-	-	2,130,744	-	-	-	-	2,130,744	2,130,744	
Buildings	73,797,204	2,395,008	(4,350,000)	71,842,212	11,716,996	2,376,106	(512,438)	13,580,664	58,261,548	62,080,208	
Plant & Equipment	271,116,437	10,622,394	(4,500,000)	277,238,831	108,648,868	11,450,152	(509,043)	119,589,977	157,648,854	162,467,570	
Furniture and Fixtures	6,241,169	105,133	-	6,346,302	2,705,690	632,878	-	3,338,568	3,007,734	3,535,479	
Vehicles	5,467,445	-	(102,600)	5,364,845	3,426,941	641,558	(42,930)	4,025,569	1,339,276	2,040,504	
Computers	6,604,531	29,699	-	6,634,230	6,327,863	282,960	-	6,610,823	23,407	276,668	
Assets under Lease :-											
Land	15,636,119	4,315,376	-	19,951,495	541,937	160,576	-	702,513	19,248,982	15,094,182	
Total	380,993,649	17,467,610	(8,952,600)	389,508,659	133,368,295	15,544,230	(1,064,411)	147,848,114	241,660,545	247,625,355	
Previous year	366,843,888	14,149,761	-	380,993,649	115,214,784	18,153,510	-	133,368,294	247,625,355	251,629,104	
Intangible Assets											
Own Assets :-											
Goodwill	650,000	-	-	650,000	650,000	-	-	650,000	-	-	
Trademarks	1,098,500	-	-	1,098,500	1,098,500	-	-	1,098,500	-	-	
Technical Know How	3,075,000	-	-	3,075,000	3,075,000	-	-	3,075,000	-	-	
MDC Logo	3,500,000	-	-	3,500,000	3,500,000	-	-	3,500,000	-	-	
No Compete Agreement	1,000,000	-	-	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	-	-	9,323,500	-	-	
Capital Work In Progress	6,931,174	-	3,026,510	3,904,664	-	-	-	-	3,904,664	6,931,174	
Total	6,931,174	-	3,026,510	3,904,664	-	-	-	-	3,904,664	6,931,174	
Previous year	6,931,174	-	-	6,931,174	-	-	-	-	6,931,174	26,790,138	

Notes forming part of the Financial Statements

NOTE 13 NON-CURRENT INVESTMENTS

Particulars	As at 31 March 2016 ₹	As at 31 March 2015 ₹
(At cost less provision for other than temporary diminution, if any):		
<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	36,000
Aggregate amount of quoted investments	36,000	36,000
Aggregate market value of quoted investments	78,056	156,600

NOTE 14 LONG TERM LOANS AND ADVANCES

Particulars	As at 31 March 2016 ₹	As at 31 March 2015 ₹
Unsecured, considered good :		
Capital Advances	-	4,276,096
Security Deposits	6,324,688	6,346,051
Advance Income tax (Net of Provisions)	6,581,063	5,661,409
Other loans and advances	706,942	706,942
Total	13,612,693	16,990,498

NOTE 15 OTHER NON CURRENT ASSETS

Particulars	As at 31 March 2016 ₹	As at 31 March 2015 ₹
Balances with banks :		
Term deposits with more than twelve months maturity	9,348,699	1,533,392
Interest accrued on Term deposits with banks	26,637	-
Total	9,375,336	1,533,392

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

Notes forming part of the Financial Statements

NOTE 16 INVENTORIES

Particulars	As at 31 March 2016 ₹	As at 31 March 2015 ₹
(At lower of cost and Net realisable value)		
Raw Materials and components	125,576,803	182,052,634
Packing Materials	7,050,518	8,097,204
Finished goods	39,319,310	38,727,167
Trading Goods	86,645,227	22,811,043
Fuels	310,040	555,790
Total	258,901,898	252,243,838

