



NIKHIL ADHESIVES LIMITED

An ISO 9001 : 2015 Certified Company

Head Office / Regd. Office : 315, The Summit Business Bay, Opp. Cinemax,
Andheri-Kurla Road, Andheri (East), Mumbai - 400 093.

Tel.: (91) 022 - 2683 6564 / 2683 6558 / 2683 6559 • E-mail : bala@nikhiladhesives.com

Website : www.nikhiladhesives.com • CIN : L51900MH1986PLC041062



07.09.2021

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

BSE script: 526159

Subject: Submission of Notice along with Annual Report of Nikhil Adhesives Limited for the Financial Year 2020-21

Dear Sir,

The 35th Annual General Meeting ("AGM") of the Members of Nikhil Adhesives Limited ("the Company") is scheduled to be held on Wednesday, 29th September, 2021, at 11:30 a.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 2020-21. 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 2020-21 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

Rachana Baria
Company Secretary

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 LTD.

An ISO 9001 : 2015 Certified Company

35th ANNUAL REPORT 2020-2021

BOARD OF DIRECTORS

Mr. Rajendra J. Sanghavi	Executive Whole Time Director/Chairman
Mr. Umesh J. Sanghavi	Managing Director
Mr. Tarak J. Sanghavi	Executive Whole Time Director
Mr. M. M. Vora	Non-Executive Independent Director (ceased to be Director from 01.04.2021)
Mr. H. S. Kamath	Non-Executive Independent Director (Ceased to be Director from 01.04.2021)
Mrs. Ishita Gandhi	Non-Executive Independent Director
Mr. Pravin K. Laheri	Non-Executive Independent Director (appointed w.e.f. 01.04.2021)
Mr. Naresh D. Bhuta	Non-Executive Independent Director (appointed w.e.f. 01.04.2021)

AUDITORS

PPV & Co
Chartered Accountants

REGISTRAR AND TRANSFER AGENTS

Link Intime India Pvt. Ltd.
C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai- 400 083.

BANKERS

Bank of India
Standard Chartered Bank
Yes Bank Ltd
DBS Bank India Limited

REGISTERED OFFICE

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

COMPANY IDENTIFICATION NUMBER (CIN):

L51900MH1986PLC041062

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NOTICE

Notice is hereby given that the **Thirty Fifth Annual General Meeting** of Nikhil Adhesives Limited will be held on **Wednesday, 29th September, 2021 at 11:30 AM 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, 2021 together with the reports of the Board of Directors and Auditors thereon.**
- 2.To declare dividend of ₹ 1.5 per equity shares of face value of ₹ 10 each for the financial year ended 31st March, 2021.**
- 3.To appoint a Director in place of Mr. Rajendra J. Sanghavi, Whole Time Director (DIN:00245637), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.**

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 provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time and such other permissions as may be necessary, the payment of remuneration of ₹ 50,000/- per annum (Rupees Fifty Thousand Only) with applicable Goods and Services Tax plus reimbursement of out of pocket expenses at actual to M/s. B. F. Modi & Associates, Cost Accountants (Firm Registration No. 100604) who was appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records maintained by the Company in accordance with the Companies (Cost Records and Audit) Rules, 2014, as amended, for the financial year 31st March, 2022, be and is hereby ratified and approved.

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

NOTES:

- In view of the COVID 19 pandemic, the Ministry of Corporate Affairs vide its Circular dated 13th January, 2021 read with circulars dated 5th May, 2020, 8th April, 2020 and 13th April, 2020 (collectively referred to as 'Circulars'), has introduced certain measures enabling Companies to convene their Annual General Meetings (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and also send notice of the meeting and other correspondences related thereto, through electronic mode. In compliance with the said requirements of the MCA Circulars, electronic copy of the Notice along with the Annual Report for the financial year ended 31st March, 2021 consisting of Financial Statements including

Board's Report, Auditors' Report and other documents required to be attached therewith (Collectively referred to as 'Notice') have been sent only to those Members whose e- mail ids are registered with the Company or the Registrar and Share Transfer Agent or the Depository Participant(s) 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).

2. 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 e-AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. The Statement, pursuant to Section 102(1) of the Act in respect of Ordinary Business of Item No. 4 forms part of this notice. Additional information, pursuant to Regulations 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard – 2 issued by Institute of Company Secretaries of India as notified by the Central Government on general meetings in respect of Director seeking appointment or re-appointment at the Annual General Meeting is furnished as Annexure to the notice.
4. 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.
5. 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.
6. 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.
7. 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.
8. 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') - 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.
9. 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, 21st September, 2021 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.
10. The Register of Members and the Share Transfer Books of the Company will remain closed from 22nd September, 2021 to 29th September, 2021 (both days inclusive). The dividend on equity shares as recommended by the Board of Directors, if declared, will be payable to those Equity Shareholders whose names stand on the Register of Members of the Company on 21st September, 2021. If shares held in the electronic form, the dividend will be payable to the beneficial owners as per details furnished by the Depositories for this purpose.
11. 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 - M/s Link Intime India Pvt. Ltd. in respect of their physical shares, if any, quoting their folio numbers.

