



NIKHIL ADHESIVES LIMITED

ANNUAL REPORT 2018-19

33rd ANNUAL REPORT 2018-2019

BOARD OF DIRECTORS

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

AUDITORS

PHD & Associates
Chartered Accountants

REGISTRARS AND TRANSFER AGENTS

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

BANKERS

Bank of India
Standard Chartered Bank
Yes Bank Ltd
DBS Bank

REGISTERED OFFICE

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

COMPANY IDENTIFICATION NUMBER (CIN):

L51900MH1986PLC041062

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NOTICE

Notice is hereby given that the **Thirty Third Annual General Meeting** of Nikhil Adhesives Limited will be held on **Monday, 30th September, 2019 at 11:00 AM at The Andheri Recreation Club, Dadabhai Road, Opposite Bhavans College Road, Andheri (West), Mumbai – 400058** 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, 2019 together with the reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares for the financial year ended 31st March, 2019.
3. To appoint a Director in place of Mr. Rajendra. J. Sanghavi (DIN:00245637), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. **To re-appoint Mr. M. M. Vora (DIN: 00245427), as a Non-Executive Independent Director and if thought fit, to pass the following resolution as a Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors Mr. M. M. Vora (DIN: 00245427), who was appointed as a Non-Executive Independent Director of the Company for five consecutive years from 28th Annual General Meeting (AGM) upto conclusion of 33rd Annual General Meeting (AGM) and being eligible, be and is hereby re-appointed as a Non-Executive Independent Director of the Company to hold office for a second consecutive term of two years commencing from the 33rd AGM up to 31st March, 2021 and he shall not be liable to retire by rotation."

"RESOLVED FURTHER THAT any of the Directors of the Board of the Company be and is hereby authorised either severally or jointly to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this Resolution."

5. **To re-appoint Mr. H. S. Kamath (DIN: 02628018), as Non-Executive Independent Director and if thought fit, to pass the following resolution as a Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors Mr. H. S. Kamath (DIN: 02628018), who was appointed as a Non-Executive Independent Director of the Company for five consecutive years from 28th Annual General Meeting (AGM) upto conclusion of 33rd Annual General Meeting (AGM) and being eligible, be and is hereby re-appointed as a Non-Executive Independent Director of the Company to hold office for a second consecutive term of two years commencing from the 33rd AGM up to 31st March, 2021 and he shall not be liable to retire by rotation."

"RESOLVED FURTHER THAT any of the Directors of the Board of the Company be and is hereby authorised either severally or jointly to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this Resolution."

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

"RESOLVED THAT pursuant to provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Rules framed there under, as amended from time to time and such other permissions as may be necessary, the payment of remuneration of ₹ 50,000/- per annum (Rupees Fifty Thousand Only) with applicable Goods and Services Tax plus reimbursement of out of pocket expenses at actual to Messrs B. F. Modi & Associates, Cost Accountants (Firm Registration No. 10064) 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, 2020, be and is hereby ratified and approved.

"RESOLVED FURTHER THAT any of the Directors of the Board of the Company be and is hereby authorised either severally or jointly to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this Resolution."

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 OF THE COMPANY. The instrument of proxy, in order to be effective, must be deposited at the Registered Office of the Company duly completed and signed not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
A person can act as proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
2. The Statement, pursuant to Section 102(1) of the Act in respect of Special Business at Item No. 4, 5 and 6 forms part of this notice. Additional information, pursuant to Regulations 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,

2015, and Secretarial Standard – 2 issued by Institute of Company Secretaries of India as notified by the Central Government on general meetings in respect of Director seeking appointment or re-appointment at the Annual General Meeting is furnished as Annexure to the notice.

3. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification for attendance at the meeting.
4. The requirement to place the matter relating to appointment of Auditors for ratification by Members at every Annual General Meeting is done away with vide notification dated 07th May, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting, held on 26th September, 2015.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from 23rd September, 2019 to 30th September, 2019 (both days inclusive). The dividend on equity shares as recommended by the Board of Directors, if declared, will be payable to those Equity Shareholders whose names stand on the Register of Members of the Company on 23rd September, 2019 and in respect of shares held in the electronic form, the dividend will be payable to the beneficial owners as per details furnished by the Depositories for this purpose.
6. Members are requested to notify immediately any change of address
 - i. To their Depository Participants (DPs) in respect of their electronic shares account, and
 - ii. To the Company's Registrars, M/s Sharex Dynamic (India) Pvt. Ltd. in respect of their physical shares, if any, quoting their folio numbers.
7. 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.
8. 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.
9. All unclaimed dividends up to and including the year 2010-11 have been transferred to the credit of Investor Education and Protection Fund (the Fund) established by the Central Government. Shareholders are hereby informed that pursuant to Section 125 of the Act, the Company will be obliged to transfer to the credit of the said Fund any money lying in the Unpaid Dividend Accounts remaining unclaimed for a period of seven years from the dates they became first due for payment. In accordance with provisions of the said Section, no claims shall lie against the Company or the Fund in respect of individual amounts of dividend. The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company www.nikhiladhesives.com and on the website of the Ministry of Corporate Affairs.
10. The Securities and Exchange Board of India (SEBI) has amended Regulation 40 of SEBI LODR. Pursuant to amended Regulation 40 of SEBI LODR, effective from 01st April, 2019, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository. The Company in this regard has sent letters to the shareholders holding shares in physical form informing them about the above requirement. All shareholders holding shares in physical form are requested to demat their shares at the earliest.
11. 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
12. The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" allowing paperless compliances by the 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 dematerialised 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 Agent of the Company i.e. Sharex Dynamic (India) Pvt. Ltd.
13. Voting through Electronic means:

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

The instruction for members for voting electronically is as under:

- i. The voting period begins on Friday, 27th September, 2019 (9:00 AM) and ends on the Sunday, 29th September, 2019 (5:00 PM). During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) of Monday, 23rd September, 2019, 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/Memebers.
- 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 our existing password is to be used.
- vii. If you are a first time user, follow the steps given below:

	For Members holding shares in demat form and physical form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholder as well as physical shareholder)
	<ul style="list-style-type: none"> Member who have not updated their PAN with the Company/Depository Participant are requested to use the first two letter of their name and 8 digit of the sequence number (refer serial no. printed on 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 Mr. Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.
Dividend Bank details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth in (dd/mm/yy) format as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member ID/folio number in the dividend bank details field as mentioned in instruction iv.

- viii. After entering this details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then reach directly the Company selection screen, however members holding shares in demat form will now reach "Password Creation" menu where in they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Select on the EVSN (ELECTRONIC VOTING SEQUENCE NUMBER) of NIKHIL ADHESIVES LIMITED on which you choose to vote.
- xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against same the option "YES/NO" for voting. Select the option YES or No as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolution details.
- xiv. After selecting the resolution, if you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii. If Demat account holder has forgotten the changed login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xix. Note for Non-individual shareholder and custodian:
- 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.
 - A scanned copy of the registration form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the log in details a compliance user should be created using the admin login and password. The compliance user should be able to link the account(s) for which they wish to vote on.
 - 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.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.
 - 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 Information

- 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.
- The voting rights of shareholders shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date (record date) of the Monday, 23rd September, 2019.
- Mr. Dharmesh Zaveri, Practicing Company Secretary & Proprietor of M/s D. M. Zaveri & Co., has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner & voting by ballot at the AGM in a fair & transparent manner.
- The scrutiniser shall, immediately after the conclusion of voting at the AGM, count the vote cast at the AGM and thereafter unblock the vote cast through remote e-voting in the presence of at least two witnesses not in the employment of the company. The scrutiniser

shall submit a consolidated scrutiniser's report of the total vote cast in favour of or against the resolutions, not later than two days after the conclusion of the AGM to the Chairman of the Company, who shall counter sign the same. The Chairman will declare the result of voting within two days after the conclusion of the AGM.

5. The result declared along with the scrutinsier 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 30th September, 2019.
7. All documents referred to in the accompanying Notice and Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10:00 AM to 6:00 PM) on all working days, up to and including the date of the AGM of the Company.
8. Persons who have acquired the shares of the company after the dispatch of the Annual Report and are members as on 23rd September, 2019 (being record date for the purpose of voting), may send a request for obtaining their User ID and Password to sharexindia@vsnl.com or contact Sharex Dynamic (India) Private Limited on 022-28515606/28515644.

Contact Details

Company	M/s Nikhil Adhesives Limited Registered Office: 315, The Summit Business Bay, Behind Gurunanak Petrol Pump, Opp. Cinemax, Andheri Kurla Road, Andheri (East), Mumbai – 400093. Tel: 022-26836558 Fax: 022-26840854 Email ID: ho@nikhiladhesives.com CIN: L51900MH1986PLC041062
Registrar and Share Transfer Agent	M/s. Sharex Dynamic (India) Private Ltd. Unit No. 1 Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai – 400077. Tel: 022-28515606 Fax: 022-28512885 Email ID: support@sharexindia.com
e-Voting Agency	Central Depository Services (India) Ltd Email ID: helpdesk.evoting@cdslindia.com
Scrutiniser	CS Dharmesh Zaveri Practicing Company Secretary Office No. 145, 1 st Floor, Kesar Residency, Charkop Sector 3, Kandivali (West), Mumbai – 400067 Tel: 022-28679660 Email ID: dmz@dmzaveri.com

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

**Date: 14th August, 2019
Place: Mumbai**

**Sd/-
Umesh. J. Sanghavi
Managing Director
DIN: 00491220**

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 and 5

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("LODR Regulations") an Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and shall be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board Report.

Mr. M. M. Vora (DIN: 00245427) and Mr. H.S. Kamath (DIN: 02628018) were appointed as Independent Directors (Non-Executive) of the Company for a period of five (5) years from the 28th AGM held on 27th September, 2014 up to the conclusion of 33rd AGM of the Company.

The Nomination and Remuneration Committee on the basis of their skills, experience, knowledge and report of his performance evaluation recommended re- appointment of Mr. M.M. Vora (DIN: 00245427) and Mr. H.S. Kamath (DIN: 02628018) as Non-Executive Independent Directors for a second term for 2 years years on the Board of the Company.

The Board of Directors of the Company at their meeting held on 14th August, 2019 based on the recommendations of the Nomination & Remuneration Committee, have approved the appointment of Mr. M.M. Vora (DIN: 00245427) and Mr. H.S. Kamath (DIN: 02628018) as Non-Executive Independent Director in terms of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), to hold office for a second consecutive term of two years commencing from the conclusion of 33rd AGM up to 31st March, 2021 and he shall not be liable to retire by rotation subject to the approval of the shareholders.

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

Mr. M. M. Vora is a Businessman with rich experience of forty five years in the business areas in manufacturing of original spare part for automobile, he possesses rich skill and experience in the field of administration and general business management.

Mr. H. S. Kamath Technical Expertise in production / process control and quality management, he retired from Chairman of heavy water board Govt. of India and he is conversant with the Company's business, industry and other areas relating to the Company.

The above mentioned Independent Directors are experts in their respective fields and their experience and valuable guidance is beneficial to the Company.

Except for the Directors being appointed and their relatives, none of the Directors / Key Managerial Personnel of the Company / their relatives is, in any manner, concerned or interested, financially or otherwise, in the respective resolution set out at Item No. 04 and 05 of the Notice.

The board recommends the Special resolution set out at the Item No. 04 and 05 of the Notice for approval by the shareholders.

Item No. 6

Messrs B. F. Modi & Associates, Cost Accountants, (Firm Registration No. 10064) were appointed as Cost Auditors for the year ending 31st March, 2020 by the Board of Directors on the recommendation of the Audit Committee at a remuneration of ₹ 50,000/- p.a. Goods and Services Tax applicable thereon and reimbursement of traveling and other incidental expenses that may be incurred for the purpose to audit the cost records maintained by the Company in accordance with the Companies (Cost Records and Audit) Rules, as amended.

As per Rule 14 of the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditors as approved by the Board has to be ratified subsequently by the Members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2020.

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. 6 of the Notice.

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

Name of the Director	Mr. Rajendra. J. Sanghavi	Mr. M. M. Vora	Mr. H. S. Kamath
Director Identification Number	00245637	00245427	02628018
Date of Birth	11 th December 1955	22 nd March 1939	10 th June 1942
Date of Appointment	Since inception	03 rd February 2003	15 th February 2004
Status	Whole time Director (Chairman)	Non Executive, Independent Director	Non Executive, Independent Director
Qualification	Diploma in Engineering	B.Com	B.E. Mechanical
Expertise in specific functional type	Businessman	Businessman	Technical Expertise in production/process control and quality management.
Terms and Conditions of Appointment/Re-appointment	Re-appointment on retiring by rotation	As per explanatory statement Item No. 4 & 5	As per explanatory statement Item No. 4 & 5
Directorship of Other Companies	None	None	None
Chairman/Member in the Committees of the Boards of companies	None	Chairman: None Member: Audit Committee – Nikhil Adhesives Limited Nomination and Remuneration Committee – Nikhil Adhesives Limited. Stakeholders Relationship Committee – Nikhil Adhesives Limited	Chairman: Nomination and Remuneration Committee – Nikhil Adhesives Limited. Member: Audit Committee – Nikhil Adhesives Limited.
Shareholding (No. of Shares)	1,19,700	15,371	800
Disclosure of relationships between Directors inter se	Mr. Umesh. J. Sanghavi & Mr. Tarak. J. Sanghavi are brothers of Mr. Rajendra. J. Sanghavi	NIL	NIL

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

**Date: 14th August, 2019
Place: Mumbai**

**Sd/-
Umesh. J. Sanghavi
Managing Director
DIN: 00491220**

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENT

Your Company's major business segments are Branded Consumer product under brand name "MAHACOL" "FORMISOL" and "EMDILITH" and Industrial products are under various brand names such as "EMDILITH" "EMDITEX" and "EMDICRYL". Since last one year your Company has further strengthened their relationship with Asian Paints and Dow Chemicals International Pvt. Ltd.

With Asian Paints, your company has entered into long term agreement of manufacturing and supplying various grades of Construction Chemicals along with the existing businesses of supplying adhesives and paint emulsions. Your Company has acquired an industrial land at Tumkur near Bengaluru, Karnataka from Government of Karnataka in which your Company will manufacture various grades of Construction Chemicals mainly for Asian Paints and also in due course your Company will manufacturing various grades of existing emulsions and adhesives.

During the year, your Company has started manufacturing and supplying Emulsions for Construction Chemicals to Dow Chemicals International Pvt. Ltd.

Your Company has negotiated and arrived at an understanding for acquiring a small plant of adhesives at Mehatpur near Nangar, Himachal Pradesh.

With these two additions your Company will be in a very strong position to offer better services to PAN India consumers

Consumer Products are mainly wood Adhesives, sticker adhesives, leather adhesives and general purpose adhesives these products are widely used by carpenters, printers, plumbers, mechanics, households, students, offices etc.

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

OUTLOOK

The effects of demonetisation followed by implementation of Goods and Services Tax (GST) which in the initial stages had created disturbances in the working of country's economy, have now been evolved and adapted by various industries. This followed by a strong Government re-elected at the Centre would ensure continuity of policies and ease of doing business.

International instability due to trade war among 2-3 large economies along with liquidity crisis in the Banking and NBFC sectors for various reasons, the business sentiment is low. However, with large infrastructure spending by the Government will support the industries. With all these factors, we expect the country's GDP will remain around 6.5 - 7 %.

Our Consumer Products business is focused on providing customers with a complete range of consumer adhesives mainly wood working and packaging adhesive and rubber base adhesive. Our Adhesive Brand "MAHACOL", "FORMISOL" and "EMDILITH" have strong market presence and are known for its

product quality among the influencers and consumers. With a nationwide network, our brand "MAHACOL", "FORMISOL" and "EMDILITH" is considered 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 and are expecting to double digit growth in the coming year.

STRENGTH, OPPORTUNITIES, THREATS, RISKS, CONCERNS

Your company's major strength is their long time business stakeholders and also its brand image. Since 1960's age old days of Hoechst Dyes and Chemicals and Mafatal Dyes and Chemicals in its vast range of products that find usage in different industries and hence there is no over dependence on any particular industries.

Your Company has been consistently growing in the consumer adhesive segment for the past few years.

