



NIKHIL ADHESIVES LIMITED

An ISO 9001 : 2015 Certified Company

Head Office : 902, 9th Floor, A Wing, Kaledonia HDIL Building,
Sahar Road, Opp. D-Mart, Andheri (E), Mumbai- 400069.
Tel.: 91-22-2683 6564 / 6558 / 59 • E-mail : info@nikhiladhesives.com
Website : www.nikhiladhesives.com • CIN : L51900MH1986PLC041062



Date: August 31, 2026

To,
The Manager- Listing Department
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort
Mumbai- 400 001

BSE script Code: 526159

Subject: Integrated Annual report for the FY 2025-26 and Notice convening the 40th Annual General Meeting

The 40th Annual General Meeting ("AGM") of the Members of Nikhil Adhesives Limited ("the Company") is scheduled to be held on Tuesday, 22nd September, 2026, at 03:00 p.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

In terms of the requirements of Regulations 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report along with Notice of AGM for the financial year 2025-26. The Company has sent the same today through electronic mode to Members who have registered their email id with the Company's RTA/Depository Participants.

The Notice along with the Annual Report for the financial year 2025-26 is also available on the website of the Company www.nikhiladhesives.com

You are requested to kindly take the above information record.

Thanking You,

Yours Faithfully,

For Nikhil Adhesives Limited

rajendra
jayantilal
sanghavi

Digitally signed
by rajendra
jayantilal
sanghavi
Date: 2026.08.31
20:49:21 +05'30'

Rajendra Sanghavi
Whole-Time Director
DIN: 00245637

Unit I : Shreeji Estate, College Rd., Vadkun, Dahanu - 401 602. Maharashtra • Tel.: (02528) - 224463 / 093204 35588 • Fax : (02528) 226195.
Unit II : 7A / 7B, Govt. Industrial Estate, Dist. Piparia, Silvassa - 396 230. D. & N. H. • Tel.: (91) 0260 - 2640055, 093747 06309.
Unit III : Plot No. D - 2 / 49, GIDC Industrial Estate, Industrial Phase - II, Dahej - 392 130. Tal. Vagra, Dist. - Bharuch, Gujarat.
Unit IV : Plot No. 570-A & 570-B, Vasanthanarasapura Industrial Area, Phase - II, Tumkur - 572128, Karnataka.
Unit V : Plot No. 73-74, Industrial Area, Mehatpur, Una, Himachal Pradesh - 174315.

NIKHIL ADHESIVES LIMITED

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40TH
**ANNUAL
REPORT**



ABOUT US

Nikhil Adhesives Ltd, a listed company with the Bombay Stock Exchange is a multi-product company manufacturing, selling and exporting various types products like Emditex, Emdilith, Emdibind, Emdicryl, Mahacol, Mahafix which are well know in Adhesives, Paints, Textile & Construction Chemicals market.

The company had acquired the emulsion business of M/s. Mafatlal Dyes & Chemicals Limited the Erstwhile German Company -Hoechst Dyes and Chemicals Limited in the year 2003.

Nikhil Adhesives Ltd has been in this business since 1986 and has Five manufacturing units located at Dahanu (Maharashtra), Silvassa (Dadra Nagar Haveli), Dahej(Gujarat), Tumkur (Karnataka) and Mehatpur (Himachal Pradesh). A dedicated technology centre at Turbe (Navi Mumbai) and 21+ depot's spread across various states.

With it's presence for more than three decades and current production capacity of 135,000T p.a. Nikhil Adhesives Limited has grown in local market also expanded it's horizon into exports to various countries in Asia, Africa and the Middle East.

All our speciality products are made and delivered using our well automated manufacturing plants, better RM control, substantial production capacity, quality consistency, timely deliveries, excellent technical support, nationwide distribution network and excellent team.



“ MISSION

“Create customer delight through supply of innovative products and services using world class, lean and sustainable technology through a talented and committed team”



“ VISION

“To be a leading, speciality & performance chemicals company built on trust, innovation & cutting-edge technology”.



40th ANNUAL REPORT 2025-2026

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr.Umesh J. Sanghavi	Chairman and Managing Director (CMD)
Mr.Rajendra J. Sanghavi	Whole Time Director (Executive Director)
Mr.Tarak J. Sanghavi	Whole Time Director (Executive Director)
Mr.Jagdish B. Mali	Executive Director
Dr.Satish Gaonkar	Executive Director (appointed w.e.f 16 th June, 2025)
Mr.Pravin K. Laheri	Non-Executive Independent Director
Mrs.Gauri S. Trivedi	Non-Executive Independent Director
Mr.V. Subramanian	Non-Executive Independent Director
Mr.Sethunathan Charlayath Laxmanan	Non-Executive Independent Director
Mr.Madhu T Ankleshwaria	Non-Executive Independent Director (appointed w.e.f 16 th June, 2025)
Mrs. Anita U. Sanghavi	Chief Financial Officer
Mrs.Beena Khandelwal	Company Secretary & Compliance Officer

STATUTORY AUDITORS PHD & Associates

Chartered Accountants

REGISTRAR AND TRANSFER AGENTS

MUFG Intime India Private Limited (Formerly Link Intime India Private Limited)
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai- 400 083

BANKERS

Bank of India
Yes Bank Ltd
DBS Bank India Limited
HDFC Bank Limited

REGISTERED OFFICE

902, 9th Floor, A-Wing, Kaledonia HDIL Building,
Sahar Road, Opp. D-Mart
Andheri (East), Mumbai – 400069.

COMPANY IDENTIFICATION NUMBER (CIN): L51900MH1986PLC041062

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NOTICE

Notice is hereby given that the **Fortieth Annual General Meeting** of Nikhil Adhesives Limited will be held on **Tuesday, 22nd September, 2026 at 3:00 PM through Video Conferencing ('VC')/Other Audio Visual Means ('OVAM')** to transact the following business:

The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.

ORDINARY BUSINESS

- 1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2026 together with the reports of the Board of Directors and Statutory Auditors thereon.**
- 2. To appoint a director in place of Mr. Tarak Jayantilal Sanghavi, Whole Time Director (DIN: 00519403), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.**
- 3. To declare dividend of Re.0.22 per equity share of face value of Re. 1 each for the financial year ended 31st March, 2026.**

SPECIAL BUSINESS

4. Ratification of Remuneration of Cost Auditor M/s. B. F. Modi & Associates, Cost Accountants (Firm Registration No. 100604):

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

"RESOLVED THAT pursuant to Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of Rs. 50,000/- per annum (Rupees Fifty Thousand Only) plus applicable taxes and reimbursement of out-of-pocket expenses payable to M/s. B. F. Modi & Associates, Cost Accountants (Firm Registration No. 100604), who have been appointed by the Board of Directors, as the Cost Auditors of the Company, to conduct the audit of the cost records maintained by the Company for the Financial Year ending March 31, 2027.

RESOLVED FURTHER THAT any of the Directors or Company Secretary or Chief Financial Officer 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. Appointment of M/s. Deepika Mishra & Associates, Practising Company Secretaries, Delhi, a Peer Reviewed Firm as the Secretarial Auditors of the Company.

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 Regulation 24A & other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") read with Circulars issued thereunder from time to time and Section 204 and other applicable provisions of the Companies Act, 2013, if any read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("the Act"), and based on the recommendation of the Audit Committee and the approval of the Board of Directors of the Company, consent of the Company be and is hereby accorded for appointment of M/s. Deepika Mishra & Associates, Practising Company Secretaries, Delhi, a Peer Reviewed Firm, as Secretarial Auditors of the Company for a period of 5 consecutive years, from 40th AGM to 45th AGM ('the Term'), on such terms & conditions, including remuneration as may be determined by the Board of Directors (hereinafter referred to as the 'Board' which expression shall include any Committee thereof or person(s) authorized by the Board).

RESOLVED FURTHER THAT approval of the Members is hereby accorded to the Board to avail or obtain from the Secretarial Auditor, such other services or certificates or reports which the Secretarial Auditor may be eligible to provide or issue under the applicable laws at a remuneration to be determined by the Board.

RESOLVED FURTHER THAT any of the Directors or Company Secretary or Chief Financial Officer 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. Re-appointment of Mr. Tarak Jayantilal Sanghavi (DIN: 00519403) as a Whole Time Director for a period of 3 years

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

"RESOLVED THAT subject to the provisions of sections 196, 197, 198 and 203 and other applicable provisions of the Companies Act, 2013 ("the Act"), if any, read with Schedule V to the Act, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and any other Rules framed there under (including any statutory modification(s) or re-enactment or amendments thereof for the time being in force), and subject to the provisions of Articles of Associations of the Company, and such other approvals as may be necessary, the consent of the members be and is hereby accorded to re-appoint Mr. Tarak Jayantilal Sanghavi (DIN: 00519403) as a Whole Time Director of the Company, with effect from 01st January, 2027 to hold office for a period of three years (i.e. for the period 01st January, 2027 to 31st December, 2029) and who shall be liable to retire by rotation. He was appointed for 3 years as a Whole time Director from 01st January, 2024 to 31st December, 2026 and whose term of office expires on 31st December, 2026.

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 Jayantilal Sanghavi with the Company for the aforesaid appointment and as per the details provided in the explanatory statement annexed to this notice (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his reappointment), with authority to the Board of Directors of the Company to alter and/ or vary the terms and conditions of the said appointment in accordance with the prescribed provisions of the Act and or schedules thereto applicable, if any.

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

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

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

7. Re-appointment of Mr. Rajendra Jayantilal Sanghavi (DIN: 00245637) as a Whole Time Director for a period of 3 years.

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

"RESOLVED THAT subject to the provisions of sections 196, 197, 198 and 203 and other applicable provisions of the Companies Act, 2013 ("the Act"), if any, read with Schedule V to the Act, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and any other Rules framed there under (including any statutory modification(s) or re-enactment or amendments thereof for the time being in force), and subject to the provisions of Articles of Associations of the Company, and such other approvals as may be necessary, the consent of the members be and is hereby accorded to re-appoint Mr. Rajendra Jayantilal Sanghavi (DIN: 00245637) as a Whole Time Director of the Company, with effect from 01st January, 2027 to hold office for a period of three years (i.e. for the period 01st January, 2027 to 31st December, 2029) and who shall be liable to retire by rotation. He was appointed for 3 years as a Whole time Director from 01st January, 2024 to 31st December, 2026 and whose term of office expires on 31st December, 2026.

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 Jayantilal Sanghavi with the Company for the aforesaid appointment and as per the details provided in the explanatory statement annexed to this notice (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his reappointment), with authority to the Board of Directors of the Company to alter and/ or vary the terms and conditions of the said appointment in accordance with the prescribed provisions of the Act and or schedules thereto applicable, if any.

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

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

RESOLVED FURTHER THAT any of the Directors or Company Secretary or Chief Financial Officer 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."

8. Re-appointment of Mr. Umesh Jayantilal Sanghavi (DIN: 00491220) as a Chairman and Managing Director for a period of 3 years.

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

"RESOLVED THAT pursuant to the provisions of Sections 152, 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and the Articles of Association of the Company, and subject to such approvals, consents and permissions as may be required, Mr. Umesh J. Sanghavi (DIN: 00491220), be and is hereby re-appointed as a Director and designated as Chairman and Managing Director of the Company for a period of three years commencing from 10th July, 2026 and ending on 9th July, 2029.

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

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

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

RESOLVED FURTHER THAT any of the Directors or Company Secretary or Chief Financial Officer 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."

9. Reappointment of Mrs. Gauri Surendra Trivedi (DIN: 06502788) as an Independent Director for 2nd term of 5 years.

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

"RESOLVED THAT pursuant to Regulation 17(1D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of Section 149, 150, 152 read with schedule IV and Section 161(1) read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, sections, rules of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Mrs. Gauri Surendra Trivedi (DIN: 06502788), who was appointed as an Non- Executive Independent Director of the Company for five consecutive years from 01.01.2022 upto 31.12.2026 and being eligible, be and is hereby re-appointed as an Non-Executive Independent Director of the Company to hold office for a second consecutive term of 5 years effective from 01.01.2027 upto 31.12.2031 and she shall not be liable to retire by rotation."

RESOLVED FURTHER THAT any of the Directors or Company Secretary or Chief Financial Officer 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."

10. To increase powers of the board u/s 180(1) (a) of the Companies Act, 2013.

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

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, and in addition to and without prejudice to the Special Resolution passed by the Members of the Company at the Extra-Ordinary General Meeting held on 16 June 2025 under Section 180(1)(c) of the Companies Act, 2013, whereby the Members had accorded their consent to the Board of Directors of the Company for borrowing monies up to an aggregate limit of Rs. 250 Crores (Rupees Two Hundred and Fifty Crores only), the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to create, from time to time, such mortgages, charges, hypothecations, liens or other encumbrances, in addition to the existing mortgages, charges, hypothecations, liens or other encumbrances created by the Company, on all or any of the movable and/or immovable properties of the Company, wherever situated, whether present or future, and/or on the whole or any part of the undertaking(s) of the Company, in such manner and on such terms as may be deemed fit, in favour of any financial institution(s), bank(s), lender(s), debenture trustee(s), investing institution(s), body corporate(s), person(s) or other lender(s)/financier(s), whether by way of private placement or otherwise, to secure the borrowings, loans, debentures, bonds or other financial instruments availed or to be availed by the Company, together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by

the Company in respect of such borrowings/financial assistance, provided that the total amount of such secured borrowings/financial assistance together with interest, charges, costs, expenses and all other monies payable in connection therewith shall not at any time exceed Rs. 250 Crores (Rupees Two Hundred and Fifty Crores only), being the borrowing limit approved by the Members under Section 180(1)(c) of the Companies Act, 2013, or such other higher limit as may be approved by the Members from time to time under the applicable provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT the mortgage, charge, hypothecation or other security created pursuant to this resolution may contain such terms and conditions and covenants as may be agreed between the Company and the concerned financial institution(s), bank(s), lender(s), debenture trustee(s), investing institution(s), body corporate(s), person(s) or other lender(s)/financier(s), including provisions for enforcement of such security and, where applicable, powers to take over the management of the business and concern of the Company in certain events, in accordance with the terms of the relevant financing documents.

RESOLVED FURTHER THAT any of the Directors or Company Secretary or Chief Financial Officer 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."

11. To consider and approve the remuneration payable to Dr. Satish Gaonkar, Executive Director (DIN: 11114859) exceeding the limits prescribed under Section 197 of the Companies Act, 2013.

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

"RESOLVED THAT pursuant to the provisions of Section 197(1), Section 198 and other applicable provisions of the Companies Act, 2013 ("Act"), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, and subject to such other approvals, permissions and sanctions as may be required, consent of the Members of the Company be and is hereby accorded by way of Special Resolution for payment of remuneration to Mr. Satish Gaonkar, Executive Director, exceeding 1% of the net profits of the Company in any financial year during his tenure as Executive Director, within the overall limits approved by the Members and subject to the provisions of Sections 197 and 198 of the Act and Schedule V thereto.

RESOLVED FURTHER THAT the remuneration payable to Mr. Satish Gaonkar shall be as per the terms and conditions approved by the Board of Directors, including salary, allowances, perquisites, commission and other benefits, as set out in the explanatory statement annexed to the Notice convening this General Meeting.

RESOLVED FURTHER THAT the aggregate remuneration payable to the Director, if any, shall be within the overall limits prescribed under Section 197 of the Act, or such higher limit as may be approved by the Members by way of Special Resolution in accordance with the Act and Schedule V thereto.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary, modify or revise the terms and conditions of remuneration payable to Mr. Satish Gaonkar, within the overall limits approved by the Members and subject to the provisions of the Act, Schedule V thereto and applicable SEBI regulations.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and execute all such documents, writings and instruments as may be necessary, proper or expedient to give effect to this resolution."

NOTES:

1. The Ministry of Corporate Affairs, Government of India ('MCA') vide its General Circular No. 14/2020 dated April 08, 2020, the General Circular No. 17/2020 dated April 13, 2020, the General Circular No.22/2020 dated June 15, 2020, the General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, the General Circular No. 10/2021 dated

June 23, 2021, General Circular No. 20/2021 dated December 08, 2021, General Circular No. 02/2022 dated May 05, 2022, General Circular No. 11/2022 dated December 28, 2022 and General Circular No. 09/2023 dated September 25, 2023 and September 19, 2024, respectively ("MCA Circulars"), has and other circulars issued in this respect ('MCA Circulars') allowed in relation to "Clarification on holding of Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM)", (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM of the Company is being held through VC /OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.

2. In accordance with the aforesaid MCA Circulars and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 and SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 October 07, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024 issued by Securities Exchange Board of India (collectively referred to as "SEBI Circulars"), the Notice of the AGM along with the Integrated Annual Report for FY 2025-26 is being sent only to those Members whose e-mail addresses are registered with the Company or Registrar and Share Transfer Agent or the Depositories through electronic means and no physical copy of the Notice has been sent by the Company to any Member. The Notice has also been hosted on the website of the Company (www.nikhiladhesives.com), BSE website (www.bseindia.com) and on the website of the NSDL (www.evoting.nsdl.com).
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this e-AGM is being held pursuant to the MCA Circulars through VC/OAVM facility, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. The Statement, pursuant to Section 102(1) of the Act in respect of Special Business of Item No. 4, 5, 6 & 7 forms part of this notice. The Additional information, pursuant to Regulations 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard – 2 issued by Institute of Company Secretaries of India as notified by the Central Government on general meetings in respect of Director seeking appointment or re-appointment at the Annual General Meeting is furnished as Annexure to the notice.
5. Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in the Notice. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
6. In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Non-Resident Indian Members are requested to inform the Registrar and Share Transfer Agent ('RTA') immediately about the change in residential status on their return to India, if any.
8. Members who hold shares in dematerialised form are requested to quote their Client ID and DP ID numbers for easy identification for attendance at the meeting.
9. As per the SEBI circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 03rd November, 2021, has mandated furnishing of PAN, Address with PINCODE, email address, mobile number, bank account details and nomination by holders of physical securities. Folios wherein any one of the cited documents / details are not available on or after April 01, 2024, shall be frozen by the Registrars and Transfer Agent of the Company (RTA).
10. Nomination Facility: Those Members holding Shares in the physical form and desirous of making / changing Nomination in respect of their shareholdings in the Company as permitted under Section 72 of the Companies Act, 2013 and Rules made thereunder, are requested to submit the prescribed Form No. SH-13, as applicable for this purpose to the Company's Registrar and Share Transfer Agents ('RTA') - MUFG Intime India Private Limited (Formerly Link Intime India Private Limited), who will provide the form on request. In respect of shares held in electronic / demat form, the Members may please contact their respective depository participant.
11. A person, whose name is recorded in the register of members or in the register of beneficial owners of the Company, as on the cut-off date i.e., Tuesday, 15th September, 2026 only shall be entitled to avail the facility of e-voting, either through remote e-voting and voting at the AGM. A person who is not a member as on the cut-off date should treat this notice for information purposes only. The

Register of Members and the Share Transfer Books of the Company will remain closed from 16th September, 2026 to 22nd September, 2026 (both days inclusive).

12. 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 15th September, 2026. If shares are held in the electronic form, the dividend will be payable to the beneficial owners as per details furnished by the Depositories for this purpose.
13. Members are requested to notify immediately any change of address, contact no., mandates, Bank Details and consolidate their holdings into one folio in case they hold shares under multiple folios in the identical order of names;
 - i. To their Depository Participants (DPs) in respect of their electronic shares account, and
 - ii. To the Company's Registrar - MUFG Intime India Private Limited (Formerly Link Intime India Private Limited) in respect of their physical shares, if any, quoting their folio numbers.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. The 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. The Members holding shares in physical form can submit their PAN to the Company/ MUFG Intime India Private Limited Link (Formerly Intime India Private Limited)
15. Any Shareholders desiring any information relating to the accounts are requested to write to the Company at investors@nikhiladhesives.com at an early date so as to enable the management to keep the information ready.
16. All unclaimed dividends up to and including the year 2017-18 have been transferred to the credit of Investor Education and Protection Fund (the Fund) established by the Central Government. The 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. Those Shareholders who have not claimed dividend of FY 2018-19, 2019-20, 2020-21, 2021-22, 2022-23, 2023-24 and 2024-25 are being requested to apply before the Company's Registrar to Share Transfer Agent MUFG Intime India Private Limited (Formerly Link Intime India Private Limited) via email id to: rnt.helpdesk@in.mpms.mufg.com or are requested to send a letter for your claim to the RTA Registered Office address. Pursuant to the provisions of Sections 124 and 125 of the Act and the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, ("the Rules") as amended, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs. The voting rights on shares transferred to IEPF remains frozen until the rightful owner claims the shares. The Shareholders whose dividend/shares have been/will be transferred to the IEPF Authority, can claim the same from the IEPF Authority by following the procedure as detailed on the website of IEPF Authority <http://www.iepf.gov.in/IEPF/refund.html>.
17. Pursuant to amended Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 had 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.
18. Pursuant to the requirement of the Income-Tax Act, 2025, The Company will be required to withhold taxes at the prescribed rates on the dividend paid to its members. The TDS / withholding tax rate would vary depending on the residential status of the member and documents submitted by the member with the Company / MUFG Intime India Private Limited / Depository Participant. Members are therefore requested to update their residential status with Depository Participants or in case shares are held in physical mode, with Company / MUFG Intime India Private Limited on or before Tuesday, September 15, 2026 to enable the Company to determine the appropriate TDS / withholding tax rate, as applicable.

For the prescribed TDS rates for various categories, please refer to the Income-Tax Act, 2025. A table showing the Sections/ Rules/Forms of Income-Tax Act, 1961 corresponding to the

Sections/Rules/Forms of Income-Tax Act, 2025 can be accessed at Company's Website (www.nikhiladhesives.com).

A. 1 Tax Deductible at Source for Resident members

Sr. No.	Particulars	Withholding Tax Rate	Documents required (if any) / Remarks
1	Valid PAN updated in the Company's Register of Members	10%	No document required. In case of individual Member, if dividend does not exceed ₹ 10,000, no TDS / withholding tax will be deducted. Also, please refer note (v) below.
2	No PAN / Valid PAN not updated in the Company's Register of Members/ PAN is not linked with AADHAR in case of an individual	20%	TDS will be deducted at 20% as provided under Section 397(2) of the IncomeTax Act, 2025, regardless of dividend amount, if PAN of the member other than individual is not registered with the Company / MUFG / Depository Participant. In case of individual member, if PAN is not registered with the Company / MUFG / Depository Participant & cumulative dividend payment to an individual member is more than ₹ 10,000, TDS / Withholding tax will be deducted at 20% under Section 397(2) of the Income-Tax Act, 2025. All the members are requested to update, on or before Tuesday, September 15, 2026, their PAN with their Depository Participant (if shares are held in dematerialised mode) and Company / MUFG (if shares are held in physical mode). Please quote all the folio numbers under which you hold your shares while updating the records. Please also refer note (v) below.
3	Availability of lower/nil tax deduction certificate issued by Income-Tax Department u/s 395(1) of the Income-Tax Act, 2025	Rate specified in the certificate	Lower tax deduction certificate obtained from Income Tax Authority to be submitted on or before Tuesday, September 15, 2026.
4	Benefits under Income Tax Rule 203	Rates based on applicability	If the member e.g. clearing member / intermediaries / stock brokers are not the

		of the Income-Tax Act, 2025 to the beneficial owner	beneficial shareholders of the shares and if the declaration under Income Tax Rule 203(2) is provided regarding the beneficial owner, the TDS / Withholding tax will be deducted at the rates applicable to the beneficial shareholders.
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A. 2 No Tax Deductible at Source on dividend payment to resident members if the members submit following documents as mentioned in column no. (4) of the below table with the Company / MUFG / Depository Participant on or before Tuesday, September 15, 2026.

Sr. No.	Particulars	Withholding Tax Rate	Documents required (if any) / Remarks
1	Submission of form 121 with valid & operative PAN	NIL	Declaration in Form No. 121 fulfilling certain conditions
2	Member to whom section 393(1) [Table: Sl. No. 7] of the Income-Tax Act, 2025 does not apply as per section 393(4) [Table: Sl. No. 10] such as LIC, GIC. etc.	NIL	Valid documentary evidence for exemption u/s 393(4) [Table Sl. No 10] of the Income-Tax Act, 2025.
3	Member covered u/s 393(5) of the Income-Tax Act, 2025 such as Government, RBI, Corporations established by Central Act & mutual funds	NIL	Valid documentary evidence for coverage u/s 393(5) of the Income-Tax Act, 2025.
4	Category I and II Alternate Investment Fund	NIL	SEBI registration certificate to claim benefit under section 400(1) of the Income-Tax Act, 2025.
5	- Recognised provident funds - Approved superannuation fund - Approved gratuity fund	NIL	Valid documentary evidence as per Circular No. 18/2017 issued by Central Board of Direct Taxes (CBDT).
6	National Pension Scheme	NIL	No TDS as per section 393(9) of the Income-Tax Act, 2025. Valid documentary evidence (e.g., relevant copy of registration, notification, order, etc.) to be provided.
7	Any resident member exempted from TDS deduction as per the provisions of the Income-Tax Act, 2025 or by any other law or notification	NIL	Valid documentary evidence substantiating exemption from deduction of TDS.

B. Non-Resident members:

The table below shows the withholding tax on dividend payment to non-resident members. Members are requested to submit the document(s) as mentioned in column no. (4) of the below table on or before Tuesday, September 15, 2026, to the Company / MUFG to avail the beneficial rates, wherever applicable.

Sr. No.	Particulars	Withholding Tax Rate	Documents required (if any) / Remarks
1	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs) / Other NonResident members	20% (plus applicable surcharge and cess) or	FPI registration certificate in case of FIIs / FPIs. To avail beneficial rate of tax treaty following tax documents would be required: 1. Tax Residency

		tax treaty rate, whichever is beneficial	certificate issued by revenue authority of country of residence of member for the year in which dividend is received. 2. PAN or declaration as per Rule 217 of the Income-Tax Rules, 2026 in a specified format. 3. E-filed Form 41 4. Self-declaration for non-existence of permanent establishment/ fixed base in India.
2	Indian Branch of a Foreign Bank	NIL	Lower tax deduction certificate u/s 395(1) of the Income-Tax Act, 2025 obtained from Income Tax Authority. Self-declaration confirming that the income is received on its own account and not on behalf of the Foreign Bank and the same will be included in taxable income of the branch in India. In case above documents are not made available, then Withholding tax will be at 35% (plus applicable surcharge and cess)
3	Availability of Lower / NIL tax deduction certificate issued by Income Tax Authority	Rate specified in certificate	Lower tax deduction certificate obtained from Income Tax Authority.
4	Any non-resident member exempted from WHT deduction as per the provisions of the Income-Tax Act, 2025 or any other law such as The United Nations (Privileges and Immunities) Act 1947, etc.	NIL	Necessary documentary evidence substantiating exemption from WHT deduction.
5	Benefits under Income Tax Rule 203	Rates based on the applicability of the Income-Tax Act, 2025 / DTAA (whichever is beneficial) to the beneficial owner	If the member e.g. clearing member / intermediaries / stock brokers are not the beneficial shareholders of the shares and if the declaration under Income Tax Rule 203(2) is provided regarding the beneficial owner, the Withholding tax will be deducted at the rates applicable to the beneficial shareholders. The documents as mentioned against Sr. No 1 to 4 in column (4) will be required in addition to the above declaration.

Notes:

1. The Company will issue soft copy of the TDS certificate to its members through e-mail registered with MUFG post filing of TDS return as per statutory timelines specified under the Income-Tax Act, 2025. Members will be able to download Form 168 from the Income Tax Department's website <https://www.incometax.gov.in>.
2. The aforesaid documents such as Form 121, documents under section 393(5), 400(1), FPI / FII Registration Certificate, Tax Residency Certificate, Lower Tax certificate, Rule 203 declaration, etc. can be uploaded on the link <https://in.mpms.mufg.com/> on or before Tuesday, September 15, 2026 to enable the Company to determine the appropriate TDS / withholding tax rate applicable. Any documents / communication on the tax determination / deduction received after Tuesday, September 15, 2026 shall not be considered.
NSDL has provided a facility for submission of tax documents for claiming nil/low tax deduction from dividend whereby the Resident Non-Individual members i.e. Insurance Companies, Mutual

- Funds and Alternative Investment Funds (AIF) and other domestic financial institutions established in India and Non-Resident Non Individual members i.e., Foreign Institutional Investors and Foreign Portfolio Investors may submit the relevant forms / declarations / documents through their respective custodian who is registered on NSDL platform, on or before Tuesday, September 15, 2026.
3. Application of TDS / withholding tax rate is subject to necessary verification by the Company of the member details as available in register of members as on the Record Date, and other documents available with the Company / MUFG provided by the member by the specified date.
 4. In case TDS is deducted at a higher rate, an option is still available with the member to file the return of income and claim an appropriate refund.
 5. No TDS will be deducted in case of resident individual members whose dividend does not exceed ₹ 10,000. However, where the PAN is not updated in Company / MUFG / Depository Participant records or in case of an invalid PAN and cumulative dividend payment to individual member is more than ₹ 10,000, the Company will deduct TDS / Withholding tax u/s 393(1) [Table: Sl. No. 7] with reference to Section 397(2) of the Income-Tax Act, 2025.
All the members are requested to update their PAN with their Depository Participant (if shares are held in dematerialised mode) and Company / MUFG (if shares are held in physical mode) against all their folio holdings on or before Tuesday, September 15, 2026.
 6. In the event of any income tax demand (including interest, penalty, etc.) on the Company arising due to any declaration, misrepresentation, inaccurate or omission of any information provided by the member, such member will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.
 7. This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Members should consult their tax advisors for requisite action to be taken by them.

19. Voting through Electronic means:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL:

The voting period begins on Saturday, 19th September, 2026 (9:00 AM) and ends on the Monday, 21st September, 2026 (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 Tuesday, 15th September, 2026 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	- Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp - Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on  App Store  Google Play  

Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :
5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. **If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:**
 - a) Click on "[Forgot User Details/Password?](#)" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) [Physical User Reset Password?](#)" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. **After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.**
8. **Now, you will have to click on "Login" button.**
9. **After you click on the "Login" button, Home page of e-Voting will open.**

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to somaniandassociates5@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on 022 - 4886 7000 or send a request to Mr. Suketh Shetty evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investors@nikhiladhesives.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investors@nikhiladhesives.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at investors@nikhiladhesives.com. The same will be replied by the company suitably.
6. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investors@nikhiladhesives.com. The Shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account

number/folio number, email id, mobile number at investors@nikhiladhesives.com. These queries will be replied to you by the Company suitably by email.