NOTE 17 TRADE RECEIVABLES

Particulars	As at 31 March 2016 ₹	As at 31 March 2015 ₹
Unsecured, considered good : Trade receivables outstanding for a period exceeding six months from the date they were due for payment	3,816,967	3,707,723
Other Trade receivables	437,963,797	419,703,102
Total	441,780,764	423,410,825

Notes forming part of the Financial Statements

NOTE 18 CASH AND BANK BALANCES

Particulars	As at 31 March 2016 ₹	As at 31 March 2015 ₹
Cash and cash equivalents		
Balances with banks in current accounts	16,288,684	2,416,321
Cash on hand	1,577,238	1,079,001
Total	17,865,922	3,495,322
Other bank balances		
Term deposits with more than three months maturity but due within one year from the reporting date	41,633,178	36,079,166
In Earmarked accounts :		
unpaid dividend account	476,016	575,048
balances held as margin money	179,100	-
Total	42,288,294	36,654,214

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

NOTE 19 SHORT-TERM LOANS AND ADVANCES

Particulars	As at 31 March 2016 ₹	As at 31 March 2015 ₹
Unsecured, considered good :		
Advance to Suppliers	9,803,189	9,661,306
Central Excise Balance	105,990,376	103,942,606
Prepaid Expenses	7,267,032	5,160,141
Advances recoverable in cash or in kind	6,331,230	6,204,574
Total	129,391,827	124,968,627

NOTE 20 OTHER CURRENT ASSETS

Particulars	As at 31 March 2016 ₹	As at 31 March 2015 ₹
Interest accrued on Term deposits with banks	1,110,115	1,936,503
Claims Receivable	30,493,655	-
Total	31,603,770	1,936,503

Notes forming part of the Financial Statements

NOTE 21 REVENUE FROM OPERATIONS

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
	₹	₹
Sale of products :		
(a) <u>Manufactured goods</u>		
Adhesives and Emulsions	1,971,020,277	2,157,698,365
(b) <u>Traded goods</u>		
Chemicals	980,864,626	677,767,584
	2,951,884,903	2,835,465,949
Other operating revenues :		
(a) Labour Charges Income	4,857,854	7,566,926
(b) Bad debts recovered	-	13,812
(b) Insurance Claim	20,129,987	-
	24,987,841	7,580,738
Revenue from operations (Gross)	2,976,872,744	2,843,046,687
Less : Excise duty	273,639,653	300,599,231
Revenue from operations (Net)	2,703,233,091	2,542,447,456

NOTE 22 OTHER INCOME

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
	₹	₹
Dividend income :		
from non-current investments	4,000	-
Other non-operating income :		
(a) Sundry balances written back	135,604	1,789,900
(b) Sundry income	103,722	1,517,938
Total	243,326	3,307,838

Notes forming part of the Financial Statements

NOTE 23 COST OF MATERIALS CONSUMED

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
	₹	₹
Raw Materials consumed (Refer details given below)		
Opening stock	182,052,634	184,361,686
Add : Purchases	1,188,228,683	1,435,593,438
	1,370,281,317	1,619,955,124
Less : Closing stock	125,576,803	182,052,634
	1,244,704,514	1,437,902,490
Packing Materials consumed		
Opening stock	8,097,204	7,651,191
Add : Purchases	127,603,061	113,466,710
	135,700,265	121,117,901
Less : Closing stock	7,050,518	8,097,204
	128,649,747	113,020,697
Total	1,373,354,261	1,550,923,187

Details of Raw Materials consumed :

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
	₹	₹
Vinyl Acetate Monomer	357,562,367	412,094,971
Butyl Acetate Monomer	462,515,443	597,590,832
Other chemicals	424,626,704	428,216,687
Total	1,244,704,514	1,437,902,490

NOTE 24 PURCHASE OF TRADED GOODS

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
	₹	₹
Traded Goods		
Butyl Acetate Monomer	408,491,588	293,119,320
Vinyl Acetate Monomer	461,925,650	173,476,478
Other chemicals	150,276,784	199,253,492
Total	1,020,694,022	665,849,290