Your Company plans to introduce more industrial grade adhesives with better returns and large volumes. Moreover, with strong technical support additional products in Textile Binders and Finishing Agents have been envisaged.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

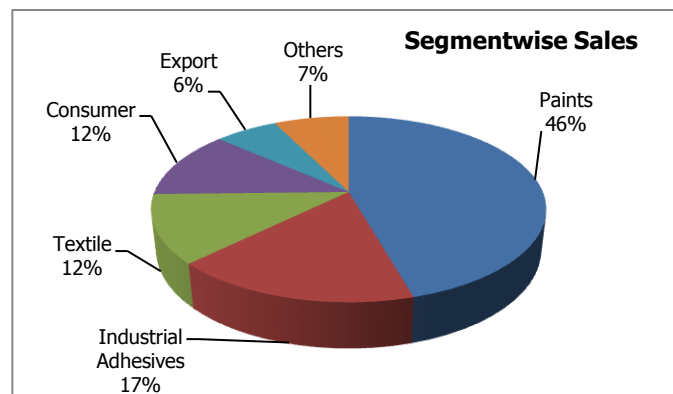
Your Company has in place the control systems based on the use of computer software that generate sufficient management information for internal control purpose. The directors closely monitor the operations of your Company personally. Having regard to the size and nature of the business, your Company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

SEGMENTWISE SALES



Consumer Products

Branded consumer products contributed to 12% of the total volume sales of the company and had an increase in volume from 5106 MT in the financial year 2017-18 to 6061 MT in the year ended 31st March 2019 registering a growth of 18.70%. Consumer

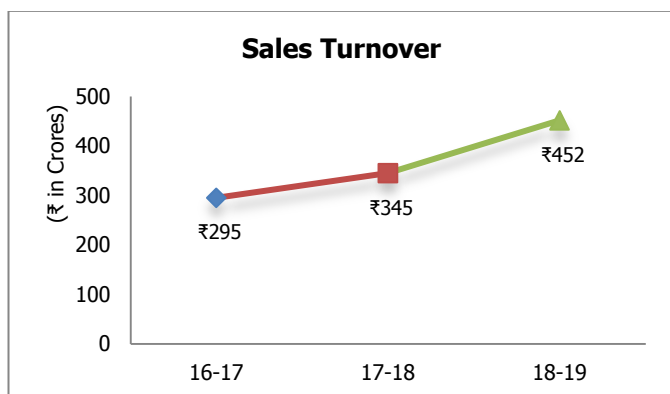
Products includes Wood Adhesives, Lamination Sticker Adhesives, Packaging Adhesives, Art and Craft.

Industrial Products

Industrial Products contributed to 75% of the total sales volume of the Company. Industrial Products includes Industrial Adhesives, Paint Emulsions and Textile Emulsions. Though there has been decline of 7.40% in Industrial Adhesives and 5.07% in Textile Emulsions in the sales volumes, there has been massive increase of 50.90% in sales of Paint Emulsions from 15384 MT in the financial year 2017-18 to 23215 MT in the year ended 31st March 2019.

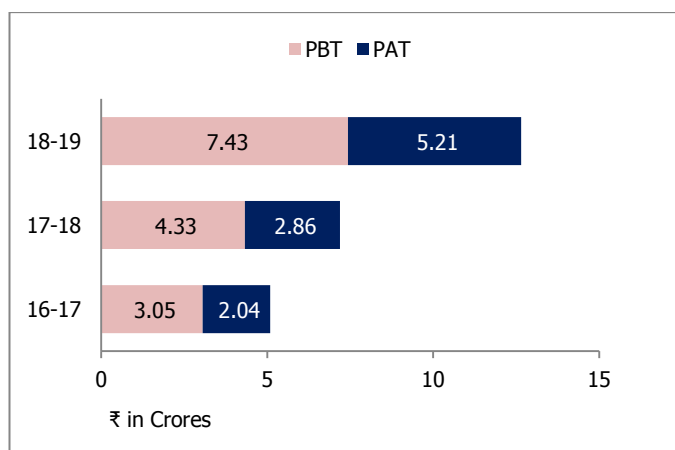
Your Company also saw the growth of 61.52% in export sales from 1936 MT in the financial year 2017-18 to 3127 MT in the year ended 31st March 2019.

SALES TURNOVER



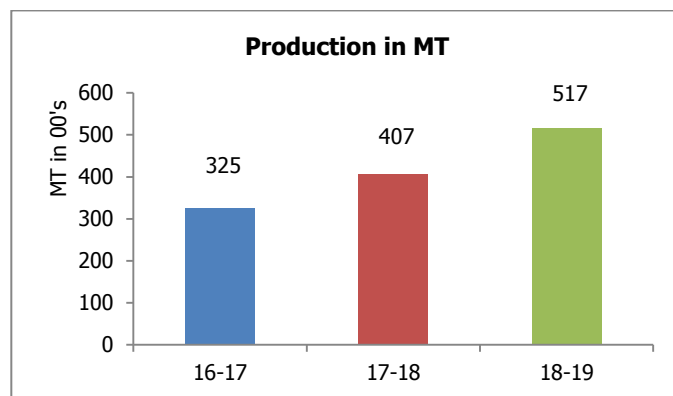
During the year your Company saw growth of 34.58% in the Net Sales Turnover from ₹ 345 Crores in the financial year 2017-18 to ₹ 451.68 Crores in the year ended 31st March 2019.

PROFITS



This year has been good with the increase of 71.59% in **Profit Before Tax (PBT)** from ₹ 4.33 Crores in the financial year to ₹ 7.43 Crores in the year ended 31st March 2019. **Profit After Tax (PAT)** also increased by 82.17% from ₹ 2.86 Crores in the financial year 2017-18 to ₹ 5.21 Crores in the year ended 31st March 2019.

MANUFACTURING



During the year the volume wise production has increased by 26.95% from 40700 MT in the financial year 2017-18 to 51668 MT in the year ended 31st March, 2019. However, in terms of value, the manufacturing sales has increased from ₹ 24,180 Lakhs to ₹ 33,691 Lakhs registering year on year growth of 39.33%. These figures does not include Discount Allowed as per IND AS.

TRADING

Trading segment registered the growth of 22.19% from ₹ 9,381 Lakhs in the financial year 2017-18 to ₹ 11,463 Lakhs in the year ended 31st March, 2019.

FOREIGN EXCHANGE FLUCTUATIONS

Your Company's business is predominantly import centric. In spite of volatility in the foreign exchange markets during the year under report, your Company had a foreign currency gain of ₹ 39 Lakhs as compared to ₹ 161 Lakhs in the previous year.

Information pursuant to paragraph (i) of Schedule V SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended.

Particulars	Current Year	Previous Year
Return on Net worth	13%	8%

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.

DIRECTOR'S REPORT

To The Members of Nikhil Adhesives Limited

The Board of Directors are pleased to present the thirty third Annual Report together with the audited Accounts for the financial year ended 31st March 2019.

In Financial Year 2018-19 your company has continued the phase of positive outlook and optimism in the country due to government policies which had resulted in an overall improvement in the economic outlook. Even though the global economy remained lukewarm due to several factors your company has nevertheless improved its profitability.

FINANCIAL HIGHLIGHTS:

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

(₹ in Lakhs)

Particulars	31 st March 2019	31 st March 2018
Profit Before Depreciation and Tax	950.41	609.36
Less: Depreciation	207.22	176.04
Profit Before Tax	743.19	433.32
Less: Provision for Tax		
Current Tax	166.98	130.00
Deferred Tax	54.74	17.68
Profit After Tax	521.47	285.64

DIVIDEND

The Board of Directors has recommended a dividend of ₹ 1/- (Rupee One only) per equity share of face value of ₹ 10/- (Rupee Ten only) for the Financial Year ended March 31, 2019 subject to the approval of share holders.

RESULT OF OPERATIONS

(₹ in Crores)

Particulars	2018-19	2017-18	%
Gross Sales Turnover	451.68	345.08	30.89
Net Sales Turnover	451.68	335.61	34.58
Other Income	0.86	0.69	24.64
Operating Profit	9.50	6.10	55.74
Net Profit	5.21	2.86	82.17

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

PUBLIC DEPOSITS

The deposits at the beginning of the financial year were ₹ 438.35 Lakhs.

During the year, your Company accepted deposits amounting to ₹ 120.04 Lakhs from its members. As at 31 March, 2019, the

amount of deposits stood at ₹ 517.79 Lakhs. There has been no default in repayment of deposits or payment of interest during the year. All the deposits accepted by the Company are in compliance with the requirements of Chapter V of the Companies Act, 2013.

TRANSFER TO RESERVES

In the financial year 2018-19 reserve maintained with the Company is ₹ 3,498.56 Lakhs while in year 2017-18, reserve was ₹ 3,043.09 Lakhs.

SHARE CAPITAL

There was no change in the Authorized and Paid-up Share Capital of the Company during the year.

The Authorised Share Capital of the Company is ₹ 5,00,00,000/- (Rupees Five Crores only) divided into 49,50,000 (Forty Nine Lakhs and Fifty Thousand) Equity Shares of ₹ 10/- (Rupees Ten) each and 50,000 (Fifty Thousand) 8% Preference Shares of ₹ 10/- (Rupees Ten).

The Paid-up Share Capital of the Company is ₹ 4,60,49,603 /- (Rupees Four Crores Sixty Lakhs Forty Nine Thousand and Six Hundred Three only) divided into 45,94,300 (Forty Five Lakhs Ninety Four Thousand and Three Hundred) Equity Shares of ₹ 10/- (Rupee Ten) each and 21,320 forfeited shares amounting of ₹ 1,06,603/- (One Lakh Six Thousand Six Hundred and Three Only).

CORPORATE GOVERNANCE

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

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Board at meeting held on 07th February 2019 noted that accordance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Company is statutorily not required to contribute any amount towards CSR for the financial year 2018-19. 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:

- That in the preparation of the annual Financial statements for the year ended 31st March, 2019, 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;
- 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, 2019 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 miss-statements. Management is responsible for establishing and maintaining adequate disclosure controls and procedures and adequate internal controls over financial reporting with respect to financial statements besides its effectiveness in the context of applicable regulations. The Internal Auditor, the Audit Committee as well as the Board of Directors conduct from time to time an evaluation of the adequacy and effectiveness of the system of internal controls for financial reporting with respect to financial statements.

INDUSTRIAL RELATIONS

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

DIRECTORS & KEY MANAGERIAL PERSONNEL

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

The details of Directors seeking re-appointment Mr. Rajendra. J. Sanghavi as required under Regulation 36(3) 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.

During the year, Mr. Nirmal Tiwari resigned from the post of Company Secretary and Compliance of the Company on 28th March, 2019

COMMITTEES OF THE BOARD

The Company's Board has following committees. The brief of these Committees are given in section of Corporate Governance Report:

- a. Audit Committee;
- b. Nomination and Remuneration Committee;
- c. Stakeholders Relationship Committee.

DECLARATION BY INDEPENDENT DIRECTORS

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

MEETINGS OF BOARD AND COMMITTEES

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

PERFORMANCE EVALUATION OF BOARD, COMMITTEES & DIRECTORS

The Listing Agreement, the Board of Directors of the Company carried out the formal annual performance evaluation of all the Directors and also its self-evaluation process, internally, 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, internally, 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 internally deals with the manner of selection of Directors and the Key Managerial Personnel of the Company. The NRC recommends appointment of Director /appointment to re-appointment of Managing Director based on their qualifications, expertise, positive attributes and independence in accordance with prescribed provisions of the Companies Act, 2013 and rules framed there under. The NRC, in addition to ensuring diversity of race and gender, also considers the impact the appointee would have on Board's balance of professional experience, background, viewpoints, skills and areas of expertise.

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

VIGIL MECHANISM /WHISTLE BLOWER POLICY

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

STATUTORY AUDITORS

M/s.PHD & Associates, Chartered Accountants (Firm Registration-No.111236W), were appointed as Statutory Auditors to hold office until the conclusion of the ensuing Annual General Meeting of the Company. In the 30th AGM, Messrs PHD & Associates who were functioning as Auditors of the Company for five consecutive years, the Board of Directors unanimously had agreed to the recommendation of the Audit Committee and had appointed Messrs PHD & Associates as Statutory Auditors of the Company for another term of 5 (five) years from the conclusion of that Annual General Meeting (30th AGM) till the conclusion of fifth consecutive Annual General Meeting. The Auditors have confirmed their eligibility to the effect that their appointment, if made, would be within the prescribed limits of the Companies Act, 2013 and that they are not disqualified for such appointment. There are no qualifications or adverse remarks in the Auditors Report except that due to oversight there was a nominal delay of two months and four days in depositing unclaimed dividend of ₹ 1,19,806/- for the Financial Year 2010-11 in The Investor Education and Protection Fund.

COST AUDITOR

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 the Cost Auditors is subject to ratification by the shareholders in the ensuing Annual General Meeting of the Company.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Messrs D. M. Zaveri & Co., Company Secretaries were appointed to undertake the Secretarial Audit of the Company for the year ended 31 March, 2019.

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

There are no major adverse remarks or observations made by Messrs D. M. Zaveri & Co. in the Secretarial Audit Report except the nominal delay in depositing the unclaimed dividend in Investor Education and Protection Fund caused due to an oversight and a delay of few minutes in communicating Audited Financial Results for the financial year ended 31st March, 2018 to BSE due to the circumstances beyond control.

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>. Disclosure of related party transactions as per Indian Accounting Standards are set out in Note 43. of the Standalone Financial Statements of the Company.

There are no related party transactions between the Company and any person or entity belonging to the promoter/promoter group which holds 10% or more shareholding in the Company.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS U/S 186 OF THE COMPANIES ACT, 2013

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

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

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

EXTRACT OF ANNUAL RETURN

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

PARTICULARS OF EMPLOYEES

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

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

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

GENERAL

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

- a. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- b. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- c. The Company has no Subsidiary/JV/Associate Companies during the year.
- d. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

- e. As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("POSH Act") and Rules made thereunder, the Company has formed Internal Complaints Committee for various work places to address complaints pertaining to sexual harassment in accordance with the POSH Act.