7. Those Shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

Other General Information

1. Since the meeting will be conducted through VC/OAVM facility, the Route Map is not annexed in this Notice.
2. The voting rights of Shareholders shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date (record date) of the Tuesday, 15th September, 2026.
3. Mrs. Poonam Somani, Practicing Company Secretary & Proprietor of M/s Somani & Associates, Company Secretaries has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, count the vote cast at the AGM and thereafter unblock the vote cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's report of the total votes cast in favour of or against the resolutions, within 2 working days of conclusion of the AGM to the Chairman of the Company, who shall counter sign the same. The Chairman will declare the result of voting forthwith on receiving of the Scrutinizer's Report.
4. The result declared along with the Scrutinizer report shall be placed on the Company's website www.nikhiladhesives.com the result will also be communicated to the Stock Exchange where the shares of the Company are listed.
5. Subject to receipt of the requisite number of votes, the resolutions shall be deemed to have been passed on the date of AGM.
6. All documents referred to in the accompanying Notice and Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10:00 AM to 6:00 PM) on all working days, up to and including the date of the AGM of the Company.
7. The Company has been maintaining, inter alia, the following statutory registers at its registered office at Mumbai;
 - i. Register of contracts or arrangements in which Directors are interested under Section 189 of the Act.
 - ii. Register of Directors and Key Managerial Personnel and their Shareholding under Section 170 of the Act.
 - iii. Register of Charges;
 - iv. Register of Deposits; and other Statutory Register under the Companies Act, 2013.

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

8. Persons who have acquired the shares of the Company after the dispatch of the Annual Report and are Members as on 15th September, 2026. (being record date for the purpose of voting), may send a request for obtaining their User ID and Password to rnt.helpdesk@in.mpms.muvg.com or contact MUFG Intime India Private Limited (Formerly Link Intime India Pvt. Ltd) on 022-4918 6000/022- 4918 6060.

Contact Details

Company	M/s Nikhil Adhesives Limited Registered Office:A-902, Kaledonia Building, Sahar Road, Opp. Vijay Nagar, Andheri (East) Mumbai-400069. Tel: 022-2683 6564/58/59 Fax: 022-26840854
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	Email ID: investors@nikhiladhesives.com CIN: L51900MH1986PLC041062
Registrar and Share Transfer Agent	MUFG Intime India Private Limited (Formerly Link Intime India Private Limited) C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai- 400 083 Tel: 022 49186000/6270 Fax: 022-4098 6060 Email ID: : rnt.helpdesk@in.mpms.mufg.com

Date: 13.08.2026

Place: Mumbai

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

Sd/-

Umesh J. Sanghavi

Chairman and Managing Director

DIN: 00491220

ANNEXURE TO NOTICE

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

As required under Section 102 of the Companies Act, 2013 (the "Act"), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 4, 5, 6, 7, 8, 9, 10 and 11.

Item No. 4 Ratification of Remuneration of Cost Auditor

Pursuant to Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is required to undertake the audit of its cost records for products covered under the Companies (Cost Records and Audit) Rules, 2014 to be conducted by a Cost Accountant in practice.

In compliance with the above, M/s B. F. Modi & Associates, Cost Accountants, (Firm Registration No. 100604) were re-appointed as Cost Auditors for the year ending 31st March, 2027 by the Board of Directors on the recommendation of the Audit Committee at a remuneration of Rs. 50,000/- p.a. (plus applicable taxes and reimbursement of out-of-pocket expenses) payable to the Cost Auditors for FY 2026-27.

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.4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2027.

The Board recommends the Resolution No. 4 for the approval of the Members as an Ordinary resolution.

None of the Directors/Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise in the resolution set out at Item No. 4 of the Notice except to the extent of their Shareholding, if any.

Item No. 5

Appointment of M/s Deepika Mishra & Associates Secretarial Auditors of the Company

Pursuant to the Regulation 24A & other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") read with provisions of Section 204 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions of the Companies Act, 2013, if any ("the Act"), the Audit Committee and the Board of Directors at their respective meetings held on August 13, 2026 have approved subject to approval of Members, appointment of M/s Deepika Mishra & Associates, Practising Company Secretaries, Delhi, a Peer Reviewed Firm as Secretarial Auditors for a term of 5(Five) consecutive years from April 1, 2026 till March 31, 2031.

The Brief Profile of the Secretarial Auditor

Deepika Mishra & Associates is a practicing Company Secretaries firm, registered with the Institute of Company Secretaries of India (ICSI). The founder of the firm is Ms. Deepika Mishra, an Associate Member (ACS) of the Institute of Company Secretaries of India and Mr. Abhishek Mishra, an Associate Member (ACS) of the Institute of Company Secretaries of India. The firm was founded in August, 2016.

The firm deals in various Corporate Laws Matters and solving client's problems relating to business compliances. Our services also include approvals from different government departments like approval from Ministry of Corporate Affairs (MCA), Registrar of Companies, (ROC) Foreign Investment Promotion Board (FIPB), Reserve Bank of India (RBI), Non-banking finance companies etc.

The Board recommends the Resolution No. 5 for the approval of the Members as an Ordinary resolution.

None of the Directors/Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise in the resolution set out at Item No. 5 of the Notice except to the extent of their Shareholding, if any.

Item No. 6 and 7

Re-appointment of Mr. Tarak Jayantilal Sanghavi (DIN: 00519403) & Mr. Rajendra Jayantilal Sanghavi (DIN: 00245637) as Whole-Time Director of the Company

Mr. Rajendra J. Sanghavi and Mr. Tarak J. Sanghavi were appointed in their respective positions in the Annual General Meeting held on 21st September, 2023 for the tenure of 3 years effected from 1st January, 2024 to 31st December, 2026 on the terms and conditions including the terms of remuneration payable to them as set out in the respective resolutions approved in the meeting.

Their present term ends on 31st December, 2026.

Considering their proven track record, rich industry experience and expertise, and taking into account their performance evaluation and contribution to the Company during their tenure as Directors, the Board of Directors is of the view that their continued association would be beneficial and in the best interest of the Company. Accordingly, the Board, the Nomination and Remuneration Committee at their meeting held on 27th May, 2026, subject to the approval of Members, reappointed Mr. Rajendra J. Sanghavi and Mr. Tarak J. Sanghavi as Whole-time Directors of the Company for a term of three (3) years, with effect from 1st January, 2027 to 31st December, 2029, subject to the approval of the Members.

Accordingly, the consent of members is sought to re-appoint these appointees and fix their remuneration including perquisites, pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 read with Schedule V of the Act.

The terms and conditions of their appointment and remuneration payable to them are as follows:

- i. The remuneration shall be of Rs. 44,74,520/- per annum subject to maximum remuneration to the Director shall not exceed a sum of Rs. 50,00,000/- per annum to each Appointee., 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, personals accident insurance premium or other perquisites, as may be decided by the Board in consultation with the Appointees.
- ii. A motor car with chauffeur shall be provided to the Whole Time Director; alternatively, the Company shall bear all running, maintenance and repair expenses plus the remuneration of a chauffeur for his own car. The use of car for personal purposes may be treated as perquisites, to be computed as per Income Tax Rules.
- iii. Telephone(s) at the residence and cellular phone(s) shall be provided subject to the recovery of long distance personal calls, if any.
- iv. The perquisites shall be evaluated as per Income Tax Rules where so prescribed, and in other cases, on the basis of cost to the Company.
- v. The Appointees shall also be eligible to the following perquisites which shall not be included in the computation of the ceiling on remuneration as specified above:
 - a. Contribution to provident fund, superannuation fund or- annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - b. Gratuity payable at a rate not exceeding half a month' salary for each completed year of service, and
 - c. Encashment of leave at the end of the tenure as per Company's Rules.
- vi. The Appointees shall be entitled to claim reimbursement of all expenses incurred/paid by him in the course of and/or for the purposes of Company's business and/or discharging his functions as a Whole Time Directors.
- vii. The nature of appointment shall be contractual, terminable by either party giving notice of three months.

Further, the Board has been empowered to increase, augment, vary and modify the remuneration including

perquisites provided/ to be provided to the respective Appointees subject to the limits prescribed in that behalf under or pursuant to the Companies Act, 2013 or any statutory amendment, modification or re-enactment thereof from time to time in force and/or the guidelines for managerial remuneration issued by the Central Government from time to time, from the date the statutory amendment, modification, re-enactment and/or the guidelines coming into force.

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

Mr. Umesh J. Sanghavi, Mr. Rajendra J. Sanghavi and Mr. Tarak J. Sanghavi are related to each other.

The Board recommends the Resolution No. 6 & 7 for the approval of the Members as a Special resolution.

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.

Item No. 8

Re-appointment of Mr. Umesh J. Sanghavi (DIN: 00491220) as Chairman and Managing Director of the Company

Mr. Umesh J. Sanghavi (DIN: 00491220) is presently serving as a Chairman and Managing Director of the Company for a term of 3 years effective from 10th July, 2023 to 09th July, 2026.

His present term expired on 9th July, 2026.

Considering his valuable contribution, experience and guidance in the affairs of the Company, the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee at their meeting held on 27th May, 2026 has recommended the re-appointment of Mr. Umesh J. Sanghavi as a Director and his appointment as Chairman and Managing Director of the Company for a period of three years commencing from 10th July, 2026 and ending on 9th July, 2029, subject to the approval of the Members by way of Special Resolution.

Accordingly, the consent of members is sought to re-appoint the appointee and fix their remuneration including perquisites, pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 read with Schedule V of the Act.

The principal terms and conditions of his re-appointment are as follows:

1. The remuneration shall be Rs. 44,74,520/- (Rupees Forty-Four Lakhs Seventy four Thousand Five Twenty only) per annum, subject to the maximum remuneration payable to the Director not exceeding Rs. 50,00,000/- (Rupees Fifty Lakh only) per annum, including dearness allowance, perquisites and other allowances, as may be reviewed by the Board from time to time. 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 expenses, personal accident insurance premium and such other perquisites as may be decided by the Board in consultation with the appointee.
2. A motor car with chauffeur shall be provided to the Managing Director for discharge of his duties as Managing Director. Alternatively, the Company shall bear all running, maintenance and repair expenses together with the remuneration of a chauffeur for his own car. The use of the car for personal purposes shall be treated as a perquisite and shall be valued in accordance with the applicable Income-tax Rules.

3. Telephone(s) at the residence and cellular phone(s) shall be provided, subject to recovery of charges for long-distance personal calls, if any.

4. The perquisites shall be evaluated in accordance with the applicable Income-tax Rules wherever prescribed and, in other cases, on the basis of the cost to the Company.

5. The following shall not be included in the computation of the ceiling on remuneration, to the extent permissible under the applicable provisions of the Companies Act, 2013:

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 in accordance with the rules of the Company.

6. Mr. Umesh J. Sanghavi shall be entitled to reimbursement of all expenses incurred or paid by him in the course of and/or for the purposes of the Company's business and/or in discharging his functions as Managing Director.

7. The appointment shall be contractual and shall be terminable by either party by giving three months' notice in writing to the other party.

In the event of absence or inadequacy of profits in any financial year during the tenure of his appointment, the remuneration payable to Mr. Umesh J. Sanghavi shall be governed by the applicable provisions of Schedule V to the Companies Act, 2013.

The Board of Directors is of the opinion that the re-appointment of Mr. Umesh J. Sanghavi as Chairman and Managing Director is in the best interests of the Company and its 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.

The Board recommends the Resolution No.8 for the approval of the Members as a Special resolution.

Item No. 9

Re-appointment of Mrs. Gauri Surendra Trivedi (DIN: 06502788) as a Non-Executive Independent Director for a Second Term of Five Years

Mrs. Gauri Trivedi is a Non-Executive & Independent Director of the Company since 01st January, 2022.

Her Present Term ends on 31st December, 2026.

As per Section 149(10) of the Act, an Independent Non-Executive Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee at their meeting held on 13th August, 2026 has recommended the re-appointment of Mrs. Gauri Trivedi as a Non-Executive Independent Director of the Company for a Second Term of Five (5) years commencing from 1st January, 2027 and ending on 31st December, 2031, subject to the approval of the Members by way of Special Resolution.

During her tenure, Mrs. Gauri Trivedi has provided independent judgement, strategic guidance and constructive advice to the Board and has actively participated in the deliberations of the Board and its Committees. The Board believes that her knowledge, expertise, professional experience and understanding of the Company's business and affairs will continue to contribute meaningfully to the Company's growth and governance.

The brief profile Mrs. Gauri Trivedi is given below:

Mrs. Gauri Trivedi, aged 66 years, is a Non-Executive & Independent Director of the Company since 1st January, 2022. Mrs. Trivedi holds a master's degree in political science from Jawaharlal Nehru University (JNU), Delhi, and an M. Phil (Soviet Studies), JNU, Delhi. She earned her Doctorate in Philosophy from Institute of Social & Economic Change, Bangalore and Institute of Development Studies, Mysore and completed PGPPM from Indian Institute of Management (IIM), Bangalore. She has held several administrative posts in Karnataka including Assistant Commissioner, Joint Director (Commerce and Industry), Chief Secretary/ Director Rural Development and Panchayati Raj, Deputy Commissioner (Excise), Joint Registrar of Cooperative Societies. She has served as Managing Director of HESCOM, a power distribution company; Managing Director of the Karnataka State Food & Civil Supplies Corporation; Secretary to the Government in the Revenue Department of Karnataka; and Secretary to the Governor of Karnataka. She currently serves on the Board of companies such as Adani Airport Holdings, The Sandesh Group, Nikhil Adhesives.

Mrs. Trivedi does not hold any equity share of the Company as on March 31, 2026 in her individual capacity. Mrs. Trivedi is on the board of the following other public companies

Listed Public Companies (Category of Directorship)	Other Public Companies (Category of Directorship)
The Sandesh Limited, (Non-Executive & Independent)	Adani Total Energies Biomass Limited, (Non-Executive & Independent)
Gujarat Ambuja Exports Limited, (Non-Executive & Independent)	
Adani Airport Holdings Limited, (Non-Executive & Independent)	
Adani Total Gas Limited (Non-Executive & Independent)	

None of the Directors, Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the Special Resolution set out at Item No. 9 of the accompanying Notice for approval of the Members.

Item No. 10

To Increase Powers of the Board under Section 180(1)(a) of the Companies Act, 2013

The Members of the Company, at the Extra-Ordinary General Meeting ("EGM") held on 16 June 2025, had accorded their approval pursuant to Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, authorising the Board of Directors of the Company to borrow monies from time to time, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed Rs. 250 Crores (Rupees Two Hundred and Fifty Crores only).

In order to enable the Company to avail various financial facilities/borrowings from banks, financial institutions, lenders and other financing agencies from time to time, the Company may be required to create mortgages, charges, hypothecations, liens or other encumbrances over all or any of its movable and/or immovable properties, present and future, and/or over the whole or any part of its undertaking(s), in favour of such lenders/financiers, as security for the borrowings, loans, debentures, bonds or other financial assistance availed or to be availed by the Company.

Accordingly, pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013, the approval of the Members is being sought to authorise the Board of Directors of the Company to create such mortgages,

charges, hypothecations, liens or other encumbrances over the assets and/or undertaking(s) of the Company, in addition to the existing security interests, in favour of banks, financial institutions, lenders, debenture trustees, investing institutions, bodies corporate, persons or other financing agencies, on such terms and conditions as may be agreed upon.

The proposed resolution is in addition to and without prejudice to the Special Resolution passed by the Members at the EGM held on 16 June 2025 under Section 180(1)(c) of the Companies Act, 2013. The present resolution is intended to provide the requisite authority under Section 180(1)(a) for creation of security in respect of the borrowings/financial assistance availed or to be availed by the Company, within the borrowing limits approved by the Members under Section 180(1)(c), as amended or enhanced from time to time.

None of the Directors, Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the Special Resolution set out at Item No. 10 of the accompanying Notice for approval of the Members.

Item No. 11

To Consider and Approve the Remuneration Payable to Dr. Satish Gaonkar, Executive Director (DIN: 11114859), Exceeding the Limits Prescribed under Section 197 of the Companies Act, 2013

The Company recognises the valuable contribution, guidance and expertise provided by the Executive Directors in discharging their duties and responsibilities towards the Company. In view of the increasing responsibilities and time commitment involved in the discharge of their duties, the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, considers it appropriate to provide remuneration to Dr. Satish Gaonkar, Executive Director of the Company, for the financial year 2026-27.

Pursuant to the provisions of Section 197(1) of the Companies Act, 2013 ("Act"), the aggregate remuneration payable to the directors who are neither Managing Director nor Whole-time Director shall not exceed 1% of the net profits of the Company, where the Company has a Managing Director or Whole-time Director or Manager, except with the approval of the Members by way of a Special Resolution.

Accordingly, approval of the Members is being sought by way of a Special Resolution to enable the Company to pay remuneration to Dr. Satish Gaonkar, notwithstanding that the aggregate remuneration payable to the Directors who are neither Managing Director nor Whole-time Director may exceed the aforesaid limit of 1% of the net profits of the Company, calculated in accordance with Section 198 of the Act.

The proposed remuneration shall be [₹ 1,00,00,000 per annum / up to ₹ 1,20,00,000 per annum], as may be determined by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee, subject to the overall limits approved by the Members and the applicable provisions of the Act.

The Board considers that the proposed remuneration is commensurate with the responsibilities, expertise, experience and contribution of Dr. Satish Gaonkar and is in the best interests of the Company.

The Board of Directors, at its meeting held on 13th August, 2026, upon the recommendation of the Nomination and Remuneration Committee, approved the proposal for payment of the aforesaid remuneration, subject to the approval of the Members.

None of the Directors, Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the Special Resolution set out at Item No. 11 of the accompanying Notice for approval of the Members.

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 Directors	Mr. Tarak. J. Sanghavi	Mr. Rajendra. J. Sanghavi	Mr. Umesh J. Sanghavi	Mrs. Gauri Trivedi
Director Identification Number	00519403	00245637	00491220	06502788
Date of Birth & Age	02.10.1962 (63 years)	11.12.1955 (70 years)	27.06.1957 (69 years)	18/05/1960 (66 Years)
Date of First Appointment	Since inception	Since inception	Since inception	01.01.2020
Status	Whole Time Director	Whole Time Director	Chairman and Managing Director	Non-Executive - Independent Director
Qualification	B.com	Diploma in Engineering	B.com	Doctorate in Philosophy from Institute of Social & Economic Change
Expertise in specific functional type	Market Analysis and Commercial Management	Businessman	Businessman	Service
Terms and Conditions of Appointment/Re-appointment	Re-appointment Expiry of his prior term of 3 years.	Re-appointment Expiry of his prior term of 3 years.	Re-appointment Expiry of his prior term of 3 years.	Re-appointment of Non - Executive Independent Director for 2 nd Term
Directorship of Other Companies	None	None	None	1. Adani Total Gas Limited 2. Gujarat Ambuja Exports Limited 3. The Sandesh Limited 4. Gujarat Ambuja Exports Limited
Chairman/Member in the Committees of the Boards of Companies	Member of Corporate Social Responsibility Committee	Member of Corporate Social Responsibility Committee	Member of Audit Committee	Chairperson of Nomination and Remuneration Committee, Member of Audit Committee and Corporate Social Responsibility Committee
Shareholding (No. of Shares)	11,24,900 Shares	11,97,000 shares	9,53,400 shares	-
Disclosure of relationships between Directors inter se	Mr. Umesh J. Sanghavi & Mr. Rajendra J. Sanghavi are brothers of Mr. Tarak J. Sanghavi	Mr. Umesh J. Sanghavi & Mr. Tarak J. Sanghavi are brothers of Mr. Rajendra J. Sanghavi	Mr. Tarak J. Sanghavi & Mr. Rajendra J. Sanghavi are brothers of Mr. Umesh J. Sanghavi	None

Date: 13.08.2026
Place: Mumbai
By order of the Board of Directors
For Nikhil Adhesives Limited
Sd/-
Umesh J. Sanghavi
Chairman and Managing Director
DIN: 00491220

MANAGEMENT DISCUSSION & ANALYSIS REPORT

ABOUT NIKHIL ADHESIVES LIMITED

With more than four decades of industry experience, Nikhil Adhesives Limited ("Nikhil" or "the Company") is a recognised player in speciality chemicals, industrial emulsions, adhesives and construction chemicals. The Company has a strong domestic presence, caters to customers across India through an established distribution network and is supported by manufacturing infrastructure and a result-oriented Research & Development function.

The Company continues to focus on innovation, import substitution, value-added customer solutions, operational excellence and strengthening its consumer-facing businesses.

KEY HIGHLIGHTS FOR 2025-26

- **R&D Excellence:** The newly established R&D Centre at Navi Mumbai, operational since 2023, has developed several specialty emulsions, additives, and construction solutions. These innovations have made a significant contribution to revenue growth and margin improvement and are expected to drive further growth.
- **Manufacturing Automation:** Automation initiatives at the Tumkur and Dahej plants have strengthened process consistency and product quality, enabling us to deliver reliable, high-quality products and build greater customer confidence.
- **Mahafix Construction Chemical:** Continued exponential growth of our Mahafix construction chemicals division. This was supported by infrastructure, housing, repair, waterproofing and renovation demand.
- **Digitization:** Greater use of digital systems and data-led decision-making across operations, sales and business processes.

GLOBAL ECONOMIC OVERVIEW

1. **Global Growth:** According to the IMF's July 2026 World Economic Outlook Update, global real GDP growth is projected at **3.0% in 2026** and is expected to improve to **3.4% in 2027**. Growth remains uneven across regions due to geopolitical uncertainty and differing economic conditions.
2. **Major Economies:** Advanced economies are projected to grow by around **1.7% in 2026** and **1.8% in 2027**. The United States is expected to grow by **2.3% in 2026**, while the Euro Area is projected to grow by **0.9%**.
3. **Inflation & Monetary Policy:** Global headline inflation is projected at approximately **4.7% in 2026**. Higher energy and food prices and geopolitical uncertainty continue to create inflationary pressure, requiring central banks to maintain a cautious approach towards monetary policy.
4. **Energy, Commodities & Geopolitical Risks:** Continuing geopolitical tensions, particularly in the Middle East, may result in volatility in **crude oil, petrochemical feedstocks, energy prices, freight costs and global supply chains**.
5. **Impact on Chemicals & Adhesives Industry:** Volatility in **raw-material prices, foreign-exchange rates, freight costs and availability of imported materials**, along with changes in tariffs and trade regulations, can directly affect procurement costs, margins and working-capital requirements of the chemicals and adhesives industry.

GLOBAL RISKS RELEVANT TO THE COMPANY

- **Geopolitical Risk:** Escalation of geopolitical conflicts may disrupt energy supplies, shipping routes and global supply chains.
- **Raw-Material Price Risk:** Volatility in crude oil, petrochemicals and other commodities may affect input costs and operating margins.
- **Foreign-Exchange Risk:** Currency fluctuations may increase the cost of imported raw materials, equipment and other inputs.
- **Trade & Regulatory Risk:** Changes in tariffs, anti-dumping duties, import restrictions, BIS requirements and other technical regulations may affect sourcing and costs.

- **Interest Rate & Financial Risk:** Changes in global interest rates and financial-market conditions may influence borrowing costs, investment and overall business sentiment.
- **Demand Risk:** Slower-than-expected global manufacturing and industrial activity may affect demand across customer industries.

PERFORMANCE OF INDIAN ECONOMY – 2025-26

1. **Strong GDP Growth:** India's real GDP grew by an estimated **7.7% in FY 2025-26**, compared with **7.1% in FY 2024-25**, reinforcing India's position as one of the fastest-growing major economies. Nominal GDP grew by approximately **8.9%** during the year.
2. **Strong Fourth-Quarter Performance:** Economic momentum remained healthy towards the end of the financial year, with **real GDP growing by 7.8% in Q4 FY 2025-26**. Real Gross Value Added (GVA) for the full year grew by approximately **7.9%**.
3. **Consumption & Investment:** Domestic demand remained an important driver of economic growth. The Economic Survey highlighted resilient private consumption, healthier household and corporate balance sheets, public investment and improving private investment intentions as key supports to the economy.
4. **Manufacturing, Services & Infrastructure:** Manufacturing and services remained important contributors to economic activity, while continued investment in infrastructure, construction and domestic manufacturing supported industrial growth and created a favorable environment for sectors such as **chemicals, adhesives and construction chemicals**.
5. **Outlook:** India's economic fundamentals remain strong, supported by domestic consumption, infrastructure development, manufacturing, digitalization and investment. However, **geopolitical tensions, volatility in crude-oil and commodity prices, global trade disruptions and foreign-exchange movements** remain important risks to the economic outlook.
6. **For Nikhil Adhesives,** India's growth profile provides opportunities across paints and coatings, construction chemicals, industrial adhesives, textiles, woodworking, packaging and consumer adhesives.

MARKET OUTLOOK BY INDUSTRY

- **Paints & Coatings:** Housing, renovation and infrastructure growth continue to support demand, despite external factors.
- **Construction Chemicals:** Growing Awareness, Infrastructure, housing, waterproofing and repair activities provide strong growth opportunities for construction chemicals.
- **Wood Working Adhesives:** Rising renovation and home-improvement activities provide opportunities to expand distribution and strengthen the brand.
- **Textile Chemicals:** Domestic consumption, exports and technical textiles continue to support demand.
- **Packaging:** Growth in e-commerce, consumer goods and organised retail provides strong organic growth and new opportunities for Packaging adhesives.

SWOT ANALYSIS

STRENGTHS

- **More than 40 years of industry experience.**
- Diversified portfolio across **speciality chemicals, industrial emulsions, adhesives and construction chemicals**.
- Presence across both **B2B and B2C** sales channels.
- Established relationships with major customers across paints, textile, construction and other industries.
- Strong **pan-India manufacturing, distribution and warehouse network**.
- Investment in **R&D and application development**.
- **RDP technology** and domestic manufacturing capability supporting import substitution.
- Diversification into multiple sector reduces dependency.

WEAKNESSES

- B2B margins are influenced by changes in raw-material and energy costs, requiring continuous focus on cost optimisation and pricing efficiency.
- Limited export contribution.
- Dependency on petrochemicals as raw materials & packing materials.

OPPORTUNITIES

- **Make in India** and increasing opportunities for import substitution and localization.
- Strong infrastructure, housing and construction growth supporting **all our verticals**.
- Growing demand for **waterproofing, tile adhesives, repair and rehabilitation solutions**.
- Expansion of consumer adhesives & waterproofing solutions through deeper distribution and brand building.
- Untapped **export opportunities** across B2B and B2C segments.

THREATS

- Changes in prices and availability of key raw materials.
- Global events may affect energy prices, freight and supply chains.
- Changes in foreign-exchange rates may impact import costs.
- Competitive pricing and new capacities may increase market competition.
- Slowdown in global markets may impact demand from some customer industries.

OUTLOOK FOR FY 2026-27

Nikhil Adhesives is positioned to pursue growth through its diversified portfolio, manufacturing network, R&D capabilities, customer relationships and distribution reach. Key priorities include scaling RDP, expanding Mahafix construction chemicals, strengthening the Mahacol consumer adhesives business, increasing value-added products, developing new applications and improving operational efficiency.

Management will continue to balance growth with disciplined cost management, working-capital control, quality, customer service and risk management. The Company also intends to pursue opportunities arising from import substitution and the increasing preference for reliable domestic supply chains.

Portfolio Expansion: The introduction of Textile auxiliary products for the textile industry has expanded our product portfolio and strengthened our positioning as a complete solution provider for our customers.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has internal control procedures designed to be commensurate with the size and nature of its operations. The control framework is intended to safeguard assets, support reliable financial reporting, ensure compliance with policies and applicable regulations and promote operational efficiency.

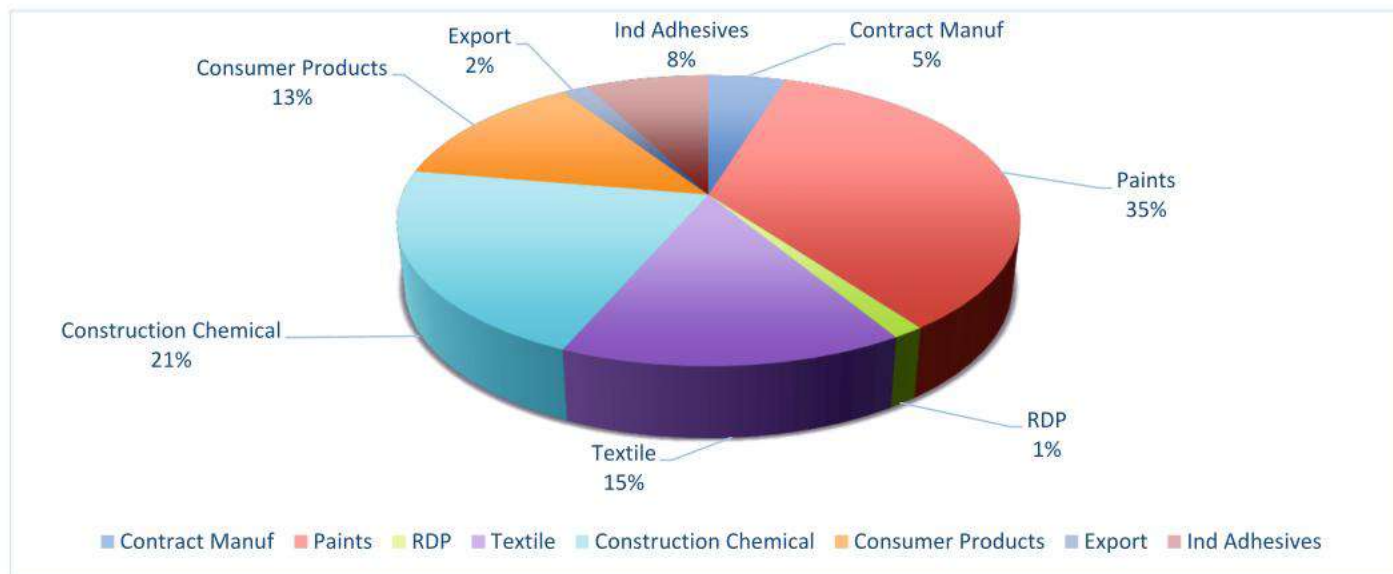
The Board and its committees oversee the control environment, while management periodically reviews processes and implements corrective actions where required.