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

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
	₹	₹
Opening 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
Less : Closing Stock		
(a) <u>Finished goods</u>		
Adhesives & Emulsions	39,319,310	38,727,167
(b) <u>Stock-in-trade</u>		
Chemicals	86,645,227	22,811,043
	125,964,537	61,538,210
Changes in Inventories	(64,426,327)	(4,038,418)
Increase/(Decrease) in Excise duty on Finished goods	56,124	209,409
Total	(64,370,203)	(3,829,009)

Notes forming part of the Financial Statements

NOTE 26 EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended 31 March 2016 ₹	For the year ended 31 March 2015 ₹
Salaries and wages	53,387,626	55,347,187
Contributions to Provident and other funds	4,048,806	3,932,629
Staff welfare expenses	2,141,331	2,224,997
Total	59,577,763	61,504,813

NOTE 27 FINANCE COSTS

Particulars	For the year ended 31 March 2016 ₹	For the year ended 31 March 2015 ₹
Interest expense	36,806,847	34,302,708
Other borrowing costs	44,909,138	30,111,235
	81,715,985	64,413,943
Less :		
Interest received (Gross)	3,077,213	3,809,710
Total	78,638,772	60,604,233

Notes forming part of the Financial Statements

NOTE 28 OTHER EXPENSES

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
	₹	₹
Stores and spares consumed	4,359,101	3,758,184
Power and fuel	24,884,958	28,825,571
Labour charges	8,207,034	5,093,298
Rent	5,114,207	4,232,854
Repairs and Maintenance :		
Plant & Machinery	1,753,585	1,841,148
Building	117,112	170,222
Others	329,642	408,845
Printing and Stationery	624,956	721,059
Insurance	1,548,735	1,776,422
Storage expenses (Net)	11,864,745	11,160,082
Telephone expenses	2,567,277	2,923,654
Travelling and Conveyance expenses	10,164,028	8,984,594
Legal and Professional expenses (Refer Note 29 below)	3,312,852	2,179,830
Sales promotion expenses	5,669,392	3,057,787
Transportation and Octroi charges	44,445,039	47,262,135
Brokerage and Commission	6,664,158	5,117,947
Bad debts	2,416,975	966,882
Discounts/Rebates (Net)	42,031,020	37,332,457
Directors sitting fees	82,500	67,500
Miscellaneous expenses	7,664,862	7,131,481
Net Foreign Exchange fluctuation loss	18,072,810	14,156,597
Total	201,894,988	187,168,549

NOTE 29 REMUNERATION TO AUDITORS

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
	₹	₹
Legal and Professional charges includes payments to the auditors towards :		
As Auditor*	365,000	350,000
For Taxation Matters*	85,000	105,000
For Other Services*	110,000	82,800
Total	560,000	537,800

* Excluding Service Tax

Notes forming part of the Financial Statements

NOTE 30 : In terms of clause 46A of AS 11 "The Effects of Changes in the Foreign Exchange Rates" as inserted by Notification No. G.S.R. 914 (E) dated 29th December, 2011 issued by the Ministry of Corporate Affairs, Government of India, the company has opted to capitalise the foreign exchange differences arising on long term monetary item, in so far as it relates to acquisition of depreciable capital assets, against the cost of such assets and depreciate the said adjustment over the balance life of the asset. Accordingly, the foreign exchange differences of ₹ 27,64,764/-, for the year has been added to the cost of the fixed assets relating to the expansion project at Dahej (Gujarat). (Previous year ₹ 31,47,787/-)

NOTE 31 CIF VALUE OF IMPORTS

Particulars	For the year ended	For the year ended
	31 March 2016	31 March 2015
	₹	₹
Materials (for Manufacturing & Trading)	865,698,871	1,236,315,245

NOTE 32 VALUE OF CONSUMPTION OF IMPORTED AND INDIGENOUS ITEMS

Particulars	For the year ended 31 March 2016		For the year ended 31 March 2015	
	₹	%	₹	%
Raw Materials :				
Imported	970,816,613	78	1,155,503,670	80
Indigenous	273,887,901	22	282,398,820	20
Total	1,244,704,514	100	1,437,902,490	100
Spare parts and components :				
Indigenous	4,359,101	100	3,758,184	100