HUMAN RESOURCES

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

ACKNOWLEDGEMENT

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

For and On behalf of Board of Directors

Sd/-

**Date: 14th August, 2019
Place: Mumbai**

**Rajendra. J. Sanghavi
Chairman**

ANNEXURE I

Form No. MR-3

For the financial year ended 31st March, 2019

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

To,
The Members of
Nikhil Adhesives Limited

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

Based on my verification of the Nikhil Adhesives Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended 31st March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and the Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder (Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings are not applicable to the Company during the audit period);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('the SEBI'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;**(Not relevant/applicable during the year under review)**

- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;**(Not relevant/applicable during the year under review)**.
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;**(Not relevant/applicable during the year under review)**.
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;**(Not relevant/applicable during the year under review)**.
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further report that based on the explanation given by the management of the Company, there are no other laws that are specifically applicable to the Company.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Government of India, as applicable under the Companies Act, 2013.
- ii. The Listing Agreements entered into by the Company with BSE Limited in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- a) *there is a delay of 2 months and 4 days in depositing in Investor Education and Protection Fund in respect of unclaimed/unpaid dividend of ₹ 1,19,806/- for the Financial Year 2010-11.*
- b) *the Company has failed to comply with Regulation 30 to be read with Schedule III Part A(a)(4)(h) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 w.r.t. filing of Audited Financial Statements of the Company with the BSE Limited for the year ended 31st March, 2018, within 30 minutes of the closure of the Board Meeting held on 30th May, 2018.*

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

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

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

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

For

D. M. Zaveri & Co.
Company Secretaries

Dharmesh Zaveri
(Proprietor)

FCS. No. : 5418
CP No. : 4363
Place : Mumbai
Date : 14th August, 2019

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 2018-19	Remuneration paid for FY 2017-18	% increase in remuneration in the FY 2018-19	Ratio/times per median of employee remuneration
1	Mr. Rajendra Sanghavi	Chairman	1,008,000	1,008,000	-	3.10
2	Mr. Umesh Sanghavi	Managing Director	1,316,448	1,316,448	-	4.05
3	Mr. Tarak Sanghavi	Director	1,008,000	1,008,000	-	3.10
4	Mrs. Anita Sanghavi (From 14.11.2018 to 31.03.2019)	CFO	185,175	-	-	0.57
5	Mr. Nirmal Tiwari (From 01.04.2018 to 28.03.2019)	CS	432,478	350,216	-	1.33

2. Percentage increase in median remuneration:

Median remuneration of employees in FY 2018-19 (₹)	Median remuneration of employees in FY 2017-18 (₹)	Percentage increase
325,008.00	279,996.00	16.08

3. No. of permanent employees as on 31st March, 2019 : 221 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 Company's 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 capitalisation, PE ratio:

Particulars	As on 31.03.2019	As on 31.03.2018	Percentage Change
Market Capitalisation of the Company	₹ 578,881,800.00	₹ 1,102,402,205.00	-47.49
PE Ratio	₹ 11.36	₹ 33.56	-66.15
Closing Market Share Price (BSE)	₹ 126.00	₹ 239.95	-47.49

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 2018-19	Percentile increase in managerial personnel remuneration in FY 2018-19	Justification
24.20%	There is no increase in managerial personnel remuneration for FY 2018-19.	The average percentile increases in the salaries of employees other than managerial personnel in FY 2018-19 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 8 employees who have received remuneration in excess of the highest paid Director. Their ratios to the highest paid director are 1.21, 1.60, 1.86, 1.88, 1.98, 2.20, 2.28, 3.58.
10. This is to affirm that the above remuneration is paid as per the Remuneration Policy of the Company.

c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	25,01,010	-	25,01,010	54.44	25,01,010	-	25,01,010	54.44	-
B. Public Shareholding									
1. Institutions									
a) Mutual Fund	-	900	900	0.020	-	-	-	-	-0.02
b) Bank/FI	-	-	-	-	-	-	-	-	-
c) Central Government	-	-	-	-	41,670	-	41,670	0.91	0.91
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	0.020	41,670	-	41,670	0.91	0.89
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	8,13,308	4,200	8,17,508	17.79	7,49,486	3,700	7,53,186	16.39	-1.40
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Shareholders holding nominal share capital upto 1 Lakh	3,68,522	1,38,130	5,06,652	11.03	4,12,061	92,120	5,04,181	10.97	-0.05
ii) Individual Shareholders holding nominal Share Capital in excess of 1 Lakh	7,35,033	19,000	7,54,033	16.41	7,85,566	-	7,85,566	17.10	0.69
c) Others (specify)									
i) Trusts, Societies etc.	100	-	100	0.002	100	-	100	0.00	-
ii) NRIs/OCBs	3,360	-	3,360	0.073	7,920	-	7,920	0.17	0.10
iii) Clearing Members/Clearing House	10,737	-	10,737	0.234	667	-	667	0.02	-0.22
SUB TOTAL (B)(2)	19,31,060	1,61,330	20,92,290	45.54	19,55,800	95,820	20,51,620	44.66	-0.89
Total Public Shareholding (B) = (B)(1)+(B)(2)	19,31,060	1,62,230	20,93,290	45.56	19,97,470	95,820	20,93,290	45.56	-
C. Shares held by custodian of GDRs & ADRs	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C)	44,32,070	1,62,230	45,94,300	100.00	44,98,480	95,820	45,94,300	100.00	-

B. Shareholding of Promoters

Sr No.	Name of Promoter	Shareholding at the beginning of the year as on 01 st April, 2018			Shareholding at the end of the year as on 31 st March, 2019			% Change in Shareholding during the year
		No. of Shares	% of Total Shares of the Company	% Shares Pledged/ Encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% Shares Pledged/ Encumbered to Total Shares	
1	TARAK. J. SANGHAVI (HUF)	53,550	1.17	-	53,550	1.17	-	-
2	UMESH. J. SANGHAVI (HUF)	54,700	1.19	-	54,700	1.19	-	-
3	ASHOK. J. SANGHAVI	4,55,180	9.91	-	4,55,180	9.91	-	-
4	UMESH. J. SANGHAVI	95,340	2.08	2.08	95,340	2.08	2.08	-
5	RAJENDRA. J. SANGHAVI	1,19,700	2.61	2.61	1,19,700	2.61	2.61	-
6	ASHOK. J. SANGHAVI (HUF)	300	0.01	-	300	0.01	-	-
7	RAJENDRA. J. SANGHAVI (HUF)	55,100	1.20	-	55,100	1.20	-	-
8	PAYAL. A. SANGHAVI	700	0.02	-	700	0.02	-	-
9	ANITA. U. SANGHAVI	2,39,740	5.22	-	2,39,740	5.22	-	-
10	MRUNALINI. R. SANGHAVI	2,37,080	5.16	-	2,37,080	5.16	-	-
11	VASANTBEN. J. SANGHAVI	2,45,360	5.34	5.34	2,45,360	5.34	5.34	-
12	VASANTBEN. J. SANGHAVI (TRUST)	2,54,900	5.55	-	2,54,900	5.55	-	-
13	NIKHIL. U. SANGHAVI	86,785	1.89	-	86,785	1.89	-	-
14	REKHA. T. SANGHAVI	2,71,440	5.91	-	2,71,440	5.91	-	-
15	TARAK. J. SANGHAVI	1,12,490	2.45	2.45	1,12,490	2.45	2.45	-
16	AVNI. R. SANGHAVI	36,150	0.79	-	36,150	0.79	-	-
17	HEMAL. U. SANGHAVI	85,785	1.87	-	85,785	1.87	-	-
18	SAGAR. A. SANGHAVI	470	0.01	-	470	0.01	-	-
19	JANKI. T. SANGHAVI	32,000	0.70	-	32,000	0.70	-	-
20	AMI. T. SANGHAVI	32,170	0.70	-	32,170	0.70	-	-
21	TULSI. R. SANGHAVI	32,070	0.70	-	32,070	0.70	-	-

C. Change in Promoter's Shareholding

Promoter's Shareholding	Shareholding at the beginning of the year		Cumulative Share Holding	
	No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
At the beginning of the year	No change during the year			
Datewise Increase/Decrease in Promoters 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			

D. Shareholding Pattern of top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs).

Sr No	Name	Shareholding at the beginning of the year		Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	VASANT POLYMERS & CHEMICALS PVT. LTD Closing Balance	3,15,000 3,15,000	6.86 6.86	01/04/2018 31/03/2019		No Change	3,15,000	6.86
2	KARAN MONOMERS PVT. LTD Closing Balance	2,25,600 2,25,600	4.91 4.91	01/04/2018 31/03/2019		No Change	2,25,600	4.91
3	AJAY DILKHUSH SARUPRIA Closing Balance	2,00,000 2,00,000	4.35 4.35	01/04/2018 31/03/2019		No Change	2,00,000	4.35
4	VARUN DAGA	1,00,000	2.18	01/04/2018				

	Closing Balance	1,00,000	2.18	31/03/2019		No Change	1,00,000	2.18
5	CHARANDEEP SINGH	1,00,000	2.18	01/04/2018				
	Closing Balance	1,00,000	2.18	31/03/2019		No Change	1,00,000	2.18
6	DIVYAM TIE UP LLP	82,856	1.80	01/04/2018				
	Closing Balance	82,856	1.80	31/03/2019		No Change	82,856	1.80
7	UMESH MORARJI THAKKAR	79,729	2.36	01/04/2018				
	Closing Balance	81,118	1.74	03/08/2018	1,389	BUY	81,118	1.77
				31/03/2019			81,118	1.77
8	DHEERAJ KUMAR LOHIA	70,156	1.53	01/04/2018				
				24/08/2018	1,000	BUY	71,156	1.54
				12/10/2018	10	BUY	71,166	1.55
				15/03/2019	50	BUY	71,216	1.55
	Closing Balance			31/03/2019			71,216	1.55
9	VISEN INDUSTRIES LTD.	63,222	1.38	01/04/2018				
				25/05/2018	-1,260	SOLD	61,962	1.59
				08/06/2018	-1,000	SOLD	60,962	1.33
					-3,000	SOLD	57,962	1.26
				22/06/2018	-1,234	SOLD	56,728	1.24
	Closing Balance			31/03/2019			56,728	1.24
10	PRAVIN KANTILAL VAKIL HUF	22,942	0.50	01/04/2018				
				22/06/2018	1,000	BUY	23,942	0.52
				29/06/2018	500	BUY	24,442	0.53
				27/07/2018	6,000	BUY	30,442	0.66
				10/08/2018	225	BUY	30,667	0.67
				17/08/2018	470	BUY	31,137	0.68
				24/08/2018	15,010	BUY	46,147	1.00
				31/08/2018	455	BUY	46,602	1.01
				23/11/2018	535	BUY	47,137	1.03
				21/12/2018	741	BUY	47,878	1.04
				28/12/2018	1,537	BUY	49,415	1.08
				15/02/2019	464	BUY	49,879	1.09
				22/02/2019	163	BUY	50,042	1.09
	Closing Balance			31/03/2019			50,042	1.09
11	MR. SAMKIT RAJENDRA SHAH	50,000	1.09	01/04/2018				
	Closing Balance	50,000	1.09	31/03/2019			50,000	1.09

E. 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	Mr. Rajendra. J. Sanghavi				
	At the beginning of the year	1,19,700	2.605	1,19,700	2.605
	At the End of the year	1,19,700	2.605	1,19,700	2.605
2	Mr. Umesh. J. Sanghavi				
	At the beginning of the year	95,340	2.075	95,340	2.075
	At the End of the year	95,340	2.075	95,340	2.075
3	Mr. Tarak. J. Sanghavi				
	At the beginning of the year	1,12,490	2.448	1,12,490	2.448
	At the End of the year	1,12,490	2.448	1,12,490	2.448
4	Mr. M. M. Vora				
	At the beginning of the year	15,371	0.395	15,371	0.395
	At the End of the year	15,371	0.395	15,371	0.395
5	Ms. Ishita. T. Gandhi				
	At the beginning of the year	1,000	0.022	1,000	0.022
	At the End of the year	1,000	0.022	1,000	0.022
6	Mr. H. S. Kamath				
	At the beginning of the year	700	0.015	700	0.015
	At the End of the year	800	0.017	800	0.017
7	Ms. Ami Parikh				
	At the beginning of the year	32,170	0.700	32,170	0.700
	At the End of the year	32,170	0.700	32,170	0.700
8	Mrs. Anita. U. Sanghavi				
	At the beginning of the year	2,39,740	5.218	2,39,740	5.218
	At the End of the year	2,39,740	5.218	2,39,740	5.218

V. INDEBTEDNESS
Indebtedness of the Company including interest Outstanding/accrued but not due for payment

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	1,784.10	-	438.35	2,222.45
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	43.35	43.35
Total (i+ii+iii)	1,784.10	-	481.70	2,265.80
Change in Indebtedness during the financial year				
• Addition	-	-	79.44	79.44
• Reduction	120.06	-	18.89	138.95
Net Change	120.06	-	60.55	59.51
Indebtedness at the end of the financial year				
(i) Principal Amount	1,664.04	-	517.79	2,181.83
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	62.24	62.24
Total (i+ii+iii)	1,664.04	-	580.03	2,244.07

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director

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.	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 Act		₹ 74.32 Lakhs as per Schedule of the Companies Act, 2013		

B. Remuneration to other Directors

(Amount in ₹)

Sr No.	Particulars of Remuneration	Name of the Director			Total
		M. M. Vora	H. S. Kamath	Ishita Gandhi	
1	Independent Directors				
	Fees for attending Board/Committee Meetings	43,500	29,000	82,000	1,54,500
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	43,500	29,000	82,000	1,54,500
2	Other Non-Executive Directors				
	Fees for attending Board/Committee Meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B) = (1+2)	43,500	29,000	82,000	1,54,500
Ceiling as per Law		NA			

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

(Amount in ₹)

Sr No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Ms. Ami Parikh (CFO) (01 st April 2018 to 14 th November 2018)	Mrs. Anita. U. Sanghavi (CFO) (14 th November 2018 to 31 st March 2019)	Mr. Nirmal Tiwari (CS) (01 st April 2018 to 28 th March 2019)	
1	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	1,85,175	4,32,478	6,17,653
2	Stock Options	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (C)	-	1,85,175	4,32,478	6,17,653

VII. PENALTIES/PUNISHMENT/COMPUNDING OF OFFENCE

Type	Section of the Companies Act	Brief Description	Details of Penalty/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 31st March, 2019 is given here below and forms part of the Director's Report.

A. Conservation of Energy:

The Company has a well-structured energy management system in place and regular efforts are made to optimise process parameters and energy conservation. Additionally, while undertaking modernisation 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 & helps to reduce energy consumption.
- b. Installation 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 automisation of this system, resulting in better control and improving further power factor.
- d. Energy also can be saved by better utilisation 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. Upgradation 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 utilising 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 Four Lakhs were spent on energy conservation equipments.

B. Technology absorption:

1. The efforts made towards technology absorption:

We have a state of the art research and development laboratory to conduct new product developments, new applications development to meet customer needs and business aspirations.

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. We constantly look for process improvisation at manufacturing level to reduce energy consumption, minimise waste generation and to produce cost effective products in line with environmental policies.

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 Five Lakhs were spent on Research and Development.

C. Foreign Exchange Earnings and Outgo:

Details of Foreign Exchange Earnings and expenditure are contained in Note No. 38 in the Notes to the Financial Statements.

For and Behalf of the Board of Directors

Place: Mumbai

Date: 14th August, 2019

Rajendra. J. Sanghavi

Chairman

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance

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

- By 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 overall business of your Company

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

Name of Director	Status	No. of Board Meetings attended	Attendance at Annual General Meeting (28.09.2018)	No. of Directorships	No. of other Committee Membership	
					Chairman	Member
Mr. R. J. Sanghavi	Executive Chairman, Promoter	5	Attended	1	-	-
Mr. U. J. Sanghavi	Managing Director, Promoter	5	Attended	1	-	-
Mr. T. J. Sanghavi	Executive Director, Promoter	5	Attended	-	-	-
Mr. M. M. Vora	Non-Executive, Independent Director	5	Not Attended	-	-	2
Mr. H. S. Kamath	Non-Executive, Independent Director	2	Not Attended	-	1	1
Mrs. Ishita Gandhi	Non-Executive, Independent Director	5	Attended	-	2	2

Inter-se relationship between the Directors

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

Key Board Qualifications, expertise and attributes

The following is the list of core skills/expertise/competencies identified by the Board of Directors as required in the context of the Company's business for it to function effectively and those available with the Board as whole.

- Sales and Marketing: Experience in sales and marketing management based on understanding of the consumer & consumer goods industry.
- General Management/Governance: Strategic thinking, decision making and protect interest of all stakeholders.
- Financial skills: Understanding the financial statements, financial controls, risk management etc.
- Technical skills and knowledge.

Board Meetings

During the financial year ended on 31st March 2019, five Board Meetings were held on 30th May, 2018, 14th August 2018, 14th November 2018, 07th February 2019 and 22nd February 2019.

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 (www.nikhiladhesives.com). 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 composition and 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	Mrs. Ishita Gandhi (Chairman)	Non Executive/ Independent	4	4	30 th May, 2018
2	Mr. H. S. Kamath (Member)	Non Executive/ Independent	4	2	14 th August, 2018 14 th November, 2018
3	Mr. M. M. Vora (Member)	Non Executive/ Independent	4	4	07 th February, 2019

The brief terms of reference of the Audit Committee include: –

- Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible; To seek information from any employee.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
 - a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b. changes, if any, in accounting policies and practices and reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgment by management;
 - d. significant adjustments made in the financial statements arising out of audit findings;
 - e. compliance with listing and other legal requirements relating to financial statements;
 - f. disclosure of any related party transactions;
 - g. modified opinion(s) in the draft audit report;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.

Stakeholders Relationship Committee

Non-Executive Director heading the Committee	Mrs. Ishita. T. Gandhi
Compliance Officer	Mr. Nirmal Tiwari (From 01 st April, 2018 to 28 th March, 2019)
Number of shareholders complaints received so far	Nil
Number of complaints not solved to the satisfaction of shareholders	Nil
Number of pending Complaints	Nil

During the year the Stakeholders Relationship Committee met 4 times i.e. 30th May, 2018, 14th August, 2018, 14th November, 2018 and 07th February, 2019.

Terms of Reference:

The Company has a Stakeholders Relationship Committee, to look into various aspects of interest of shareholders, debentureholders and other security holders.

The Committee deals with various matters relating to:

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

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	2	1	14 th November, 2018
2	Mr. M. M. Vora (Member)	Non Executive/ Independent	2	2	
3	Mrs. Ishita Gandhi (Member)	Non Executive/ Independent	2	2	07 th February, 2019

Terms of Reference:

The broad terms of reference of the committee are to identify persons who are qualified to become directors and senior management personnel, to appraise the performance of Chairman, Managing Director, Whole Time Directors and Key Managerial Personnel and to formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees and formulation of criteria for evaluation of performance of independent directors and the board of directors.