HUMAN RESOURCES / INDUSTRIAL RELATIONS

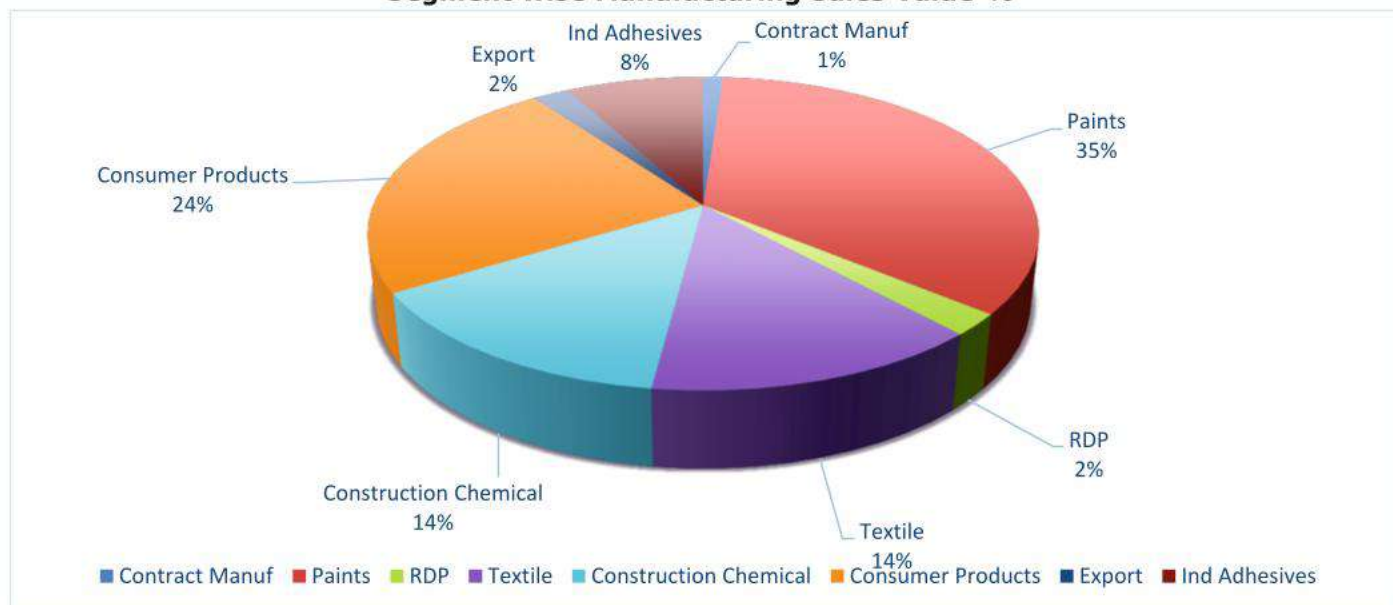
The Company believes that its employees are an important pillar of its growth and success. Nikhil Adhesives Limited continues to focus on attracting, developing and retaining talent through training, skill enhancement and employee engagement initiatives. The Company also continues to strengthen its people practices through greater use of technology and digital systems, enabling improved efficiency, communication and employee engagement. The Company promotes a culture of performance, innovation, safety and continuous improvement, while providing a positive and collaborative work environment.

FINANCIAL HIGHLIGHTS AT A GLANCE

Segment wise Manufacturing Sales Volume %

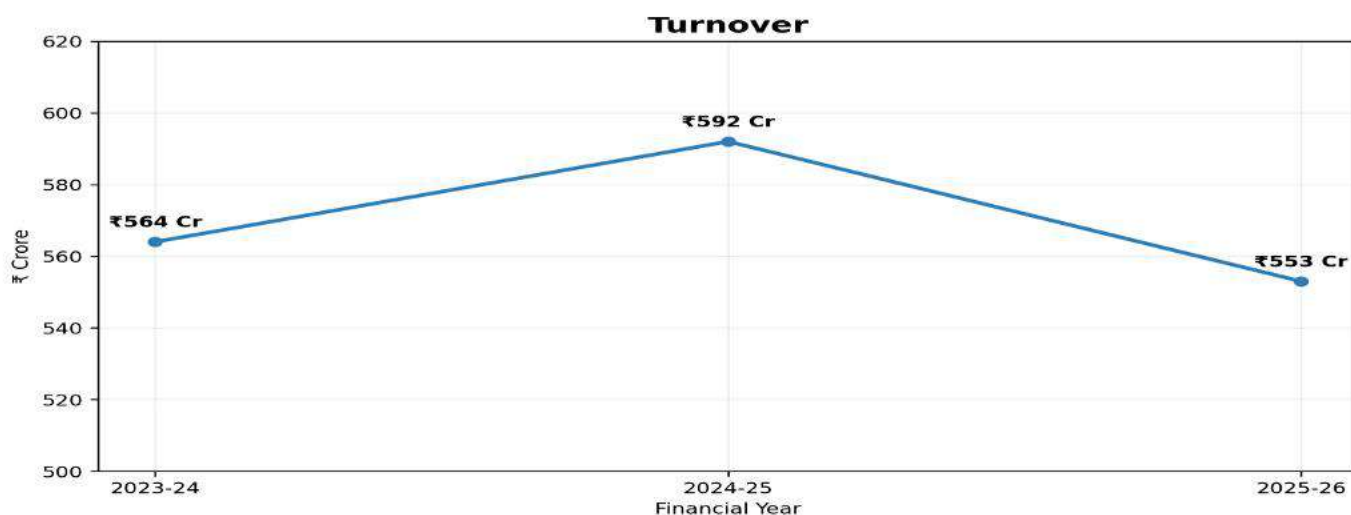


Segment wise Manufacturing Sales Value %

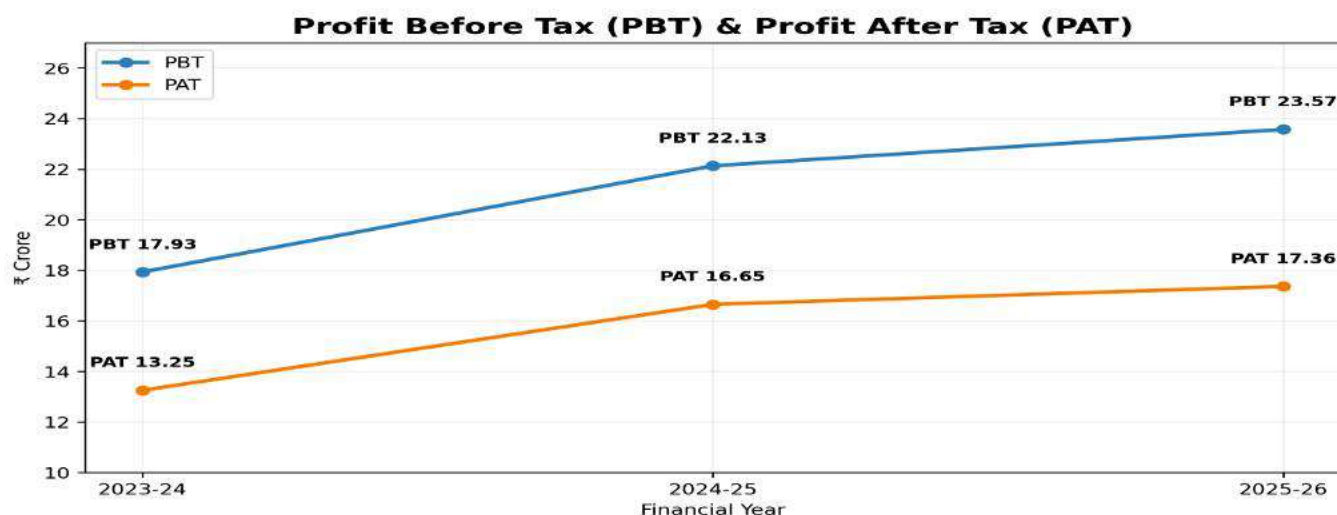


- **Consumer (MAHACOL, MAHAFIX, EMDILITH)**
Consumer products include Wood Adhesives, Contact Adhesives, Waterproofing Solutions, Sealents, Tile Adhesives, Packaging Adhesives, Lamination Adhesives and Sticker Adhesives.
- **Industrial Adhesives**
Tape Adhesives are supplied to packaging industries.
- **Construction Chemicals**
Various grades of Construction chemicals for B2B and B2C clients like DOW, ASIAN Paints, JSW (Dulex) & Others
- **Contract Manufacturing**
Various types of Adhesives for Asian Paints
- **Paint Emulsions (EMDLITH, EMDICRYL)**
These Paint emulsions are supplied to large corporate paint manufacturers directly, and various medium and small industries through distribution channels.

- **Textile (EMDITEX, EMDIBIND, EMDIAUX)**
The Company has a network for textile emulsions, binders and Auxiliaries through distributors PAN India.
- **Export**
The Company exports adhesives and emulsions to **Nepal, Taiwan, Bangladesh, Sri Lanka and Africa.**
- **Mahacol RDP – Re-dispersible Polymer**
RDP is one of the key ingredients in manufacturing of Putty and Tile Adhesives.



For the year ended 31st March, 2026 turnover is ₹. 553 cr. as compared to ₹. 592 cr. in the previous year.



Profit Before Tax (PBT) has increased from ₹ 22.13 cr. (FY 2024-25) to ₹ 23.57 cr. (FY 2025-26) and **Profit After Tax (PAT)** has increased from ₹ 16.65 cr. (FY 2024-25) to ₹ 17.36 cr. (FY 2025-26).

FOREIGN EXCHANGE FLUCTUATIONS

Your Company had a foreign currency loss of ₹ 228.12 Lakh in current year (FY 2025-26) as compared to forex loss of ₹ 22.65 Lakh in the previous year (FY 2024-25).

CAUTIONARY STATEMENT

Statements in this Management Discussion & Analysis describing the Company's objectives, projections, estimates, expectations or outlook may constitute forward-looking statements within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied due to economic conditions, demand-supply dynamics, raw-material and energy prices, foreign-exchange

movements, regulatory changes, geopolitical developments, competitive conditions and other factors affecting the Company's operations.

REFERENCE NOTES

Economic projections used in this draft have been updated using the International Monetary Fund, World Economic Outlook Update, July 2026. India FY 2026-27 growth is based on the IMF's July 2026 communication.

Information pursuant to part B1(i) of Schedule V SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended.

Details of Significant changes in key financial ratios along with detail explanation:

Sr. No	Particulars	Current Year	Previous Year	%Change
1.	Trade receivables turnover ratio	4.06	5.53	-26.56%

Trade receivables turnover ratio (in times) : Increased credit period given to the customers as compared to previous financial year

DIRECTOR'S REPORT

To The Members of Nikhil Adhesives Limited

The Board of Directors are pleased to present the Fortieth Annual Report together with the Audited Accounts for the Financial Year ended 31st March, 2026.

In Financial Year 2025-26 your Company has continued the phase of positive outlook and witnessed the drastic growth and development both in operational as well as in financial segments.

FINANCIAL HIGHLIGHTS:

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

(Rs. In Lakh)

Particulars	31 st March, 2026	31 st March, 2025
Profit Before Depreciation and Tax	3110.03	2921.09
Less: Depreciation	752.71	707.65
Profit Before Tax & Exceptional Tax	2357.32	2213.44
Less: Provision for Tax		
Current Tax	565.00	515.00
Tax adjustment of earlier years	-	-
Deferred Tax	56.34	33.72
Profit After Tax	1735.98	1664.72

DIVIDEND

The Board of Directors has recommended a dividend of Re.0.22/- (Rupee Zero point Twenty two only) per equity share of face value of Re. 1/- (Rupee One only) each for the Financial Year ended March 31, 2026 subject to approval of Shareholders.

RESULT OF OPERATIONS

(Rs. In Lakh)

Particulars	2025-26	2024-25	%
Sales Turnover	55347.38	59208.29	-6.52 %
Other Income	234.87	65.88	256.51 %
Operating Profit	2,992.27	3025.33	-1.09 %
Total Comprehensive Income(Net Profit)	1752.34	1649.65	6.23 %

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 Company had accepted the deposits amounting to Rs. 116.44 Lakh from its members during the financial year 2025-26. There has been no default in repayment of deposits or payment of interest during the year. No deposits have been unclaimed as at the end of 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

There is no transfer made to reserves during the year.

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 Rs. 5,00,00,000/- (Rupees Five Crore only) divided into 4,95,00,000 (Four Crores Ninety Five Lakh only) Equity Shares of Re. 1 (Rupee One Only) each and 50,000 (Fifty Thousand) 8% Non-Cumulative Redeemable Preference Shares of Rs. 10 (Rupees Ten Only) each.

The Paid-up Share Capital of the Company is Rs. 4,60,49,603 /- (Rupees Four Crore Sixty Lakh Forty-Nine Thousand and Six Hundred Three only) divided into 4,59,43,000 (Four crore Fifty-Nine Lakh Forty-Three Thousand Only) Equity Shares of Re. 1/- (Rupee One) each and 2,13,200 forfeited shares of Rs. 1,06,603/- (One Lakh Six Thousand Six Hundred and Three Only).

CORPORATE GOVERNANCE

Your Company strives to maintain the high Corporate Governance practice and standards. The detail report on the Corporate Governance is given in this Annual Report. The Certificate from the auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated under Regulation 34 of SEBI (LODR) Regulations, 2015 is also forms part of the report.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Pursuant to the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the details of contribution to CSR activities are as follows:

Particular	Amount (In Rupees)
Amount statutorily required to contribute during the year F.Y. 2025-26	Rs. 42,13,961
Actual amount spent as on 31.03.2026	Rs. 42,71,114*
Amount unspent as on 31.03.2025	Rs. 5,25,000
Amount unspent as on 31.03.2026	Rs. 4,68,000
Amount spent towards PM CARES Fund within the prescribed time limit of six months of end of financial year as per Companies Act, 2013	-
Excess amount available for set off in the succeeding financial years	-

NOTE:

* The amount statutorily required to be contributed towards Corporate Social Responsibility (CSR) activities during the Financial Year 2025-26 was ₹42,13,961. The actual amount spent as at 31 March 2026 was ₹42,71,114. The above actual amount spent includes ₹57,000 pertaining to the unspent CSR amount of ₹5,25,000 as on 31st March 2025. The balance amount of ₹ 4,68,000 was subsequently contributed towards PM CARES Fund on 3 August 2026.

Ongoing Projects - Actual payment made in FY 2025-26	Total Project	Amount spent in FY 23-24	Amount spent in FY 24-25	Amount spent in FY 25-26	Pending
Project Shakti	Rs. 580000	Rs. 4984	-	Rs. 575016	NIL
Umang School	Rs. 12,15,000	Rs.1,46,800	Rs.9,14,744	Rs. 1,53,456	NIL
Jan Jan Ne Bhojan	Rs. 10,85,000	Rs.95,500	Rs.6,32,610	Rs. 3,56,890	NIL

The CSR report is forming part of this attachment in **Annexure IV** and CSR policy is placed on the website of the Company www.nikhiladhesives.com

DIRECTORS RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3) (c) of the Companies Act, 2013:

- a. That in the preparation of the annual financial statements for the year ended 31st March, 2026, the applicable accounting standards read with requirements set out under Schedule III to the Companies Act, 2013, have been followed and there are no material departures from the same;
- b. That had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c. That had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the 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 over sight 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 Sections 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. Tarak Jayantilal Sanghavi (DIN: 00519403), Whole Time Director shall retire by rotation at the ensuing Annual General Meeting and being eligible, has offered

himself for re-appointment as a Whole Time Director of the Company. The details of Directors seeking re-appointment 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.

The members at its Extra-Ordinary General Meeting held on 16th of June, 2025 regularised Mr. Sethunathan Charlayath Laxmanan (DIN: 10535064) as Independent Director of the company with effect from 17th March, 2025 pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013.

During the year under review, the Shareholders of the Company, by way of special resolutions passed at the Extra-Ordinary General Meeting held on 16th June, 2025, approved the appointment of Mr. Satish Rama Gaonkar (DIN: 11114859) as Executive Director and Mr. Madhu Thakorlal Ankleshwaria (DIN: 02753794) as Non-Executive Independent Director of the Company. The said appointments were made on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, in compliance with the provisions of Sections 152, 161, 196, 197 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, and the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including Regulation 17 and Regulation 25, as applicable. Necessary disclosures, declarations of eligibility and independence (in the case of the Independent Director), and requisite consents were duly obtained from the appointees. The Board confirms that the appointments are in compliance with the statutory requirements and the Company's governance framework.

As on date of this report, the details of the Board of Directors and Key Managerial Personnel are as under;

1. Mr. Umesh J. Sanghavi – Chairman and Managing Director
2. Mr. Rajendra J. Sanghavi – Wholetime Director
3. Mr. Tarak J. Sanghavi – Wholetime Director
4. Mr. Pravin K. Laheri – Independent Director
5. Mrs. Gauri S. Trivedi – Independent Director
6. Mr. V. Subramanian– Independent Director
7. Mrs. Anita U. Sanghavi–Chief Financial Officer
8. Ms. Beena Khandelwal– Company Secretary & Compliance officer
9. Mr. Jagdish Mali – Executive Director
10. Mr. Sethunathan Charlayath Laxmanan– Independent Director(Regularized on 16.06.2025)
11. Dr. Satish Gaonkar– Executive Director (w.e.f. 16.06.2025)
12. Mr. Madhu T Ankleshwaria– Independent Director (w.e.f. 16.06.2025)

The Board of Directors comprises of highly qualified members possessing essential qualifications, skills, expertise and competencies in the areas of Sales & Marketing, Finance and Accounts, Leadership and Governance, Industry Knowledge, General Management and Governance, Relevant Technology which can enable them to take effective decisions in the conduct of the affairs of the Company and enhance the Stakeholders values.

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. Stakeholder Relationship Committee
- d. Corporate Social Responsibility Committee
- e. Risk Management 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 and Regulation 16(1) (b) of the SEBI (LODR) Regulations, 2015.

MEETINGS OF BOARD AND COMMITTEES

During the year under review, 4 Board Meetings were convened and held. The details thereof are given in the Report on Corporate Governance.

PERFORMANCE EVALUATION OF BOARD, COMMITTEES & DIRECTORS

As per the Listing Regulations, 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 Directors 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 term of reference which internally deals with the manner of selection of the Directors and the Key Managerial Personnel of the Company. The NRC recommends appointment of Director/re-appointment of Managing Director, Whole Time Directors and Independent Directors 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 Reg. No. 111236W), were appointed as the Statutory Auditors of the Company for a further period of 5 (Five) years at the 39th Annual General Meeting of the Company, to conduct the Statutory Audit of the Company for the Financial Years 2025-26 to 2029-30. Accordingly, M/s PHD & Associates, Chartered Accountants, continue to be the Statutory Auditors of the Company for the Financial Year 2026-27.

COST AUDITOR

The Board of Directors has re-appointed M/s B. F. Modi & Associates, Cost Accountants (Firm Registration No. 100604), as the 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 this Annual General Meeting of the Company.

As per Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the accounts and records are made and maintained.

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, M/s Somani & Associates., Company Secretaries, were appointed to conduct the Secretarial Audit of the Company for the year ended 31st March, 2026. The Secretarial Audit Report is self-explanatory and annexed to this Board's Report as **Annexure-I**.

INTERNAL AUDITOR

The Company had appointed M/s. BDG & Co. LLP, Chartered Accountants as the internal Auditor to carry out the internal audit functions including the task of suggesting and implementing the board's recommendations to improve the control environment for the year 2025-26. Their scope of work covered review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

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 are on 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 the 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 including the modifications thereof. 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.nikhiadhesives.com>

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTIONS 185 and 186 OF THE COMPANIES ACT, 2013

There are no loans or guarantees in pursuance of Sections 185 and 186 of the Companies Act, 2013.

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

Extract of Annual Return of the Company is available on the website of the Company viz. www.nikhiladhesives.com

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 given in **Annexure-II**, which is attached here to and forms a part of the Directors' Report.

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

As required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules 2014, the information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in **Annexure-III** which is attached hereto and forms a part of the Director's 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. Company does not have any subsidiaries hence 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.
- f. The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.
- g. The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.
- h. During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is furnished.
- i. The Board of Directors have complied with applicable Secretarial Standards as specified u/s. 118 of Companies Act, 2013.
- j. The Company confirms that it has paid the Annual Listing Fees for the year 2026-27 to BSE Ltd where the Company's Shares are listed.
- k. During the Financial year no application has been made and no proceeding is pending under the Insolvency and Bankruptcy Code, 2016.
- l. During the year under review, there were no instance of one-time settlement with banks or financial institutions and hence the differences in valuation as enumerated under Rule 8(5)(xii) of Companies (Accounts) Rules, 2014, as amended, do not arise.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to the provisions of Section 124 of the Companies Act, 2013 read with the Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and all the applicable amendments and re-enactments made thereunder, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the name of Investor Education and Protection Fund.

TRANSFER OF UNCLAIMED DIVIDEND TO IEPF

As at 31 March 2026, an amount of ₹49,230/- pertaining to unclaimed dividend was pending for transfer to the Investor Education and Protection Fund (IEPF). The delay in transferring the said amount was due to the dividend bank accounts of the Company being dormant. Reactivation of the said bank accounts involved completion of certain formalities and required additional time, resulting in the delay in transfer of the amount to the IEPF.

Subsequent to the close of the financial year, the Company completed the necessary formalities and transferred the said amount of ₹49,230/- to the IEPF. The related bank account formalities and closure have also been completed. The Company has taken necessary measures to ensure timely compliance with the applicable provisions in future.

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.

CASH FLOW STATEMENT

In conformity with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and requirements of companies Act, 2013 the cash flow statement for the financial year ended 31.03.2026 is annexed here to as a part of the Financial Statements.

DISCLOSURE AS REQUIRED UNDER CLAUSE 5A TO PARA A OF PART A OF SCHEDULE III OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

No Agreement were entered pursuant to clause 5A of paragraph A of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during FY 2025-26 and as on date.

For and On behalf of Board of Directors

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

Place: Mumbai
Date: 13.08.2026

Annexure - 1**Form No.MR-3****SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED **31st March, 2026**

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

**To,
The Members,
Nikhil Adhesives Limited
A-902, Kaledonia Building, Sahar Road,
Opp Vijay Nagar, Andheri (East), Mumbai City,
Maharashtra, India, 400069**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Nikhil Adhesives Limited** herein after called ("the company"). The secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **Nikhil Adhesives Limited** 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 to secretarial audit, we, hereby report that in our opinion, the company has, during the period covering the financial year ended on 31st March 2026, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Nikhil Adhesives Limited** ("the Company") for the financial year ended on 31st March 2026, according to the provisions of:

- i. The Companies Act, 2013(the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations; (Not Applicable during the period of audit)
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - A. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - B. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - C. 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;
 - D. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - (Not Applicable during the period of audit)
 - E. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;-(Not Applicable during the period of audit)
 - F. The Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2016;-(Not Applicable during the period of audit)
 - G. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - (Not Applicable during the period of audit)
 - H. The Securities and Exchange Board of India (Depositories and Participant) Regulations,2018;
 - I. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity);(Not Applicable during the period of audit)

J. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) The compliance by the Company of the applicable direct tax laws, indirect tax laws and other financial laws has not been reviewed in this Audit, since the same have been subject to review by the other designated professionals.

We have relied on the representation made by the company and its officers for the systems and mechanisms formed by the company for compliances under the other applicable Acts, Laws and Regulations as mentioned by the company in its Management Representation letter.

We have also examined compliance with the applicable clauses:

- a) Secretarial Standards issued by the Institute of Company Secretaries of India.
- b) SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and its amendments.

During the period under review the Company has generally complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following specific observations:

1. The Company has made a delay of 1 day in submission of Related Party Transaction disclosure for the half year ended 30th September, 2025 on BSE as required under Regulation 23(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. BSE has imposed a fine of Rs. 5,000/- on the Company for the said delay.

2. (a) Form DIR-12 for appointment of Mr. Satish Gaonkar (DIN: 11114859) could not be filed as stated because of technical glitches. (b) the Company has filed Form IEPF-1 in respect of closure of unpaid/unclaimed dividend account for FY 2017-18 with additional fees and IEPF-4 is pending for filing. (c) few forms were observed filed with additional fees. (d) The remuneration paid to directors other than managing directors/whole directors and managers exceed the limits prescribed under section 197.

We further report that

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance in accordance with the provisions of Companies Act, 2013 and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The decisions of the Board Meetings were carried out with requisite majority.

We 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.

We further report that during the audit period the company had no specific actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

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

Place: Mumbai

Date: 13/08/2026

**For Somani & Associates
(Practicing Company Secretaries)**

Sd/-

Poonam Somani

FCS No. F9364

C P No. 8642

UDIN: F009364H001106702

Annexure A

To,
The Members,
Nikhil Adhesives Limited
A-902, Kaledonia Building, Sahar Road,
Opp Vijay Nagar, Andheri (East), Mumbai City,
Maharashtra, India, 400069

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

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

Place: Mumbai
Date: 13/08/2026

For Somani & Associates
(Practising Company Secretaries)

Sd/-
Poonam Somani
FCS No.F9364
C P No. 8642

UDIN – F009364H001106702

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 Directors, CFO and CS:

Sr. No	Name	Designation	Remuneration in paid for FY 2025-26 (In Rs.)	Remuneration in paid for FY 2024-25 (In Rs.)	% increase -in remuneration in the FY 2025-26	Ratio/ times per median of employee remuneration
1	Mr. Umesh J. Sanghavi	Chairman and Whole-time Director	44,74,520	45,52,944		12.15
2	Mr. Rajendra J. Sanghavi	Executive-Whole Time Director	44,74,520	45,52,944		12.15
3	Mr. Tarak J. Sanghavi	Executive-Whole Time Director	44,74,520	45,52,944		12.15
4	Mr. Jagdish Mali	Executive Director	41,45,760	26,02,139	-	-
5	Mrs. Beena Khandelwal	Company Secretary & Compliance Officer	2,04,000	1,84,082	-	-
6	Mrs. Anita Umesh Sanghavi	Chief Financial Officer	14,07,504	14,08,500	-	-
7	Dr. Satish Rama Gaonkar*	Executive Director	69,76,540	7,60,107	-	-

*The remuneration of Dr. Satish Rama Gaonkar is covered for the period from 16.06.2025 to 31.03.2026 as he is appointed as Executive Director w.e.f. 16.06.2025.

Note: The variation in remuneration between FY 2025-26 and FY 2024-25 is primarily attributable to changes in the structure and components of remuneration, including bonus and other salary components arising pursuant to changes in applicable labour and employment-related provisions.

Median remuneration of employees in FY 2025-26	Median remuneration of employees in FY 2024-25	Percentage increase/(decrease)
Rs. 3,94,915	Rs. 3,95,158	0.06

2. No. of permanent employees as on 31st March, 2026: 365 Employees
3. 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 2025-26	Percentile increase in managerial personnel remuneration in FY 2025-26	Justification
55.99	99.47	The increase is primarily attributable to the appointment of the new COO and Technical Director, who joined the Company in February 2025

4. The key parameters for any variable component of remuneration availed by Directors: The KMP Remuneration is not wholly related to the Company's performance. They are paid as per their terms of employment.
5. There are no employees who have received remuneration in excess of that received by the highest-paid Director.
6. This is to affirm that the above remuneration is paid as per the Remuneration Policy of the Company.

Note:

a) The Non-Executive Independent Directors of the Company are entitled to sitting fee and commission as per the statutory provisions and within the limits approved by the Shareholders. The remuneration of Non-Executive Directors, details of which are provided in the Corporate Governance Report and is governed by the Differential Remuneration Policy, as detailed in the said Report.

ANNEXURE- III

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, 2026 is given herein 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 up gradation of production facilities, due consideration is also given in selection of plant and equipment's 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:

- 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.
- Replacement and Rewound of Motors, which resulting in conservation of energy.
- Capacities are installed for effective distribution of electricity supply and improve the power factor. The Company has carried out atomisation of this system, resulting in better control and improving further power factor.
- 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.
- Gardening and plantation to help reducing pollution.
- Upgradation of effluent treatment plant is continued. Treated water is used for washing & cleaning.
- Better utilization of energy and water.
- The Company has installed the solar energy system at 4 plants viz, Dahej, Tumkur, Silvassa & Mehatpur. Installed capacity of different plants are, 48KL at Dahej, 15KL at Tumkur, 8KL at Mehatpur & 5KL at Silvassa. It provides 70 degree Celsius water which we used for process & Boiler to reduce the fuel consumption.

2. The Steps taken by the Company for utilising alternate sources of energy:

Alternative energy is any energy source that is an alternative to fossil fuel. Amongst various sources of alternate energy like 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 electrical energy.

The solar heating system plays a crucial role in protecting the environment. It is reliable, secure and eco-friendly.

Management has recognised the advantages of solar power and solar heating systems, and has initiated installation of solar system in its units as mentioned in the point 1(h) which will not only help reduce chemical emission considerably but also reduce power cost.

3. The capital investment on energy conservation equipments:

Rs.54000 was spent on energy conservation equipment's.

B. Technology absorption:

1. The efforts made towards technology absorption:

We are taking a massive step to align our nation's vision of Atmanirbhar Bharat. Historically, Indian industries relied heavily on imports for critical raw materials, specifically RDP (Redispersible Polymer Powder). Nikhil Adhesives changes that narrative. We are proudly breaking foreign dependencies by manufacturing world-class, import-substitute RDP right here on Indian soil.

We aren't just matching global standards; we are setting them through automated, state-of-the-art production ecosystem, highest manufacturing capacity plant in India & a reliable supply chain for local businesses.

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.

Rs. 66.33 Lakh was spent on Research and Development.

C. Foreign Exchange Earnings and Outgo:

For the year under consideration, earnings in the foreign exchange in terms of actual inflows is Rs.767.64 Lakh and foreign exchange outgo in terms of actual outflows is Rs. 8,414.48 Lakh.

For and Behalf of the Board of Directors

Sd/-

Umesh J. Sanghavi
Chairman and Managing Director
DIN: 00491220

Place: Mumbai
Date: 13.08.2026

ANNEXURE- IV

CORPORATE SOCIAL RESPONSIBILITY REPORT

1. Brief outline on CSR Policy of the Company-

The objective of the CSR Policy ("Policy") is to lay down the guiding principles in undertaking various programs and projects by or on behalf of the Company in accordance with the Corporate Social Responsibility ("CSR") within the meaning of Section 135 of the Companies Act, 2013 read with Schedule VII of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (Rules").

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings CSR Committee attended during the year
1.	Mr.Pravin K. Laheri (Chairman)	Non-Executive Director	1	1
2.	Mr. Rajendra J. Sanghavi (Member)	Executive Director	1	1
3.	Mr. Tarak J. Sanghavi (Member)	Executive Director	1	1
4.	Mrs. Gauri Surendra Trivedi (Member)	Non-Executive - Independent Director	1	1

- Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: www.nikhiladhesives.com
- Provide the executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable: Not Applicable
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	2025-26	-	-
	Total		

- Average net profit of the company as per section 135(5): Rs. 21,06,98,026
- Two percent of average net profit of the company as per section 135(5): Rs. 42,13,961
 - Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
 - Amount required to be set off for the financial year, if any: NIL
 - Total CSR obligation for the financial year (7a+7b-7c): Rs. 42,13,961
- (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)	
	Total Amount transferred to Unspent CSR Account as per Section 135(6)	Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)

	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
42,71,114	-		PM CARES FUND	4,68,000	03/08/2026

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
-	-	-	-	-	-	-	-	-	-	-	-	-
	Total						-	-	-			

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Kapol Yuvak Sangh	(ii) promoting education	Yes	Maharashtra, Mumbai		7,50,000	Yes	-	-
2.	Sanghavi Jagmohandas Bhagwandas Trust	(i)"promoting health care including preventinve health care	Yes	Maharashtra, Mumbai		21,91,114	No	Sanghavi Jagmohandas Bhagwandas Trust	CSR00087825
3.	Sadvichar Parivar	(i) Eradicating Hunger	No	Gujarat, Ahmedabad		10,30,000	Yes	-	-
4.	Jeevan Jyot Charitable Trust	(i)"promoting health care including preventinve health care	Yes	Maharashtra, Mumbai		3,00,000	No	Jeevan Jyot Charitable Trust	CSR00014284
	Total					42,71,114			

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs.42,71,114

(g) Excess amount for set off, if any:

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. 42,13,961
(ii)	Total amount spent for the Financial Year	Rs. 42,71,114*

(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iv)-(v)]	Nil

NOTE:

* The amount statutorily required to be contributed towards Corporate Social Responsibility (CSR) activities during the Financial Year 2025-26 was ₹42,13,961. The actual amount spent as at 31 March 2026 was ₹42,71,114. The above actual amount spent includes ₹57,000 pertaining to the unspent CSR amount of ₹5,25,000 as on 31st March 2025. The balance amount of ₹ 4,68,000 was subsequently contributed towards PM CARES Fund on 3 August 2026.