NOTE 33 EARNINGS IN FOREIGN CURRENCY

Particulars	For the year ended	For the year ended
	31 March 2016	31 March 2015
	₹	₹
FOB value of exports	42,086,270	16,280,887
Total	42,086,270	16,280,887

NOTE 34 EARNINGS PER SHARE

Particulars	For the year ended	For the year ended
	31 March 2016	31 March 2015
	₹	₹
Nominal Value of Equity shares	10	10
Net profit after tax available to the Equity shareholders	15,896,768	3,802,055
Weighted average number of Equity shares	3,894,300	3,894,300
Basic and Diluted Earnings per share	4.08	0.98

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

NOTE 36 DETAILS OF LEASING ARRANGEMENTS

Operating Lease: As a Lessee

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

Lease payments amounting to ₹ 5,114,207/-(Previous year ₹ 4,232,854/-) are included in rental expenditure in the Statement of Profit and Loss during the current year.

Notes forming part of the Financial Statements

NOTE 37 EMPLOYEE BENEFIT PLANS

(a) Defined Contribution Plans:

The amount recognised as expense in respect of Defined Contribution Plans (Contribution to Provident Fund) aggregate to ₹ 31,28,093/- (Previous year ₹ 29,76,329/-).

(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 summarises the components of the employee benefit expenses recognised in the Statement of Profit and Loss and the amount recognised in the Balance sheet for the gratuity provision made under actuarial method.

Statement of Profit and Loss

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

(Amount in ₹)

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Components of employer expense		
Current Service cost	541,372	272,889
Interest cost	272,291	270,572
Expected return on plan assets	-	-
Curtailement cost/(credit)	-	-
Settlement cost/(credit)	-	-
Past Service Cost	-	-
Actuarial Losses/(Gains)	107,044	412,839
Total expense recognised in the Statement of Profit & Loss	920,707	956,300

Balance Sheet

Details of provision for gratuity

Net asset/(liability) recognised in balance sheet	As at 31 March 2016	As at 31 March 2015
Present value of Defined Benefit Obligation	(3,181,962)	3,420,745
Fair value of plan assets	-	-
Funded status [Surplus/(Deficit)]	(3,181,962)	(3,420,745)
Unrecognised Past Service Costs	-	-
Net asset/(liability) recognised in balance sheet	(3,181,962)	(3,420,745)

Change in Defined Benefit Obligations (DBO) during the year ended	For the year ended 31 March 2016	For the year ended 31 March 2015
Present Value of DBO at beginning of period	3,420,745	2,906,251
Current Service cost	541,372	272,889
Interest cost	272,291	270,572
Curtailement cost/(credit)	-	-
Settlement cost/(credit)	-	-
Plan amendments	-	-
Acquisitions	-	-
Actuarial (gains)/ losses	107,044	412,839
Past Service Cost	-	-
Benefits paid	(1,159,490)	(441,806)
Present Value of DBO at the end of period	3,181,962	3,420,745

Principal actuarial assumptions as at the balance sheet date :

Particulars	As at 31 March 2016	As at 31 March 2015
Discount Rate	8.08%	7.96%
Salary escalation	5%	5%
Attrition Rate	2%	2%

Notes forming part of the Financial Statements

NOTE 38 SEGMENTS REPORTING

(a) Information about Business Segments for the Year Ended 31 March, 2016

(Amount in ₹)