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 for the financial year 2018-19 are as follows:

							(Amount in ₹)
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	900,000	108,000	-	-	1,008,000	5
Mr. U. J. Sanghavi	Managing Director	1,175,400	141,080	-	-	1,316,480	5
Mr. T. J. Sanghavi	Executive Director	900,000	108,000	-	-	1,008,000	5
Mr. M. M. Vora	Non Executive/ Independent	-	-	-	43,500	43,500	NA
Mr. H. S. Kamath	Non Executive/ Independent	-	-	-	29,000	29,000	NA
Mrs. Ishita Gandhi	Non Executive/ Independent	-	-	-	82,000	82,000	NA

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 2019

Name of the Director	Nature of Directorship	No. of Shares held	Percentage to the paid-up capital
Mr. M. M. Vora	Independent	15,371	0.335
Mr. H. S. Kamath	Independent	800	0.017
Mrs. Ishita Gandhi	Independent	1,000	0.022

Independent Directors Meeting:

During the year under review, a separate meeting of Independent Directors was held on 07th February, 2019, inter alia to discuss:

- Evaluation of the performance of Non-Independent Directors and Board of Directors as a whole;

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

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

Performance Evaluation of Board, Committee and Directors

A formal annual evaluation was carried out by the Board of it's own performance and that of it's 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, it's Committees and Directors evaluation provided a formal process of communication in raising issues that might not otherwise be vetted by the Board, with the underlying objectives to develop an action plan to improve the Board performance, inter alia, by ensuring compliance with the requirements of the Companies Act, 2013 and code of corporate governance.

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

A review of fiduciary duties of the Board, governance policy adopted by your Company and acquaintance and familiarisation of Independent Directors with your Company and it's 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, it's Committee(s) and individual director's evaluation.

General Body Meetings

Details of the last three Annual General Meetings of the Company is give below:

Financial Year	AGM	Date	Locations	Time	No. of Special Resolutions passed
2017-18	32 nd	28 th September, 2018	The Andheri Recreation Club, Dadabhai Road, Opposite Bhavans College Road, Andheri (West), Mumbai - 400058	11:00 AM	2
2016-17	31 st	28 th September, 2017	Shreeji Industrial Estate, Vadkun, College Road, Dahanu, Dist. Palghar - 401602	11:00 AM	3
2015-16	30 th	29 th September, 2016	Shreeji Industrial Estate, Vadkun, College Road, Dahanu, Dist. Palghar - 401602	11:00 AM	-

Details of Special Resolutions passed in the previous three AGMs

Date of AGM	Particulars of Special Resolutions passed there at
28 th September, 2018	1) Approval for continuation of Directorship of Mr. M. M. Vora who have attained the age of 75 years, for the remaining period of their existing term of directorship as Independent Directors of the Company. 2) Approval for continuation of Directorship of Mr. H. S. Kamath who have attained the age of 75 years, for the remaining period of their existing term of directorship as Independent Directors of the Company.
28 th September, 2017	1) Appointment of Mr. Tarak. J. Sanghavi as a Whole Time Director 2) Appointment of Mr. Rajendra. J. Sanghavi as a Chairman and Whole Time Director 3) Appointment of Mr. Umesh. J. Sanghavi as a Managing Director

No Resolution was put through Postal Ballot during the year under reference.

No Extra Ordinary General Meeting of the Company was held during the year

Disclosures

- a) There are no materially significant 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. 43 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.
However, the Company failed to comply with Regulation 30 to be read with Schedules II Part A(a)(4)(h) with respect to the Audited Financial Results for the quarter and year ended on 31st March, 2018, which required to be submitted within 30 minutes of closure of Board Meeting held on 30th May, 2018. Therefore, the BSE Ltd. has imposed the fine of Rs. 5900/- on this non-compliance.
- c) While preparation of the financial statements during the year under review, no accounting treatment which was different from that prescribed in the Indian 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.
- d) The Company has paid the Annual Listing Fees to BSE Ltd. and Annual Custodial Fees to NSDL and CDSL for the Financial Year 2018-19.
- e) Your Company has laid down procedures to inform the Board Members about the risk assessment and minimisation 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 31st March, 2019 in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) and the same has been placed in the Board Meeting held on 30th May, 2018.
- h) In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended Mr. Nirmal Tiwari (from 01st April, 2018 to 28th March, 2019) 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 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. The same is placed on the website of the Company (www.nikhiladhesives.com).
- j) Your Company is familiarising the Independent Directors on its Board on a quarterly basis and the detail of familiarisation 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 household of shareholders and reporting of internal auditors directly to the Audit Committee.
- l) 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>.
- m) 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.
- n) there is a delay in transferring/crediting those shares in respect of which dividend has not been paid or claimed for seven consecutive years or more to the demat account of Investor Education and Protection Fund authority which were due for transfer during the year.

Means of Communication

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

General Shareholder Information

1. Annual General Meeting Date, Time and Venue : 30th September, 2019, 11:00 AM.
Andheri Recreation Club, Dadabhai Road, Opposite Bhavans College Road, Andheri (West), Mumbai – 400058.
2. Date of Book Closure/Cut-off date of e-voting : 23rd September, 2019 to 30th September, 2019 (both days inclusive)/23rd September, 2019
3. Date of Payment of Dividend : 05th October, 2019
4. Financial Calender (Tentative) :
- Unaudited financial result for the quarter ended 30th June, 2019 : 2nd Week of August 2019
- Unaudited financial result for the quarter ended 30th September, 2019 : 2nd Week of November 2019
- Unaudited financial result for the quarter ended 30th December, 2019 : 2nd Week of February 2020
- Audited financial result for the year ending 31st March, 2020 : 4th Week of May 2020
- Annual General Meeting for the year ending 31st March, 2020 : September 2020
5. Listing of Stock Exchange : BSE Ltd.
6. Demat ISIN number NSDL & CDSL : INE926C01014
7. Stock Code on BSE Ltd. : 526159
8. Grievance redressal division email : umesh.sanghavi@nikhiladhesives.com
9. High/Low Share Price during last financial year (Month wise) :

Month	BSE		SENSEX	
	High	Low	High	Low
April 2018	₹ 291.90	₹ 226.00	35213	32972
May 2018	₹ 266.00	₹ 199.20	35994	34303
June 2018	₹ 215.00	₹ 140.05	35877	34785
July 2018	₹ 175.00	₹ 135.00	37645	35107
August 2018	₹ 170.00	₹ 127.50	38990	37129
September 2018	₹ 171.95	₹ 130.00	38934	35986
October 2018	₹ 150.00	₹ 126.00	36617	33292
November 2018	₹ 150.00	₹ 125.05	36389	34303
December 2018	₹ 144.85	₹ 129.00	36555	34426
January 2019	₹ 145.00	₹ 130.95	36701	35376
February 2019	₹ 140.00	₹ 115.00	37172	35287
March 2019	₹ 138.00	₹ 121.00	38749	35927

10. Distribution Schedule of Number of Shares as on 31st March, 2019 :

Shares	No. of Holders	%	No. of Shares	%
Upto 500	1257	84.53	183912	4.00
501 to 1000	99	6.66	83238	1.81
1001 to 5000	76	5.11	175172	3.81
5001 to 10000	17	1.14	119956	2.61
10001 to 100000	28	1.88	1355532	29.51
100001 and above	10	0.67	2676490	58.26
Total	1487	100.00	4594300	100.00

11. Distribution of Shareholding as on 31st March, 2019 :

Category	No. of Shares	% of Shareholding
A. Promoter's Holding		
1. Promoters		
a. India Promoters	2501010	54.44
b. Foreign Promoters	-	-
2. Persons acting in concert	-	-
SUB TOTAL (A)	2501010	54.44
B. Non-Promoter's Holding		
3. Institutional Investors		
a. Mutual Funds and UTI	-	-
b. Banks, Financial Institutions, Insurance Companies (Central/State Government Institutions/Non Government Institutions)	-	-
c. FII(s)	-	-
SUB TOTAL (B)	-	-
4. Others		
a. Bodies Corporate	753186	16.39
b. Indian Public	1201017	26.14
c. NRI's/OCB's	7920	0.17
d. Clearing Members	667	0.15
e. Trusts	100	0.00
f. HUF	88730	1.80
g. IEPF MCA Account	41670	0.91
SUB TOTAL (C)	2093290	45.56
GRAND TOTAL (A+B+C)	4594300	100.00

12. Registrars and Transfer Agents : M/s. Sharex Dynamic (India) Pvt. Ltd
Unit No. 1, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai – 400072.
13. Share Transfer Systems traded : Since your Company's shares are compulsorily
in the demat segment on the BSE, bulk of the transfers take place in the electronic form. Share transfers in physical are registered and returned within the stipulated time, if documents are clear in all respect. The Committee of Directors for Share transfer meets frequently to approve transfer of shares.
14. Dematerialisation of Shares and Liquidity permitted : Trading in equity shares of your Company is
only in dematerialised form.
Total No. of Shares dematerialised upto 31st March, 2019 is 4498480 i.e. 97.91% of the total share capital of your Company.
15. Issue of any GDRs, ADRs etc. : Your Company has not issued any GDRs, ADRs, Warrants or any Convertible Instruments
16. Plant Locations : **Plant 1:**
Shreeji Industrial Estate, Vadkun College Road, Dahanu, Dist Palghar – 401602.
Plant 2:
Plot No. 7, Government Industrial Estate, Phase – I, Piparia, Silvassa – 396230.
Plant 3:
Plot No. D-2/CH/49, GIDC Estate, Dahej, Tal-Vagra, Dist-Bharuch – 392130. Gujarat.
Plant 4:
Plot No. 570A & 570B, Vasanthanarapura Industrial Area, 2nd Phase, Tumakuru, Dist – Bengaluru.
Plant 5:
Plot No. 73 & 74, Industrial Area, Mehatpur, Dist – Una, Himachal Pradesh – 174315.
17. Registered Office Address : 315, The Summit Business Bay, Behind Gurunanak Petrol Pump, Opp. Cinemax, Andheri Kurla Road, Andheri (East), Mumbai – 400093. Maharashtra.
18. Address of Shareholders Correspondence : M/s Sharex Dynamic (India) Pvt. Ltd.
Unit No.1, Luthra Industrial Premises, Andher Kurla Road, Safed Pool, Andheri (East), Mumbai – 400072.

DECLARATION

As required under Schedule V(D) of the SEBI (Listing Obligation 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 31st March, 2019.

For **Nikhil Adhesives Limited**

Place : Mumbai
Date : 14th August, 2019

Umesh. J. Sanghavi
Managing Director

MANAGING DIRECTOR AND CFO CERTIFICATION

The Board of Directors
Nikhil Adhesives Limited,
Mumbai.

Re: Financial Statements for the year 2018-19 Certification by the 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 31st March 2019 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 Indian 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 31st March, 2019 which fraudulent, illegal or violative of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal controls. We have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that:
 - a. There have been no significant changes in internal control during this year;
 - b. There have been no significant changes in accounting policies during this year;
 - c. There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems.

Umesh. J. Sanghavi
Managing Director
30th May, 2019

Anita. U. Sanghavi
CFO
30th May, 2019

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015]

To,
The Members of,
Nikhil Adhesives Limited
315, The Summit Business Bay,
Behind Gurunanak Petrol Pump, Opp. Cinemax,
Andheri Kurla Road, Andheri (East),
Mumbai – 400093

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Nikhil Adhesives Limited having CIN L51900MH1986PLC041062 and having registered office at 315, The Summit Business Bay, Behind Gurunanak Petrol Pump, Opp. Cinemax, Andheri Kurla Road, Andheri (East), Mumbai – 400093 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para-C Sub Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs.

Sr No.	Name of Directors	DIN	Date of Appointment in the Company
1.	Mr. Umesh Jayantilal Sanghavi	00491220	29 th September, 1986
2.	Mr. Rajendra Jayantilal Sanghavi	00245637	29 th September, 1986
3.	Mr. Tarak Jayantilal Sanghavi	00519403	01 st October, 1987
4.	Mr. Madhusudan Manmohan Vora	00245427	03 rd February, 2007
5.	Mr. Hirebettu Sadananda Kamath	02628018	15 th February, 2004
6.	Mr. Ishita Tushar Gandhi	07137098	28 th March, 2015

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

For D. M. Zaveri & Co.
Company Secretaries

Dharmesh Zaveri
(Proprietor)
FCS. No. : 5418
CP No. : 4363
Place : Mumbai
Date : 14th August, 2019

Independent Auditors' Certificate on Corporate Governance to the members of Nikhil Adhesives Limited

To the Members of
Nikhil Adhesives Limited

1. We, PHD & Associates, Chartered Accountants, the Statutory Auditors of Nikhil Adhesives Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the Listing Regulations).

Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st March, 2019.
8. 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)

Paresh Vakharia
Partner
Membership No.: 38220
Place: Mumbai
Date: 30th May, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of **NIKHIL ADHESIVES LIMITED**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **Nikhil Adhesives Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (Ind AS), and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and its profit, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

Revenue is one of the key profit drivers. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of the results for the year. The issue was addressed in our audit by audit procedures with regard to revenue recognition that included testing controls around dispatches/deliveries, substantive testing of cut-offs and analytical review procedures.

Provision of bad debts

The key matter observed during the audit was identification of bad debts and ensuring appropriate write off of such debts. The issue was addressed by the management and bad debts of ₹ 114.07 lakhs were written off. (Refer Note No. 34)

Responsibilities of Management and Those Charged with Governance for Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the IND AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for

one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the Annexure A, a

statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:
 - a. We sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 (including Other Comprehensive Income), the Statement of Changes in Equity 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 IND AS specified under Section 133 of the Act.
 - e. On the basis of the written representation received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company 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. Hence, the question of foreseeable losses in respect thereof does not arise as at 31st March, 2019.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except that a sum of ₹ 1,19,806/- in respect of unclaimed dividend for the Financial Year 2010-11 was deposited belatedly by two months and four days.

For PHD & Associates

Chartered Accountants
Firm Registration No. 111236W

Paresh Vakharia
Partner
Membership No.: 38220
Place: Mumbai
Date: 30th May, 2019.

ANNEXURE A

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditors' Report of even date to the members of Nikhil Adhesives Limited on the financial statements for the year ended 31st March, 2019:

- 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 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 of immovable properties are held in name of the Company. 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.
- 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, in respect of unsecured loan granted to a company covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act"), in our opinion the terms and conditions of the grant of such loan is not prejudicial to the Company's interest. The loan is repayable on demand and interest is received as stipulated.
- iv. In our opinion and according to the information and explanations given to us, in respect of loans, investments, guarantees and security, where applicable, the provisions of Section 185 and 186, of the Companies Act, 2013 have been complied with by the Company.
- 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 provisions of Sections 73 to 76 and other relevant provisions of the Companies Act, 2013 and the rules framed there under, as applicable.
- vi. The maintenance of cost records have been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended, prescribed by the Central Government under sub-section (1) of the Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. a) According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company has been generally regular in depositing with the appropriate authorities undisputed statutory dues including Income Tax, Goods and Service Tax, cess and other statutory dues as applicable, and as at March 31, 2019, there were no undisputed dues payable for a period of more than six months from the date of becoming payable.
b) According to the information and explanations given to us, there are no dues of Income tax or Sales tax or Value Added Tax or Service Tax or Custom Duty or Excise Duty or Cess or GST which have not been deposited on account of disputes except following:

Statute	AY	Forum	Amount in ₹
Income Tax	2017-18	Commissioner of Income Tax Appeals – CIT – (A)	1,71,509

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to the banks. The Company has not availed any loan or borrowing from financial institutions or government and has not issued debentures. Thus the question of default in respect thereof does not arise.
- ix. According to the information and explanations given to us, the Company has neither raised money by way of initial public offer or further public offer (including debt instruments). The term loans taken by the Company were applied for the purposes for which they were taken.
- x. To the best of our knowledge and belief 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, the Company is not a Nidhi Company. Therefore the provisions of clause 3(xii) of the Order are not applicable to the Company and reporting under this clause is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, all the transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- xiv. The Company has not made any preferential allotment or private placement of Shares or issued fully or partly convertible debentures during the year under review hence reporting under this clause is not applicable.
- xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence reporting under this clause is not applicable.
- xvi. According to the information and explanations given to us, the Company is not NBFC and hence the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, reporting under this clause is not applicable to the Company.