9. (a) Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6	7	8
Sr No	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135(in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135(in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any	Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amount (in Rs)	Date of Transfer	
1.	FY - 1	NIL					
2.	FY - 2						
3.	FY - 3						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (inRs.)	Status of the project - Completed /Ongoing.
1	NA	Project Shakti	2023-24	1 year	5,80,000	5,75,016	5,80,000	Completed
2	NA	Umang School	2023-24	1 year	12,15,000	1,53,456	12,15,000	Completed
3	NA	Jan Jan Ne Bhojan	2023-24	1 year	10,85,000	3,56,890	10,85,000	Completed
	Total				28,80,000		28,80,000	

10. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Nil

If Yes, enter the number of Capital assets created/ acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sr No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincod e of the propert y or asset (s)	Date of creat ion	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
N.A.							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): For FY 2025-26, the Company has contributed before 31-03-2026 its CSR obligation to an intermediary agent (IA). However, the IA has not utilised such contribution before 31-03-2026.

Sd/-
Mr. Umesh Sanghavi
Chairman and Managing Director
DIN: 00491220

Sd/-
Mr. Pravin K. Laheri
Non-Executive- Independent Director
(Chairman of CSR Committee)
DIN: 00499080

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Nikhil Adhesives Limited

We have examined the compliance of conditions of Corporate Governance by Nikhil Adhesives Limited for the year ended on 31st March, 2026, as stipulated in Para E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company generally complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

As per the information and explanation provided by the management, there was no investor grievances remaining unattended/ pending as on 31st March 2026.

We further 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 Somani & Associates
(Practising Company Secretaries)**

**Sd/-
Poonam Somani
FCS No. F9364
C P No. 8642
UDIN No: F009364H001173593**

**Place: Mumbai
Date: 21.08.2026**

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance

Your Company firmly believes in and continues to practice good Corporate Governance and believes that good Corporate Governance is essential for achieving the long term goals and to enhance the Stakeholders' value. 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 composition of our Board is well aligned with the relevant provisions of the Companies Act, 2013 ("Companies Act"), and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Board currently consists of 10 directors out of which, 5 are Independent Directors. The Board of Directors of your Company comprises of Executive-Chairman & Managing Director, Executive-Whole Time Directors and Non-Executive Independent Directors. The Board of Directors comprises of highly qualified members and with considerable professional experiences, expertise, leadership, and guidance to the management.

Composition of our Board, Status, No. of Board Meeting and Last AGM attended, Details of Directorship and Committees Membership and name of the Listed Companies as on 31st March, 2026:

Name of Directors	Status	No. of Board Meetings attended	Attendance at Annual General Meeting (23.09.2025)	No. of Directorship in the Listed Companies including this Company and Name of the Company**	No. of Committees Membership in the Public Companies Including this Company, whether	
					Chairperson	Member
Mr. Umesh Sanghavi (DIN: 00491220)	Chairman and Managing Director, Promoter	4	Attended	1	-	1
Mr. Rajendra Sanghavi (DIN: 00245637)	Executive Whole Time Director, Promoter	4	Attended	1	-	1
Mr. Tarak Sanghavi (DIN: 00519403)	Executive Whole Time Director, Promoter	4	Attended	1	-	1
Mr. Jagdish Balvant Mali (DIN:1073698)	Executive Director	4	Attended	1	-	1
Mr. Pravin K. Laheri (DIN: 00499080)	Non-Executive Independent Director	4	Attended	1	1	1
Mrs. Gauri S. Trivedi (DIN: 06502788)	Non-Executive Independent Director	4	Attended	4	3	4

Mr. Subramanian V (DIN:1016279)	Non-Executive Independent Director	4	Attended	1	1	1
Mr. Sethunathan Charlayath Laxmanan (DIN:10535064)**	Non-Executive Independent Director	4	Attended	1	-	1
Mr. Madhu Thakorlal Ankleshwaria (DIN: 02753794)*	Non-Executive Independent Director	3	Attended	1	1	1
Mr. Satish Rama Gaonkar (DIN: 11114859)***	Executive Director	3	Attended	1	-	1

* Mr. Madhu Thakorlal Ankleshwaria is Appointed as (Non-Executive Independent) Director by Special Resolution passed by the company dated 16.06.2025.

** Mr. Sethunathan Charlayath Laxmanan Appointed as Additional (Non-Executive Independent) Director by Board Resolution passed by the company dated 17.03.2025 & subsequently regularise in the EGM dated 16.06.2025

*** Mr. Satish Rama Gaonkar Appointed as (Executive) Director by Special Resolution passed by the company dated 16.06.2025.

****As per in Schedule V C(2)(C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of name of other Listed Companies in which the following Directors holds Directorship, and other Directors are only associated with the Company as provided in the above table.

Sr. No.	Name of the Directors	Name of the Listed Companies in which concerned Director is a Director	Category of Directorship
1.	Mrs. Gauri S. Trivedi	The Sandesh Limited Adani Total Gas Limited Gujarat Ambuja Exports Limited	Non-Executive Independent Director

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 Executive Directors and Non-Executive Independent Directors.

Web Link of details of familiarisation programmes imparted to independent directors

<https://drive.google.com/file/d/1qq8dcHRAMDhbeHpGacX8c83bqT8VYA5K/view>

Skills/Expertise/Competence of the Board of Directors (as on 31st March, 2026)

Name of the Directors	Mr. Umesh J. Sanghavi	Mr. Rajendra J. Sanghavi	Mr. Tarak J. Sanghavi	Mr. Pravin K. Laheri	Mr. Jagdish B. Mali	Ms. Gauri S. Trivedi	Mr. V. Subramaniam	Mr. Sethunathan C Laxmanan	Mr. Satish Rama Gaonkar	Mr. Madhu Thakorlal Ankleshwaria
Sales & Marketing	✓		✓		✓		✓	✓	✓	
General Management and Governance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Finance and Accounts	✓	✓	✓	✓		✓	✓			✓

Finance and Accounts	✓	✓	✓	✓		✓	✓			✓
Leadership and Governance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Industry Knowledge	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Relevant Technology	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Business & Senior Management	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Performance Evaluation of Board, Committee and Directors

A formal annual evaluation was carried out by the Board of its own performance and that of its Committees and Individual Directors. During the year under review, one meeting of the Independent Directors was held wherein the performance of Non-Independent Directors, Chairman of your Company and the Board as a whole were reviewed. The performance evaluation of Committees and Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The Independent Directors also assessed the quality, quantity and timelines of flow of information between your Company management and the Board that is necessary for the Directors to effectively and necessarily perform their duties. The Board, its Committees and Directors evaluation provided a formal process of communication in raising issues that might not otherwise be vetted by the Board, with the underlying objectives to develop an action plan to improve the Board performance, 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 its business model, their roles, rights, responsibilities in your Company, nature of the industry in which your Company operates etc. and contribution by each director, committees of the Board was also carried out during the process of evaluation. The appraisal of the Managing Director and Chief Executive

Officer and his level of engagement in the affairs of your Company was an important component of the Board evaluation.

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

Board Meetings

During the financial year ended on 31st March, 2026, 4 Board Meetings were held on 21st May, 2025; 8th August, 2025; 13th November, 2025 & 13th February 2026.

All material information are circulated to the Directors before the meeting or placed at the meeting including minimum information as required under the Listing Regulations. The Directors were given the facility to attend the meeting through Video Conferencing (VC) or Other Audio-Visual Means (OAVM). All the Directors

have completed 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	Mr. Pravin Kanubhai Laheri (Chairman)	Non-Executive/Independent	4	4	21 st May, 2025; 8 th August, 2025; 13 th November, 2025; 13 th February 2026.
2	Mrs. Gauri S. Trivedi (Member)	Non-Executive/Independent	4	4	
3	Mr. Umesh J. Sanghavi (Member)	Executive Managing Director	4	4	
4	Mr. Subramanian Venketakrishnan (Member)	Non-Executive/Independent	4	4	
5	Mr. Madhu Thakorlal Ankleshwaria (Member)*	Non-Executive/Independent	3	3	

All the Members of the Audit Committee have accounting and financial management knowledge and expertise/exposure. The representative of Statutory Auditor is invited to the meeting.

*Mr. Madhu Thakorlal Ankleshwaria appointed as Member in Audit Committee by Resolution passed by the company dated 08.08.2025

Mrs. Beena Khandelwal, Company Secretary and Compliance Officer Acts as a Secretary of the Committee.

The Chairman of the Committee was present at the last Annual General Meeting held on 23.09.2025

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;
- 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;
- changes, if any, in accounting policies and practices and reasons for the same;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to;

- major accounting entries involving estimates based on the exercise of judgment by management;
- significant adjustments made in the financial statements arising out of audit findings;
- compliance with listing and other legal requirements relating to financial statements;
- disclosure of any related party transactions;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.

Stakeholders Relationship Committee

Sr. No.	Name of the Director	Status	No. of Meetings held	No. of Meetings attended	Date of Stakeholders Relationship Committee Meetings
1	Mr. Madhu Thakorlal Ankleshwaria (Chairman)*	Non-Executive/ Independent	1	1	13 th February, 2026
2	Mr. Satish Rama Gaonkar (Member)*	Executive Director	1	1	13 th February, 2026
3	Mr. Jagdish Balvant Mali(Member)*	Executive Director	1	1	13 th February, 2026
4	Mr. Pravin Kanubhai Laheri*	Non-Executive/ Independent	-	-	
5	Mrs. Gauri Surendra Trivedi*	Non-Executive/ Independent	-	-	
6	Mr. Subramanian Venketakrishnan*	Non-Executive/ Independent	-	-	

*The existing Committee was reconstituted with effect from 08.08.2025. Pursuant to the reconstitution, the outgoing Directors ceased to be members of the Committee, and new Directors were appointed as members with effect from the same date. The reconstituted Committee has since been functioning in accordance with the applicable statutory and regulatory requirements.

The details of the Shareholders' complaints received during the financial year:

Number of shareholders complaints received so far	Nil
Number of shareholders complaint resolved	Nil
Number of shareholders complaint pending	Nil

Terms of Reference:

The Company has a Stakeholders Relationship Committee, to look into various aspects of interest of Shareholders, Debentures Holders 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 appointment and remuneration packages for Directors and senior management personnel.

Sr. No.	Name of the Directors	Status	No. of Meetings held	No. of Meetings attended	Date of Remuneration Committee Meetings
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1	Mrs. Gauri S. Trivedi(Chairman)**	Non-Executive/Independent	1	1	21 st May, 2025
2	Mr. Pravin K. Laheri(Member)**	Non-Executive/Independent	1	1	
3	Mr. Sethunathan Charlayath Laxmanan (Member)*	Non-Executive/Independent	-	-	
4	Mr. Subramanian Venketakrishnan	Non-Executive/Independent	1	1	

*Mr. Sethunathan Charlayath Laxmanan appointed as Member in Stakeholders Relationship Committee by Board Resolution passed by the company dated 08.08.2025.

** Mr. Pravin Kanubhai Laheri ceases to be Chairperson of the Nomination and Remuneration Committee from 08.08.2025 and continues to be member of the nomination and remuneration committee and Mrs. Gauri Surendra Trivedi has been appointed as Chairperson of the Nomination and Remuneration Committee from 08.08.2025.

Terms of Reference:

- formulation of 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;
- For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates;
- formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- devising a policy on diversity of Board of Directors;
- Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

Remuneration Policy

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel and employees of the Company and to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the Listing Agreement with the Stock Exchange as per the requirements of SEBI (LODR) Regulations, 2015 (earlier old listing agreement) the Company has formulated "Nomination and Remuneration Policy." This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company.

<https://drive.google.com/file/d/1zCA1lwaJ0zkFX8bq-j-sSDKg5XXPJgKE/view>

Remuneration to Directors

The remunerations for the financial year 2025-26 are as follows:

Name of the Directors	Status	Salary	Bonus	Contribution to Provident Fund	Commission	Sitting Fees	Total
Mr.Umesh J. Sanghavi	Executive Chairman & Managing Director	44,74,520	12,000	1,92,000			46,78,520

Name of the Directors	Status	Salary	Bonus	Contribution to Provident Fund	Commission	Sitting Fees	Total
Mr. Rajendra. J. Sanghavi	Executive Whole Time Director	44,74,520	12,000	1,92,000			46,78,520
Mr. Tarak. J. Sanghavi	Executive Whole Time Director	44,74,520	12,000	1,92,000			46,78,520
Mr. Jagdish B. Mali	Executive Director	41,45,760	93,962	21,600	-	-	42,61,322
Mr. Satish Rama Gaonkar**	Executive Director	69,76,540	1,40,569	3,23,200	-	-	74,40,309
Mr. V Subramaniam	Non-Executive/ Independent Director	0	-	-	-	265000	2,65,000
Mr. Pravin K. Laheri	Non-Executive/ Independent Director	0	-	-	-	1,20,000	1,20,000
Mrs. Gauri S. Trivedi	Non-Executive/ Independent Director	0	-	-	-	2,65,000	2,65,000
Mr. Sethunathan Charlayath Laxmanan*	Non-Executive/ Independent Director	0	-	-	-	150000	1,50,000
Mr. Madhu Thakorlal Ankleshwaria***	Non-Executive - Independent Director	0	-	-	-	265000	2,65,000

*Mr. Sethunathan Charlayath Laxmanan appointed as Additional (Non-Executive Independent) Director by Board Resolution passed by the company dated 17.03.2025 & subsequently regularise in the EGM dated 16.06.2025.

**Mr. Satish Rama Gaonkar appointed as (Executive Independent) Director by Special Resolution passed by the company in the EGM dated 16.06.2025.

***Mr. Madhu Thakorlal Ankleshwaria appointed as (Non-Executive Independent) Director by Special Resolution passed by the company in the EGM dated 16.06.2025

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, 2026

Name of the Director	Nature of Directorship	No. of Shares held	Percentage to the paid-up capital
Mr. Pravin K. Laheri	Non-Executive Independent	-	-
Mrs. Gauri S. Trivedi	Non-Executive Independent	-	-
Mr. Subramanian Venketakrishnan	Non-Executive - Independent	-	-
Mr. Sethunathan C Laxmanan (appointed w.e.f 17.03.2025)	Non-Executive Independent	-	-
Mr. Madhu Thakorlal Ankleshwaria (appointed w.e.f 16.06.2025)	Non-Executive Independent	-	-

Independent Directors Meeting:

During the year under review, a separate meeting of Independent Directors was held on 13th February, 2026, interalia to discuss:

- Evaluation of the performance of Non-Independent Directors and Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors; and
- Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and necessarily perform its duties.

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

Corporate Social Responsibility Committee

As specified in the Section 135 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, the Constitution of the CSR Committee is not mandatorily applicable to the Company. As a matter of good practice and compliance of law in future aspects, the CSR Committee has been constituted voluntarily by the Board of Directors. The details of which are as follows;

Sr. No.	Name of the Director	Status	No. of the Meeting Held	No. of meeting attended
1	Mr. PravinK.Laheri	Chairman	1	1
2	Mr. Rajendra J. Sanghavi	Member	1	1
3	Mr.Umesh J. Sanghavi*	Member	1	1
4	Mrs. Gauri Surendra Trivedi**	Member	1	1
5.	Mr. Tarak Jayantilal Sanghavi	Member	1	1

The Board level Corporate Social Responsibility Committee of the Company shall be responsible to;

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII;
- Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- Monitor the Corporate Social Responsibility Policy of the Company from time to time.

During the year, the Corporate Social Responsibility Committee met on 13.02.2026.

*Mr. Umesh J. Sanghavi ceases to be a Member in Corporate Social Responsibility Committee w.e.f. 08.08.2025.

*Mrs. Gauri Surendra Trivedi appointed as Member in Corporate Social Responsibility Committee w.e.f. 08.08.2025.

The detailed terms of reference of the Corporate Social Responsibility Committee is available on the website of the Company at www.nikhiladhesives.com

Risk Management Committee

The Risk Management Committee was constituted for the first time during the reporting period in accordance with applicable regulatory requirements for top listed entities. The formation of the Committee marks a significant step towards strengthening the Company's enterprise risk management framework and ensuring a structured approach to identification, assessment, monitoring, and mitigation of key risks impacting business operations. The Committee comprises members of the Board and senior management personnel with relevant expertise, and is responsible for reviewing the adequacy of the risk management systems, overseeing the implementation of risk mitigation strategies, and periodically evaluating emerging risks across business functions. During the year, the Committee adopted its charter, established its governance processes, and initiated periodic risk review mechanisms to ensure alignment with the Company's strategic objectives and regulatory expectations.

The objectives and scope of the Risk Management Committee broadly comprises:

- Oversight of risk management performed by the executive management;
- Reviewing the BRM policy and framework in line with the legal requirements and SEBI guidelines;
- Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- Defining framework for identification, assessment, monitoring, and mitigation as well as reporting of risks.

The Management does not envisage any risk associated with commodity price or foreign exchange and there are no hedging activities undertaken by the Company. The board has accepted the recommendations of the committees which are mandatorily wherever applicable and required to be accepted. The composition of the Risk Management Committee as at March 31, 2026 and details of the Members participation at the Committee Meeting are as under:

Sr. No.	Name of the Director	Status	No. of the Meeting Held	No. of meeting attended
1	Mr. Subramanian Venketakrishnan	Chairman	1	1
2	Dr. Satish Rama Gaonkar	Member	1	1
3	Mr. Jagdish Balvant Mali	Member	1	1

The board has accepted the recommendations of all the committees which are mandatorily required to be accepted.

The detailed terms of reference of the Risk Management Committee is available on the website of the Company at www.nikhiladhesives.com

General Body Meetings

Details of the last three Annual General Meetings of the Company are given below:

Financial Year	AGM	Date	Locations	Time	No. of Special Resolutions passed
2024-25	39 th	23 rd September, 2025	The meeting conducted through Video Conferencing (VC)/other Audio Visual means (OAVM) at the Registered Office of the Company as a deemed venue of the meeting.	03.00 PM	2
2023-24	38 th	26 th September, 2024	The meeting conducted through Video Conferencing (VC)/other Audio Visual means (OAVM) at the Registered Office of the Company as a deemed venue of the meeting.	03.00 PM	1
2022-23	37 th	21 st September, 2023	The meeting conducted through Video Conferencing (VC)/other Audio Visual means (OAVM) at the Registered Office of the Company as a deemed venue of the meeting.	12.00 PM	5

Details of Special Resolutions passed in the previous three AGMs:

Date of AGM	Particulars of Special Resolutions passed there at
23 rd September, 2025	1. Re-appointment of Mr. Pravin kanubhai Laheri (DIN: 00499080) as an Independent Director for the 2 nd Term of 5 years. 2. To Increase the Overall Limit of Maximum Remuneration Payable to all the Directors.
26 th September, 2024	1. Regularisation of Additional Director Mr. Jagdish Mali (DIN: 10736986) appointing him as Executive Director of the Company.

21 st 2023	September,	1. Appointment of Mr. V. Subramanian (DIN: 10162796) as an Independent Director (Non-Executive) of the company. 2. To approve payment of remuneration by way of profit related commission to Mr. V. Subramanian 3. Re-appointment of Mr. Rajendra J. Sanghavi (DIN: 00245637) as a Whole Time Director for a period of 3 years. 4. Re-appointment of Mr. Tarak J. Sanghavi (DIN: 00519403) as a Whole Time Director for a period of 3 years 5. Change in Designation of Mr. Umesh J. Sanghavi (DIN: 00491220) from Chairman and Wholetime Director to Chairman and Managing Director for a period of 3 years w.e.f. 10th July, 2023.
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During the year under review, there were no Resolutions proposed to be passed through Postal Ballot.

Details of the Extra-Ordinary General Meetings of the Company during the year are given below:

Financial Year	Date	Locations	Time	No. of Special Resolutions passed
2025-26	16 th June, 2025	The meeting conducted through Video Conferencing (VC)/other Audio Visual means (OAVM) at the Registered Office of the Company as a deemed venue of the meeting.	03.00 PM	4

Details of Special Resolutions passed in the EGM:

Date of EGM	Particulars of Special Resolutions passed there at
16 th June, 2025	1. Regularization of Mr. Sethunathan Charlayath Laxmanan (DIN:10535064) as an Non - Executive -Independent Director of the company 2. Appointment of Dr. Satish Gaonkar (DIN: 11114859) as an Executive Director of the company. 3. Appointment of Mr. Madhu T Ankleshwaria (DIN:02753794) as an Independent director the Company. 4. Increase in borrowing limits of the Company under Section 180(1)(c) of the Companies Act, 2013.

Disclosures

- a) There are no materially significant party transactions entered into by your Company with its Promoters, Directors or Management 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. 44 of Notes to financial statements in the Annual Report.
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>
- b) Your Company has complied with the requirements of Stock Exchange, Securities and Exchange Board of India and other statutory authorities on matter relating to capital markets during the last three years and consequently no penalties or strictures have been imposed on your Company by these authorities.
- c) 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 timely paid the Annual Listing Fees to BSE Ltd. and Annual Custodial Fees to NSDL and CDSL for the Financial Year 2026-27.
- 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 Chief Executive Officer and Chief Financial Officer have furnished a duly signed Certificate to the Board for the year ended 31st March, 2026 in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- h) In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended Mrs.Beena Khandelwal has been designated as the Compliance Officer of the Company from 22nd May, 2024 under the Company's Code of Conduct for Prevention of Insider Trading. 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
- j) Where any personnel has been denied access to the Audit Committee. There was no complaint under this mechanism received during the year. The policy of Vigil Mechanism/Whistle Blower is placed on the website of the Company (www.nikhiladhesives.com).
- k) 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 web link <http://www.nikhiladhesives.com>
- l) Your Company has compliant with all applicable mandatory requirements of the provisions of the SEBI LODR for the March 31, 2026.
- m) 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.
- n) During the year, the Board has accepted all recommendations made by various Committees of Board of Directors of the Company.
- o) The Company has complied with the requirements of Corporate Governance Report of sub paras (2) to (10) mentioned in Para C of Schedule V of SEBI LODR and disclosed necessary information as specified in Regulations 17 to 27 and clauses (b) to (i) and (t) of Regulation 46(2) of SEBI LODR at the respective places in this report.
- p) The total fees paid to M/s. PHD & Associates, Statutory Auditor of the Company in relation to the Statutory Audit is given in the financial statements.
- q) 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.
- r) The Certificate from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified by the Board/Ministry of Corporate Affairs or any such Statutory Authority is given under this Report.
- s) Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount': Not Applicable
- t) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries: There are no material subsidiaries of the Company.

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 financial results are uploaded on your Company's website (www.nikhiladhesives.com).

General Shareholder Information

1. Annual General Meeting Date, Time and Deemed Venue : Tuesday, 22nd September, 2026, 3:00 PM.
(through VC/OVAM facility)
(The Registered Address is deemed venue)

- 902, 9th Floor, A-Wing, Kaledonia HDIL Building
Sahar Road, Opp. D-Mart Andheri (East), Mumbai
– 400069.
2. Financial Year : 2025-2026
 3. Date of Book Closure/Cut-off date of e-voting : Book closure start date: 16th September, 2026
Book closure end date: 22nd September, 2026
Cut-off date of e-voting: 15th September, 2026
: within 30 days of 40th AGM
 4. Date of Payment of Dividend : by August 13th, 2026
 5. Financial Calendar (Tentative) : on or before 14th November, 2026
Unaudited financial result for the quarter ended 30th June, 2026 : on or before 14th February, 2027
Unaudited financial result for the quarter ended 30th September, 2026 : on or before 30th May, 2027
Unaudited financial result for the quarter ended 30th December, 2026 : on or before 30th September, 2027
Audited financial result for the year ending 31st March, 2027
 6. Listing of Stock Exchange and its address : BSE Ltd.
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai-400001
 7. Stock Code on BSE Ltd : 526159
 8. Demat ISIN number NSDL & CDSL : INE926C01022
 9. Grievance Redressal division email : investors@nikhiladhesives.com
 10. Distribution Schedule of number of shares as on 31st March, 2026:

Shares	No. of Holders	%	No. of Shares	%
Upto 500	10,923	84.6285	10,09,165	2.1966
501 to 1000	822	6.3686	6,84,674	1.4903
1001 to 5000	876	6.787	21,22,507	4.6199
5001 to 10000	130	1.0072	10,30,230	2.2424
10001 to above	156	1.2086	4,10,96,424	89.4509

Category of Shareholding as on 31st March, 2026:

Category	No. of Shares	% of Shareholding
A. Promoter's Holding		
11. Promoters		
a. Indian Promoters	2,50,18,330	54.46
b. Foreign Promoters	-	-
1. Persons acting in concert	-	-
SUB TOTAL (A)	2,50,18,330	54.46
B. Non-Promoter's Holding		
2. Institutional Investors		
a. Mutual Funds and UTI	-	-
b. Banks, Financial Institutions, Insurance Companies (Central/State Government Institutions/Non-Government Institutions)	-	-
c. FII(s)	-	-
4. Others		
a. Bodies Corporate	6022009	13.11
b. Indian Public	13417275	29.19
c. NRI's and OCB's	323998	0.71
d. Clearing Members	65927	0.14
e. Trusts	-	-
f. HUF	459011	1.00
g. IEPF MCA Account	636450	1.39
SUB TOTAL (B)	2,09,24,670	45.54
GRAND TOTAL (A+B)	4,59,43,000	100.00

12. Registrars and Transfer Agents : M/s. MUFG Intime India Private Limited,
(Formerly Link Intime India Private Limited)
: C-201, 247 Park, LBS Marg, Vikhroli (West),
Mumbai- 400 083.
13. Share Transfer Systems : Since your Company's shares are compulsorily
traded in the demat segment on the BSE, bulk of
the transfers take place in the electronic form.
The Share Transfer held in stipulated time, if
documents are clear in all aspects. The Share
Certificate duly endorsed are returned
immediately to the Shareholders by RTA. The
details of transfers/transmission, are placed
before the Stakeholders Relationship Committee
for noting/confirmation.
14. Dematerialisation of Shares and Liquidity : Trading in Equity Shares of your Company is
Permitted only in dematerialised form. The
request of dematerialisation are processed and
confirmed within the time.
Total No. of Shares dematerialised upto 31st
March, 2026 is 4,55,70,600 i.e. 99.18% 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. 7A & 7B, 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, Vasanthanarasapura
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 : 902, 9th Floor, A-Wing, Kaledonia HDIL Building,
Sahar Road, Opp. D-Mart, Andheri(East),
Mumbai – 400069, Maharashtra.
18. Address of Shareholders Correspondence : M/s. MUFG Intime India Private Limited,
(Formerly Link Intime India Private Limited)
C-101, 247 Park, L.B.S. Marg, Vikhroli (West),
Mumbai- 400 083
Website: www.in.mpms.mufg.com
Email id- rnt.helpdesk@in.mpms.mufg.com
19. Credit Rating : BBB

DECLARATION

As required under Schedule V (D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Board Members and the Senior Management Personnel have confirmed compliances with the Code of Conduct for the Board of Directors and the Senior Management for the year ended 31st March, 2026.

For Nikhil Adhesives Limited

Sd/-
Umesh Sanghavi
Managing Director and Chief Executive Officer

Place: Mumbai
Date: 13.08.2026

CEO AND CFO CERTIFICATION

To,
The Members
Nikhil Adhesives Limited,
Mumbai.

Re: Financial Statements for the year 2025-26 Certification by the CEO 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, 2026 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 the 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, 2026 which are fraudulent, illegal or violative of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal controls. We have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that:
 - a. There have been no significant changes in internal control during this year;
 - b. There have been no significant changes in accounting policies during this year;
 - c. There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems.

Sd/-
Umesh Sanghavi
Managing Director and Chief Executive Officer

Sd/-
Anita Sanghavi
Chief Financial Officer

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

To,
The Members of,
Nikhil Adhesives Limited,
A-902, Kaledonia Building, Sahar Road,
Opp. Vijay Nagar, Andheri (East),
Mumbai - 400069.

I, Poonam Somani, Proprietor of Somani & Associates., Company Secretary in practice 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 A-902, Kaledonia Building, Sahar Road, Opp. Vijay Nagar, Andheri (East), Mumbai - 400069 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 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 & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2026 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 or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company *
1	Mr. Tarak Jayantilal Sanghavi	00519403	01/10/1987
2	Mr. Rajendra Jayantilal Sanghavi	00245637	29/09/1986
3	Mr. Umesh Jayantilal Sanghavi	00491220	29/09/1986
4	Mr. Pravin Kanubhai Laheri	00499080	01/04/2021
5	Mrs. Gauri Surendra Trivedi	06502788	01/01/2022
6	Mr. Madhu Thakorlal Ankleshwaria	02753794	16/06/2025
7	Mr. Sethunathan Charlayath Laxmanan	10535064	17/03/2025
8	Mr. Jagdish Balvant Mali	10736986	08/08/2024
9	Mr. Subramanian V	10162796	01/07/2023
10	Mr. Satish Rama Gaonkar*	11114859	16/06/2025

*The date of appointment is as per the MCA Portal, except in the case of Mr. Satish Rama Gaonkar, as his form is not filed with the MCA due to technical glitches.

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

For Somani & Associates
(Practising Company Secretaries)

Poonam Somani
FCS No. F9364
C P No. 8642
UDIN No. F009364H001107065

Place: Mumbai
Date: 13.08.2026

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 accompanying Standalone Financial Statements of **Nikhil Adhesives Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2026, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year the ended, and notes to the financial statements, including a summary of material 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 Financial Statements give the information required by the Companies Act, 2013 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, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, 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 of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone 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 Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, 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 on the Standalone Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the financial year ended March 31, 2026. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the key audit matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matter described below to be the key audit matter to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone Financial Statements section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Financial Statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying Standalone Financial Statements.