Particulars	Manufacturing of Adhesives & Emulsions	Trading in Chemicals	Total Rupees
Revenue			
Sales/Income From Operations	1,722,368,465	980,864,626	2,703,233,091
Inter-Segment Sales	-	-	-
Total Revenue	1,722,368,465	980,864,626	2,703,233,091
Result			
Segment Result	103,232,142	13,191,264	116,423,406
Unallocated Corporate Expenses(Net)			19,642,050
Operating Profit			96,781,356
Interest Expense(Net)			78,638,772
Income Taxes(including deferred tax)			2,245,816
Profit From Ordinary Activities			15,896,768
Extraordinary Items			-
Net Profit			15,896,768
Other Informations			
Segment Assets	1,017,311,525	154,880,529	1,172,192,054
Unallocated Corporate Assets			18,229,664
Total Assets			1,190,421,718
Segment Liabilities	656,822,220	7,435,888	664,258,108
Unallocated Corporate Liabilities			366,955,040
Total Liabilities			1,031,213,153
Add: Share Capital And Reserves			159,208,565
Total Capital & Liabilities			1,190,421,718
Capital Expenditure (Including Capital work in Progress)	17,467,610	-	
Depreciation	15,544,230	-	

Notes :

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

Notes forming part of the Financial Statements

NOTE 38 SEGMENTS REPORTING

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

Notes forming part of the Financial Statements

NOTE 39 RELATED PARTY DISCLOSURES

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

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

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

(b) Details of Related Party transactions during the year ended 31st March 2016

(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	2,608,700	-	5,941,148
	(3,332,448)	(2,407,200)	(-)	(5,739,648)
Loans Received	-	-	560,915,000	560,915,000
	(-)	(-)	(507,123,786)	(507,123,786)
Loans Repaid	-	-	420,565,000	420,565,000
	(-)	(-)	(365,770,552)	(365,770,552)
Interest Paid	-	-	87,791	87,791
	(-)	(-)	(-)	(-)
Rent Paid	-	-	240,000	240,000
	(-)	(-)	(240,000)	(240,000)
Sales	-	-	74,603,450	74,603,450
	(-)	(-)	(-)	(-)
Purchases	-	-	-	-
	(-)	(-)	(22,517,812)	(22,517,812)
Outstanding Credit/(Debit) Balance	-	-	140,437,791	140,437,791

Figures in brackets relates to the previous year

Notes forming part of the financial statements

NOTE 40 : Unhedged Foreign Currency Exposure

Particulars	As at 31st March 2016		As at 31st March 2015	
	Foreign Currency US \$	(₹ in lakhs)	Foreign Currency US \$	(₹ in lakhs)
Payable against Secured Loans (External Commercial Borrowing):	455,546	30,179,923	912,002	57,000,125
Payable against Import of goods	663,000	43,923,750	3,414,161	213,646,992

NOTE 41 : Insurance Claims

A fire broke out on 25th March, 2016, at a section of Dahej plant and a portion of building and plant and machinery along with inventories lying therein was damaged/ destroyed. The insurance company has admitted the claims in this regard as follows:

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

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

The above claims are in final stage of processing and the company expects to realise the same shortly which are sufficient to fully cover the loss caused by the fire.

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

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

NOTE 44 : Figures have been rounded off to nearest rupees.