For PHD & Associates

Chartered Accountants
Firm Registration No. 111236W

Paresh Vakharia
Partner
Membership No.: 38220
Place: Mumbai
Date: 30th May, 2019.

ANNEXURE B

Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditors' Report of even date to the members of Nikhil Adhesives Limited on the financial statements for the year ended 31st March, 2019.

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

We have audited the internal financial controls over financial reporting of Nikhil Adhesives Limited ("the Company") as at 31st March, 2019, 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

1. 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 information, as required under the Act.

Auditors' Responsibility

2. 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 of 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 the material respects.
3. 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 auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
4. 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 over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

5. 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 authorisations of management and directors of the Company; and
 - c) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

6. Because of the inherent limitations of internal financial control 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 to 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

7. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, 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 of 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

Paresh Vakharia

Partner
Membership No.: 38220
Place: Mumbai
Date: 30th May, 2019.

NIKHIL ADHESIVES LIMITED
BALANCE SHEET AS AT MARCH 31, 2019

RUPEES

	Particulars	Note no.	As at 31.03.2019	As at 31.03.2018
	ASSETS			
I	NON-CURRENT ASSETS			
	(a) Property, Plant and Equipment	2	36,98,68,055	29,74,67,584
	(b) Capital Work-in-Progress	3	47,05,159	15,31,825
	(c) Other Intangible assets	4	-	-
	(d) Financial Assets			
	(i) Investments	5	5,13,469	5,70,731
	(ii) Other Non-Current Financial Assets	6	45,09,161	1,19,24,227
	(e) Other Non-Current Assets	7	1,52,82,546	75,69,715
	TOTAL NON CURRENT ASSETS		39,48,78,389	31,90,64,082
II	CURRENT ASSETS			
	(a) Inventories	8	40,04,43,692	33,81,40,658
	(b) Financial Assets			
	(i) Trade Receivables	9	96,61,84,533	78,14,88,110
	(ii) Cash and Cash Equivalents	10	1,12,44,805	1,18,21,284
	(iii) Bank Balances other than above	11	2,24,70,828	2,03,96,599
	(iv) Other Current Financial Assets	12	-	1,15,499
	(c) Current Tax Assets (Net)		1,60,17,167	67,26,058
	(d) Other Current Assets	13	5,33,18,061	8,79,97,633
	TOTAL CURRENT ASSETS		1,46,96,79,085	1,24,66,85,841
	TOTAL ASSETS		1,86,45,57,475	1,56,57,49,923
	EQUITY AND LIABILITIES			
I	EQUITY			
	(a) Equity Share Capital	14	4,60,49,603	4,60,49,603
	(b) Other Equity	15	34,98,56,925	30,43,09,680
	TOTAL EQUITY		39,59,06,528	35,03,59,283
II	LIABILITIES			
1	NON-CURRENT LIABILITIES			
	(a) Financial Liabilities			
	(i) Borrowings	16	15,27,63,645	14,07,60,174
	(ii) Other Non-Current Financial Liabilities	17	48,11,296	38,47,289
	(b) Provisions	18	35,39,272	33,47,364
	(c) Deferred Tax Liabilities (Net)	19	3,15,53,843	1,97,83,796
	TOTAL NON-CURRENT LIABILITIES		19,26,68,056	16,77,38,623
2	CURRENT LIABILITIES			
	(a) Financial Liabilities			
	(i) Borrowings	20	13,70,64,912	15,51,67,081
	(ii) Trade Payables	21	97,86,51,102	79,81,75,103
	(iii) Other Current Financial Liabilities	22	9,65,99,593	5,28,14,965
	(b) Other Current Liabilities	23	3,96,42,006	2,83,27,973
	(c) Provisions	24	38,39,543	18,01,467
	(d) Current Tax Liabilities (Net)		2,01,85,734	1,13,65,428
	TOTAL CURRENT LIABILITIES		1,27,59,82,890	1,04,76,52,018
	TOTAL EQUITY AND LIABILITIES		1,86,45,57,475	1,56,57,49,923

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

Paresh Vakharia
(Partner)
Membership No. 38220

R. J. Sanghavi
(Chairman)
DIN : 00245637

M. M. Vora
(Director)
DIN : 00245427

Place : Mumbai
Date : 30th May 2019

A. U. Sanghavi
Chief Financial Officer

NIKHIL ADHESIVES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

RUPEES

	Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
	INCOME			
1	Revenue From Operations	25	4,46,36,18,089	3,39,69,59,502
2	Other Income	26	86,46,670	68,91,436
3	Total Income (1+2)		4,47,22,64,759	3,40,38,50,938
	EXPENSES			
	Cost of Materials Consumed	27	2,80,56,62,492	1,98,15,74,632
	Purchases of Stock-in-Trade	28	1,12,05,38,145	92,42,11,969
	Changes in Inventories of Finished goods, Stock-in -Trade	29	(51,88,439)	(2,81,30,676)
	Excise Duty on sale of goods	30	-	9,46,61,415
	Employee Benefits Expense	31	9,76,95,219	8,29,43,680
	Finance Costs	32	7,93,84,118	6,53,23,254
	Depreciation and Amortization expense	33	2,07,22,392	1,76,04,461
	Other Expenses	34	27,91,32,164	21,36,96,106
4	Total Expenses		4,39,79,46,091	3,35,18,84,841
5	PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (3-4)		7,43,18,668	5,19,66,097
6	Exceptional Items	35	-	(86,33,879)
7	PROFIT BEFORE TAX (5-6)		7,43,18,668	4,33,32,218
	Tax Expenses			
	Current Tax		1,97,00,000	1,30,00,000
	Deferred Tax	19	54,74,168	17,68,204
	(Excess) Tax provision for earlier years		(30,02,371)	-
8	Total Tax Expense		2,21,71,797	1,47,68,204
9	PROFIT FOR THE YEAR (7-8)		5,21,46,871	2,85,64,014
10	OTHER COMPREHENSIVE INCOME (OCI)			
	Items that will not be reclassified to Profit or Loss:			
	Change in fair value of financial assets		(57,262)	(40,289)
	Remeasurements of net defined benefit plans		(15,06,688)	(3,77,805)
	Tax effect of above		5,02,993	-
	Remeasurement of defined benefit plans (Net of Tax)		(10,03,695)	(3,77,805)
	TOTAL OTHER COMPREHENSIVE INCOME (10)		(10,60,957)	(4,18,094)
11	TOTAL COMPREHENSIVE INCOME (9+10)		5,10,85,914	2,81,45,920
	Earning per equity share (Face value of Rs. 10/- per share)			
	Basic		11.12	7.15
	Diluted		11.12	7.15

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

Paresh Vakharia
(Partner)
Membership No. 38220

R. J. Sanghavi
(Chairman)
DIN : 00245637

M. M. Vora
(Director)
DIN : 00245427

Place : Mumbai
Date : 30th May 2019

A. U. Sanghavi
Chief Financial Officer

NIKHIL ADHESIVES LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31,2019

(A) EQUITY SHARE CAPITAL

RUPEES

Particulars	As at 31st March 2019	As at 31st March 2018
Balance at the beginning of the reporting year	4,60,49,603	3,90,49,603
Change in Equity Share capital during the year	-	70,00,000*
Balance at the end of the reporting year	4,60,49,603	4,60,49,603

* 7,00,000 equity shares of face value of Rs. 10/- each issued on preferential allotment basis.

(B) OTHER EQUITY

RUPEES

Particulars	Reserves and Surplus				Equity Instruments through Other Comprehensive Income	Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings		
Balances as on April 1, 2017 (A)	4,00,000	1,28,00,000	6,42,87,415	6,14,42,881	33,464	13,89,63,760
Addition during the year:						
Profit for the year	-	-	-	2,85,64,014	-	2,85,64,014
Other comprehensive income :						
Remeasurement of defined benefit plans	-	-	-	(3,77,805)	-	(3,77,805)
Net change in fair value of investments	-	-	-	-	(40,289)	(40,289)
Total Comprehensive Income for the year 2017-18 (B)	-	-	-	2,81,86,209	(40,289)	2,81,45,920
Securities premium received during the year (C)	-	13,72,00,000**	-	-	-	13,72,00,000
Balance as at March 31, 2018 (D)=(A+B+C)	4,00,000	15,00,00,000	6,42,87,415	8,96,29,090	(6,825)	30,43,09,680
Addition during the year:						
Profit for the year	-	-	-	5,21,46,871	-	5,21,46,871
Other comprehensive income :						
Remeasurement of defined benefit plans	-	-	-	-	(10,03,695)	(10,03,695)
Net change in fair value of investments	-	-	-	-	(57,262)	(57,262)
Total Comprehensive Income for the year 2017-18 (E)	-	-	-	5,21,46,871	(10,60,957)	5,10,85,914
Reductions during the year:						
Dividend	-	-	-	(45,94,300)	-	(45,94,300)
Dividend distribution tax	-	-	-	(9,44,369)	-	(9,44,369)
Total reduction during the year (F)	-	-	-	(55,38,669)	-	(55,38,669)
Balance as at March 31, 2019 (D+E+F)	4,00,000	15,00,00,000	6,42,87,415	13,62,37,292	(10,67,782)	34,98,56,925

** Share premium of Rs. 196 per share on 7,00,000 equity shares issued on preferential allotment basis.

Significant Accounting Policies

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

Paresh Vakharia
(Partner)
Membership No. 38220

R. J. Sanghavi
(Chairman)
DIN : 00245637

M. M. Vora
(Director)
DIN : 00245427

Place : Mumbai
Date : 30th May 2019

A. U. Sanghavi
Chief Financial Officer

NIKHIL ADHESIVES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

RUPEES

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
A. Cash flow from operating activities				
Profit before income tax		7,43,18,668		4,33,32,218
Non-cash and not operating adjustment to profit before tax:				
Depreciation and amortisation expense	2,07,22,392		1,76,04,461	
Loss/(Gain) on disposal of property, plant and equipment	-		(60,000)	
Allowance for expected credit loss	22,34,642		9,47,163	
Provision for Gratuity	12,26,289		15,60,952	
Finance costs	7,93,84,118		6,53,23,254	
Sales tax differal adjustment	4,24,861		5,20,139	
Loss on account of fire	-		86,33,879	
Remeasurement of defined benefit plans	-		-	
unrealised exchange differences (gain)/loss	(2,19,71,398)	8,20,20,904	47,45,276	9,92,75,124
		15,63,39,572		14,26,07,342
Change in operating assets and liabilities :				
Decrease/(increase) in trade receivables	(18,74,88,200)		(13,80,66,991)	
Decrease/(increase) in inventories	(6,23,03,034)		(12,68,57,592)	
Increase/(decrease) in trade payables	20,30,31,244		21,80,79,456	
Decrease/(Increase) in other non-current financial assets	1,81,059		(7,14,104)	
Decrease/(Increase) in other current financial assets	-		-	
Decrease/(increase) in other non-current assets	(2,68,209)		2,77,447	
Decrease/(increase) in other current assets	3,46,79,776		3,33,47,501	
Increase/(decrease) in other current financial liabilities	1,93,73,174		19,19,298	
Increase/(decrease) in other current liabilities	1,13,14,033	1,85,19,843	(1,13,43,255)	(2,33,58,240)
Cash generated from operations		17,48,59,414		11,92,49,102
Direct taxes paid (net of refunds)		(1,08,72,643)		(81,09,540)
Net cash flow from/(used in) operating activities (A)		16,39,86,771		11,11,39,562
B. Cash flow from investing activities				
Payments for acquisition of property, plant and equipment (net)	(10,37,40,818)		(6,54,62,038)	
Payment for purchase of investment	-		(4,99,500)	
Term deposits with banks (placed)/ matured(Net)	51,32,953	(9,86,07,864)	46,91,562	(6,12,69,976)
Net Cash Flow from/(used in) Investing Activities (B)		(9,86,07,864)		(6,12,69,976)
C. Cash flows from financing activities				
Net Cash Flow from/(used in) in financing activities (C)				
Proceeds / (Repayment) of issue of equity share capital	-		14,42,00,000	
Dividend paid	(55,38,669)		-	
Proceeds / (Repayment) of long term borrowings (Net)	1,15,78,610		(12,43,20,166)	
Proceeds / (Repayment) of short term borrowings (Net)	53,84,489		(82,01,418)	
Finance costs	(7,73,79,816)	(6,59,55,386)	(6,28,78,012)	(5,11,99,596)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		(5,76,479)		(13,30,010)
Cash and cash equivalents at the beginning of the year		1,18,21,284		1,31,51,294
Cash and cash equivalents at the end of the year		1,12,44,805		1,18,21,284

Notes:

Cash and Cash Equivalents are as under:

Particulars	As at 31 March 2019	As at 31 March 2018
Cash in hand	7,12,610	10,01,893
Balances with banks in current accounts	1,05,32,195	1,08,19,391
	1,12,44,805	1,18,21,284

2). The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Indian Accounting Standard 7- Statement of Cash Flow.

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

Paresh Vakharia
(Partner)
Membership No. 38220

R. J. Sanghavi
(Chairman)
DIN : 00245637

M. M. Vora
(Director)
DIN : 00245427

Place : Mumbai
Date : 30th May 2019

A. U. Sanghavi
Chief Financial Officer

NIKHIL ADHESIVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Corporate Information

Nikhil Adhesives Ltd ("the Company") a Public Limited Company incorporated under the Companies Act, 1956, is listed on the Bombay Stock Exchange. The Company is mainly engaged in the business of manufacturing various types of polymer emulsions and adhesives that are used for different applications. The Company has three manufacturing units located at Dahanu (Maharashtra), Silvassa (Dadra Nagar Haveli) and at Dahej (Gujarat). The company is also engaged in the business of trading in chemicals.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation

1.1.1 The financial statements of the Company are consistently prepared and presented under historical cost convention on an accrual basis in accordance with Ind AS except for financial certain assets and liabilities that are measured at fair values.

1.1.2 The Company's functional currency and presentation currency is Indian Rupees (INR)

1.1.3 Classification of Assets and Liabilities into Current and Non-Current

The Company presents its assets and liabilities in the Balance Sheet based on current / non-current

- a) expected to be realised or intended to be sold or consumed in normal operating cycle;
- b) held primarily for the purpose of trading;
- c) expected to be realised within twelve months after the reporting period; or
- d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when :

- a) it is expected to be settled in normal operating cycle;
- b) it is held primarily for the purpose of trading;
- c) it is due to be settled within twelve months after the reporting period; or
- d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

1.2 Use of judgements, estimates and assumptions

The preparation of the Company's financial statements required management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment in the future periods in the carrying amount of assets or liabilities affected.

The Company's accounting policies, management has made judgements in respect of evaluation of recoverability of deferred tax assets, which has the most significant effect on the amounts recognised in The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within:

- a) Useful life of property, plant and equipment and intangible assets:

The Company has estimated useful life of the Property Plant and Equipment as specified in Schedule II to the Companies Act, 2013. However the actual useful life for individual equipments could turn out to be different, there could be technology changes, breakdown, unexpected failure leading to impairment

- b) Fair value measurement of financial instruments:

When the fair values of financial assets and financial liabilities cannot be measured based on quoted prices in active market, the fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not possible, a degree of judgement is required in establishing fair values.

- c) Impairment of financial and non-financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the input for the impairment calculations, based on Company's past history, existing market conditions, technology, economic developments as well as forward looking estimates at the end of each reporting period.

- d) Taxes:

Taxes have been paid / provided, exemptions availed, allowances considered etc. are based on the extant laws and the Company's interpretation of the same based on the legal advice received wherever required. These could differ in the view taken by the authorities, clarifications issued subsequently by the government and courts, amendments to statutes by the government etc.

e) Defined benefit plans:

The cost of defined benefit plans and other post –employment benefits plans and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future.

f) Provisions:

The Company makes provision for gratuity based on report received from the independent actuary. These valuation reports use complex valuation models using not only the inputs provided by the Company but also various other economic variables. Considerable judgement is involved in the process.

g) Contingencies:

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligations at the end of the reporting period. However the actual liability could be considerably different.