Key audit matters	Auditor's Response
<u>Inventory Existence and Valuation</u> (Refer Note 1.6 and 9 of the Standalone Financial Statements)	
As at March 31, 2026 the Company held Inventory amounting to ₹ 5,428.27 lakhs. Inventories are valued at lower of cost and Net realizable value. The Company's major part of inventory comprises raw materials and work-in-progress which are spread across multiple factories. These inventories are physically counted by Management on a periodical basis. There is significant management judgement involved in estimating the overhead costs allocation on inventories, assessing provision towards non-moving or obsolete inventories, as well as net realizable value of items held. The Management's estimates of net realizable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realize. The Management also provides for non-moving or obsolete stock on the basis of age of inventory. Such methodology relies upon certain assumptions made in determining appropriate provisioning for such inventories. During the year, the Company changed its accounting policy for valuation of inventory - raw material from FIFO to weighted average cost method and; - finished goods and semi finished from FIFO to Standard Cost, in accordance with Ind AS 2, <i>Inventories</i>. Management has assessed these changes as one that results in the financial statements providing more reliable and relevant information, as required under paragraph 14(b) of Ind AS 8, <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>, and has applied the change retrospectively, restating the opening balance of inventories, retained earnings, and comparative figures as at March 31, 2025 and for the year ended March 31, 2025. Based on above, existence and valuation of inventories have been identified as a key audit matters.	Our audit procedures included: - assessing the Company's accounting policy for inventory valuation. - assessing the inventory valuation processes and testing the key controls around inventory existence and valuation assertions. - verifying the existence and condition of inventory by attending inventory physical counts across various locations. - Assessing management judgements regarding estimates of net realizable value, the methodology used for overhead costs allocation on inventory and treatment for non-moving or obsolete stock. - Evaluating the appropriateness of management's rationale for the change and its compliance with the criteria in paragraph 14(b) of Ind AS 8, including corroborating management's assertion that the new policy results in more reliable and relevant information. - Testing whether the change has been applied retrospectively in accordance with paragraphs 19–22 of Ind AS 8, including recomputation of the cumulative effect on opening reserves as at the earliest period presented. - Independently recomputing the restated inventory values for a sample of cost centres by tracing the revised overhead absorption rates to underlying cost records and production data.

- | | |
|--|--|
| | <ul style="list-style-type: none"> - Testing the mathematical accuracy and completeness of the disclosures made under paragraph 29 of Ind AS 8, including the nature of the change, reasons for the change, and the quantified impact on each affected line item and on earnings per share. |
|--|--|

Information Other than the Financial Statements and Auditor's Report Thereon ("Other Information")

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Annual Report but does not include the Standalone Financial Statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended 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 Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone 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 the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the 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 Standalone 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 the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in the aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any 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 matters 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 Standalone Financial Statements for the financial year ended March 31, 2026 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.

Other Matter

The Standalone Financial Statements of the Company for the year ended March 31, 2025, were prepared in accordance with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India has been audited by the predecessor auditor. The report of the predecessor auditor dated May 21, 2025, expressed an unmodified opinion.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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. A] As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive income, 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 Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 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 with reference to these Standalone Financial Statements and the operating effectiveness of such controls, refer to our separate Report in **Annexure B** to this report;
 - (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, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company does not have any pending litigations except for as disclosed in Note 38 to the said financial statements which would impact its financial position.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There has been a delay in transferring an amount of ₹49,230, being unclaimed dividend required to be transferred by the Company to the Investor Education and Protection Fund under sub-

section (5) of Section 124 of the Companies Act, 2013. As at the date of this report, the said amount remains pending for transfer to the Fund.

- d. (i) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Standalone Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Standalone Financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (d) (i) and (d) (ii) above contain any material mis-statement.
- v. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act as applicable.
- As stated in Note 51 to the Standalone Financial Statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- vi. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2026 which has the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software and the audit trail has been preserved by the Company as per statutory requirements for record retention.

For PHD & Associates
Chartered Accountants
Firm Registration No. 111236W

CA Pinang Shah
(Partner)
Membership No.: 120229
UDIN: 26120229LIOHYN6087
Place: Mumbai
Date: May 27, 2026

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 Standalone Financial Statements for the year ended March 31, 2026.

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and capital work-in-progress and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets and intangible assets under development.
- (b) According to the information and explanation given to us, the Company has a regular program of physical verification of its property, plant and equipment under which these property, plant and equipment are verified in a phase manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the title deeds of all immovable properties (other than properties where the Company is the lessee and lease agreements are duly executed in favour of the Company) disclosed in Standalone Financial Statements included in Property, plant and equipment are held in the name of the Company as at the balance sheet date.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right-of-use assets) and intangible assets during the year hence clause 3(i)(d) of the Order is not applicable.
- (e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder and hence clause 3(i)(e) of the Order is not applicable.
- (ii) (a) The inventories, except goods-in-transit and stocks lying with third parties, have been physically verified by the management during the year. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. The differences between quarterly returns filed with banks and the books of account are set out as below:

(Amount in Lakhs)

Quarter ended	Name of the Bank	Nature of Current Assets offered as Security	Amount disclosed as per Quarterly Statements	As per books of account	Difference	Reasons for difference
Q1 June 30, 2025	1.Bank of India, 2.Yes Bank Ltd, 3.DBS Bank Ltd, 4.HDFC Bank Ltd	A. Inventory B.Trade Receivables	19,098.53	19,123.35	(24.82)	Refer Reasons 1 & 2
Q2 Sept 30, 2025			17,722.57	17,666.73	55.84	
Q3 Dec 31, 2025			16,543.84	16,545.54	(1.70)	
Q4 March 31, 2026			21,328.74	21,341.28	(12.54)	

Reason for A

Inventory submitted to the bank excludes fuel stock and work-in-progress. In the books of accounts, however, inventory is recognised in full including fuel and WIP, resulting in a difference between books and bank-reported figures consistently across all four quarters (Q1–Q4) of the year.

Reason for B

Trade receivables in the books of accounts are presented net of advances received from customers against whom a right of set-off exists. However, the amount reported to the bank in the Q2 stock statement reflects trade receivables on a gross basis (before netting off such advances), resulting in a difference between the books figure and the amount submitted to the bank.

- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year except loan to employees in respect of which requisite information is as below:

- a. During the year, the Company has granted unsecured loan to its employee.

- A. According to the information and explanation given to us, the Company does not have any subsidiary, joint ventures & associate. Accordingly, this clause is not applicable to the Company.
- B. Based on the audit procedures carried on by us and as per the information and explanation given to us, the Company has granted unsecured loan to other party as follows:

(Amount in Lakhs)

Particulars	Loan given during the year	Balance Outstanding as at March 31, 2026
Other Party - Employees	10.03	13.52

- b. According to the information and explanation given to us and based on the audit procedure performed by us, we are of the opinion that the terms and conditions of the loan granted are, prima facie not prejudicial to the interest of the Company.

- c. According to the information and explanation given to us and based on the audit procedures performed by us, in the case of loan given, the repayment of principal has been stipulated and the repayment or receipt has been regular.
- d. According to the information and explanation given to us and based on the audit procedures performed by us, there is no overdue amount for more than ninety days in respect of loan given, consequently reporting for steps taken for recovery of the principal and interest does not arise.
- e. According to the information and explanation given to us and based on the audit procedures performed by us, no loan or advance in the nature of loan granted which has fallen due during the year, or have been renewed or extended or fresh loan granted to settle the overdue of existing loan given to the same party.
- f. In our opinion and according to the information and explanations given and based on the audit procedures conducted by us, the Company has granted unsecured loans aggregating to Rs. 13.52 lakhs to its employees, repayable on demand being 100 % of the total loans and advances granted by the Company.

	Other Parties (Employees) (in lakhs)
Aggregate amount of loans/advances in nature of loans	
- Repayable on demand (A)	
- Agreement does not specify any terms or period of repayment (B)	13.52
Total (A+B)	-
Percentage of loans/advances in nature of loans to the total loan	13.52
	100%

- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, provided any guarantee or given any security as specified under Section 185 and Section 186 of the Companies Act, 2013 ("the Act"). In respect of the investment made, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) In our opinion and according to the information and explanations given to us, the Company has accepted deposits during the year and complied 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.
- (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, duty of custom, Goods and Service Tax (GST), provident fund, employees' state insurance, cess and other statutory dues as applicable, and as at March 31, 2026, 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 GST, provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, value added tax, cess or other statutory dues which have not been deposited by the Company on account of disputes.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously

unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the term loans taken by the Company were applied for the purpose for which the loans were taken.
- (d) According to the information and explanations given to us, we report that funds raised on short-term basis have not been utilised for long term purposes by the Company.
- (e) According to the information and explanation given to us, the Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Companies Act, 2013) during the year ended March 31, 2026. Accordingly, clause 3(ix)(e) is not applicable.
- (f) According to the information and explanation given to us, the Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Companies Act, 2013) during the year ended March 31, 2026. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further Public offer (including debt instruments) during the year. Accordingly, clause (x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause (x)(b) of the Order is not applicable.
- (xi) (a) According to the information and explanation given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.
- (b) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the provisions stated under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) There were no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) Internal auditor's reports for the period under audit have been considered by us.

- (xv) In our opinion and 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, provisions of Section 192 of the Companies Act 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India, Act 1934. Accordingly, clause 3(xvi) (a) of the Order is not applicable.
(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India, 1934. Accordingly, clause 3(xvi) (b) of the Order is not applicable.
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
(d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi) (d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet, as and when they fall due, within a period of one year from the balance sheet date. We however, state that our reporting is not an assurance on the future viability of the Company. We further state that our reporting is based on the facts upto the date of the audit report and we neither give any guarantee nor any assurance that all the liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In our opinion and according to the information and explanations given to us, the Company has not transferred the amount remaining unspent to a Fund specified in Schedule VII to the Companies Act, 2013 till the date of our report. However, the time period for such transfer i.e. six months of the expiry of the financial year as permitted under the second proviso to sub-section (5) of section 135 of the Act, has not elapsed till the date of our report.
(b) In our opinion and according to the information and explanations given to us in respect of ongoing projects, the Company does not have any ongoing project. Accordingly, clause 3(xx)(b) of the Order is not applicable.

For PHD & Associates
Chartered Accountants
Firm Registration No. 111236W

CA Pinang Shah
(Partner)
Membership No.: 120229
UDIN: 26120229LIOHYN6087
Place: Mumbai
Date: May 27, 2026

Annexure B

Referred to in paragraph 2(A)(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 Standalone Financial Statements for the year ended March 31, 2026.

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 with reference to the Standalone Financial Statements of **Nikhil Adhesives Limited** ("the Company") as at March 31, 2026, in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to the Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 with reference to the Standalone Financial Statements

A Company's internal financial control with reference to Standalone Financial Statements 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 with reference to Standalone Financial Statements includes those policies and procedures that:

- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- (c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to the Standalone Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to the Standalone Financial Statements and such internal financial controls with reference to the Standalone Financial Statements were operating effectively as at March 31, 2026, based on the criteria for internal financial control with reference to Standalone Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For PHD & Associates Chartered Accountants

Firm Registration No. 111236W

CA Pinang Shah (Partner)

Membership No.: 120229

UDIN: 26120229LIOHYN6087

Place: Mumbai

Date: May 27, 2026

NIKHIL ADHESIVES LIMITED
CIN : L51900MH1986PLC041062
Balance Sheet as at 31 Mar, 2026

(Amount in Lakhs)

Particular	Note No.	As at March 31, 2026	As at March 31, 2025 (Restated*)	As at April 1, 2024 (Restated*)
ASSETS				
1. Non-current assets				
(a) Property, Plant and Equipment	2A	8,779.63	9,133.02	8,892.65
(b) Right-of-Use Assets	2B	327.18	421.74	480.53
(c) Capital work-in-progress	3	96.83	-	1.44
(d) Intangible assets	4	43.00	-	-
(e) Intangible assets under development	5	-	64.50	-
(f) Financial Assets				
(i) Investments	6	1.10	0.86	1.10
(ii) Other non-current financial assets	7	69.58	43.49	51.72
(g) Other non-current assets	8	7.16	22.98	127.38
Total Non-current Assets		9,324.48	9,686.59	9,554.82
2. Current assets				
(a) Inventories	9	5,428.27	8,721.52	7,536.27
(b) Financial Assets				
(i) Trade receivables	10	15,913.01	11,326.52	10,072.25
(ii) Cash and cash equivalents	11	244.82	431.87	1,102.90
(iii) Bank balances other than (ii) above	12	82.19	143.81	108.48
(iv) Other current financial assets	13	292.82	85.03	-
(c) Current Tax Assets (net)	14	1,737.18	1,245.14	750.74
(d) Other current assets	15	641.00	569.06	363.32
Total Current Assets		24,339.29	22,522.95	19,933.96
TOTAL ASSETS		33,663.77	32,209.54	29,488.78
EQUITY AND LIABILITIES				
I. Equity				
(a) Equity Share Capital	16	459.43	459.43	459.43
(b) Other Equity	17	14,103.62	12,452.14	10,894.57
TOTAL EQUITY		14,563.05	12,911.57	11,354.00
II. Liabilities				
1. Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	18	974.86	2,481.01	2,522.95
(ii) Lease Liabilities	19	61.12	174.61	247.69
(iii) Other Non-Current Financial Liabilities	20	99.65	150.78	155.03
(b) Provisions	21	203.14	191.97	146.24
(c) Deferred Tax Liabilities (Net)	22	605.91	544.14	515.41
Total Non-Current Liabilities		1,944.68	3,542.51	3,587.32
2. Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	23	5,610.81	3,092.85	2,479.21
(ii) Lease Liabilities	19	121.77	106.11	74.55
(iii) Trade Payables	24			
(A) total outstanding dues to micro enterprises and small enterprises		400.76	486.18	914.64
(B) total outstanding dues to creditors other than micro enterprises and small enterprises		6,397.75	7,970.40	8,359.53
(iv) Other Current Financial Liabilities	25	2,589.90	2,671.57	1,390.39
(b) Other Current Liabilities	26	205.83	166.03	580.75
(c) Provisions	27	12.23	10.33	11.40
(d) Current Tax Liabilities (net)	14	1,816.99	1,251.99	736.99
Total Current Liabilities		17,156.04	15,755.46	14,547.46
TOTAL EQUITY AND LIABILITIES		33,663.77	32,209.54	29,488.78
Material Accounting Policies	1			
*Impact on financial statement due to change in Accounting Policy in accordance with IND AS 8 (Accounting Policies, Changes in Accounting Estimates and Errors) read with Ind AS 1 Presentation of Financial Statements.	49			

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

Umesh J. Sanghavi
(Managing Director)
DIN : 00491220

Rajendra J. Sanghavi
(Whole-time Director)
DIN : 00245637

CA Pinang Shah
(Partner)
Membership No.: 120229

Tarak J. Sanghavi
(Whole-time Director)
DIN : 00519403

S. Venketakrishnan
(Independent Director)
DIN : 10162796

Place : Mumbai
Date : May 27, 2026

Anita U. Sanghavi
(Chief Financial Officer)

Beena Khandelwal
(Company Secretary)
M. No. A69067

Mumbai, May 27, 2026

NIKHIL ADHESIVES LIMITED
CIN : L51900MH1986PLC041062

Statement of Profit and Loss for the Year Ended 31 March, 2026

(Amount in Lakhs)

Particulars	Note No.	For the Year Ended March 31, 2026	For the Year Ended March 31, 2025 (Restated*)
INCOME			
Revenue from operations	28	55,347.38	59,208.29
Other income	29	234.87	65.88
Total income		55,582.25	59,274.17
EXPENSE			
Cost of materials consumed	30	39,125.29	42,122.65
Purchases of stock-in-trade	31	1,854.87	3,231.32
Changes in inventories of Finished goods, Stock-in-trade and Work-In-Progress	32	373.88	734.89
Employee benefits expense	33	2,737.16	2,404.83
Finance costs	34	634.94	811.91
Depreciation and amortization expense	35	752.71	707.65
Other expenses	36	7,712.95	7,047.49
Total expenses		53,191.80	57,060.74
Profit before exceptional items and tax		2,390.45	2,213.44
Exceptional Items	37	33.13	
Profit before tax		2,357.32	2,213.44
Tax expense	46		
Current tax		565.00	515.00
Deferred tax		56.34	33.72
Total tax expenses		621.34	548.72
Profit for the year		1,735.98	1,664.72
Other comprehensive income			
Items that will not be reclassified to profit & loss			
Change in fair value of financial assets		0.24	(0.24)
Remeasurements of net defined benefit plans		21.56	(19.82)
Tax effect of above		(5.43)	4.99
Total other comprehensive income /(loss)		16.37	(15.07)
Total comprehensive income for the year		1,752.35	1,649.65
Earnings per equity share (Face value of Re. 1/- per share)	39		
Basic		3.78	3.62
Diluted		3.78	3.62
*Impact on financial statement due to change in Accounting Policy in accordance with IND AS 8 (Accounting Policies, Changes in Accounting Estimates and Errors) read with Ind AS 1 Presentation of Financial Statements.	49		

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

Umesh J. Sanghavi
(Managing Director)
DIN : 00491220

Rajendra J. Sanghavi
(Whole-time Director)
DIN : 00245637

CA Pinang Shah
(Partner)
Membership No.: 120229

Tarak J. Sanghavi
(Whole-time Director)
DIN : 00519403

S. Venketakrishnan
(Independent Director)
DIN : 10162796

Place : Mumbai
Date : May 27, 2026

Anita U. Sanghavi
(Chief Financial Officer)

Beena Khandelwal
(Company Secretary)
M. No. A69067

Mumbai, May 27, 2026

NIKHIL ADHESIVES LIMITED
CIN : L51900MH1986PLC041062
Statement Of Cash Flow For The Year Ended 31 March, 2026

(Amount in Lakhs)				
Particulars	For the Year Ended March 31, 2026		For the Year Ended March 31, 2025	
			(Restated*)	
A. Cash flows from Operating Activities				
Profit before tax		2,357.32		2,213.44
Non-cash and not operating adjustment to profit before tax:				
Depreciation and amortisation expense	752.71		707.65	
Allowance for expected credit loss	16.32		2.29	
Provision for Gratuity	85.08		24.85	
Finance costs	634.94		811.91	
Bad debts written off	99.39		21.33	
Foreign exchange (gain)/loss	228.12	1,816.56	22.65	1,590.68
		4,173.88		3,804.12
Change in operating assets and liabilities :				
Decrease/(Increase) in trade receivables	(4,702.22)		(1,277.89)	
Decrease/(Increase) in inventories	3,293.26		(1,185.26)	
Increase/(Decrease) in trade payables	(1,886.19)		(840.22)	
Decrease/(Increase) in other non-current financial assets	(21.60)		8.23	
Increase/(Decrease) in other non-current financial Liabilities	(43.06)		41.48	
Decrease/(Increase) in other non-current assets	15.81		104.41	
Decrease/(Increase) in other current financial assets	(207.80)		(85.03)	
Decrease/(Increase) in other current assets	(71.95)		(205.74)	
Increase/(Decrease) in other current financial liabilities	(84.50)		1,281.18	
Increase/(Decrease) in other current liabilities	(21.82)	(3,730.07)	(460.45)	(2,619.29)
Cash generated from operations		443.81		1,184.83
Direct taxes paid (net of refunds)		(492.04)		(494.40)
Net cash flows from/(used in) Operating Activities (A)		(48.23)		690.43
B. Cash flows from Investing Activities				
Payments for acquisition of property, plant and equipment, capital work in progress and Intangible Assets	(372.13)		(1,092.74)	
Disposal of Property, plant and equipment, capital work in progress and Intangible Assets	-		30.40	
Government Grant Received			110.07	
Term deposits with banks (placed)/ matured(Net)	61.62		(35.33)	
Net Cash Flows from/(used in) Investing Activities (B)		(310.51)		(987.60)
C. Cash flows from Financing Activities				
Dividend paid	(100.88)		(92.05)	
Proceeds / (Repayment) of long term borrowings	(1,503.05)		(41.97)	
Proceeds / (Repayment) of short term borrowings	2,520.96		613.61	
Repayment of principle portion of lease liabilities	(105.91)		(41.55)	
Finance costs (including interest on lease liabilities) paid	(639.42)		(811.91)	
Net Cash Flows from/(used in) Financing Activities (C)		171.70		(373.87)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		(187.04)		(671.03)
Cash and cash equivalents at the beginning of the year		431.87		1,102.90
Cash and cash equivalents at the end of the year		244.82		431.87

Notes:

A) * Refer note 49 for Impact on financial statement due to change in Accounting Policy in accordance with IND AS 8 (Accounting Policies, Changes in Accounting Estimates and Errors) read with Ind AS 1 Presentation of Financial Statements.

B) Cash and cash equivalents are as under:

Particulars	(Rs. In Lakhs)	
	As at March 31, 2026	As at March 31, 2025
Cash in hand	8.48	2.35
Balances with banks in current accounts	236.34	429.52
Total	244.82	431.87

C) The above statement of cash flow has been prepared under the "Indirect method" as set out in IND AS-7 "Statement of cash flow".

D) Refer note 47 for disclosure requirements as per amendments to IND AS 7

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

Umesh J. Sanghavi
(Managing Director)
DIN : 00491220

Rajendra J. Sanghavi
(Whole-time Director)
DIN : 00245637

CA Pinang Shah
(Partner)
Membership No.: 120229

Tarak J. Sanghavi
(Whole-time Director)
DIN : 00519403

S. Venketakrishnan
(Independent Director)
DIN : 10162796

Place : Mumbai
Date : May 27, 2026

Anita U. Sanghavi
(Chief Financial Officer)

Beena Khandelwal
(Company Secretary)
M. No. A69067

Mumbai, May 27, 2026

NIKHIL ADHESIVES LIMITED

CIN : L51900MH1986PLC041062

Statement of Changes in Equity for the year ended 31 March, 2026

(Amount in Lakhs)

Particulars	Balance as at April 01, 2025	Changes in Equity Share Capital due to prior period errors	Restated balance as at April 01, 2025	Changes in equity share capital during the year	Balance as at March 31, 2026
Issued					
4,59,43,000 Equity shares of Re. 1/- each	459.43	-	459.43	-	459.43
Subscribed and fully paid up					
4,59,43,000 Equity shares of Re. 1/- each	459.43	-	459.43	-	459.43
Total	459.43	-	459.43	-	459.43

OTHER EQUITY

Particulars	Share application money pending allotment	Reserves and Surplus			Equity Instruments through Other Comprehensive Income	Remeasurements of net defined benefit plans	Share Forfeiture	Total
		Capital Reserve	Securities Premium	General Reserve				
Balances as on April 01, 2025 (A)	-	4.00	1,500.00	642.87	10,342.60	(41.26)	1.07	12,452.14
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance at April 01, 2025 (B)	-	4.00	1,500.00	642.87	10,342.60	(41.26)	1.07	12,452.14
Profit for the year (C)	-	-	-	-	1,735.99	-	-	1,735.99
Other Comprehensive Income/(Loss) for the year, net of tax (D)	-	-	-	-	0.24	16.13	-	16.37
Total Comprehensive Income for the current year (C+D)=(E)	-	-	-	-	1,735.99	16.13	-	1,752.36
Dividend paid (F)	-	-	-	-	(100.88)	-	-	(100.88)
Transfer to retained earnings	-	-	-	-	-	-	-	-
Balance as at March 31, 2026 (B+E-F)=(G)	-	4.00	1,500.00	642.87	11,977.71	(25.12)	1.07	14,103.62

As per our attached report of even date

For PHD & Associates
Chartered Accountants
Firm Registration No. 111236W

Umesh J. Sanghavi
(Managing Director)
DIN : 00491220

Rajendra J. Sanghavi
(Whole-time Director)
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CA Pinang Shah
(Partner)
Membership No.: 120229

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DIN : 00519403

S. Venketakrishnan
(Independent Director)
DIN : 10162796

Place : Mumbai
Date : May 27, 2026

Anita U. Sanghavi
(Chief Financial Officer)
Mumbai,

Beena Khandelwal
(Company Secretary)
M. No. A69067

NIKHIL ADHESIVES LIMITED

CIN : L51900MH1986PLC041062

Statement of Changes in Equity for the year ended 31 March, 2026

(Amount in Lakhs)									
Particulars	Balance as at April 01, 2024	Changes in Equity Share Capital due to prior period errors	Restated balance as at April 01, 2024	Changes in equity share capital during the year	Balance as at March 31, 2025	(Amount in Lakhs)			
						Share application money pending allotment	Capital Reserve	Reserves and Surplus	Equity Instruments through Other Comprehensive Income
						Retained Earnings		Remeasurements of net defined benefit plans	Share Forfeiture
						General Reserve			Total
Issued									
4,59,43,000 Equity shares of Re. 1/- each	459.43	-	459.43	-	459.43				
Subscribed and fully paid up									
4,59,43,000 Equity shares of Re. 1/- each	459.43	-	459.43	-	459.43				
Total	459.43	-	459.43	-	459.43				
OTHER EQUITY									
Particulars	Share application money pending allotment	Capital Reserve	Reserves and Surplus	Equity Instruments through Other Comprehensive Income	Remeasurements of net defined benefit plans	Share Forfeiture	Total		
Balance as at April 01, 2024 (A)	-	4.00	1,500.00	8,814.72	(26.43)	1.07	10,939.33		
Changes in accounting policy or prior period errors	-	-	-	(44.76)	-	-	(44.76)		
Restated balance at April 01, 2024 (B)	-	4.00	1,500.00	8,769.96	(26.43)	1.07	10,894.57		
Profit for the year (C)	-	-	-	1,664.69	-	-	1,664.69		
Other Comprehensive Income/(Loss) for the year, net of tax (D)	-	-	-	-	(14.83)	-	(15.07)		
Total Comprehensive Income for the year (E) = (C) + (D)	-	-	-	1,664.69	(14.83)	-	1,649.62		
Dividend paid (F)	-	-	-	(92.05)	-	-	(92.05)		
Transfer to retained earnings	-	-	-	-	-	-	-		
Balance as at March 31, 2025 (B+E-F)=(G)	-	4.00	1,500.00	10,342.60	(41.26)	1.07	12,452.14		

As per our attached report of even date

For PHD & Associates

Chartered Accountants

Firm Registration No. 111236W

For and on behalf of the Board of Directors

Umesh J. Sanghavi

(Managing Director)

DIN : 00491220

Rajendra J. Sanghavi

(Whole-time Director)

DIN : 00245637

CA Pinang Shah

(Partner)

Membership No.: 120229

Tarak J. Sanghavi

(Whole-time Director)

DIN : 00519403

S. Venketakrishnan

(Independent Director)

DIN : 10162796

Place : Mumbai

Date : May 27, 2026

Anita U. Sanghavi

(Chief Financial Officer)

Beena Khandelwal

(Company Secretary)

M. No. A69067

Mumbai, May 27, 2026

NIKHIL ADHESIVES LIMITED
CIN : L51900MH1986PLC041062

Notes to the Standalone Financial Statements for the Year Ended 31 March, 2026

CORPORATE INFORMATION

Nikhil Adhesives Ltd ("the Company") a Public Limited Company having CIN: L51900MH1986PLC041062 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 five manufacturing units located at Dahanu (Maharashtra), Silvassa (Dadra Nagar Haveli), Dahej (Gujarat), Una (Himachal Pradesh) and at Tumkur (Bangalore). The company is also engaged in the business of trading in chemicals.

1. BASIS OF PREPARATION, MEASUREMENT, KEY ACCOUNTING ESTIMATES AND JUDGEMENTS AND MATERIAL ACCOUNTING POLICIES

1.1 Basis of Preparation

1.1.1 These IND AS financial statements (hereinafter referred to as 'Financial Statements') of the Company are prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (Act) read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. 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 certain financial assets and liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below.

1.1.2 The Company's functional currency and presentation currency is Indian Rupees (INR) and is rounded off to the nearest lakhs unless otherwise indicated. Amounts less than Rs. 1,000 have been presented as "00.00"

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 classification.

A) An asset is treated as current when it is:

- 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.

B) 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.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its normal operating cycle as twelve months for the purpose of the current/non-current classification of assets and liabilities.

1.2 Use of judgements, estimates and assumptions

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management of the Company 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. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The Company uses the following critical accounting judgements, estimates and assumptions in preparation of the financial statements:

a) Property, plant and equipment:

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes or a change in market demand of the product or service output of the asset, manufacturers warranties and maintenance support, unexpected failure leading to impairment etc.

b) Fair value measurement of financial instruments:

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet.

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:

- In the principal market for the asset or liability,

or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

In estimating the fair value of financial assets and financial liabilities, the Company uses market observable data to the extent available. Where such Level 1 inputs are not available, the Company establishes appropriate valuation techniques and inputs to the model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

c) Impairment of non-financial assets:

Impairment exists when there are indicators of impairment and the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted future cashflows model. The recoverable amount is sensitive to the discount rate used for the discounted future cashflows model as well as the expected future cash-inflows and the growth rate used.

d) Taxes:

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Significant management judgement is also required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies, including estimates of temporary differences reversing on account of available benefits from the Income Tax Act, 1961.

Notes to the Standalone Financial Statements (Contd.)

e) Defined benefit obligation:

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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.

f) Provisions:

The Company recognise provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources will be required and the amount of outflow can be reliably estimated. 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.

g) Contingencies:

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources or the amount of such outflow cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

h) Leases:

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company has exercised judgement in determining the lease term as the noncancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised. Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. Determination of the incremental borrowing rate requires estimation.

i) Expected credit loss on trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. In accordance to Ind AS 109, the Company uses expected credit loss model to assess the impairment loss. The Company uses a provision matrix and forward looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables.

MATERIAL ACCOUNTING POLICIES

1.3 Property, Plant and Equipment

Recognition and Measurement :

Items of property, plant and equipment, other than freehold land that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses. Freehold land is carried at cost and is not depreciated.

The cost of an item of Property, Plant and Equipment comprises of its purchase price including taxes (other than those subsequently recoverable from tax authorities), duties, freight and other directly attributable costs of bringing the asset to its working condition. Any trade discounts and rebates are deducted in arriving at the purchase price.

When significant parts of the Property, Plant and Equipment are required to be replaced at intervals, the Company derecognises the replaced part, and recognises the new part with its own associated useful life and depreciated accordingly. When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred. Expenses directly attributable to new manufacturing facility during its construction period are capitalized.

Stores and spares which meet the definition of Property, Plant and Equipment and satisfy recognition criteria of Ind AS 16 are capitalised as Property, Plant and Equipment.

Depreciation

Depreciation on each part of an item / component of PPE is provided on pro-rata basis using the Straight-Line Method based on the expected useful life of the asset and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013.

In line with the provisions of Schedule II of the Companies Act 2013, the Company depreciates significant components of the main asset (which have different useful lives as compared to the main asset) based on the individual useful life of those components. Useful life for such components has been assessed based on the historical experience and internal technical inputs. The estimated useful lives of the assets are as follows:

Asset Block	Useful life
Buildings	30 - 60 years
Office equipments	5 years
Plant & Machinery	10 years-20 years
Furniture & Fixtures	10 years
Lease Improvements	Over the lease term
Vehicles	8 years
Computers	3 years

Based on technical evaluation of useful life by the Management, it believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

The residual value of Property, Plant & Equipment is considered at ₹ Nil as the realisable value at the end of useful life is not expected to be significant.

Derecognition

The carrying amount of an item of PPE is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of PPE is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the Statement of Profit and Loss when the item is derecognised.

Notes to the Standalone Financial Statements (Contd.)

Government Grant

Government grants or subsidies received in respect of the acquisition, construction, or development of fixed assets are accounted for in accordance with Ind AS 20 – Accounting for Government Grants and Disclosure of Government Assistance.

Such grants are deducted from the gross carrying amount of the related asset at the time of initial recognition. The net cost (i.e., cost of the asset less the amount of government grant) is depreciated over the useful life of the asset in accordance with the Company's depreciation policy.

Where the grant is received after the asset has been capitalized, it is adjusted against the carrying amount of the asset in the period in which it becomes receivable or received.

