

## NOTICE

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

### ORDINARY BUSINESS

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

### SPECIAL BUSINESS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**NOTES:**

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

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

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

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

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

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

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

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



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

**Other General Instructions:**

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

**ANNEXURE TO NOTICE**

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

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

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

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

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

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

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

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

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

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

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

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

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



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

**Item No. 7**

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

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

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

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

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

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

**By order of the Board of Directors**

**Umesh J. Sanghavi**  
Managing Director

**NIKHIL ADHESIVES LIMITED**

Corporate Identity Number (CIN) - L51900MH1986PLC041062

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

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

**ATTENDANCE SLIP**

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

<b>Folio No. :</b>	<b>DP ID No. :</b>	<b>Client ID No. :</b>
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I/We hereby record my/our presence at the 31<sup>st</sup> Annual General Meeting of the company held on Thursday, the 28<sup>th</sup> September, 2017 at 11.00 a.m. at Shreeji Industrial Estate, Vadkun, College Road, Dahanu, Dist- Palghar-401 602.

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

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

**NIKHIL ADHESIVES LIMITED**

Corporate Identity Number (CIN) - L51900MH1986PLC041062

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

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

**PROXY FORM**

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

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

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

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

**Route Map to Venue of the AGM**