1.3 Property, Plant and Equipment

of recoverable taxes, trade discounts and rebates less accumulated depreciation and impairment loss, if any. The cost of tangible assets comprises of its purchase price, borrowing cost, any costs directly When significant parts of the Property, Plant and Equipment are required to be replaced at intervals, Cost of Software directly identified with hardware is recognised along with the cost of hardware.

Stores and spares which meet the definition of Property, Plant and Equipment and satisfy recognition An item of Property, Plant and Equipment and any significant part initially recognised is derecognised Capital work-in-progress includes cost of Property, Plant and Equipment which are not ready for their The residual values and useful lives of Property, Plant and Equipment are reviewed at each financial Depreciation on the Property, Plant and Equipment is provided over the useful life of assets as specified In line with the provisions of Schedule II of the Companies Act 2013, the Company depreciates

1.4 Intangible Assets

Intangible Assets are recognised only if they are separately identifiable and the Company expects to receive future economic benefits arising out of them. Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/ depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use.

Intangible assets with finite lives are amortised on straight line basis over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each year end. The amortised expense on intangible assets with finite lives and impairment loss is recognised in the Statement of Profit and Loss.

The useful lives of intangible assets are assessed as either finite or indefinite.

Gains or losses arising from derecognition of an intangible asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

Intangible assets with indefinite useful lives, are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. The impairment loss on intangible assets with indefinite life is recognised in the Statement of Profit and Loss.

1.5 Impairment of non – financial assets

At each Balance Sheet date, the Company assesses whether there is an indication that an asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

1.6 Inventories

Inventories are valued as under :

Raw materials, packing material, stores and spares are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above manufacturing cost.

Stock in process is valued at lower of cost and net realisable value.

Finished goods (including in transit) are valued at cost or net realisable value whichever is lower. Cost

1.7 Cash and cash Equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

For the purpose of statement of cashflows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts as they are considered as an integral part of the Company's cash management.

Bank Balances other than above

Dividend escrow account balances, deposits with banks as margin money for guarantees issued by the banks, deposits kept as security deposits for statutory authorities are accounted as bank balances other than Cash and Cash equivalents.

Cash Flow Statement

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

1.8 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial Assets:

(i) Classification :

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income, or fair value through profit and loss on the basis of its business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

(ii) Initial recognition and measurement :

All financial assets are recognised initially at fair value plus, in the case of financial assets not recognised at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset.

(iii) Financial assets measured at amortised cost :

if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. The

(iv) Financial assets at fair value through other comprehensive income :

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows

(v) Financial assets measured at fair value through profit and loss :

Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in profit and loss.

(vi) Derecognition of financial assets :

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

B. Impairment of Financial Assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

C. Financial Liabilities

(i) Classification :

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit and loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

(ii) Initial recognition and measurement :

All financial liabilities are recognised initially at fair value, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

(iii) Subsequent measurement :

All financial liabilities are re-measured at fair value through statement of profit and loss and include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through statement of profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

(iv) Loans and borrowings :

Interest bearing loans and borrowings are subsequently measured at amortised cost using Effective Interest Rate (EIR) method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through EIR amortisation process. The EIR amortisation is included as finance cost in the Statement of Profit and Loss.

NIKHIL ADHESIVES LIMITED

(v) Derecognition of financial liabilities :

A financial liability is derecognised when the obligation under the liability is discharged or canceled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(vi) Derivative financial instruments :

The Company uses derivative financial instruments such as forward currency contracts and options to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. The gain or loss in the fair values is taken to Statement of Profit and Loss at the end of every financial year. Profit or loss on cancellations / renewals of forward contracts and options are recognised as income or expense of the financial year.

1.9 Fair value measurement

The Company measures certain financial assets and financial liabilities including derivatives and defined benefit plans at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability; or

(b) In the absence of a principal market, in the most advantageous market for the asset or liability
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

1.10 Borrowing cost

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

1.11 Provisions, Contingent liabilities, Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligations at the end of the reporting period. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the changes in the provision due to the passage of time are recognised as a finance cost.

Contingent liabilities are disclosed in the case of :

- (a) a present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- (b) a present obligation arising from the past events, when no reliable estimate is possible;
- (c) a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefit is probable.

1.12 Employee Benefits

Employee benefits include Provident Fund, Gratuity Fund, and Compensated Leave.

(i) Provident Fund :

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

(ii) Gratuity :

The employees of the Company are eligible for gratuity in accordance with the Payment of Gratuity Act, and is a Defined Employee Benefit. The above benefit is not funded but provision is made in the accounts. The Company's net obligation in respect of the gratuity benefit is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value. The present value of the obligation under such benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method which recognises each period of service that give rise to additional unit of employee benefit entitlement and measures each unit separately to built up the final obligation. The obligation is measured at present values of estimated future cash flows. The discounted rates used for determining the present value are based on the market yields on Government Securities as at the balance sheet date. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

(iii) Compensated Leave :

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

1.13 Revenue Recognition

Sale of Goods :

Revenue from sale of products is recognised when the control on the goods transferred to the customer. The performance bifurcation in case of sale of product is satisfied at a point of time i.e. when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract. Gross sales measured at the fair value of the consideration received or receivable and are net of returns and discounts.

Dividend Income :

Dividend income is recognised when the right to receive is established and there is a reasonable certainty of its collection.

Contract Revenue :

Revenue from goods manufactured under contractual arrangement is recognised on completion of the contractual performance.

Interest Income :

Interest income is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instruments (for example, prepayment, extension, call and similar options) but does not consider the expected credit loss.

Insurance compensation :

Compensation in respect of insurance claims is recognised on acceptance basis or when there is reasonable certainty that the ultimate collection will be made.

Others :

Income in respect of other claims and commissions are measured at fair value and recognised when there is reasonable certainty that the ultimate collection will be made.

1.14 Taxes on Income

Income tax expenses comprise current tax expenses and the net change in the deferred tax asset or liabilities during the year. Current and Deferred tax are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

Current Tax :

The Company provides for current tax based on the provisions of the Income Tax Act, 1961 applicable to the Company.

Deferred Tax :

Deferred tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.15 Earnings per Share

Basic earnings per share are calculated by dividing the profit after tax or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. In case there are any dilutive securities during the period presented, the impact of the same is given to arrive at diluted earnings per share.

1.16 Segment Reporting

The operating segments have been identified on the basis of nature of products and same are accordingly evaluated by the Manager and Board of Directors. Company's operating segments are Manufacturing of Adhesives & Emulsions and Trading in Chemicals & Others. Company accordingly reports its financials under two segments i.e. Manufacturing of Adhesives & Emulsions and Trading in Chemicals & Others.

1.17 Leases

Determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether the arrangement qualifies as lease is dependent on the use of a specific asset(s) or where the arrangement conveys right to use the asset, even if that right is not explicitly specified in an arrangement.

Leases where the lessor effectively retains substantially all the rights and benefits of ownership of the leased assets are classified as operating leases. Lease payments under operating leases are recognised as an expense in the Statement of Profit and Loss on a straight line basis.

1.18 Foreign exchange transactions

Foreign currency transactions are accounted for at the exchange rate prevailing on the date of the transaction. All monetary foreign currency assets and liabilities are converted at the exchange rates prevailing at the reporting date. All exchange differences arising on translation of monetary items are dealt within the Statement of Profit and Loss.

NIKHIL ADHESIVES LIMITED
Notes forming part of the Financial Statements

NOTE 2 : PROPERTY, PLANT & EQUIPMENT

As at March 31, 2019

RUPEES

Particulars	Gross Block				Accumulated Depreciation/Amortisation				Net Block	
	As at April 1, 2018	Additions	Sale/ Disposal	As at March 31, 2019	As at April 1, 2018	For the year	Sale/ Disposal	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Own Assets :										
Land	21,30,744	3,04,48,042	-	3,25,78,786	-	-	-	-	3,25,78,786	21,30,744
Buildings	8,59,46,778	88,89,379	-	9,48,36,157	1,86,12,411	29,08,232	-	2,15,20,643	7,33,15,514	6,73,34,367
Plant & equipment	34,38,36,248	5,26,14,154	-	39,64,50,402	14,41,62,860	1,58,71,457	-	16,00,34,317	23,64,16,085	19,96,73,388
Furniture and fixtures	67,19,057	3,11,299	-	70,30,356	44,49,979	4,89,633	-	49,39,612	20,90,744	22,69,078
Lease improvement	30,65,428	5,64,400	-	36,29,828	2,58,502	6,94,820	-	9,53,322	26,76,506	28,06,926
Vehicles	76,51,833	-	-	76,51,833	38,06,101	3,29,383	-	41,35,484	35,16,349	38,45,732
Computers	73,05,463	2,60,589	-	75,66,052	68,25,944	2,65,031	-	70,90,975	4,75,077	4,79,519
Phone	-	34,999	-	34,999	-	3,260	-	3,260	31,739	-
Assets under Lease :										
Land	1,99,51,495	-	-	1,99,51,495	10,23,665	1,60,576	-	11,84,241	1,87,67,254	1,89,27,830
Total	47,66,07,046	9,31,22,862	-	56,97,29,908	17,91,39,462	2,07,22,392	-	19,98,61,854	36,98,68,055	29,74,67,584

As at March 31, 2018

RUPEES

Particulars	Gross Block				Accumulated Depreciation/Amortisation				Net Block	
	As at April 1, 2017	Additions	Sale/ Disposal	As at March 31, 2018	As at April 1, 2017	For the year	Sale/ Disposal	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Own Assets :										
Land	21,30,744	-	-	21,30,744	-	-	-	-	21,30,744	21,30,744
Buildings	7,74,86,567	84,60,211	-	8,59,46,778	1,59,73,902	26,38,509	-	1,86,12,411	6,73,34,367	6,15,12,674
Plant & equipment	28,92,87,329	5,45,48,919	-	34,38,36,248	13,08,86,415	1,32,76,445	-	14,41,62,860	19,96,73,388	15,84,00,906
Furniture and fixtures	65,75,890	1,43,167	-	67,19,057	39,39,996	5,09,983	-	44,49,979	22,69,078	26,35,896
Lease improvement	-	30,65,428	-	30,65,428	-	2,58,502	-	2,58,502	28,06,926	-
Vehicles	61,67,441	22,49,392	(7,65,000)	76,51,833	40,12,327	5,58,774	(7,65,000)	38,06,101	38,45,732	21,55,112
Computers	66,78,958	6,26,505	-	73,05,463	66,24,271	2,01,673	-	68,25,944	4,79,519	54,687
Assets under Lease :										
Land	1,99,51,495	-	-	1,99,51,495	8,63,089	1,60,576	-	10,23,665	1,89,27,830	1,90,88,406
Total	40,82,78,424	6,90,93,622	(7,65,000)	47,66,07,046	16,23,00,000	1,76,04,462	(7,65,000)	17,91,39,462	29,74,67,584	24,59,78,425

NIKHIL ADHESIVES LIMITED
Notes forming part of the Financial Statements

NOTE : 3 CAPITAL WORK-IN-PROGRESS

As at March 31, 2019

RUPEES

Particulars	Gross Block				Accumulated Depreciation/Amortisation				Net Block	
	As at April 1, 2018	Additions	Transfer to Property Plant and Equipment	As at March 31, 2019	As at April 1, 2018	For the year	Transfer to Property Plant and Equipment	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Capital work-in-progress	15,31,825	47,05,159	(15,31,825)	47,05,159	-	-	-	-	47,05,159	15,31,825

As at March 31, 2018

RUPEES

Particulars	Gross Block				Accumulated Depreciation/Amortisation				Net Block	
	As at April 1, 2017	Additions	Transfer to Property Plant and Equipment	As at March 31, 2018	As at April 1, 2017	For the year	Transfer to Property Plant and Equipment	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Capital work-in-progress	85,36,237	15,31,825	(85,36,237)	15,31,825	-	-	-	-	15,31,825	85,36,237

NOTE : 4 INTANGIBLE ASSETS

As at March 31, 2019

RUPEES

Particulars	Gross Block				Accumulated Depreciation/Amortisation				Net Block	
	As at April 1, 2018	Additions	Sale/ Disposal	As at March 31, 2019	As at April 1, 2018	For the year	Sale/ Disposal	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Intangible assets										
Own Assets :										
Goodwill	6,50,000	-	-	6,50,000	6,50,000	-	-	6,50,000	-	-
Trademarks	10,98,500	-	-	10,98,500	10,98,500	-	-	10,98,500	-	-
Technical know how	30,75,000	-	-	30,75,000	30,75,000	-	-	30,75,000	-	-
MDC logo	35,00,000	-	-	35,00,000	35,00,000	-	-	35,00,000	-	-
No compete agreement	10,00,000	-	-	10,00,000	10,00,000	-	-	10,00,000	-	-
Total	93,23,500	-	-	93,23,500	93,23,500	-	-	93,23,500	-	-

As at March 31, 2018

RUPEES

Particulars	Gross Block				Accumulated Depreciation/Amortisation				Net Block	
	As at April 1, 2017	Additions	Sale/ Disposal	As at March 31, 2018	As at April 1, 2017	For the year	Sale/ Disposal	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Intangible assets										
Own Assets :										
Goodwill	6,50,000	-	-	6,50,000	6,50,000	-	-	6,50,000	-	-
Trademarks	10,98,500	-	-	10,98,500	10,98,500	-	-	10,98,500	-	-
Technical know how	30,75,000	-	-	30,75,000	30,75,000	-	-	30,75,000	-	-
MDC logo	35,00,000	-	-	35,00,000	35,00,000	-	-	35,00,000	-	-
No compete agreement	10,00,000	-	-	10,00,000	10,00,000	-	-	10,00,000	-	-
Total	93,23,500	-	-	93,23,500	93,23,500	-	-	93,23,500	-	-

NIKHIL ADHESIVES LIMITED
Notes forming part of the Financial Statements

NOTE 05 NON-CURRENT FINANCIAL INVESTMENTS

RUPEES

Particulars	As at 31 March 2019	As at 31 March 2018
(At fair value as per Ind As)		
Trade (quoted)		
Investment in equity shares, fully paid up :		
800 (800) Equity Shares of Bank of India of ` 10/- each	83,400	82,720
Bank of India mutual fund	4,30,069	4,88,011
Total	5,13,469	5,70,731

NOTE 06 OTHER NON CURRENT FINANCIAL ASSETS

RUPEES

Particulars	As at 31 March 2019	As at 31 March 2018
Security deposits (other than utility deposits)	42,34,045	44,15,104
Term deposits with more than twelve months maturity	2,75,116	75,09,123
Total	45,09,161	1,19,24,227

NOTE 07 OTHER NON CURRENT ASSETS

RUPEES

Particulars	As at 31 March 2019	As at 31 March 2018
Capital advances	1,09,76,418	35,31,796
Security deposits - utility	35,89,501	32,21,880
Prepaid Rent	3,63,987	4,63,399
Other receivable	3,52,640	3,52,640
Total	1,52,82,546	75,69,715

NIKHIL ADHESIVES LIMITED
Notes forming part of the Financial Statements

NOTE 8 : INVENTORIES

RUPEES

Particulars	As at 31 March 2019	As at 31 March 2018
(At lower of cost and net realisable value)		
Raw materials and components	29,86,61,779	23,81,54,548
Packing materials	82,24,452	1,19,43,673
Finished goods	4,92,28,968	6,58,69,374
Finished goods in transit	1,75,27,968	-
Stock in trade	2,57,62,132	2,14,61,255
Fuels	10,38,393	7,11,808
Total	40,04,43,692	33,81,40,658

NOTE 09 TRADE RECEIVABLES

RUPEES

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good :		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	1,02,04,558	64,41,868
Other trade receivables	96,25,45,422	77,93,77,047
	97,27,49,980	78,58,18,915
Less: Allowance for expected credit loss (ECL)	(65,65,447)	(43,30,805)
Total	96,61,84,533	78,14,88,110

Particulars	As at 31 March 2019	As at 31 March 2018
Trade Receivables considered for ECL	97,27,49,980	78,58,18,915
Ageing		
Not Due	44,41,52,864	42,88,50,874
30-90 days	46,95,88,908	30,24,33,320
90-180 days	4,88,03,650	4,80,92,853
More than 180 days	1,02,04,558	64,41,868

Particulars	As at 31 March 2019	As at 31 March 2018
Movement in expected credit loss allowance		
Balance at the beginning of the year	43,30,805	33,83,643
Movement in expected credit loss allowance	22,34,642	9,47,162
Balance at the end of the year	65,65,447	43,30,805