If the grant becomes refundable due to non-compliance with conditions attached, the refund is adjusted to the carrying amount of the asset and future depreciation is revised prospectively.

Where the grant is receivable as compensation for expenses or losses already incurred, with no future related costs such as a one-time refund of indirect taxes it is recognized in the Statement of Profit and Loss in the period in which it becomes receivable. and is presented under "Other Income".

Capital Work-in-progress and Advances

Capital work-in-progress includes cost of Property, Plant and Equipment which are not ready for their intended use. Advances given towards acquisition of Property Plant and Equipment are disclosed as "Other Non Current Assets". Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified and capitalised to the appropriate categories of Property, Plant and Equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

1.4 Intangible Assets

Recognition and Measurement :

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.

Amortisation:

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. 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.

Asset Block	Useful life
Software	3

Derecognition:

The carrying amount of an intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognised in the Statement of Profit and Loss when the asset is derecognised.

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.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less 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, semi finished goods and finished goods are valued at lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Costs are ascertained as follows:

- Raw materials and packing materials – on a weighted average cost basis. Cost comprises the purchase price and other costs incurred in bringing the inventories to their present location and condition. However, raw materials and other supplies held for use in the production of finished goods are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
- Work-in-progress (semi-finished goods) and finished goods (including in transit) – at standard cost, which approximates actual cost. Standard cost takes into account direct materials, direct labour, other direct costs and an appropriate share of fixed and variable production overheads, allocated on the basis of normal operating capacity. Standard costs are reviewed regularly and revised to approximate actual cost in light of current conditions.

1.7 Cash and Cash Equivalents

Cash and Cash Equivalents in the Balance Sheet comprise cash at banks, cash on hand, balances in current accounts and short-term deposits with original maturities of three months or less than three months, which are readily convertible into cash and which are subject to insignificant risk of changes in value.

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.

1.8 Financial Instruments

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

A. Financial Assets:

Notes to the Standalone Financial Statements (Contd.)

(i) Initial recognition and measurement :

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset, except in the case of financial assets recognised at fair value through profit and loss. Transaction costs of financial assets carried at fair value through profit or loss are expensed through the Statement of Profit or Loss. Trade receivables that do not contain a significant financing component are measured at their transaction price as determined under Ind AS 115.

(ii) Subsequent measurement:

For the purpose of subsequent measurement, the Company classifies its financial assets in the following measurement categories:

- (i) The Company's business model for managing the financial asset and
- (ii) The contractual cash flow characteristics of the financial asset

Based on the above criteria, the Company classifies its financial assets into following categories:

- (i) Financial assets measured at amortised cost
- (ii) Financial assets measured at fair value through other comprehensive income (FVTOCI)
- (iii) Financial assets measured at fair through profit & loss (FVTPL)

(iii) Financial assets measured at amortised cost :

Financial assets are measured at amortised cost using effective interest rate method (EIR), 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 losses arising from the impairment are recognised in the Statement of Profit and Loss.

(iv) Financial assets measured 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 and selling financial assets and the contractual terms give rise to cash flows that are solely payments of principal and interest on the

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

A financial asset is measured at FVTPL unless it is measured at amortised cost or at FVTOCI as explained above. This is a residual category applied to all other Financial assets other than Investments which are measured at FVTOCI. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognised in the Statement of Profit and Loss.

Investment in Equity Instruments of another entity

All equity investments within the scope of Ind AS 109 (other than investments in subsidiaries, associates and joint ventures, which are accounted for at cost under Ind AS 27) are measured at fair value. For equity instruments that are not held for trading, the Company may make an irrevocable election, on an instrument-by-instrument basis at initial recognition, to present subsequent changes in fair value in other comprehensive income; amounts so presented are not subsequently reclassified to profit or loss, even on disposal, although the cumulative gain or loss may be transferred within equity. Dividends on such instruments are recognised in profit or loss unless they clearly represent a recovery of part of the cost of the investment. Equity instruments held for trading are measured at FVTPL.

(vi) Derecognition of financial assets :

A financial asset is derecognised only when:

- i. the rights to receive cash flows from the financial asset have expired contract is discharged, cancelled or expires.
- ii. Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.
- iii. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial 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 applies the expected credit loss ("ECL") model under Ind AS 109 for the measurement and recognition of impairment loss on financial assets measured at amortised cost and at FVTOCI. ECL is the difference between all contractual cash flows that are due to the Company and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. ECLs are measured on an unbiased, probability-weighted basis that reflects the time value of money and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions.

For trade receivables and contract assets, the Company applies the simplified approach permitted by Ind AS 109 and recognises a loss allowance based on lifetime expected credit losses at each reporting date, using a provision matrix derived from historically observed default rates, adjusted for forward-looking estimates. For other financial assets, the loss allowance is measured at an amount equal to 12-month ECL unless there has been a significant increase in credit risk since initial recognition, in which case it is measured at lifetime ECL. The loss allowance recognised or reversed during the period is presented in the Statement of Profit and Loss.

C. Financial Liabilities

(i) Classification :

The Company recognise a financial liability in its balance sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

(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 :

(a) 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

Notes to the Standalone Financial Statements (Contd.)

(b) Financial Liabilities at fair value through statement of profit and loss ("FVTPL"):

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

(iv) 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.

(v) 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. Derivatives are carried as financial assets when the fair value is positive and financial liabilities when the fair value is negative.

D. Offsetting

Financial assets and financial liabilities are offset, and the net amount is presented in the Balance Sheet, only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

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.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — Inputs that are unobservable for the asset or liability.

For assets and liabilities that are recognised in the Financial Statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

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 (legal or constructive) 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 short term employee benefit, Provident Fund, Gratuity Fund, and Compensated Leave.

(i) Short term employee benefits:

Short-term employee benefits, including salaries, wages and bonus are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service, are recognised as an expense at the undiscounted amount in the period in which the service is rendered.

(ii) Defined contribution plans:

Defined contribution plan, it is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The company makes specified monthly contributions towards Provident fund and Employee State Insurance Scheme. The Company's contribution is recognized as an expense in the statement of profit & loss during the period in which employees renders the related services. There are no other obligations other than the contribution payable to the Provident Fund and Employee State Insurance Scheme.

Notes to the Standalone Financial Statements (Contd.)

(iii) Defined benefit plans – gratuity:

The Company operates a defined benefit gratuity plan in accordance with the Payment of Gratuity Act, 1972. The plan is unfunded; the Company does not maintain any plan assets and provides for the obligation in its books based on an actuarial valuation. The Company's net obligation in respect of the plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount to determine its present value, and recognising the resulting defined benefit obligation as a liability in the Balance Sheet. The valuation is carried out annually by a qualified independent actuary using the Projected Unit Credit Method. The discount rate used is determined by reference to the market yields on Government securities as at the reporting date having terms approximating the terms of the related obligation.

Current service cost, past service cost (recognised immediately when a plan amendment or curtailment occurs) and net interest expense on the defined benefit obligation are recognised in the Statement of Profit and Loss. As the plan is unfunded and there are no plan assets, net interest is computed by applying the discount rate to the defined benefit obligation. Re-measurements of the net defined benefit liability, comprising actuarial gains and losses arising from changes in demographic and financial assumptions and experience adjustments, are recognised in other comprehensive income in the period in which they arise and are not reclassified to profit or loss in subsequent periods.

(iv) 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 is transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in 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.

Rendering of Service:

Revenue from rendering of services is recognised in accordance with Ind AS 115, based on the terms of the contract and the Company's business practices. The Company identifies the distinct performance obligations in each contract and determines the transaction price as the amount it expects to be entitled to, net of taxes collected on behalf of the government, discounts, and rebates.

Revenue is recognised as, or when, control of the service is transferred to the customer:

Over time, where the customer simultaneously receives and consumes the benefits of the Company's performance, measured based on progress towards complete satisfaction of the performance obligation; or

At a point in time, on completion of the service, where the above criterion is not met.

Amounts billed but not yet earned are recognised as contract liabilities (advances from customers); amounts earned but not yet billed are recognised as contract assets (unbilled revenue).

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.

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 Income Taxes

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 :

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961. Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

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.

Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/ expense are recognized in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

As per the Appendix to Ind AS 12, the Company needs to assess whether it is probable that a tax authority will accept an uncertain tax treatment used or a treatment which is being proposed to be used in its income tax filings.

Notes to the Standalone Financial Statements (Contd.)

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.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- Weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

1.16 Segment Reporting

The operating segments have been identified on the basis of nature of products and same are accordingly evaluated by the Management of the Company. The Company

has identified 'Manufacturing of Adhesives & Emulsions' as its single reportable operating segment. There are no identified reportable geographical segments.

1.17 Leases

The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after 1st April 2019.

The Company's lease asset classes primarily consist of leases for office units in a building. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount is determined on an individual asset basis unless the asset does not generate cashflows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company recognizes the amount of the re-measurement of lease liability due to reassessment/ modification as an adjustment to the ROU and statement of profit and loss depending upon the nature of reassessment/modification. However, lease modification is accounted as separate lease if the modification increases the scope of the lease by adding the right to use one or more underlying assets and the consideration for lease increases by an amount commensurate with stand-alone price for the increase in the scope.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

1.18 Foreign exchange transactions

a) Functional and presentation currency

The standalone financial statements are presented in Indian Rupees (INR), which is entity's functional and presentation currency.

b) Transactions and Balances

Foreign currency transactions are translated into the functional currency, for initial recognition, using the exchange rates at the date of transactions.

All foreign currency denominated monetary assets and liabilities are translated at the exchange rates on the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalized as cost of assets. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

1.19 Derivative Financial instruments and hedge accounting

The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of item being hedged and the type of hedge relationship designated.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Forward exchange contracts

The Company enters into forward exchange contracts in nature of currency swaps and interest rate swaps 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.

Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the period in which the exchange rates change. Any Profit or Loss arising on cancellation or renewal of such forward exchange contract is also recognised as income or expense for the period.

1.20 Exceptional items

Exceptional items refer to items of income or expense within the income statement from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company and to assist users of financial statements in making

1.21 Events after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events (non-adjusting events) after the Balance Sheet date of material size or nature are only disclosed.

1.22 Dividend

The Company recognises a liability to make a distribution to its equity shareholders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution of a final dividend is authorised when it is approved by the shareholders, while an interim dividend is authorised when it is approved by the Board of Directors. A corresponding amount is recognised directly in equity.

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Notes to the Standalone Financial Statements for the Year Ended 31 March, 2026

NOTE 2 A : PROPERTY, PLANT AND EQUIPMENT

As at March 31, 2026		Gross carrying value			Depreciation/Amortisation			Net carrying value	
Particulars	As at April 01, 2025	Additions during the year	(Deductions) / Adjustments	As at March 31, 2026	As at April 01, 2025	Additions during the year	(Deductions) / Adjustments	As at March 31, 2026	As at March 31, 2025
Land	432.02	-	-	432.02	-	-	-	432.02	432.02
Buildings	2,550.54	8.51	-	2,559.05	571.74	82.63	-	1,904.68	1,978.80
Plant & Equipment	10,017.90	261.78	-	10,279.68	3,533.81	506.21	-	6,239.66	6,484.09
Furniture and Fixtures	312.95	2.51	-	315.46	129.25	23.73	-	162.48	183.70
Leasehold Improvements	38.88	-	-	38.88	36.84	0.53	-	1.52	2.05
Computers	128.70	2.50	-	131.20	115.45	5.81	-	9.94	13.25
Phone	17.78	-	-	17.78	13.77	-	-	4.01	4.01
Vehicles	132.71	-	-	132.71	97.61	9.78	-	25.32	35.10
Total	13,631.48	275.30	-	13,906.78	4,498.47	628.69	-	8,779.63	9,133.02

As at March 31, 2025		Gross carrying value			Depreciation/Amortisation			Net carrying value	
Particulars	As at April 01, 2024	Additions during the year	(Deductions) / Adjustments #	As at March 31, 2025	As at April 01, 2024	Additions during the year	(Deductions) / Adjustments	As at March 31, 2025	As at March 31, 2024
Land	432.02	-	-	432.02	-	-	-	432.02	432.02
Buildings	2,492.61	72.77	(14.84)	2,550.54	487.96	83.78	-	1,978.80	2,004.65
Plant & Equipment	9,276.48	852.88	(111.46)	10,017.90	3,064.70	469.14	(0.04)	6,484.09	6,211.78
Furniture and Fixtures	286.49	26.45	-	312.95	105.03	24.22	-	183.70	181.46
Leasehold Improvements	38.88	-	-	38.88	36.32	0.52	-	2.05	2.57
Computers	115.67	13.03	-	128.70	104.51	10.94	-	13.25	11.16
Phone	15.30	2.48	-	17.78	12.81	0.96	-	4.01	2.49
Vehicles	132.71	-	-	132.71	86.17	11.43	-	35.10	46.53
Total	12,790.16	967.61	(126.30)	13,631.47	3,897.51	600.99	(0.04)	9,133.01	8,892.65

The Adjustment in Plant & Equipment of Rs. 111.46 lakhs includes the subsidy received of Rs. 110.06 lakhs for Mehatpur Plant which is deducted from the Gross carrying value of the asset.
During the year FY 2024-25, the Company received a government grant amounting to Rs. 110.06 lakhs under the Industrial Development Scheme, 2017 in relation to the capital expenditure incurred at Mehatpur plant.
Part of above assets are collateral towards borrowings (refer note 18)

NOTE 2 B : RIGHT-OF-USE ASSETS

Following are the changes in the carrying value of Right-of-Use (ROU) assets for the year ended March 31, 2026:

Particulars	Category of ROU assets		Total
	Leasehold Land	Premises	
Balance as at April 01, 2025	178.04	243.70	421.74
Additions during the year	-	10.53	10.53
Deletion during the year	-	(2.57)	(2.57)
Depreciation / Amortisation for the year	(1.61)	(100.91)	(102.52)
Balance as at March 31, 2026	176.43	150.75	327.18

Following are the changes in the carrying value of Right-of-Use (ROU) assets for the year ended March 31, 2025:

Particulars	Category of ROU assets		Total
	Leasehold Land	Premises	
Balance as at April 01, 2024	179.64	300.88	480.53
Additions during the year	-	58.31	58.31
Deletion during the year	-	(10.40)	(10.40)
Depreciation / Amortisation for the year	(1.61)	(105.09)	(106.70)
Balance as at March 31, 2025	178.04	243.70	421.74

The aggregate depreciation expenses on ROU assets is included under depreciation and amortization expenses in the Statement of Profit and Loss. (Refer Note 35)

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NOTE 3 : CAPITAL WORK-IN-PROGRESS

(Amount in Lakhs)				
As at March 31, 2026				
Particulars	As at April 01, 2025	Additions during the year	Transfer to Property Plant and Equipment	As at March 31, 2026
Capital work-in-progress	-	96.83	-	96.83
Total	-	96.83	-	96.83

(Amount in Lakhs)				
As at March 31, 2025				
Particulars	As at April 01, 2024	Additions during the year	Transfer to Property Plant and Equipment	As at March 31, 2025
Capital work-in-progress	-	-	-	-
Total	-	-	-	-

Capital Work In Progress ageing schedule

(Amount in Lakhs)				
Particulars	Amount in CWIP for a period of			As at March 31, 2026
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	96.83	-	-	96.83
Project temporarily suspended	-	-	-	-

(Amount in Lakhs)				
Particulars	Amount in CWIP for a period of			As at March 31, 2025
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	-	-	-	-
Project temporarily suspended	-	-	-	-

There are no Capital Work-In-Progress where completion is overdue against original planned timelines or where estimated cost exceeds its original placed cost as on March 31, 2026 and March 31, 2025.

NOTE 4 : INTANGIBLE ASSETS

(Amount in Lakhs)									
As at March 31, 2026									
Particulars	Gross Carrying Value			Amortisation			Net Carrying Value		
	As at April 01, 2025	Additions during the year	Deductions/ Adjustments	As at March 31, 2026	As at April 01, 2025	Additions during the year	As at March 31, 2026	As at April 01, 2025	As at March 31, 2026
Intangible assets	-	64.50	-	64.50	-	21.50	21.50	-	43.00
Total	-	64.50	-	64.50	-	21.50	21.50	-	43.00

(Amount in Lakhs)									
As at March 31, 2025									
Particulars	Gross Carrying Value			Amortisation			Net Carrying Value		
	As at April 01, 2024	Additions during the year	Deductions/ Adjustments	As at March 31, 2025	As at April 01, 2024	Additions during the year	As at March 31, 2025	As at April 01, 2024	As at March 31, 2025
Intangible assets	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

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Notes to the Standalone Financial Statements for the Year Ended 31st March, 2026

NOTE 5: INTANGIBLE ASSETS UNDER DEVELOPMENT

(Amount in Lakhs)

Particular	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	64.50	-
Additions during the year	-	64.50
Capitalized during the year	(64.50)	-
Balance at the end of the year	-	64.50

There are no Intangible assets under development where completion is overdue against original planned timelines or where estimated cost exceeds its original placed cost as on March 31, 2026 and March 31, 2025.

NOTE 6 : INVESTMENTS

(Amount in Lakhs)

Particular	As at March 31, 2026	As at March 31, 2025
At Fair value through Other Comprehensive Income		
In quoted equity instruments		
800 (Previous Year : 800) Equity Shares of Bank of India of Rs. 10/- each	1.10	0.86
Total	1.10	0.86
Aggregate value of quoted invetsment	0.54	0.54
Aggregate market value of quoted invetsment	1.10	0.86

NOTE 7 : OTHER NON-CURRENT FINANCIAL ASSETS

(Amount in Lakhs)

Particular	As at March 31, 2026	As at March 31, 2025
Security deposits (other than utility deposits)	69.58	43.49
Total	69.58	43.49

NOTE 8 : OTHER NON-CURRENT ASSETS

(Amount in Lakhs)

Particular	As at March 31, 2026	As at March 31, 2025
Capital Advances	5.78	17.05
Prepaid rent	1.38	5.93
Total	7.16	22.98

NOTE 9 : INVENTORIES (AT LOWER OF COST OR NET REALISABLE VALUE)

(Amount in Lakhs)

Particular	As at March 31, 2026	As at March 31, 2025 (Restated)
Raw material and components	3,372.79	6,243.23
Fuels	5.86	3.74
Packing materials	380.43	353.35
Finished goods & Semi-finished goods	1,669.19	2,016.77
Stock-in-trade (acquired for trading)	-	104.43
Total	5,428.27	8,721.52

* With effect from 1st April 2025, the Company has changed its accounting policy for valuation of inventories - from FIFO Method to Weighted Average Method for Raw Materials and Packing Materials, and from FIFO Method to Standard Cost Method for other materials (Refer note 49)
Inventories are hypothecated against secured borrowings (Refer Note 23)

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Notes to the Standalone Financial Statements for the Year Ended 31st March, 2026

NOTE 10 : TRADE RECEIVABLES

(Amount in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good	15,961.44	11,412.89
Unsecured, credit impaired	54.27	-
Less: Expected credit loss allowance	(102.70)	(86.37)
Total	15,913.01	11,326.52

(a) Movement in Expected Credit Loss:

(Amount in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	86.37	84.08
Movement in expected credit loss allowance	16.33	2.29
Balance at the end of the year	102.70	86.37

(b) The accounts of trade receivables who have not responded to the Company's request for confirmation of balances, are subject to reconciliation, if any, required.

(c) There are no unbilled receivables as at March 31, 2026 and March 31, 2025.

Trade Receivables ageing schedule

(Amount in Lakhs)

Particulars	Outstanding for following periods from due date of payment						As at March 31, 2026
	Non-due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	11,479.33	4,180.79	299.56	1.75	-	-	15,961.43
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	30.03	24.24	-	-	54.27
SUB-TOTAL	11,479.33	4,180.79	329.59	25.99	-	-	16,015.71
Less: Expected credit loss allowance	-	-	-	-	-	-	(102.70)
TOTAL	-	-	-	-	-	-	15,913.01

Trade Receivables ageing schedule

(Amount in Lakhs)

Particulars	Outstanding for following periods from due date of payment						As at March 31, 2025
	Non-due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	11,269.23	143.66	-	-	-	11,412.89
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
SUB-TOTAL	-	11,269.23	143.66	-	-	-	11,412.89
Less: Expected credit loss allowance	-	-	-	-	-	-	(86.37)
TOTAL	-	-	-	-	-	-	11,326.52

NOTE 11 : CASH AND CASH EQUIVALENTS

(Amount in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Balance with Banks :		
(a) Current Accounts	236.34	429.52
(b) Term Deposits with original maturity of three month or less	-	-
(ii) Cash on hand	8.48	2.35
Total	244.82	431.87

NOTE 12 : BANK BALANCES OTHER THAN ABOVE

(Amount in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Term deposits with more than three months maturity	1.24	117.93
In earmarked accounts		
- Deposit repayment reserve account	74.74	20.35
- Unpaid Dividend Account #	6.21	5.53
Total	82.19	143.81

The Company can utilise its balance only towards settlement of unclaimed dividend.

NOTE 13 : OTHER CURRENT FINANCIAL ASSETS

(Amount in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Security deposits - utility	49.62	63.37
Loan to Staff	13.52	3.48
Accrued Income	229.68	-
Other current financial assets	-	18.18
Total	292.82	85.03

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Notes to the Standalone Financial Statements for the Year Ended 31st March, 2026

NOTE 14 : CURRENT TAX ASSETS / (LIABILITIES)

(Amount in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Current tax assets	1,737.18	1,245.14
Current tax liabilities	(1,816.99)	(1,251.99)
Total	(79.81)	(6.85)

NOTE 15 : OTHER CURRENT ASSETS

(Amount in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good :		
Advance to suppliers	501.63	435.43
Balances with government authorities	14.85	15.05
Prepaid expenses	124.52	118.58
Total	641.00	569.06

NOTE 16 : EQUITY SHARE CAPITAL

(Amount in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Authorised		
4,95,00,000 Equity shares of Re. 1/- each (Previous Year: 4,95,00,000 Equity shares of Re. 1/- each)	495.00	495.00
50,000 (Previous Year: 50,000 Preference share of Re. 10/- each) 8% Preference shares of Re. 10/- each	5.00	5.00
Issued		
4,59,43,000 Equity shares of Re. 1/- each (Previous Year: 4,59,43,000 Equity shares of Re. 1/- each)	459.43	459.43
Subscribed and fully paid up		
4,59,43,000 Equity shares of Re. 1/- each (Previous Year: 4,59,43,000 Equity shares of Re. 1/- each)	459.43	459.43
Total	459.43	459.43

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

(Amount in Lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	4,59,43,000	459.43	4,59,43,000	459.43
Outstanding at the end of the year	4,59,43,000	459.43	4,59,43,000	459.43

(b) Terms/rights attached to equity shares:

The Company has one class of Equity shares having a par value of Re. 1/- per share. Each shareholder is eligible for 1 vote per share held. The dividend if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

During the year ended March 31, 2026, the Company has paid final dividend of Rs. 0.22/- per Equity Share of face value of Rs. 1/- each aggregating to Rs 100.88 Lakhs.

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Notes to the Standalone Financial Statements for the Year Ended 31 March, 2026

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

Name of Shareholder	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	% holding	No. of Shares	% holding
Equity shares of Rs. 1/- each fully paid :				
Mrunalini R. Sanghavi	47,61,130	10.36	47,61,130	10.36
Rekha T. Sanghavi	48,46,730	10.55	48,46,730	10.55
Vasant Polymers & Chemicals Private Limited	50,36,000	10.96	50,36,000	10.96
Anita Umesh Sanghavi	39,21,240	8.54	39,21,240	8.54

(d) Equity shares movement during five years preceding March 31, 2026

Particulars	FY 2024-25	FY 2023-24	FY 2022-23	FY 2021-22	FY 2020-21
Equity shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash	Nil	Nil	Nil	Nil	Nil
Equity shares allotted as fully paid-up bonus shares	Nil	Nil	Nil	Nil	Nil
Equity shares bought back	Nil	Nil	Nil	Nil	Nil

Note: There has been no allotment of equity shares pursuant to contract(s) without payment being received in cash, no issuance of bonus shares, and no buy-back of equity shares by the Company during the five years immediately preceding March 31, 2026.

(e) Disclosure of Shareholding of Promoters

Shares held by promoters at the end of the year					% Change during the year
Promoter Name	As at March 31, 2026		As at March 31, 2025		
	No. of shares	% of total shares	No. of shares	% of total shares	
Rekha Tarak Sanghavi	48,46,730	10.55	48,46,730	10.55	0.00%
Mrunalini Rajendra Sanghavi	47,61,130	10.36	47,61,130	10.36	0.00%
Anita Umesh Sanghavi	39,21,240	8.54	39,21,240	8.54	0.00%
Rajendra Jayantilal Sanghavi	11,97,000	2.61	11,97,000	2.61	0.00%
Tarak Jayantilal Sanghavi	11,24,900	2.45	11,24,900	2.45	0.00%
Umesh Jayantilal Shanghavi	9,53,400	2.08	9,53,400	2.08	0.00%
Nikhil Umesh Sanghavi	13,74,450	2.99	13,74,450	2.99	0.00%
Hemal Umesh Sanghavi	13,72,680	2.99	13,64,450	2.97	0.60%
Rajendra Jayantilal Sanghavi HUF	5,51,000	1.20	5,51,000	1.20	0.00%
Umesh Jayantilal Sanghavi HUF	5,47,000	1.19	5,47,000	1.19	0.00%
Tarak Jayantilal Sanghavi HUF	5,35,500	1.17	5,35,500	1.17	0.00%
Avni Vinit Bhuva	8,27,300	1.80	8,27,300	1.80	0.00%
Ami Tarak Sanghavi	8,28,300	1.80	8,28,300	1.80	0.00%
Tulsi Rajendra Sanghavi	8,27,300	1.80	8,27,300	1.80	0.00%
Janaki Tarak Sanghavi	8,28,300	1.80	8,28,300	1.80	0.00%
Ashok Jayantilal Sanghavi	800	0.00	800	0.00	0.00%
Payal Ashok Sanghavi	7,000	0.02	7,000	0.02	0.00%
Sagar Ashok Sanghavi	5,11,300	1.11	5,11,300	1.11	0.00%
Ashok Jayantilal Sanghavi HUF	3,000	0.01	3,000	0.01	0.00%
	2.50.18.330	54.47	2.50.10.100	54.45	

(f) Details of forfeited shares :

Class of shares	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares	2,13,200	1.07	2,13,200	1.07

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Notes to the Standalone Financial Statements for the Year Ended 31st March, 2026

NOTE 17 : OTHER EQUITY

(Amount in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Capital Reserve		
Balance at the beginning of the year	4.00	4.00
Addition during the year	-	-
Deductions during the year	-	-
Balance at the end of the year	4.00	4.00
Securities premium		
Balance at the beginning of the year	1,500.00	1,500.00
Addition during the year	-	-
Deductions during the year	-	-
Balance at the end of the year	1,500.00	1,500.00
Retained Earnings		
Balance at the beginning of the year (as previously reported)	10,342.60	8,814.72
Impact of change in accounting policy (Note 49)	-	(44.76)
Balance at the beginning of the year (Restated)	10,342.60	8,769.96
Profit/(Loss) for the year	1,735.99	1,664.69
Dividend paid to equity shareholders	(100.88)	(92.05)
Balance at the end of the year	11,977.71	10,342.60
General Reserve		
Balance at the beginning of the year	642.87	642.87
Addition during the year	-	-
Deductions during the year	-	-
Balance at the end of the year	642.87	642.87
Other Comprehensive Income		
Balance at the beginning of the year	(38.40)	(23.33)
Movement in other comprehensive income (net)	16.37	(15.07)
Balance at the end of the year	(22.03)	(38.40)
Share Forfeiture		
Balance at the beginning of the year	1.07	1.07
Addition during the year	-	-
Deductions during the year	-	-
Balance at the end of the year	1.07	1.07
Total Other Equity	14,103.62	12,452.14

Nature and purpose of reserve

(a) Capital Reserve

The Capital reserve represents the amount recognised long back upon takeover of a running manufacturing unit.

(b) Securities premium

Securities Premium reserves is used to record the premium on issue of shares. The reserve can be utilized only for limited purposes such as issuance of bonus shares, writing off the preliminary expenses in accordance with the provisions of the Companies Act, 2013.

(c) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

(d) General reserve

General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

(e) Other comprehensive income

Other comprehensive income of Rs. 16.37 lakhs consists of :

- (i) Remeasurement gain on employees defined benefit expenses of Rs. 21.56 lakhs and deferred tax charge thereon of Rs. 5.43 Lakhs
- (ii) Fair value gain arising out of change in fair value of investment in equity shares of Rs. 0.24 lakhs

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Notes to the Standalone Financial Statements for the year Ended 31st March, 2026

NOTE 18 : NON CURRENT BORROWINGS

(Amount in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Secured :		
From banks :		
Vehicle finance	-	4.30
Term loans	561.24	1,172.33
Total	561.24	1,176.63
Unsecured Deposits		
From shareholders	413.62	1,304.37
Total	413.62	1,304.37
Grand total	974.86	2,481.01

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

(Amount in Lakhs)

Particulars	Security and terms of repayment as at March 31, 2026	As at March 31, 2026	As at March 31, 2025
HDFC Bank Ltd			
Term Loan I	(a) Secured against first charge on present and future movable and immovable fixed assets of the plant at Dahej. (b) Repayable in remaining 8 monthly installments, last installment being due in Nov 2026. Rate of interest is variable and is depending on the prevailing MCLR Bill rates plus spread as per the sanction letter with respective banks and the interest charged by the banks.	-	68.59
Term Loan II	(a) Secured against first charge on present and future movable and immovable fixed assets of the plant at Dahej (b) Repayable in remaining 15 monthly installments, last installment being due in June 2027. Rate of interest is variable and is depending on the prevailing MCLR Bill rates plus spread as per the sanction letter with respective banks and the interest charged by the banks.	41.49	112.83

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Notes to the Standalone Financial Statements for the Year Ended 31st March, 2026

(Amount in Lakhs)

Term Loan III	(a) Secured against first charge on present and future movable and immovable fixed assets of the plant at Dahej (b) Repayable in remaining 18 monthly installments, last installment being due in September 2027. Rate of interest is variable and is depending on the prevailing MCLR Bill rates plus spread as per the sanction letter with respective banks and the interest charged by the banks.	99.49	298.50
Term Loan IV	(a) Secured against first charge on present and future movable and immovable fixed assets of the plant at Dahej. (b) Repayable in remaining 28 monthly installments, last installment being due in July 2028. Rate of interest is variable and is depending on the prevailing MCLR Bill rates plus spread as per the sanction letter with respective banks and the interest charged by the banks.	420.26	692.42
Total		561.24	1,172.33
Vehicle Finance			
HDFC Bank Vehicle - Term Loan	(a) Secured against hypothecation of the vehicle financed. (b) Repayable in 21 monthly installments, last installment being due in December 2026. (c) Rate of Interest is 7.00%.	-	4.30
Total		-	4.30

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

(Amount in Lakhs)

Particulars	Security and terms of repayment as at March 31, 2026	As at March 31, 2026	As at March 31, 2025
From Shareholders	Deposits repayable as per maturity terms not exceeding 3 years	413.62	1,304.37
Total		413.62	1,304.37

(c) The aggregate maturities of undiscounted borrowings, based on contractual maturities

(Amount in Lakhs)

Particulars	Less than 1 year	Between 1 - 5 years	More than 5 years	Total	Carrying value
As at March 31, 2026					
Borrowings	5,613.82	977.95	-	6,591.77	6,585.67
As at March 31, 2025					
Borrowings	3,095.90	2,487.11	-	5,583.01	5,573.85

Note

(a) Secured long term borrowings of Rs. 561.25 lakhs (Rs. 1,172.33 lakhs) are personally guaranteed by some of the directors of the Company.