As per our attached report of even date

For PHD & Associates

Chartered Accountants

Firm Registration No. 111236W

For and on behalf of the Board of Directors

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

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

Dhiren Vakharia
(Partner)
Membership No. 46115

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

M. M. Vora
(Director)
DIN : 00245427

Place : Mumbai

Date : 30th May 2016

Cash Flow Statement for the year ended 31 March 2016

Particulars	For the year ended 31 March 2016		For the year ended 31 March 2015	
	₹	₹	₹	₹
A Cash Flow from Operating Activities				
Net Profit before tax		1,81,42,584		53,80,722
Adjustment for :				
Depreciation and Amortisation	1,55,44,230		1,81,53,508	
Finance costs	7,86,38,772		6,06,04,233	
Dividend income	(4000)		-	
Provision for gratuity	-2,38,783		5,14,494	
Sales Tax Deferral	4,83,046		4,36,390	
Unrealised Foreign currency translation Gain (Net)	-10,03,275		-2,47,326	
		9,34,19,990		7,94,61,299
Operating profit before working capital changes		11,15,62,574		8,48,42,021
Adjustments for :				
Trade Receivables	-1,85,49,039		5,69,91,506	
Inventories	-66,58,060		-17,03,991	
Long term Loans and advances	21,363		-66,280	
Short term Loans and advances	-44,23,200		-1,68,26,137	
Other Current assets	-2,01,00,000		-	
Trade payables	6,90,58,606		83,41,029	
Other Current liabilities	-23,92,584		2,59,01,013	
		1,69,57,086		7,26,37,140
Cash generated from operations		12,85,19,660		15,74,79,162
Direct Taxes paid (Net of refunds)		-9,19,654		-5,37,325
Net cash flow from operating activities (A)		12,76,00,006		15,69,41,837
B. Cash Flow from Investing Activities				
Purchase of Fixed assets including Capital Work-in-Progress	-99,05,705		-1,56,56,998	
Term Deposits with Banks (Placed)/ Matured(Net)	-1,33,69,319		1,06,42,048	
Sale of Investments	-		1,00,000	
Dividend income	4,000		-	
Net cash flow used in investing activities(B)		-2,32,71,024		-49,14,951
C. Cash Flow from Financing Activities				
Proceeds / (Repayment) of long term borrowings (Net)	-1,41,99,941		-1,58,16,496	
Proceeds / (Repayment) of short term borrowings (Net)	10,91,289		-7,31,40,387	
Finance costs	-7,68,03,403		-6,21,91,310	
Dividend paid	(46327)		-	
Net cash flow from financing activities (C)		-8,99,58,382		-15,11,48,193
Net decrease in cash and cash equivalents (A+B+C)		1,43,70,600		8,78,693
Cash and cash equivalents at the beginning of the year		34,95,322		26,16,629
Cash and cash equivalents at the end of the year		1,78,65,922		34,95,322

Notes:

- 1 Cash and Cash Equivalents are as under:

Particulars	As at 31 March 2016 ₹	As at 31 March 2015 ₹
Cash in hand	15,77,238	10,79,001
Balances with banks in current accounts	1,62,88,684	24,16,321
	1,78,65,922	34,95,322

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

As per our attached report of even date

For PHD & Associates
Chartered Accountants

Firm Registration No. 111236W

Dhiren Vakharia
(Partner)
Membership No. 46115

Place : Mumbai
Date : 30th May 2016

For and on behalf of the Board of Directors

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

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

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

M. M. Vora
(Director)
DIN : 00245427

NIKHIL ADHESIVES LIMITED

Corporate Identity Number (CIN) - L51900MH1986PLC041062

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

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

ATTENDANCE SLIP

30th ANNUNAL GENERAL MEETING ON THURSDAY, 29th SEPTEMBER, 2016 AT 11.00 A.M.

At Shreeji Industrial Estate, Vadkun, College Road, Dahanu, District - Palghar - 401602

Folio No. :	DP ID No. :	Client ID No. :
--------------------	--------------------	------------------------

I/We hereby record my/our presence at the 30th Annual General Meeting of the company held on Thursday, the 29th September, 2016, 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 :

- Name : _____
 Address: _____
 Signature: _____ or failing him
- Name : _____
 Address: _____
 Signature: _____ or failing him
- Name : _____
 Address: _____
 Signature: _____ or failing him

As my/our proxy to attend and vote (on poll) for me/us on my/our behalf at the 30th Annual General Meeting of the Company to be held on Thursday, the 29th September, 2016, 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,2016
2	Re-appointment of Mr. T..J. Sanghavi who retires by rotation.
3	Appointment of Auditors and fixing their remuneration.
4	Appointment of Cost Auditors and fixing their remuneration.

Signed this _____ day of _____ 2016

Signed 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 401 602, not less than 48 hours before the commencement of the meeting.
2. A proxy need not be a member of the company.
3. For the Resolution, Explanatory Statement and Notes, Please refer to the Notice of the 30th ANNUAL REPORT of the company.