NIKHIL ADHESIVES LIMITED
Notes forming part of the Financial Statements

NOTE 10 CASH AND CASH EQUIVALENT

RUPEES

Particulars	As at 31 March 2019	As at 31 March 2018
Balances with banks in current accounts	1,05,32,195	1,08,19,391
Cash on hand	7,12,610	10,01,893
Total	1,12,44,805	1,18,21,284

NOTE 11 BANK BALANCES OTHER THAN ABOVE

RUPEES

Particulars	As at 31 March 2019	As at 31 March 2018
Term deposits with more than three months maturity but due within one year from the reporting date	2,21,90,063	1,99,07,814
In Earmarked accounts :		
unpaid dividend account	2,19,671	4,00,866
balances held as margin money	61,094	87,919
Total	2,24,70,828	2,03,96,599

NOTE 12 OTHER CURRENT FINANCIAL ASSETS

RUPEES

Particulars	As at 31 March 2019	As at 31 March 2018
Interest accrued on term deposits with banks	-	1,15,499
Total	-	1,15,499

NOTE 13 OTHER CURRENT ASSETS

RUPEES

Particulars	As at 31 March 2019	As at 31 March 2018
Advance to suppliers	24,43,437	1,41,36,513
GST balance	4,59,76,855	6,98,11,454
Prepaid expenses	32,28,626	24,72,229
Advances recoverable in cash or in kind	16,69,143	15,77,437
Total	5,33,18,061	8,79,97,633

NIKHIL ADHESIVES LIMITED
Notes forming part of the Financial Statements

NOTE 14 SHARE CAPITAL

Particulars	RUPEES	
	As at 31 March 2019	As at 31 March 2018
Authorised		
4,950,000 (4,950,000) Equity shares of ₹ 10/- each	4,95,00,000	4,95,00,000
50,000 (50,000) 8% Preference shares of ₹ 10/- each	5,00,000	5,00,000
Issued		
45,94,300 (45,94,300) Equity shares of ₹ 10/- each	4,59,43,000	4,59,43,000
Subscribed and fully paid up		
45,94,300 (45,94,300) Equity shares of ₹ 10/- each fully paid up	4,59,43,000	4,59,43,000
Add : Forfeited shares account	1,06,603	1,06,603
Total	4,60,49,603	4,60,49,603

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

Particulars	RUPEES			
	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	45,94,300	4,59,43,000	38,94,300	3,89,43,000
Add: Issued and allotted during the year	-	-	7,00,000	70,00,000
Outstanding at the end of the year	45,94,300	4,59,43,000	45,94,300	4,59,43,000

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

Name of Shareholder	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	% holding	No. of Shares	% holding
Equity shares of ₹ 10/- each fully paid :				
Ashok J. Sanghavi	4,55,180	9.91	4,55,180	9.91
Vasantben J. Sanghavi	2,46,960	5.37	2,46,960	5.37
V. J. Sanghavi Family Trust(Held by the trustees of the trust)	2,53,300	5.52	2,53,300	5.52
Mrunalini R. Sanghavi	2,37,080	5.16	2,37,080	5.16
Anita U. Sanghavi	2,39,740	5.22	2,39,740	5.22
Rekha T. Sanghavi	2,71,440	5.91	2,71,440	5.91
Vasant Polymers & Chemicals Private Limited	3,15,000	6.86	3,15,000	6.86

(c) Details of forfeited shares :

Class of shares	RUPEES			
	As at 31 March 2019		As at 31 March 2018	
	Number	Amount	Number	Amount
Equity shares	21,320	1,06,603	21,320	1,06,603

NIKHIL ADHESIVES LIMITED
Notes forming part of the Financial Statements

NOTE 15 OTHER EQUITY

RUPEES

Particulars	Reserves and Surplus				Equity Instruments through Other Comprehensive Income	Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings		
Balances as on April 1, 2017 (A)	4,00,000	1,28,00,000	6,42,87,415	6,14,42,881	33464	13,89,63,760
Addition during the year:						
Profit for the year	-	-	-	2,85,64,014	-	2,85,64,014
Other comprehensive income :						
Remeasurement of defined benefit plans	-	-	-	(3,77,805)	-	(3,77,805)
Net change in fair value of invesments	-	-	-	-	(40,289)	(40,289)
Total Comprehensive Income for the year 2017-18 (B)	-	-	-	2,81,86,209	(40,289)	2,81,45,920
Addition through issued equity						
Securities premium received during the year (C)	-	13,72,00,000**	-	-	-	13,72,00,000
Balance as at March 31, 2018 (D)=(A+B+C)	4,00,000	15,00,00,000	6,42,87,415	8,96,29,090	(6,825)	30,43,09,680
Addition during the year:						
Profit for the year	-	-	-	5,21,46,871	-	5,21,46,871
Other comprehensive income :						
Remeasurement of defined benefit plans	-	-	-	-	(10,03,695)	(10,03,695)
Net change in fair value of investments	-	-	-	-	(57,262)	(57,262)
Total Comprehensive Income for the year 2017-18 (E)	-	-	-	5,21,46,871	(10,60,957)	5,10,85,914
Reductions during the year:						
Dividend	-	-	-	(45,94,300)	-	(45,94,300)
Dividend distribution tax	-	-	-	(9,44,369)	-	(9,44,369)
Total (F)	-	-	-	(55,38,669)	-	(55,38,669)
Balance as at March 31, 2019 (D+E+F)	4,00,000	15,00,00,000	6,42,87,415	13,62,37,292	(10,67,782)	34,98,56,925

NIKHIL ADHESIVES LIMITED
Notes forming part of the Financial Statements

NOTE 16 NON CURRENT FINANCIAL LIABILITIES

Particulars	RUPEES	
	As at 31 March 2019	As at 31 March 2018
Secured :		
From banks :		
Vehicle finance	13,01,837	21,50,378
From others		
Term loans	11,62,24,514	9,47,21,035
	11,75,26,351	9,68,71,413
Unsecured :		
Deferred payment liabilities		
Sales tax deferral	14,01,433	60,48,761
Deposits		
From shareholders	3,38,35,861	3,78,40,000
	3,52,37,294	4,38,88,761
Total	15,27,63,645	14,07,60,174

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

Particulars	Security and terms of repayment as at 31 March 2019	RUPEES	
		As at 31 March 2019	As at 31 March 2018
Term loans from others:			
Aditya Birla Finance Ltd			
Term Loans I	(a) Secured against first charge on present and future movable and immovable fixed assets of the plant at Dahej (b) Repayable in 53 monthly installments, last installment being due in Aug 2023. (c) Rate of Interest is 12.35%.	5,90,55,919	7,66,52,551
Term Loans II	(a) Secured against first charge on present and future movable and immovable fixed assets of the plant at Dahej (b) Repayable in 60 monthly installments, last installment being due in April 2024. (c) Rate of Interest is 12.35%.	1,44,66,224	1,80,68,484
Term Loans III	(a) Secured against first charge on present and future movable and immovable fixed assets of the plant at Dahej (b) Repayable in 85 monthly installments, last installment being due in April 2026. (c) Rate of Interest is 12.35%.	4,27,02,371	-
Total		11,62,24,514	9,47,21,035
Vehicle Finance			
HDFC Bank			
Vehicle I	(a) Secured against hypothecation of the vehicle financed. (b) Repayable in 21 monthly installments, last installment being due in December 2019. (c) Rate of Interest is 9.06%.	-	4,51,385
ICICI Bank			
Vehicle I	(a) Secured against hypothecation of the vehicle financed. (b) Repayable in 64 monthly installments, last installment being due in January 2023. (c) Rate of Interest is 8.01%.	13,01,837	16,98,993
Total		13,01,837	21,50,378

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

Particulars	Security and terms of repayment	RUPEES	
		As at 31 March 2019	As at 31 March 2018
<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.	14,01,433	60,48,761
<u>From Shareholders</u>	Deposits repayable as per maturity terms not exceeding 3 years	3,38,35,861	3,78,40,000
Total		3,52,37,294	4,38,88,761

(c) Secured long term borrowings of ₹ 11,62,24,514 /- (₹9,47,21,035 /-) 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 ₹ 5,17,92,096/- (Previous Year ₹ 2,83,05,438/-) is disclosed under 'Other Current Liabilities' (Refer Note 22)

NIKHIL ADHESIVES LIMITED
Notes forming part of the Financial Statements

NOTE 17 OTHER NON CURRENT FINANCIAL LIABILITIES

RUPEES

Particulars	As at 31 March 2019	As at 31 March 2018
Interest accrued but not due on public deposits	48,11,296	38,47,289
Total	48,11,296	38,47,289

NOTE 18 PROVISIONS - NON CURRENT

RUPEES

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits		
Provision for gratuity	35,39,272	33,47,364
Total	35,39,272	33,47,364

NOTE 19 :DEFERRED TAX LIABILITIES (NET)

Movement in deferred tax balances during the financial year ended March 31, 2019

RUPEES

Components of Deferred Tax	Deferred Tax liabilities/(assets) as on April 1, 2018	Deferred Tax for the year	Deferred Tax balance as on March 31, 2019
Deferred tax liabilities/ (assets)			
Deferred sales tax adjustment	11,36,578	(1,41,835)	9,94,743
Depreciation on fixed assets	2,77,84,339	69,41,759	3,47,26,099
Borrowing cost amortised in books of account	2,71,679	1,64,715	4,36,394
Employee benefit-gratuity	(16,81,159)	(7,44,458)	(24,25,617)
Expected credit loss	(14,31,762)	(7,46,013)	(21,77,775)
	2,60,79,676	54,74,168	3,15,53,843
MAT credit entitlement	(62,95,879)		-
Net deferred tax liabilities / (assets)	1,97,83,797		3,15,53,843

Movement in deferred tax balances during the financial year ended March 31, 2018

RUPEES

Components of Deferred Tax	Deferred Tax liabilities/(assets) as on April 1, 2017	Deferred Tax for the year	Deferred Tax balance as on March 31, 2018
Deferred Tax Liabilities/ (Assets)			
Deferred sales tax adjustment	13,08,536	(1,71,958)	11,36,578
Depreciation on fixed assets	2,49,38,173	28,46,166	2,77,84,339
Borrowing cost amortised in books of account	3,48,500	(76,821)	2,71,679
Employees benefit-gratuity	(11,65,108)	(5,16,051)	(16,81,159)
Expected credit loss	(11,18,630)	(3,13,132)	(14,31,762)
	2,43,11,471	17,68,204	2,60,79,675
MAT credit entitlement	(79,85,776)		(62,95,879)
Net Deferred Tax Liabilities / (Assets)	1,63,25,695		1,97,83,796

NIKHIL ADHESIVES LIMITED
Notes forming part of the Financial Statements

NOTE 20 CURRENT FINANCIAL BORROWINGS

RUPEES

Particulars	As at 31 March 2019	As at 31 March 2018
Secured (Refer (a) and (b) below) :		
Cash credit from banks	13,70,64,912	155167081
Total	13,70,64,912	15,51,67,081

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

RUPEES

Particulars	Nature of security	As at 31 March 2019	As at 31 March 2018
Loans repayable on demand Cash Credit from Banks 1) Bank of India 2) Standard Chartered Bank 3) Yes Bank	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.	11,37,21,953 2,23,46,570 9,96,389	8,83,43,503 70,20,393 5,98,03,185
Total		13,70,64,912	15,51,67,081

(b) Secured short term borrowings of ₹ 137,06,64,912/- (Previous year ₹ 155,167,081/-) 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 21 TRADE PAYABLES

RUPEES

Particulars	As at 31 March 2019	As at 31 March 2018
Trade Payables		
i) Total Outstanding dues of Micro & Small Enterprises	-	-
ii) Total Outstanding dues of Creditors Other than Micro & Small Enterprises	97,86,51,102	79,78,05,620
Total	97,86,51,102	79,78,05,620

NOTE 22 OTHER CURRENT FINANCIAL LIABILITIES

RUPEES

Particulars	As at 31 March 2019	As at 31 March 2018
Current maturities of Long term debt	5,17,92,096	28305438
Interest accrued but not due on Public Deposits	14,12,498	4,87,702
Unclaimed dividend	2,19,671	4,00,866
Security deposits	58,95,129	41,85,853
Other payables	3,72,80,199	1,94,35,106
Total	9,65,99,593	5,28,14,965

NOTE 23 OTHER CURRENT LIABILITIES

RUPEES

Particulars	As at 31 March 2019	As at 31 March 2018
Liabilities for expenses	3,48,65,807	2,47,03,526
Advances from customers	23,29,826	19,79,974
Statutory dues	24,46,373	16,44,473
Total	3,96,42,006	2,83,27,973

NOTE 24 CURRENT PROVISIONS

RUPEES

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits		
Gratuity	38,39,543	18,01,467
Total	38,39,543	18,01,467

NIKHIL ADHESIVES LIMITED
Notes forming part of the Financial Statements

NOTE 25 REVENUE FROM OPERATIONS

RUPEES

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Sale of products :		
(a) Manufactured goods	3,28,38,73,183	2,42,51,26,686
(b) Traded goods	1,14,63,67,972	93,70,76,972
	4,43,02,41,155	3,36,22,03,658
Other operating revenues :		
(a) Labour charges income	2,95,14,586	1,86,12,026
(b) Foreign exchange gain	38,62,349	1,61,43,818
	3,33,76,935	3,47,55,844
Revenue from operations (Gross)	4,46,36,18,089	3,39,69,59,502
Less : Excise duty	-	9,46,61,415
Revenue from operations (Net)	4,46,36,18,089	3,30,22,98,087

NOTE 26 OTHER INCOME

RUPEES

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Other non-operating income :		
(a) Sundry balances written back	-	22,109
(b) Interest income	80,05,357	-
(b) Sundry income	4,75,512	66,04,324
(c) Scrap sales	1,65,801	1,72,600
(d) Rent income	-	92,403
Total	86,46,670	68,91,436

NIKHIL ADHESIVES LIMITED
Notes forming part of the Financial Statements

NOTE 27 COST OF MATERIALS CONSUMED

RUPEES

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Raw materials consumed		
Opening stock	23,81,54,548	14,36,66,098
Add : Purchases	2,69,64,84,966	1,94,03,10,251
	2,93,46,39,514	2,08,39,76,349
Less : Closing stock	29,86,61,779	23,81,54,548
Sub total (A)	2,63,59,77,735	1,84,58,21,801
Packing materials consumed		
Opening stock	1,19,43,673	80,75,567
Add : Purchases	16,59,65,536	13,96,20,937
	17,79,09,209	14,76,96,504
Less : Closing stock	82,24,452	1,19,43,673
Sub total (B)	16,96,84,757	13,57,52,831
Total (A)+(B)	2,80,56,62,492	1,98,15,74,632

NOTE 28 PURCHASE OF STOCK IN TRADE GOODS

RUPEES

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Purchase of stock in trade	1,12,05,38,145	92,42,11,969
Total	1,12,05,38,145	92,42,11,969

NOTE 29 CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE

RUPEES

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening Stock		
(a) Finished goods	6,58,69,374	3,73,44,724
(b) Stock-in-trade	2,14,61,255	2,19,01,781
	8,73,30,629	5,92,46,505
Less : Closing Stock		
Finished goods	4,92,28,968	6,58,69,374
Goods in transit (finished goods)	1,75,27,968	-
Stock-in-trade	2,57,62,132	2,14,61,255
	9,25,19,068	8,73,30,629
Changes in inventories	(51,88,439)	(2,80,84,124)
Increase/ (decrease) in excise duty on finished goods	-	(46,552)
Total	(51,88,439)	(2,81,30,676)

NIKHIL ADHESIVES LIMITED
Notes forming part of the Financial Statements

NOTE 30 EXCISE DUTY ON SALE OF GOODS

RUPEES

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Excise duty (for the year ended March 31,2018, due to introduction of GST regime from July 1 2017, the excise duty is only for the period of April to June 2017)	-	9,46,61,415
Total	-	9,46,61,415

NOTE 31 EMPLOYEE BENEFIT EXPENSES

RUPEES

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries and wages	8,91,77,437	7,47,18,855
Contributions to provident and other funds	61,85,348	63,50,127
Staff welfare expenses	23,32,434	22,52,503
Total	9,76,95,219	8,33,21,485