(b) Current maturities of Term Loans and Vehicle Finance from Bank amounting to Rs. 1,037.89 lakhs (Previous Year Rs. 799.57 lakhs) is disclosed under 'Current Borrowings' (Refer Note 23)

NIKHIL ADHESIVES LIMITED

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Notes to the Standalone Financial Statements for the Year Ended 31st March, 2026

NOTE 19 (a) : LEASE LIABILITIES

Particulars	(Amount in Lakhs)			
	Non-Current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Lease Liabilities	61.12	174.61	121.77	106.11
Total	61.12	174.61	121.77	106.11

The aggregate maturities of long term leases, based on contractual undiscounted cash flows are as follows :

Particulars	Less than 1 year	Between 1 - 5 years	More than 5 years	Total	Carrying value
As at March 31, 2026					
Lease Liabilities	135.24	64.10	-	199.34	182.89
As at March 31, 2025					
Lease Liabilities	130.92	190.10	-	321.02	280.73

(b) Movement in Lease Liabilities

Particulars	(Amount in Lakhs)	
	FY 2025-2026	FY 2024-25
Opening Balance	280.73	322.24
Additions	10.88	59.19
Deletions / Adjustments	2.81	8.78
Finance cost	24.73	33.60
Repayment (including interest on lease liabilities)	130.64	125.52
Lease rent waived	-	-
Closing Balance	182.89	280.73

(c) Movement in Right-of-Use (ROU) Assets

Particulars	(Amount in Lakhs)	
	For the year ended	For the year ended
	March 31, 2026	March 31, 2025
Right-of-use assets recognized at the beginning of the year	421.74	480.53
Additions to Right-of-use assets during the year	10.53	58.31
Deletions to Right-of-use assets during the year	2.57	10.40
Depreciation on Right-of-use of assets	102.52	106.70
Total Right-of-Use Assets as at the year end	327.18	421.74

(d) Impact on Cash flows on account of Lease Payments

Particulars	(Amount in Lakhs)	
	For the year ended	For the year ended
	March 31, 2026	March 31, 2025
Cash out flow of Lease expenses -		
Expense relating to short term leases and low value assets	90.94	58.32
Expenses relating to long term leases	130.64	125.52
Expenses relating to lease renewed on short term basis	-	-
Total cash outflow for leases	221.58	183.84

(e) Impact of Ind AS 116 on the Statement of Profit and Loss:

Particulars	(Amount in Lakhs)	
	For the year ended	For the year ended
	March 31, 2026	March 31, 2025
Interest on lease liabilities	24.73	33.60
Depreciation of Right-of-use assets	102.52	106.70
Deferred tax (credit)/charge	5.55	(4.13)
(Gain)/Loss on termination of lease	(0.28)	-
Impact on the Statement of Profit and Loss	132.52	136.17

NIKHIL ADHESIVES LIMITED
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Notes to the Standalone Financial Statements for the Year Ended 31st March, 2026

NOTE 20 : OTHER NON-CURRENT FINANCIAL LIABILITIES

(Amount in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Interest accrued but not due on public deposits	34.77	59.89
Other Payables	64.88	90.89
Total	99.65	150.78

NOTE 21 : PROVISIONS

(Amount in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits		
Provision for gratuity	203.14	191.97
Total	203.14	191.97

NOTE 22 : DEFERRED TAX (ASSETS) / LIABILITIES (NET)

Movement in Deferred Tax Balances during the Year ended March 31, 2026

(Amount in Lakhs)

Components of Deferred Tax	Deferred Tax (Asset) / Liability Balance as on April 01, 2025	Deferred Tax charge/(credit) on Profit & Loss	Deferred Tax charge/(credit) on Other Comprehensive Income	Deferred Tax (Asset) / Liability Balance as on March 31, 2026
Deferred Tax Liabilities/(Assets) -				
- Difference between written down value of fixed assets as per the books of accounts and Income Tax Act, 1961	671.66	22.09	-	693.75
- Borrowing Cost Adjustments for Term Loans	2.30	(0.77)	-	1.53
- Provision for gratuity expense allowable in income tax when actually paid	(56.60)	12.50	-	(44.10)
- Expected Credit Loss	(21.74)	(5.23)	-	(26.97)
- Difference in Right-of-use asset and lease liabilities	(13.75)	5.55	-	(8.20)
- Remeasurement of the defined benefit plans through OCI	(15.53)	-	5.43	(10.10)
- Change in Accounting Policy	(22.20)	22.20	-	-
Net Deferred Tax Liabilities / (Assets)	544.14	56.34	5.43	605.91

Movement in Deferred Tax Balances during the Year ended March 31, 2025

(Amount in Lakhs)

Components of Deferred Tax	Deferred Tax (Asset) / Liability Balance as on April 01, 2024	Deferred Tax charge/(credit) on Profit & Loss	Deferred Tax charge/(credit) on Other Comprehensive Income	Deferred Tax (Asset) / Liability Balance as on March 31, 2025
Deferred Tax Liabilities/(Assets)				
- Difference between written down value of fixed assets as per the books of accounts and Income Tax Act, 1961	616.79	54.87	-	671.66
- Borrowing Cost Adjustments for Term Loans	0.35	1.95	-	2.30
- Provision for gratuity expense allowable in income tax when actually paid	(45.36)	(11.24)	-	(56.60)
- Expected Credit Loss	(21.16)	(0.58)	-	(21.74)
- Difference in Right-of-use asset and lease liabilities	(9.62)	(4.13)	-	(13.75)
- Remeasurement of the defined benefit plans through OCI	(10.54)	-	(4.99)	(15.53)
- Change in Accounting Policy	(15.05)	(7.15)	-	(22.20)
Net Deferred Tax Liabilities / (Assets)	515.41	33.72	(4.99)	544.14

NIKHIL ADHESIVES LIMITED
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Notes to the Standalone Financial Statements for the Year Ended 31st March, 2026
NOTE 23 : CURRENT BORROWINGS
(Amount in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Secured (Refer (a) and (b) below) :		
Cash credit from banks	3,617.96	2,293.28
Current maturities of Long term debt (secured)	1,037.89	799.57
Unsecured :		
Inter corporate loan repayable on demand	30.00	-
CITI Bank (Purchase Bill Discounting)	924.96	-
Total	5,610.81	3,092.85

(a) Particulars of the secured short-term borrowings:
(Amount in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Cash Credit from Banks		
1) Bank of India	61.14	5.35
2) DBS Bank (Purchase Bill Discounting)	2,425.04	1,771.25
3) Yes Bank	714.85	483.12
4) DBS Bank	416.92	-
5) SCB Bank	-	33.56
Total	3,617.95	2,293.28

(b) Particulars of security for the secured borrowings
Nature of Security for cash credit facilities

The facilities from the consortium banks viz. Bank of India, Yes Bank and DBS Bank are secured against hypothecation of stock of raw & packing materials, finished & semi 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 Dahej, Silvassa, Dahanu & Tumkur.

Rate of Interest

Rate of interest is variable and is depending on the prevailing MCLR Bill rates plus spread as per the sanction letter with respective banks and the interest charged by the banks

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Notes to the Standalone Financial Statements for the Year Ended 31 March, 2026

NOTE 24 : TRADE PAYABLES

(Amount in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Trade payables		
a) Total outstanding dues of micro & small enterprises	400.76	486.18
b) Total outstanding dues of creditors other than micro & small enterprises	6,397.75	7,970.40
Total	6,798.51	8,456.59

The accounts of trade payables who have not responded to the Company's request for confirmation of balances, are subject to reconciliation,
Trade Payable ageing schedule

(Amount in Lakhs)

Particulars	Outstanding for following periods from due date of payment					As at March 31, 2026
	Non - Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	400.76	-	-	-	400.76
(ii) Others	-	6,397.75	-	-	-	6,397.75
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
TOTAL	-	6,798.51	-	-	-	6,798.51

(Amount in Lakhs)

Particulars	Outstanding for following periods from due date of payment					As at March 31, 2025
	Non - Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	791.24	-	-	-	791.24
(ii) Others	-	7,970.40	-	-	-	7,970.40
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
TOTAL	-	8,761.64	-	-	-	8,761.64

NOTE 25 : OTHER CURRENT FINANCIAL LIABILITIES

(Amount in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Other Payables:		
Consumer schemes payable	1,513.45	1,435.22
Outstanding expenses	185.41	150.47
Employee benefit expenses payable	-	144.67
Forward contract liability	7.95	16.45
Security Deposits (customers)	81.22	112.39
Provision for CSR Expenditure (Refer Note 48)		
- Ongoing Project	-	12.95
- Other than Ongoing Project	-	-
Interest accrued but not due on public deposits	71.45	14.64
Unclaimed dividend*	6.21	5.53
Liabilities for expenses	687.95	752.25
Liabilities for Capital Expenditure	36.26	27.01
Total	2,589.90	2,671.57

*During the financial year ended March 31, 2026, there has been a delay in the remittance of unclaimed dividends amounting to Rs. 49,230 to the IEPF due to the dividend bank accounts of the company being dormant. The reactivation of the said bank accounts requires certain formalities and additional time. The Company is taking necessary steps to complete the transfer to IEPF and ensure timely compliance in future. The due date for this transfer was November 03, 2025. This amount remains outstanding as on March 31, 2026.

NOTE 26 : OTHER CURRENT LIABILITIES

(Amount in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Advances from customers	56.34	47.39
Statutory dues payable	149.49	118.64
Total	205.83	166.03

NOTE 27 : PROVISIONS

(Amount in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Current provision for employee benefits		
Gratuity	12.23	10.33
Total	12.23	10.33

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Notes to the Standalone Financial Statements for the Year Ended 31 March, 2026

NOTE 28A : REVENUE FROM OPERATIONS

(Amount in Lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of products :		
(a) Manufactured goods	52,665.48	54,654.41
(b) Traded goods	2,071.46	3,595.92
	54,736.94	58,250.33
Other operating revenues :		
(a) Service charges	605.99	893.77
(b) Insurance Claim received	0.43	42.13
(c) Indenting Income	4.02	22.07
	610.44	957.96
Revenue from operations	55,347.38	59,208.29

Note: During the year ended March 31, 2026, sales promotion expenses have been presented separately under the relevant expense head. In the corresponding year ended March 31, 2025, such expenses were netted off against revenue from operations. Accordingly, the comparative figures for the corresponding year ended March 31, 2025 have been reclassified to conform to the current period presentation and to enhance comparability of the financial information. This reclassification has no impact on the reported profit for the year or earnings per share.

NOTE 28B : RECONCILIATION OF GROSS REVENUE WITH REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Gross Revenue	54,992.74	58,570.34
Less : Discounts/Rebates/Credits/Incentives	255.80	320.01
Net Revenue recognised as Revenue from Operations	54,736.94	58,250.33

NOTE 28C : REVENUE FROM CONTRACT WITH CUSTOMERS AS PER DISCLOSURE REQUIREMENTS UNDER IND AS 115

i. Performance obligation

Revenue from sale of goods measured upon satisfaction of performance obligation which is at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods.

(Amount in Lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue recognised at point in time	54,741.39	58,314.52
Revenue recognised over time	605.99	893.77
Total	55,347.38	59,208.29

NIKHIL ADHESIVES LIMITED
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Notes to the Standalone Financial Statements for the Year Ended 31 March, 2026

ii. Disaggregation of revenue

The Company primarily derives revenue from sale of products from following major segments:

(Amount in Lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A. Revenue From Contracts With Customers Disaggregated Based On Nature Of Product Or Services		
<u>i. Revenue from Sale of Products</u>		
- Manufacturing sales	52,665.48	54,654.41
- Trading Sales	2,071.46	3,595.92
a	54,736.94	58,250.33
<u>ii. Other Operating Revenue</u>		
- Service charges income	605.99	893.77
- Other Operating revenue	4.45	64.20
b	610.44	957.96
Total (a+b)	55,347.38	59,208.29
B. Revenue From Contracts With Customers Disaggregated Based On Geography		
- Home market	54,278.46	58,316.32
- Export	1,068.92	891.97
	55,347.38	59,208.29

iii. Contract Liability (advance from customers)

(Amount in Lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Advance from Customers	56.34	47.39

NOTE 29 : OTHER INCOME

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Other non-operating income :		
(a) Interest Income received	8.47	9.77
(b) Scrap sales	43.43	50.18
(c) Gain on sale of asset	-	5.16
(d) Bad Debts Recovered	10.93	-
(e) Government Grant Received*	66.54	-
(f) Amounts written back	70.50	-
(g) Export duty draw back	14.85	-
(h) Other Income	20.15	0.77
Total	234.87	65.88

* During the year, the Company received a one-time refund of ₹66.54 lakhs under the Industrial Policy 2019, representing reimbursement of SGST paid to Himachal Pradesh State Government in earlier periods. As this grant does not relate to any future costs or ongoing conditions, it has been recognized in full in the Statement of Profit and Loss in accordance with paragraph 20 of Ind AS 20. There are no unfulfilled conditions or contingencies attached to this grant as at the balance sheet date.

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Notes to the Standalone Financial Statements for the Year Ended 31 Mar, 2026

NOTE 30 : COST OF MATERIALS CONSUMED

(Amount in Lakhs)		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025 (Restated)
Raw materials consumed		
Opening stock	6,243.23	4,341.97
Add : Purchases	33,292.48	40,871.42
	39,535.71	45,213.39
Less : Closing stock	3,300.52	6,243.23
Sub total (A)	36,235.19	38,970.16
Packing materials consumed		
Opening stock	353.35	336.58
Add : Purchases	2,917.18	3,169.26
	3,270.53	3,505.83
Less : Closing stock	380.43	353.35
Sub total (B)	2,890.10	3,152.49
Total (A)+(B)	39,125.29	42,122.65

NOTE 31 : PURCHASE OF TRADED GOODS

(Amount in Lakhs)		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025 (Restated)
Purchase of stock-in-trade	1,854.87	3,231.32
Total	1,854.87	3,231.32

NOTE 32 : CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE

(Amount in Lakhs)		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025 (Restated)
Opening Stock		
(a) Finished goods & Semi-finished goods	2,016.77	2,392.04
(b) Goods in transit (finished goods)	-	-
(c) Stock-in-trade	104.43	464.05
Sub Total (A)	2,121.20	2,856.09
Less : Closing Stock		
(a) Finished goods & Semi-finished goods	1,669.19	2,016.77
(b) Goods in transit (finished goods)	-	-
(c) Stock-in-trade	78.13	104.43
Sub Total (B)	1,747.32	2,121.20
Total (A)-(B)	373.88	734.89

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Notes to the Standalone Financial Statements for the Year Ended 31 Mar, 2026

NOTE 33 : EMPLOYEE BENEFIT EXPENSE

(Amount in Lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries and wages	2,500.06	2,197.22
Contributions to provident and other funds	147.70	120.03
Staff welfare expenses	89.40	87.58
Total	2,737.16	2,404.83

NOTE 34 : FINANCE COSTS

(Amount in Lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest on bank borrowings		
- Term Loans	129.02	202.16
- Cash Credits	69.54	67.24
Interest on bill discounting	209.23	256.95
Interest on public deposits	87.23	125.76
Interest on Lease Liabilities	24.73	33.60
Other borrowing costs	115.19	126.20
Total	634.94	811.91

NOTE 35 : DEPRECIATION AND AMORTIZATION EXPENSE

(Amount in Lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation of Property Plant and Equipment	628.69	600.52
Depreciation on Right-of-Use assets	102.52	107.13
Amortisation of intangible assets	21.50	-
Total	752.71	707.65

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Notes to the Standalone Financial Statements for the year Ended 31 Mar, 2026

NOTE 36 : OTHER EXPENSES

	(Amount in Lakhs)	
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Stores and spares consumed	143.58	146.99
Power and fuel	916.99	956.45
Labour charges	816.39	1,022.12
Rent	90.94	63.58
Rates and Taxes	23.28	12.60
Repairs and maintenance :		
- Plant & machinery	96.89	104.25
- Building	18.87	14.94
- Others	29.22	17.52
Printing and stationery	25.45	31.79
Insurance	77.31	75.33
Storage charges (net)	200.01	208.05
Telephone expenses	13.22	13.93
Postage and Courier	23.47	23.06
Travelling and conveyance expenses	438.31	426.59
Legal and professional charges	308.76	223.97
Payment to Auditors (Refer Note (i) below)	14.65	13.00
Sales promotion expenses	2,319.31	1,898.55
Transportation and octroi charges	1,478.43	1,478.73
Brokerage and commission	36.47	44.52
Donation	1.53	7.69
Corporate Social Responsibility (CSR) expenses	42.71	45.00
Bad debts written off	99.39	21.33
Directors sitting fees	10.65	8.45
Membership and Subscription	11.57	16.84
Miscellaneous expenses	65.37	69.44
Expected credit loss	16.32	2.29
Information Technology Expenses	165.74	77.83
Foreign Exchange fluctuation loss	228.12	22.65
Total	7,712.95	7,047.49

Note (i) : Payment to Auditors

	(Amount in Lakhs)	
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
As Auditor	10.90	10.00
For Limited review reports	3.00	2.70
For Taxation matters	0.65	-
For Certifications	0.10	0.30
Total	14.65	13.00

NOTE 37 : EXCEPTIONAL ITEMS

The Government of India notified the provisions of the four new Labour Codes ("Labour Codes") on 21st November 2025, thereby consolidating twenty-nine existing labour laws into a comprehensive and unified framework. Among other changes, the Labour Codes provide a unified definition of "wages" to be applied across various employee benefit computations. In accordance with Ind AS 19 - Employee Benefits, the Company has recognised one-time expense of Rs. 33.13 lakhs towards increase in the gratuity liability. The Company continues to monitor the finalisation of Central and State Rules and clarifications from the Government on the New Labour Codes and would provide appropriate accounting effect on the basis of such developments as needed.

NOTE 38 : CONTINGENT LIABILITIES AND COMMITMENTS

	(Amount in Lakhs)	
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Contingent liabilities not provided for:		
Income Tax demand against the Company not provided for and relating to issues of short deduction of Tax.	8.53	16.84
Total	8.53	16.84
Commitments:		
Estimated amount of contracts remaining to be executed on Capital Account*	503.17	-
Total	503.17	-

* This amount is to be incurred over a period of 2 years.

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Notes to the Standalone Financial Statements for the Year Ended 31 March, 2026

NOTE 39 : EARNINGS PER SHARE

(Amount in Lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Net profit after tax available to the equity shareholders	1,735.98	1,664.72
Weighted average number of equity shares	4,59,43,000	4,59,43,000
Basic and diluted earnings per share (FV Re. 1/- each)	3.78	3.62

NOTE 40 : EMPLOYEE BENEFIT EXPENSE

(a) Defined contribution plans:

The amount recognised as expense in respect of defined contribution plans (Contribution to provident fund & Employee state insurance corporation) aggregate to Rs. 95.75 lakhs (previous year Rs. 83.02 lakhs).

(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.

(Amount in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
(a) Charge to statement of profit and loss		
Net employee benefit expenses (recognized in employee benefit expense)		
Current service cost	37.57	25.94
Interest on defined benefit obligation	14.38	11.07
(Expected returns on plan assets)	-	-
Past Service Cost	-	-
Net actuarial losses / (gains) recognized in the year	-	-
Total included in employee benefit expenses	51.95	37.01
(a) Charge to statement of exceptional item		
Past Service Cost	33.13	-
Total included in exceptional item	33.13	-
(b) Charge to other comprehensive income		
Net amount recognised in the Other Comprehensive Income for the year		
Actuarial (Gains) / Losses	(21.56)	19.82
Return on plan assets, excluding amount recognised in net	-	-
Total included in other comprehensive income	(21.56)	19.82
(c) Balance sheet (Refer note 21 & 27)		
Details of provision on actuarial basis		
Fair value of plan assets at the end of the period		
Discounted present value of accrued liability as at the year end determined as per Actuarial valuation	(215.36)	(202.30)
Amount in balance sheet	(215.36)	(202.30)
(d) Break - up of amount reflected in the Balance Sheet		
Non-current liability (Refer note 21)	203.13	191.97
Current liability (Refer note 27)	12.23	10.33
Amount of provision in balance sheet	215.36	202.30
(e) Changes in the present value of the defined benefit obligation are as follows:		
Liability at the beginning of the year	202.30	157.63
Interest costs	14.38	11.07
Current Service Cost	37.57	25.94
Past Service Cost	33.13	-
Expenses recognised in OCI	(21.56)	19.82
Benefit paid directly by the Company	(50.46)	(12.16)
Contribution made	-	-
Actuarial (gain) / losses	-	-
Liability/(asset) at the end of the year	215.36	202.30
(f) Principal actuarial assumptions as at the balance sheet date:		
Discount rate	7.73%	6.89%
Rate of return on plan assets	N.A.	N.A.
Salary Increase	6.50%	6.50%
Employee Turnover	2.00%	2.00%
Mortality	Indian Assured Lives Mortality (2012-14) (Urban)	
(g) Quantitative sensitivity analysis for the principal assumptions are as follows*:		
Discount rate		
Increase by 1.00%	(19.79)	(19.60)
Decrease by 1.00%	23.21	23.14
Salary Increase		
Increase by 1.00%	21.08	18.88
Decrease by 1.00%	(18.11)	(16.04)
Employee Turnover		
Increase by 1.00%	1.49	0.92
Decrease by 1.00%	(1.81)	(1.08)

* The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

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Notes to the Standalone Financial Statements for the Year Ended 31st March, 2026

NOTE 41 : SEGMENT REPORTING

Until 31 March 2025, the Company reported its operations under two reportable segments — (a) Manufacturing of adhesives, binders, emulsions, chemicals, monomers and solvents, and (b) Trading in chemicals and others. During the year ended 31 March 2026, trading activity has significantly scaled down. As a result, the trading segment no longer meets the quantitative thresholds for a separately reportable segment under paragraph 13 of Ind AS 108 'Operating Segments' and is no longer considered of continuing significance under paragraph 17. Accordingly, with effect from 1 April 2025, the Company has identified 'Manufacturing of Adhesives & Emulsion' as its single reportable operating segment. There are no identified reportable geographical segments.

Revenue from individual customer account for more than 10% of the total revenue is as below:

(Amount in Lakhs)

Particulars	As at March 31, 2026	
	Revenue Contribution more than 10%	Percentage of Revenue Contribution
Sale of Goods:		
Customer A	6,996.22	12.78%
Customer B	7,441.21	13.59%
Rendering of Services:		
Customer A	605.99	100%

Revenue from individual customer account for more than 10% of the total revenue is as below:

(Amount in Lakhs)

Particulars	As at March 31, 2025	
	Revenue Contribution more than 10%	Percentage of Revenue Contribution
Sale of Goods:		
Customer A	8,771.06	15.06%
Customer B	9,285.43	15.94%
Rendering of Services:		
Customer A	893.76	100%

Note 42 : Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2024-25, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

(Amount in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Principal amount remaining unpaid at the end of the financial	485.34	791.24
(b) Interest due thereon remaining unpaid	-	-
(c) The amount of interest paid u/s 16 of MSMED Act, along with the amounts of payments made to the supplier beyond the appointed day during each accounting year		
Principal paid beyond the appointed date	-	-
Interest paid in terms of section 16 of the Act	-	-
(d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(e) The amount accrued and remaining unpaid at the end of each accounting period	-	-
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to small enterprise, this is required for the purpose of disallowance as a deductible expenditure u/s 23 of the Act.	-	-

*The disclosures in respect of the amounts payable to such enterprises as at March 31, 2026 and March 31, 2025 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

Note 43 : Disclosure As Per Section 186 of The Companies Act, 2013

The details of investments made under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows :

Investments

(Amount in Lakhs)

Name of the entity	Nature	As at March 31, 2026	As at March 31, 2025
Bank Of India (800 shares)	Investment in equity shares	1.10	0.86

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Notes to the Standalone Financial Statements for the Year Ended 31 March, 2026

NOTE 44 : RELATED PARTY DISCLOSURES

Related Party Disclosures as required by IND-AS - 24 'Related Party Disclosures' are given below

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

Sr	Name	Nature of Relationship
A	- Directors and Key Managerial Personnel (KMP)	
1	Umesh J. Sanghavi	Managing Director
2	Rajendra J. Sanghavi	Whole-time Director
3	Tarak J. Sanghavi	Whole-time Director
4	Jagdish Balvant Mali	Director
5	Anita U. Sanghavi	Chief Financial Officer
	Dr. Satish Rama Gaonkar (COO w.e.f 16.06.25)	Chief Operating Officer (w.e.f. June 16, 2025)
6		
7	Beena Khandelwal	Company Secretary & Compliance Officer
8	V Subramaniam	Independent Director
9	Pravin K. Laheri	Independent Director
10	Gauri Trivedi	Independent Director
	Madhu Ankleshwar (appointed w.e.f 16.06.25)	Independent Director
11		
12	Sethunathan Charlayath Laxmanan	Independent Director
13	Ishita Gandhi (Cessation w.e.f. 27.03.2025)	Independent Director
B	- Relatives of Directors or Key Managerial Personnel (KMP)	
1	Vasantben Jayantilal Sanghavi	Mother of Promoter Director
2	Nikhil Umesh Sanghavi	Son of Promoter Director
3	Ashok J. Sanghavi	Brother of Promoter Director
4	Avni Vinit Bhuv	Daughter of Promoter Director
5	Ami Tarak Sanghavi	Daughter of Promoter Director
6	Janaki Tarak Sanghavi	Daughter of Promoter Director
7	Mrunalini Rajendra Sanghavi	Wife of Promoter Director
8	Tulsi Rajendra Sanghavi	Daughter of Promoter Director
9	Sagar Ashok Sanghavi	Nephew of Promoter Director
10	Payal Ashok Sanghavi	Sister-in-law of Promoter Director
11	Hemal Umesh Sanghavi	Son of Promoter Director
12	Rekha Tarak Sanghavi	Wife of Promoter Director
C	- Entities where Key Managerial Personnel / Close family members of Key Managerial Personnel have control/significant influence	
1	Ashok J. Sanghavi HUF	HUF of Ashok J. Sanghavi
2	Rajendra J. Sanghavi HUF	HUF of Rajendra J. Sanghavi
3	Tarak J. Sanghavi HUF	HUF of Tarak J. Sanghavi
4	Umesh J. Sanghavi HUF	HUF of Umesh J. Sanghavi
5	Zeki Software Solutions Pvt.Ltd	Enterprises significantly influenced by relatives of director
6	Vajiya Enercon LLP	Enterprises significantly influenced by relatives of director
7	Green Tree Lifescapes LLP	Enterprises significantly influenced by relatives of director
8	Green Building LLP	Enterprises significantly influenced by relatives of director
9	IND + Architects	Enterprises significantly influenced by relatives of director
10	Ekllyss Pvt Ltd	Enterprises significantly influenced by relatives of director
11	Vasant Polymers & Chemicals Pvt Ltd	Enterprises significantly influenced by relatives of director

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Notes to the Standalone Financial Statements for the Year Ended 31 March, 2026

(b) Transaction with Related Parties are as follows :

(Amount in Lakhs)

Sr.	Particulars	Directors and key managerial personnel		Relatives of Directors and key managerial personnel		Enterprises significantly influenced by the Directors /Relatives /KMP		Total	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
1	Remuneration paid								
A)	Short term benefits paid								
1a	Umesh J. Sanghavi	44.75	45.53	-	-	-	-	44.75	45.53
1b	Rajendra J. Sanghavi	44.75	45.53	-	-	-	-	44.75	45.53
1c	Tarak J. Sanghavi	44.75	45.53	-	-	-	-	44.75	45.53
1d	Jagdish Balvant Mali	41.46	26.02	-	-	-	-	41.46	26.02
1e	Anita U. Sanghavi	14.08	14.09	-	-	-	-	14.08	14.09
1f	Nikhil U. Sanghavi	-	-	47.19	45.64	-	-	47.19	45.64
1g	Ashok J. Sanghavi	-	-	8.38	12.58	-	-	8.38	12.58
1h	Dr. Satish Rama Gaonkar	69.77	7.60	-	-	-	-	69.77	7.60
1i	Beena Khandelwal	2.04	1.58	-	-	-	-	2.04	1.58
2	Director Sitting Fees								
2a	V Subramaniam	2.65	1.40	-	-	-	-	2.65	1.40
2b	Pravin K. Laheri	1.20	2.75	-	-	-	-	1.20	2.75
2c	Gauri Trivedi	2.65	2.05	-	-	-	-	2.65	2.05
2d	Madhu Ankleshwaria	2.65	-	-	-	-	-	2.65	-
2e	Sethunathan Charlayath Laxmanan	1.50	-	-	-	-	-	1.50	-
2f	Ishita Gandhi	-	2.25	-	-	-	-	-	2.25
3	Annual maintenance and hosting charges								
3a	Zeki Software Solutions Pvt.Ltd	-	-	-	-	45.00	49.20	45.00	49.20
4	Sale of material								
4a	Green Building LLP	-	-	-	-	-	3.53	-	3.53
4b	Green Tree Lifescapes LLP	-	-	-	-	2.04	-	2.04	-
4c	Vasant Polymers & Chemicals Pvt Ltd	-	-	-	-	0.04	-	0.04	-
5	Purchase of gift hampers								
5a	Eklyss Pvt. Ltd.	-	-	-	-	25.92	-	25.92	-
6	Purchase of assets								
6a	Vajiya Enercon LLP	-	-	-	-	2.73	0.63	2.73	0.63
7	Service Charges Paid								
7a	Vajiya Enercon LLP	-	-	-	-	-	1.07	-	1.07
8	Professional Fees Paid								
8a	V Subramaniam	34.00	33.00	-	-	-	-	34.00	33.00
8b	Reset	-	-	-	-	36.00	-	36.00	-
9	Interest on Public Deposit								
9a	Arni Tarak Sanghavi	-	-	5.99	-	-	-	5.99	-
9b	Janaki Tarak Sanghavi	-	-	0.50	4.50	-	-	0.50	4.50
9c	Nikhil U. Sanghavi	-	-	-	2.39	-	-	-	2.39
9d	Hemal Umesh Sanghavi	-	-	-	5.72	-	-	-	5.72
9e	Rajendra J. Sanghavi	-	3.27	-	-	-	-	-	3.27
9f	Rajendra J Sanghvi HUF	-	-	-	-	-	0.25	-	0.25
9g	Rekha Tarak Sanghavi	1.12	0.42	-	-	-	-	1.12	0.42
9h	Tarak J Sanghavi	0.18	1.91	-	-	-	-	0.18	1.91
9i	Tarak J Sanghavi HUF	-	-	-	-	2.69	0.68	2.69	0.68
9j	Anita Umesh Sanghavi	0.46	0.36	-	-	-	-	0.46	0.36
9k	Ind + Architects	-	-	-	-	0.09	0.34	0.09	0.34
9l	Umesh Sanghavi	3.39	14.82	-	-	-	-	3.39	14.82
9m	Umesh J Sanghvi HUF	-	-	-	-	0.62	2.12	0.62	2.12
9n	Vaishali Hemal Sanghavi	-	-	1.24	0.56	-	-	1.24	0.56
9o	Vasant Polymers & Chemical Pvt Ltd	-	-	-	-	0.30	1.12	0.30	1.12
9p	Zeki Software Solutions Pvt Ltd	-	-	-	-	-	1.17	-	1.17

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Notes to the Standalone Financial Statements for the Year Ended 31 March, 2026

10 Dividend paid									
10a Ami Tarak Sanghavi	-	-	1.82	0.64	-	-	1.82	0.64	
10b Avni Vinti Bhuvu	-	-	-	1.65	-	-	-	1.65	
10c Anita U. Sanghavi	8.63	7.84	-	-	-	-	8.63	7.84	
10d Ashok J. Sanghavi	-	-	-	0.00	-	-	-	0.00	
10e Ashok J. Sanghavi HUF	-	-	-	-	0.00	0.00	-	-	
10f Hemal Umesh Sanghavi	-	-	3.00	1.72	-	-	3.00	1.72	
10g Janaki Tarak Sanghavi	-	-	1.82	1.66	-	-	1.82	1.66	
10h Mrunalini Rajendra Sanghavi	-	-	10.47	9.52	-	-	10.47	9.52	
10i Nikhil Umesh Sanghavi	-	-	3.02	1.74	-	-	3.02	1.74	
10j Payal Ashok Sanghavi	-	-	-	0.01	-	-	-	0.01	
10k Rajendra J. Sanghavi	2.63	2.39	-	-	-	-	2.63	2.39	
10l Rajendra J. Sanghavi HUF	-	-	-	-	1.21	1.10	1.21	1.10	
10m Rekha Tarak Sanghavi	-	-	10.66	9.69	-	-	10.66	9.69	
10n Sagar Ashok Sanghavi	-	-	1.12	0.01	-	-	1.12	0.01	
10o Tarak J. Sanghavi	2.47	2.25	-	-	-	-	2.47	2.25	
10p Tarak J. Sanghavi HUF	-	-	-	-	1.18	1.07	1.18	1.07	
10q Tulsi Rajendra Sanghavi	-	-	-	0.64	-	-	-	0.64	
10r Umesh J. Sanghavi	-	1.91	-	-	-	-	-	1.91	
10s Umesh J. Sanghavi HUF	-	-	-	-	1.20	1.09	1.20	1.09	
10t Vasantben Jayantilal Sanghavi	-	-	-	5.07	-	-	-	5.07	
10u Vasant Polymers & Chemicals Pvt. Ltd.	-	-	-	-	11.08	10.07	11.08	10.07	
11 Public Deposits Accepted									
11a Anita Umesh Sanghavi	2.00	10.50	-	-	-	-	2.00	10.50	
11b Hemal Sanghavi	-	-	-	77.50	-	-	-	77.50	
11c Ind + Architects	-	-	-	-	15.00	20.00	15.00	20.00	
11d Janki Tarak Sanghavi	-	-	7.00	75.50	-	-	7.00	75.50	
11e Nikhil Sanghavi	-	-	-	14.00	-	-	-	14.00	
11f Rajendra J Sanghavi	-	7.00	-	-	-	-	-	7.00	
11g Rajendra J Sanghvi HUF	-	-	-	-	-	5.00	-	5.00	
11h Rekha Tarak Sanghavi	-	-	-	42.00	-	-	-	42.00	
11i Tarak J Sanghavi	-	48.00	-	-	-	-	-	48.00	
11j Umesh J Sanghavi	3.50	274.50	-	-	-	-	3.50	274.50	
11k Umesh J Sanghvi HUF	-	-	-	-	1.74	2.00	1.74	2.00	
11l Vaishali Hemal Sanghavi	-	-	9.00	13.50	-	-	9.00	13.50	
11m Vasant Polymers & Chemical Pvt Ltd	-	-	-	-	5.50	107.50	5.50	107.50	
11n Zeki Software Solutions Pvt Ltd	-	-	-	-	5.00	20.00	5.00	20.00	
11o Ami Tarak Sanghavi	-	-	7.00	-	-	-	7.00	-	
11p Tarak J Sanghavi HUF	-	-	-	-	1.25	-	1.25	-	
12 Public Deposits Repaid									
12a Hemal Sanghavi	-	-	9.00	113.50	-	-	9.00	113.50	
12b Ind + Architects	-	-	-	-	15.00	20.00	15.00	20.00	
12c Janki Tarak Sanghavi	-	-	-	78.00	-	-	-	78.00	
12d Nikhil Sanghavi	-	-	4.00	24.00	-	-	4.00	24.00	
12e Umesh J Sanghavi	232.30	231.90	-	-	-	-	232.30	231.90	
12f Vasant Polymers & Chemical Pvt Ltd	-	-	-	-	5.50	102.00	5.50	102.00	
12g Rajendra J Sanghavi	32.00	-	-	-	-	-	32.00	-	
12h Rajendra J Sanghvi HUF	-	-	-	-	5.00	-	5.00	-	
12i Anita Umesh Sanghavi	12.50	-	-	-	-	-	12.50	-	
12j Rekha Tarak Sanghavi	-	-	30.00	-	-	-	30.00	-	
12k Tarak J Sanghavi	15.00	-	-	-	-	-	15.00	-	
12l Tarak J Sanghavi HUF	-	-	-	-	30.00	-	30.00	-	
12m Umesh J Sanghvi HUF	-	-	-	-	1.74	-	1.74	-	
12n Vaishali Hemal Sanghavi	-	-	22.50	-	-	-	22.50	-	
12o Zeki Software Solutions Pvt Ltd	-	-	-	-	25.00	-	25.00	-	
13 Outstanding balances :									
(A) Trade Receivables									
- Green Building Lifescapes LLP	-	-	-	-	0.94	3.21	0.94	3.21	
(B) Trade Payables									
- Zeki Software Solutions Pvt.Ltd.	-	-	-	-	-	12.18	-	12.18	
(C) Liability for expenses									
- Eklyss Pvt. Ltd.	-	-	-	-	0.29	-	0.29	-	
(D) Public deposits									
- Anita Umesh Sanghavi	-	10.50	-	-	-	-	-	10.50	
- Hemal Sanghavi	-	-	-	9.65	-	-	-	9.65	
- Nikhil Sanghavi	-	4.22	-	-	-	-	-	4.22	
- Janki Tarak Sanghavi	-	-	7.45	0.52	-	-	7.45	0.52	
- Rajendra J Sanghavi	5.72	40.52	-	-	-	-	5.72	40.52	
- Rajendra J Sanghvi HUF	-	-	-	-	-	5.23	-	5.23	
- Rekha Tarak Sanghavi	-	-	45.92	42.38	-	-	45.92	42.38	
- Tarak J Sanghavi	3.40	18.85	-	-	-	-	3.40	18.85	
- Tarak J Sanghavi HUF	-	-	-	-	1.35	31.46	1.35	31.46	
- Umesh J Sanghavi	-	189.24	-	-	-	-	-	189.24	
- Umesh J Sanghvi HUF	-	-	-	-	-	24.30	-	24.30	
- Vaishali Hemal Sanghavi	-	-	-	13.50	-	-	-	13.50	
- Vasant Polymers & Chemical Pvt Ltd	-	-	-	-	-	5.50	-	5.50	
- Zeki Software Solutions Pvt Ltd	-	-	-	-	-	20.00	-	20.00	
(E) Inter corporate loan									
- Zeki Software Solutions Pvt Ltd	-	-	-	-	30.00	-	30.00	-	

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Notes to the Standalone Financial Statements for the Year Ended 31 March, 2026

NOTE 45 : CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

(A) Categories of financial instruments

Particulars	(Amount in Lakhs)	
	As at March 31, 2026	As at March 31, 2025
Financial Assets		
Measured at fair value through other comprehensive income (FVOCI)		
Investments	1.10	0.86
Measured at amortised cost		
(a) Trade receivables	15,913.02	11,326.51
(b) Cash and cash equivalents	244.83	431.87
(c) Bank balances other than above	82.18	143.81
(d) Other financial assets	362.39	128.51
Total Financial assets	16,603.52	12,031.56
Financial Liabilities		
Measured at fair value through Profit & Loss (FVTPL)		
Forward contract liability	7.95	16.44
Measured at amortised cost		
(a) Trade payables	6,798.52	8,456.59
(b) Borrowing	6,585.68	5,573.86
(c) Lease Liabilities	182.89	280.73
(d) Other financial liabilities	2,689.54	2,822.30
Total Financial liabilities	16,264.58	17,149.92

(B) (Income), Expenses, (Gains) or Losses recognised on Financial Instruments in the Statement of Profit and Loss are as follows:

Particulars	(Amount in Lakhs)	
	As at March 31, 2026	As at March 31, 2025
Financial Assets measured at amortised cost		
Provision for expected credit loss	16.32	2.29
Financial Assets measured at FVOCI		
Investments	(0.24)	0.24
Financial liabilities measured at FVTPL		
Forward contract liability	7.95	16.44
Financial liabilities measured at amortised cost		
Borrowings	216.24	-
Interest on lease liabilities	24.73	33.60

(C) Financial risk management objectives

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk, credit risk and liquidity risk. The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising foreign exchange forward contracts. Compliance with policies and exposure limits is a part of Internal Financial Controls. The Company does not enter into or trade in financial instruments, including derivative financial instruments, for speculative purposes.

(D) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks : interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings, investments, trade payables, trade receivables and derivative financial instruments.

a) Interest Rate Risk

Interest rate risk arises from movements in interest rates which could have effects on the Company's net income or financial position. Changes in interest rates may cause variations in interest income and expenses resulting from interest-bearing assets and liabilities. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Exposure of Company's financial assets and liabilities to interest rate risk is as follows:

Particulars	(Amount in Lakhs)			
	Year Ended March 31, 2026		Year Ended March 31, 2025	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Floating rate	-	6,585.67	-	5,573.86
Fixed rate	13.52	-	3.48	-
Non-interest bearing	16,590.01	16,256.63	12,028.08	17,133.48
Total	16,603.52	16,256.63	12,031.56	17,133.48

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate long term borrowings, as follows:

Particulars	(Amount in Lakhs)			
	Year Ended March 31, 2026		Year Ended March 31, 2025	
	Finance cost increased by 1%	Finance cost decreased by 1%	Finance cost increased by 1%	Finance cost decreased by 1%
Increase/(Decrease) in Profit before tax	6.35	(6.35)	8.12	(8.12)

(E) Foreign currency risk management

(i) 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 (in USD)	(Amount in Lakhs)
			Indian rupee equivalent of forward contract liability
Forward contract to buy USD- as at March 31, 2026	3	12.36	1,172.45
Forward contract to buy USD- as at March 31, 2025	22	19.15	1,657.29

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Notes to the Standalone Financial Statements (Contd.)

(ii) Exposure in foreign currency -Unhedged

The foreign currency exposure not hedged As at March 31, 2026 and March 31, 2025 are as under:

Particulars	As at March 31, 2026		As at March 31, 2025	
	Amount in foreign currency	Amount in rupees	Amount in foreign currency	Amount in rupees
Payable in foreign currency exposure (USD)	19.78	1,876.21	0.34	29.04

Particulars	As at March 31, 2026		As at March 31, 2025	
	Amount in foreign currency	Amount in rupees	Amount in foreign currency	Amount in rupees
Receivable in foreign currency exposure (USD)	0.86	81.45	0.74	62.80

Particulars	As at March 31, 2026		As at March 31, 2025	
	Amount in foreign currency	Amount in rupees	Amount in foreign currency	Amount in rupees
Liabilities (USD)	32.14	3,048.66	19.49	1,686.33
Assets (USD)	0.86	81.45	0.74	62.80
Total	33.00	3,130.11	20.23	1,749.13

Foreign currency sensitivity analysis

The Company is mainly exposed to changes in USD exchange rate.

The Company is mainly exposed to changes in USD. The below table demonstrates the sensitivity to a 5% increase or decrease in the USD as against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

Particulars	Year Ended March 31, 2026		Year Ended March 31, 2025	
	USD strengthens by 5%	USD weakens by 5%	USD strengthens by 5%	USD weakens by 5%
Impact on Profit / (loss)				
- Financial Assets	4.07	(4.07)	3.14	(3.14)
- Financial Liabilities	(152.41)	152.41	(83.30)	83.30

(F) Foreign exchange forward contracts

It is the policy of the Company to enter into foreign exchange forward contracts to cover foreign currency payments (net of receipts) in USD. The Company enters into contracts with terms upto 90 days. The Company's philosophy does not permit any speculative calls on the currency. It is driven by conservatism which guides that we follow conventional wisdom by use of Forward contracts in respect of Trade transactions.

Regulatory Requirements: The Company does alter its hedge strategy in relation to the prevailing regulatory framework and guidelines that may be issued by RBI, FEDAI or ISDA or other regulatory bodies from time to time.

(G) Credit risk management

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, derivative financial instruments, other balances with banks, loans and other receivables. The Company has adopted a policy of only dealing with counterparties that have sufficiently high credit rating. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties. Credit risk arising from investment in mutual funds, derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the international credit rating agencies.

For trade receivables, as a practical expedient, the Company computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates.

(H) Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost effective manner.

The table below analyses financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Particulars	Less than 1 year	Between 1 - 5 years	More than 5 years	Total	Carrying value
As at 31st March 2026					
Borrowings	5,613.82	977.95	-	6,591.77	6,585.67
Lease liabilities	135.24	64.10	-	199.34	182.89
Other financial liabilities	2,589.90	99.65	-	2,689.55	2,689.55
Trade Payables	6,798.51	-	-	6,798.51	6,798.51
As at 31st March 2025					
Borrowings	3,095.90	2,487.11	-	5,583.01	5,573.85
Lease liabilities	130.92	190.10	-	321.02	280.73
Other financial liabilities	166.03	150.78	-	316.81	316.82
Trade Payables	8,456.59	-	-	8,456.59	8,456.59

(I) Fair value measurements

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. This note provides information about those assets and the basis of determination of the fair values in respect thereof.

(i) The following table give details of the financial assets and financial liabilities which are valued at Fair Value

Financial Assets / Financial Liabilities	Fair value		Fair value hierarchy	Valuation techniques(s) and key input(s)
	As at March 31, 2026	As at March 31, 2025		
Trade payables (imports)	3,048.23	1,665.97	Level 2	Rate published by FEDAI
Receivables (exports)	81.45	62.80	Level 2	Rate published by FEDAI
Forward Contract	7.95	16.44	Level 2	Rate published by FEDAI
Investments	1.10	0.86	Level 1	As per quoted price

(ii) The fair value hierarchy:

Level 1 : Valuation based on quoted market price :

Financial instruments with quoted prices for identical instruments in active markets that the Company can access at the measurement date.

Level 2 : Valuation using observable inputs :

Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3 : Valuation technique with significant unobservable inputs :

Financial instruments valued using valuation techniques where one or more significant inputs are unobservable.

(iii) Financial instruments measured at amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

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NOTE 46 : RECONCILIATION OF INCOME TAX

The Income Tax expense for the year can be reconciled to the accounting profit as follows:

(Amount in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Profit Before Tax	2,357.33	2,213.42
Income Tax Rate (%)	25.168%	25.168%
Income Tax expense as per accounting profit	593.29	557.07
Impact of Inventory Restatement	-	7.15
Effect of expenses that are not deductible in determining taxable profit	233.31	16.61
Effect of expenses that are deductible in determining taxable profit	(267.36)	(67.02)
Income considered separately under other head	-	(1.30)
Income taxable under head Capital Gains	-	0.64
Others	5.76	1.85
TOTAL	565.00	515.00
Deferred tax	56.34	33.72
Income tax expense recognised in profit or loss	621.34	548.72

Income tax recognised in Profit or Loss

(Amount in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Current tax expense:		
In respect of current year	565.00	515.00
In respect of (excess) tax provision for earlier years	-	-
Deferred tax benefit :		
In respect of current year	56.34	33.72
Total	621.34	548.72

Income Tax recognised in Other Comprehensive Income (OCI)

(Amount in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
- income tax (charge)/credit - gain on re-measurement of defined benefit obligation	(5.43)	4.99
Total Income Tax recognised in Other Comprehensive Income	(5.43)	4.99

NOTE 47 : DISCLOSURE UNDER AMENDMENT TO IND AS 7 REGARDING IMPACT OF NON- CASH TRANSACTIONS ON FINANCIAL LIABILITIES

Effective April 1, 2017 the Company adopted the amendment to Ind AS 7, which requires the Company to provide disclosure that will enable users of financial statements to evaluate changes in liabilities from financing activities, including changes arising from cash flow and non cash changes. In order to meet this disclosure requirement, the reconciliation between the opening and closing balances for liabilities arising from financing activities in the Balance Sheet, is as stated below:

(Amount in Lakhs)

Particulars	As at April 1, 2025	Cash flows	Non-cash changes	As at March 31, 2026
Long term borrowings	2,481.01	(1,503.05)	(3.09)	974.87
Short term borrowings	3,092.87	2,520.96	(3.02)	5,610.81
Lease liabilities	280.73	(130.64)	32.81	182.90
Total liabilities from financing activities	5,854.61	887.27	26.70	6,768.58

(Amount in Lakhs)

Particulars	As at April 1, 2024	Cash flows	Non-cash changes	As at March 31, 2025
Long term borrowings	2,528.48	(41.37)	(6.10)	2,481.01
Short term borrowings	2,479.21	616.70	(3.05)	3,092.86
Lease liabilities	322.24	(125.52)	84.01	280.73
Total liabilities from financing activities	5,329.93	449.81	74.86	5,854.60

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NOTE 48 : CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR). The details of the CSR expenditure required to be incurred and amount spent during the year on the activities/ contributions specified in Schedule VII of the Companies Act, 2013 are given as under:

(Amount in Lakhs)			
Sr No.	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
1	Gross Amount required to be spent by the company during the year:	42.14	50.25
Add:	Shortfall/(Excess) at the beginning of the year	5.25	2.08
Less:	Set off of excess expenditure of previous Financial Year	-	-
	Net amount required to be spent by the company during the year	47.39	52.33
2	Amount spent during the year		
	Amount spent on Other than Ongoing Project during the year	42.71	47.08
	Amount spent on ongoing project during the year	-	-
	Amount provided for on-going project	-	-
	Amount paid against shortfall of previous year	-	-
3	Shortfall/(Excess) at the end of the year #	4.68	5.25
4	Reason for shortfall	There was an inadvertent oversight by the Company in fully transferring the short fall of the previous financial year in the fund specified in schedule VII within the prescribed	For FY 2024-25, the Company has contributed before 31-03-2025 its CSR obligation to a CSR registered trust. However, the trust has not utilised such
5	Nature of CSR activities	Education, Purchase of Machinery and equipments for use in	Purchase of Machinery and equipments for use in Hospital
6	Details of related party transactions, [e.g., contribution to a trust controlled by the company] in relation to CSR expenditure as per relevant Accounting Standard	Not applicable	Not applicable
7	Amount of expenditure incurred on :		
	(i) Construction/acquisition of any asset	21.91	45.00
	(ii) On purposes other than (i) above	20.80	-

The Company shall transfer the unspent amount of Rs. 4.68 lakhs to a Fund specified in Schedule VII of the Companies Act, 2013 within the prescribed time of six months from the end of the current financial year i.e FY 2025-26 as permitted under the second proviso to sub-section (5) of section 135 of the Act.

Details of Unspent amount under Section 135(5) of Companies Act 2013 in respect of other than on-going project for year ended March 31, 2026
(Amount in Lakhs)

Opening balance as on April 01, 2025	Amount deposited in Specified Fund of Schedule VII within 6 months	Amount required to be spent during the year towards other than on going project	Amount spent during the year	Closing Balance as on March 31, 2026
5.25	-	47.39	42.71	4.68

The Company shall transfer the unspent amount of Rs. 4.68 lakhs to a Fund specified in Schedule VII to the Companies Act, 2013 within the prescribed time of six months from the end of the current financial year i.e FY 2024-25 as permitted under the second proviso to sub-section (5) of section 135 of the Act.

Details of Unspent amount under Section 135(6) of Companies Act 2013 in respect of ongoing project for the year ended March 31, 2026

(Amount in Lakhs)

Opening balance as on April 01, 2025		Amount required to be spent during the year towards ongoing project	Amount spent during the year		Closing Balance as on March 31, 2026	
With Company	In separate CSR Unspent A/c		From Company's bank A/c	From separate CSR unspent A/c	With Company	In separate CSR Unspent A/c
10.86	-	10.86	10.86	-	-	-

Details of Unspent amount under Section 135(5) of Companies Act 2013 in respect of other than on-going project for year ended March 31, 2025

(Amount in Lakhs)

Opening balance as on April 01, 2024	Amount deposited in Specified Fund of Schedule VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance as on March 31, 2025
2.08	2.08	50.25	45.00	5.25

The Company shall transfer the unspent amount of Rs. 5.25 lakhs to a Fund specified in Schedule VII to the Companies Act, 2013 within the prescribed time of six months from the end of the current financial year i.e FY 2024-25 as permitted under the second proviso to sub-section (5) of section 135 of the Act.

Details of Unspent amount under Section 135(6) of Companies Act 2013 in respect of ongoing project for the year ended March 31, 2025

(Amount in Lakhs)

Opening balance as on April 1, 2024		Amount required to be spent during the year	Amount spent during the year		Closing Balance as on March 31, 2025	
With Company	In separate CSR Unspent A/c		From Company's bank A/c	From separate CSR Unspent A/c	With Company	In separate CSR Unspent A/c
30.13	-	30.13	-	19.27	10.86	-

The Company has transferred an amount of Rs. 10.86 lakhs to a separate Unspent CSR Account within 30 days from the end of the financial year in accordance with provisions of Section 135(6) of the Companies Act 2013

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Notes to the Standalone Financial Statements for the Year Ended 31 March, 2026

NOTE 49 : CHANGE IN ACCOUNTING POLICY

Impact on the financial statements

The Company has changed its accounting policy for valuation from First In First Out (FIFO) to moving weighted average cost method for Raw Materials and Packing Materials and, from First In First Out (FIFO) to Standard Cost for finished good and semi-finished goods w.e.f. April 01, 2025. The Company believes that this change in method is preferable as it reflects better matching of the actual cost flows with the physical flow of goods and also improves comparability with Company's industry peers. Hence, it provides reliable and more relevant information to the users of financial statements about the Company's inventory valuation. In accordance with IND AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, this change in method of accounting for inventories has been retrospectively applied to all prior periods presented herein. Prior period comparative figures have been adjusted to reflect what results would have been had the Company applied Weighted Average method in case of Raw Materials and Packing Materials and from FIFO to Standard cost method in case of other materials for valuation of inventory. The cumulative effect on retained earnings for these changes was Rs. 44.76 lakhs at April 01, 2024.

As a result of the change in the company's accounting policy, financial statements as at 31st March, 2025 and 31st March, 2024 have been restated.

The impact on change in accounting policy on Inventory has been adjusted by restating each of the affected financial statement line items for the change in policy as follows:

Balance Sheet (Extract)	As at 31 March, 2024	Adjustment due to change in Accounting Policy (Increase/ (Decrease)	As at 1 April, 2024 (Restated)
Current Assets			
Inventories	7,596.08	(59.81)	7,536.27
Total Assets	7,596.08	(59.81)	7,536.27
Non-Current Liabilities			
Deferred Tax Liability (Net)	530.47	(15.05)	515.41
Equity			
Other Equity	10,939.33	(44.76)	10,894.57
Total Equity and Liabilities	11,469.80	(59.81)	11,409.98

Balance Sheet (Extract)	As at 31 March, 2025	Adjustment due to change in Accounting Policy (Increase/ (Decrease)	As at 31 March, 2025 (Restated)
Current Assets			
Inventories	8,809.74	(88.21)	8,721.53
Total Assets	8,809.74	(88.21)	8,721.53
Non-Current Liabilities			
Deferred Tax Liability (Net)	566.35	(22.20)	544.15
Equity			
Other Equity	12,518.16	(66.01)	12,452.14
Total Equity and Liabilities	13,084.51	(88.21)	12,996.29

Statement of Profit and Loss (Extract)	As at 31 March, 2025	Adjustment due to change in Accounting Policy (Increase/ (Decrease)	As at 31 March, 2025 (Restated)
Increase/(decrease) in Cost of materials consumed	42,112.65	10.00	42,122.65
Increase/(decrease) in Changes in inventory of Finished goods and Semi-finished goods	716.51	18.38	734.89
Profit Before Tax	2,241.82	(28.38)	2,213.44
Tax Expense			
Deferred tax (Credit) / Charge	40.87	(7.14)	33.72
Profit for the Year	1,685.94	(21.22)	1,664.72
Total Comprehensive Income for the year net of Tax	1,670.88	(21.22)	1,649.65
Earnings per Equity Share			
Basic	3.67	(0.05)	3.62
Diluted	3.67	(0.05)	3.62

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Notes to the Standalone Financial Statements for the Year Ended 31 March, 2026

NOTE 50 (A) : ADDITIONAL REGULATORY INFORMATION

Ratios

Sr no	Ratio	Numerator	Denominator	As at March 31, 2026	As at March 31, 2025	% of variance	Reason for variance
1	Current Ratio (in times)	Current Assets	Current Liabilities	1.42	1.43	-0.76%	
2	Debt-equity ratio (in times)	Total Debt	Shareholder's Equity	0.40	0.44	-9.48%	
3	Debt service coverage ratio (in times)	Earnings available for Debt Service	Debt Service	1.76	1.43	22.89%	
4	Return on equity ratio (%)	Net Profit after taxes - Preference Dividend	Average Shareholder's Equity	12.64	13.72	-7.90%	
5	Trade receivables turnover ratio (in times)	Net Credit Sales	Average Trade Receivables	4.06	5.53	-26.56%	Increased credit period given to the customers as compared to previous financial year
6	Trade payables turnover ratio (in times)	Net Credit Purchases	Average Trade Payables	4.99	5.33	-6.41%	
7	Net capital turnover ratio (in times)	Revenue from Operations	Average Working Capital	7.93	9.74	-18.56%	
8	Net profit ratio (%)	Profit for the year	Revenue from Operations	3.14	2.81	11.56%	
9	Return on capital employed (%)	Earnings before interest and taxes	Capital Employed	14.72	16.30	-9.71%	
10	Inventory turnover ratio (in times)	Cost of Goods Sold	Average Inventory	5.85	5.67	3.09%	
11	Return on investment	Income during the year	Time weighted average of investment	NA	NA	NA	

*EBITDA - Earnings before interest tax depreciation and ammortisation

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NOTE 50 (B) : ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III OF THE COMPANIES ACT, 2013

- (i) All immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) are held in the name of the Company.
- (ii) The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- (iii) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets), and Intangible Assets during the year.
- (iv) The Company does not hold any investment property during the year and as at the year end.
- (v) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. The differences between quarterly returns filed with banks and the books of account are set out as below:

(Amount in Lakhs)

Quarter ended	Name of the Bank	Nature of Current Assets offered as Security	Amount disclosed as per Quarterly Statements	As per books of account	Difference	Reasons for difference
Q1 June 30, 2025	1. Bank Of India	A. Inventory B. Trade Receivables	19,098.53	19,123.35	(24.82)	Refer the following reasons
Q2 Sept 30, 2025	2. HDFC Bank		17,722.57	17,666.73	55.84	
Q3 Dec 31, 2025	3. DBS Bank		16,543.84	16,545.54	(1.70)	
Q4 March 31, 2026	4. Yes Bank		21,328.74	21,341.28	(12.54)	

Reason for difference in Inventory

Inventory submitted to the bank excludes fuel stock and work-in-progress. In the books of accounts, however, inventory is recognised in full including fuel and WIP, resulting in a difference between books and bank-reported figures consistently across all four quarters (Q1–Q4) of the year.

Reason for difference in Trade Receivables

Trade receivables in the books of accounts are presented net of advances received from customers against whom a right of set-off exists. However, the amount reported to the bank in the Q2 stock statement reflects trade receivables on a gross basis (before netting off such advances), resulting in a difference between the books figure and the amount submitted to the bank.

- (vi) The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.
- (vii) There are no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (viii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (ix) The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) to any other persons or entities, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (x) The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (xi) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (xii) The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- (xiii) There are no loans or advances in the nature of loan granted to promoters, directors, KMPs and the related parties, either severally or jointly with any other person.
- (xiv) The Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year.
- (xv) There are no layers to the Company as prescribed under clause (87) of section 2 of Act read with the Companies (Restriction on number of Layers) Rules.
- (xvi) The Company has not entered into scheme of arrangement during the year.

NIKHIL ADHESIVES LIMITED
CIN : L51900MH1986PLC041062

Notes to the Standalone Financial Statements for the Year Ended 31 March, 2026

Note 51 : The Board of Directors have recommended a payment of final dividend of Rs. 0.22/- (Twenty two paise only) per equity share of face value of Re.1/- each for the financial year ended March 31, 2026.

Note 52 : The figures for the previous year have been regrouped or rearranged wherever necessary.

Note 53 : Figures have been rounded off to nearest lakhs.

Note 54 : The financial statements of the Company for the year ended March 31, 2026 were approved for issue by the Board of Directors at their meeting held on May 27, 2026.

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

Umesh J. Sanghavi
(Managing Director)
DIN : 00491220

Rajendra J. Sanghavi
(Whole-time Director)
DIN : 00245637

CA Pinang Shah
(Partner)
Membership No.: 120229

Tarak J. Sanghavi
(Whole-time Director)
DIN : 00519403

S. Venketakrishnan
(Independent Director)
DIN : 10162796

Place : Mumbai
Date : May 27, 2026

Anita U. Sanghavi
(Chief Financial Officer)

Mumbai, May 27, 2026

Beena Khandelwal
(Company Secretary)
M. No. A69067

Note

Note

WAREHOUSES

Depots, Technology Center & Manufacturing Plants all over India



22+ Depots (Warehouses)

Agra
Ahmedabad
Bhubaneshwar
Bangalore
Coimbatore
Deharadun
Delhi
Gaziabad
Hyderabad
Indore
Jaipur
Kolkata
Lucknow
Ludhiana
Meerut
Mohali
Nagpur
Nashik
Patna
Pune
Ranchi
Surat



Technology Center

Turbhe (Navi Mumbai)



Corporate Office

Andheri (Mumbai)



05 Manufacturing Plants

Dahanu

Silvassa

Dahej

Mehatpur

Tumkur

R&D Innovation & Sustainability

Quality Assurance

Analysis & Testing

Customized Formulation

Reaching Beyond Expectations with our efforts to develop and improve products and services with help of our highly skilled scientists.

Reaching Beyond Expectations with our efforts to develop and improve products and services with help of our highly skilled scientists.



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E-mail: info@nikhilashesives.com



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