NOTE 32 FINANCE COSTS

RUPEES

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest expense	4,01,81,488	3,67,64,873
Other borrowing costs	4,06,23,348	3,05,93,398
	8,08,04,836	6,73,58,271
Less :		
Interest received (gross)	14,20,718	20,35,017
Total	7,93,84,118	6,53,23,254

NOTE 33 DEPRECIATION AND AMORTIZATION EXPENSES

RUPEES

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Depreciation and amortization expenses	2,07,22,392	1,76,04,462
Total	2,07,22,392	1,76,04,462

NIKHIL ADHESIVES LIMITED
Notes forming part of the Financial Statements

NOTE 34 OTHER EXPENSES

RUPEES

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Stores and spares consumed	94,36,433	62,14,134
Power and fuel	3,92,59,242	2,59,27,591
Labour charges	3,11,80,183	2,07,73,685
Rent	78,46,596	78,78,539
Repairs and maintenance :		
Plant & machinery	47,48,751	28,26,570
Building	2,36,130	65,368
Others	5,45,240	4,81,503
Printing and stationery	8,27,575	7,63,031
Insurance	29,03,302	26,02,947
Storage charges expenses (net)	1,45,16,796	1,05,37,099
Telephone expenses	17,04,499	25,00,968
Travelling and conveyance expenses	2,07,92,048	1,72,07,233
Legal and professional charges *	83,48,984	60,11,570
Sales promotion expenses	1,32,34,141	1,29,42,978
Transportation and octroi charges	9,53,18,436	7,14,93,341
Foreign exchange loss	2,53,333	2,92,373
Brokerage and commission	28,32,489	54,91,044
Bad debts	1,14,07,377	91,21,008
Directors sitting fees	1,54,500	2,03,450
Miscellaneous expenses	1,13,51,468	94,14,512
Expected credit Loss	22,34,642	9,47,162
Total	27,91,32,164	21,36,96,106

NOTE 35 EXCEPTIONAL ITEMS

RUPEES

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Loss on insurance claim	-	86,33,879
Total	-	86,33,879

*Legal and professional charges includes payment to the auditors as under:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
As auditor **	7,20,000	3,65,000
For taxation matters **	2,75,000	50,000
For other services **	1,07,500	25,000
Total	11,02,500	4,40,000

** excluding Service tax and GST

NIKHIL ADHESIVES LIMITED
Notes forming part of the Financial Statements

NOTE 36 : DETAILS OF HEDGED AND UNHEDGED EXPOSURE IN FOREIGN CURRENCY DENOMINATED MONETARY ITEMS

a. Exposure in foreign currency - Hedged

The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

The forward exchange contracts used for hedging foreign currency exposure and outstanding as at reporting date are as under:

Currency	Number of Contracts	Buy Amount	Indian Rupee Equivalent
Forward contract to buy USD - As 31-03-2019	12	41,25,583	29,82,40,907
Forward contract to buy USD - As 31-03-2018	13	34,00,691	22,15,07,287

b. Exposure in foreign currency - Unhedged

The foreign currency exposure not hedged as at 31st March, 2019 are as under:

Particulars	As at 31.03.2019		As at 31.03.2018	
	Amount in foreign currency	Amount in Rupees	Amount in foreign currency	Amount in Rupees
Payable in foreign currency exposure (USD)	38,21,493	27,41,47,683	30,74,678	20,04,85,260

Particulars	As at 31.03.2019		As at 31.03.2018	
	Amount in foreign currency	Amount in Rupees	Amount in foreign currency	Amount in Rupees
Receivable in foreign currency exposure (USD)	6,37,022	4,46,37,103	-	-

NOTE 37 EARNINGS PER SHARE

RUPEES

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Nominal value of equity shares	10	10
Net profit after tax available to the equity shareholders	5,10,85,914	2,81,45,920
Weighted average number of equity shares	45,94,300	39,34,574
Basic and diluted earnings per share	11.12	7.15

NOTE 38 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 Rs 77,36,257/- (Previous year Rs 77,86,136/-) are included in rental expenditure in the Statement of Profit and Loss during the current year.

NIKHIL ADHESIVES LIMITED
Notes forming part of the Financial Statements

NOTE 39 EMPLOYEE BENEFIT PLANS

(a) Defined contribution plans:

The amount recognised as expense in respect of defined contribution plans (Contribution to provident fund) aggregate to ₹ 45,80,721/- (previous year ₹ 43,05,146/-).

(b) Retirement Benefit - Gratuity:

The employees of the Company are eligible for gratuity in accordance with the payment of gratuity act, and is a defined employee benefit. The above benefit is not funded but provision is made in the accounts for accrued gratuity under projected unit credit method of actuarial valuation.

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

Statement of Profit and Loss

Net employee benefit expenses recognised in Employee Benefit Expenses

Particulars	RUPEES	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Components of employer expense		
Current Service cost	7,36,162	5,66,840
Interest cost	4,04,698	2,63,350
Expected return on plan assets	-	-
Curtailement cost/(credit)	-	-
Settlement cost/(credit)	-	-
Past service cost	-	15,92,596
Actuarial losses/(Gains)	-	-
Total expense recognised in the Statement of Profit & Loss	11,40,860	24,22,786

Balance Sheet

Details of provision for gratuity

Net asset/(liability) recognised in balance sheet	RUPEES	
	As at 31 March 2019	As at 31 March 2018
Present value of defined benefit obligation	(73,78,815)	(51,48,831)
Fair value of plan assets	-	-
Funded status [surplus/(deficit)]	(73,78,815)	(51,48,831)
Unrecognised past service costs	-	-
Net asset/(liability) recognised in balance sheet	(73,78,815)	(51,48,831)

Change in Defined Benefit Obligations (DBO) during the year ended	For the year ended 31 March 2019	For the year ended 31 March 2018
Present value of DBO at beginning of period	51,48,831	35,87,879
Current Service cost	4,04,698	5,66,840
Interest cost	7,36,162	2,63,350
Curtailement cost/(credit)	-	-
Settlement cost/(credit)	-	-
Plan amendments	-	-
Acquisitions	-	-
Actuarial (gains)/ losses	-	-
Past Service cost	-	15,92,596
Benefits paid	(4,17,564)	(4,84,029)
Actuarial (gains)/ losses on obligations - due to change in financial assumptions	29,594	(2,12,385)
Actuarial (gains)/ losses on obligations - due to experience	14,77,094	(1,65,420)
Present value of DBO at the end of period	73,78,815	51,48,831

Principal actuarial assumptions as at the balance sheet date :

Particulars	As at 31 March 2019	As at 31 March 2018
Discount rate	7.86%	7.34%
Salary escalation	5%	5%
Attrition rate	2%	2%

NIKHIL ADHESIVES LIMITED
Notes forming part of the Financial Statements

NOTE 40 SEGMENTS REPORTING

(a) Information about Business Segments for the Quarter Ended 31 March 2019

RUPEES

Particulars	Manufacturing of Adhesives & Emulsions	Trading in Chemicals	Total Rupees
Revenue			
Sales/income from operations	3,31,72,50,117	1,14,63,67,972	4,46,36,18,089
Inter-segment sales	-	-	-
Total revenue	3,31,72,50,117	1,14,63,67,972	4,46,36,18,089
Result			
Segment result	15,98,94,115	2,02,86,644	18,01,80,758
Unallocated corporate expenses(Net)			2,64,77,972
Operating profit			15,37,02,786
Interest expense(net)			7,93,84,118
Income taxes(including deferred tax)			2,21,71,797
Profit from ordinary activities			5,21,46,871
Extraordinary items			-
Net profit			5,21,46,871
Other Informations			
Segment assets	1,50,69,69,849	33,64,92,443	1,84,34,62,292
Unallocated corporate assets			5,13,469
Total assets			1,84,39,75,761
Segment liabilities	1,18,41,46,336	26,43,18,875	1,44,84,65,211
Unallocated corporate liabilities			11,75,26,351
Total liabilities			1,44,30,62,055
Add: Share capital and reserves			40,09,13,706
Total capital & liabilities			1,84,39,75,761
Capital expenditure (including capital work in progress)	9,31,22,862	-	
Depreciation	2,07,22,392	-	

Notes :

- 1) The Information stated above is in conformity with Indian Accounting Standard 108 "Operating Segment "
- 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 40(b)

Note 40 : Segments Reporting

(b) Information about business segments for the year ended 31 March, 2018

RUPEES

Particulars	Manufacturing of Adhesives & Emulsions	Trading in Chemicals	Total
Revenue			
Sales/income from operations	2,45,88,28,279	93,81,31,223	3,39,69,59,502
Inter-segment sales	-	-	-
Total revenue	2,45,88,28,279	93,81,31,223	3,39,69,59,502
Result			
Segment result	12,44,72,643	96,34,873	13,41,07,516
Unallocated corporate expenses(Net)			2,54,52,256
Operating profit			10,86,55,260
Interest expense(Net)			6,53,23,246
Income taxes(including deferred tax)			1,47,68,000
Profit from ordinary activities			2,85,64,014
Extraordinary items			-
Net profit			2,85,64,014
Other informations			
Segment assets	1,30,43,34,220	25,57,22,236	1,56,00,56,456
Unallocated corporate assets			5,35,500
Total assets			1,56,05,91,956
Segment liabilities	1,01,26,38,819	19,84,52,198	1,21,10,91,017
Unallocated corporate liabilities			29,94,30,533
Total liabilities			1,20,72,51,281
Add: Share capital and reserves			35,33,40,675
Total capital & liabilities			1,56,05,91,956
Capital expenditure (including capital work in progress)	7,06,25,447	-	
Depreciation	1,76,04,461	-	

Notes :

- 1) The information stated above is in conformity with Indian Accounting Standard 108 "Operating Segments".
- 2) The Business segment is the primary segment of the company and there is no geographical segment having differing risk and returns.

NIKHIL ADHESIVES LIMITED
Notes forming part of the Financial Statements

NOTE 41 RELATED PARTY DISCLOSURES

The following details give the information pursuant to Ind AS - 24 " Related Party Disclosures"

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

Name	Nature of Relationship
Umesh J. Sanghavi	Promoter Directors and Key Management Personnel (KMP)
Rajendra J. Sanghavi	Promoter Directors and Key Management Personnel (KMP)
Tarak J. Sanghavi	Promoter Directors and Key Management Personnel (KMP)
Anita U. Sanghavi	Key Management Personnel (KMP)

(b) Details of Related Party transactions during the year ended 31st March 2019

Particulars	Directors & Key Management Personnel			RUPEES
				Total
Remuneration paid	38,31,648		-	38,31,648
	(33,32,448)		(-)	(33,32,448)

Figures in brackets relates to the previous year

NIKHIL ADHESIVES LIMITED

Notes forming part of the Financial Statements

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 Board of Directors have recommended a payment of final dividend of ₹ 1/- (One rupees only) per equity share of face value of ₹ 10 each for the financial year ended 31st March, 2019, aggregating ₹ 45.94 lakhs.

NOTE 44 : The figures for the previous year have been regrouped or rearranged wherever necessary.

NOTE 45 : Figures have been rounded off to nearest rupees.

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**

**Paresh Vakharia
(Partner)
Membership No. 38220**

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

**M. M. Vora
(Director)
DIN : 00245427**

**Place : Mumbai
Date : 30th May 2019**

**A. U. Sanghavi
Chief Financial Officer**



Head Office/Regd Office



Factories



Branch Offices



Head Office/Regd Office

Maharashtra

315, The Summit Business Bay, Behind Gurunanak Petrol Pump, Opp. Cinemax, Andheri Kurla Road, Andheri (East), Mumbai – 400093.
Tel: +91 22 2683 6558/59
ho@nikhiladhesives.com

Factories

Maharashtra

Shreeji Estate, Vadkun College Road, Dahanu Road, Maharashtra.
Tel: +91 2528 224483/223107
dahanu@nikhiladhesives.com

Dadra & Nagar Haveli

7, Government Industrial Estate Post - Pipria, Silvassa.
Tel: +91 260 2640 045
silvassa@nikhiladhesives.com

Gujarat

Plot No. D-2/CH/49, Industrial Phase, Dahej-2, G.I.D.C Industrial Estate- Dahej.
Taluka-Vagra. Dist-Bharuch-392130
Tel: +91 93778 24268

Karnataka

Plot No. 570A & 570B, Vasanthanarapura Industrial Area, 2nd Phase, Tumakuru, Dist-Bengaluru. Karnataka.

Branch Offices

Gujarat

A-6, Shyam Kunj, Gokul Vihar Township, N.H# 8, Opp. Vrundavan Row House, Chharwardapardi, Valsad - 396191
Mod: 91 78787 41746
vapi@nikhiladhesives.com

Uttar Pradesh

C-41, Kabir Dham Compound, Krishna Nagar, Opp. Regent Motors, Meerut Road, Ghaziabad - 201009
Mob: +91 93685 21254
neeraj.mishra@nikhiladhesives.com

Uttar Pradesh

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Jharkhand

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Tamil Nadu

Flat # 9/1, Subhiksha, Athreyapuram, 1st Street, Choolaimedu, Chennai - 600094
Mob: +91 93810 16948
hameed.azeez@nikhiladhesives.com

West Bengal

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Tel: +91 33 3292 1664
cksinha@nikhiladhesives.com

NIKHIL ADHESIVES LIMITED

Corporate Identity Number (CIN) – L51900MH1986PLC041062

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

Tel: +91 22 2683 5864/2683 6558 Fax No: +91 22 2684 0750 Website: www.nikhiladhesives.com

ATTENDANCE SLIP

33rd ANNUAL GENERAL MEETING ON MONDAY, 30th September, 2019 at 11:00 AM

at The Andheri Recreation Club, Dadabhai Road, Opposite Bhavans College Road, Andheri (West), Mumbai – 400058.

Folio No:	DP ID No:	Client ID No:
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I/We hereby record my/our presence at the 33rd Annual General Meeting of the Company held on Monday, the 30th September, 2019 at 11:00 AM at The Andheri Recreation Club, Dadabhai Road, Opposite Bhavans College Road, Andheri (West), Mumbai – 400058.

Name of the Member:	Signature:
Name of the Proxy Holder:	Signature:

- Notes:**
1. Only the 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 the reference at the Meeting.



NIKHIL ADHESIVES LIMITED

Corporate Identity Number (CIN) – L51900MH1986PLC041062

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

Tel: +91 22 2683 5864/2683 6558 Fax No: +91 22 2684 0750 Website: www.nikhiladhesives.com

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

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

I/We being the member(s) of NIKHIL ADHESIVES LIMITED holding _____ Shares hereby appoint:

1. Name: _____ Email ID: _____
Address: _____
Signature: _____ or failing him/her;
2. Name: _____ Email ID: _____
Address: _____
Signature: _____ or failing him/her;
3. Name: _____ Email ID: _____
Address: _____
Signature: _____ or failing him/her;

as my proxy to attend an vote (on poll) for me/us on my/our behalf at the THIRTY THIRD ANNUAL GENERAL MEETING of the Company to be held on Monday, 30th September, 2019 at 11:00 AM, at The Andheri Recreation Club, Dadabhai Road, Opposite Bhavans College Road, Andheri (West), Mumbai – 400058. And at any adjournment thereof in respect of such resolution as are indicated overleaf:

Sr No.	Resolutions
Ordinary Business	
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, 2019.
2.	Declare dividend for the financial year 31 st March, 2019.
3.	Re-appointment of Mr. Rajendra. J. Sanghavi (DIN: 00245637) who retires by rotation.
Special Business	
4.	Re-appointment of Mr. M. M. Vora (DIN: 00245427) as a Non-Executive Independent Director for two years.
5.	Re-appointment of Mr. H. S. Kamath (DIN: 02628018) as a Non-Executive Independent Director for two years.
6.	Appointment of Cost Auditors and fixing their remuneration.

Affix ₹ 1/-

Revenue
Stamp

Signed this _____ day of _____ 2019

Signature of the Member _____ Signature of Proxy _____

- Notes:**
1. This Form in order to be effective should be duly completed and deposited at the Registered office of the Company at 315, The Business Summit Bay, Behind Gurunanak Petrol Pump, Opp. Cinemax, Andheri Kurla Road, Andheri (East), Mumbai – 400093, 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 Statements and Notes, please refer to the NOTICE of the 33rd Annual General Meeting of the Company.

ROUTE MAP TO ANNUAL GENERAL MEETING VENUE

Venue: The Andheri Recreation Club, Dadabhai Road, Opposite Bhavans College Road, Andheri (West), Mumbai – 400058.