12. 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/Link Intime India Pvt. Ltd.
13. 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.
14. All unclaimed dividends up to and including the year 2012-13 have been transferred to the credit of Investor Education and Protection Fund (the Fund) established by the Central Government. Shareholders are hereby informed that pursuant to Section 125 of the Act, the Company will be obliged to transfer to the credit of the said Fund any money lying in the Unpaid Dividend Accounts remaining unclaimed for a period of seven years from the dates they became first due for payment. In accordance with provisions of the said Section, no claims shall lie against the Company or the Fund in respect of individual amounts of dividend. The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company www.nikhiladhesives.com and on the website of the Ministry of Corporate Affairs. The Members who have not encashed the dividend warrants are requested to apply the Company's RTA for their claims.
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>.
15. 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.
16. Shareholders may note that the Income Tax Act, 1961, as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a Company after 1st April, 2020 shall be taxable in the hands of the Shareholders. The Company shall therefore be required to deduct Tax at Source (TDS) at the time of making the final dividend. In order to enable us to determine the appropriate TDS rate as applicable, Members are requested to submit the documents in accordance with the provisions of the Income Tax Act, 1961.
 - i. For Resident Shareholders, TDS shall be made under Section 194 of the Income Tax Act, 1961 at 10% (Ten percent) on the amount of Dividend declared and paid by the Company during financial year 2021-22 provided PAN is registered by the Shareholder. If PAN is not registered, TDS would be deducted @ 20% (Twenty percent) as per Section 206AA of the Income Tax Act, 1961. However, no tax shall be deducted on the Dividend payable to a Resident Individual if the total dividend to be received by them during financial year 2021-22 does not exceed 5,000/-. In cases where the Shareholder provides Form 15G (applicable to any person other than a Company or a Firm or HUF)/Form 15H (applicable to an Individual above the age of 60 years), provided that the eligibility conditions are being met, no TDS shall be deducted.
 - ii. For Non-resident Shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 of the Income Tax Act, 1961 at the rates in force. As per the relevant provisions of the Income Tax Act, 1961, the withholding tax shall be at the rate of 20% (Twenty percent) (plus applicable surcharge and cess) on the amount of Dividend payable to them. However, as per Section 90 of the Income Tax Act, 1961, the non-resident Shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax

residence of the Shareholder, if they are more beneficial to them. For this purpose, i.e. to avail the Tax Treaty benefits, the non-resident shareholder will have to provide the following:

- Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the Shareholder is resident.
 - Self-declaration in Form 10F if all the details required in this form are not mentioned in the TRC.
 - Self-attested copy of the PAN Card allotted by the Indian Income Tax authorities.
 - Self-declaration certifying the following points:
 - Member is and will continue to remain a tax resident of the country of its residence during the financial year 2021-22;
 - Member is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;
 - Member has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;
 - Member is the ultimate beneficial owner of its shareholding in the Company and Dividend receivable from the Company; and
 - Member does not have a taxable presence or a permanent establishment in India during the financial year 2021-22.
- iii. Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by Non-Resident shareholder.
- iv. Accordingly, in order to enable us to determine the appropriate TDS/withholding tax rate applicable, we request you to provide these details and documents as mentioned above before 15th September, 2021.
- v. Kindly note that the aforementioned documents are required to be submitted via email to investors@nikhiladhesives.com on or before 15th September, 2021 in order to enable the Company to determine and deduct appropriate TDS/withholding tax rate. No communication on the tax determination/deduction shall be entertained post 15th September, 2021. It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/ documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible.
- vi. The soft copy of TDS certificate shall be emailed to you at your registered e-mail ID in accordance with the provisions of the Income Tax Act, 1961 after filing of the quarterly TDS Returns of the Company, post payment of the said Dividend.

17. Voting through Electronic means:

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

The instruction for Members for voting electronically is as under:

- i. The voting period begins on Sunday, 26th September, 2021 (9:00 AM) and ends on the Tuesday, 28th September, 2021 (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, 21st September, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. Log on to the e-voting website www.evotingindia.com
- iv. Click on Shareholders/Members.
- v. Now enter your User ID.
 - a. For CDSL: 16 digits beneficiary ID
 - b. For NSDL: 8 character DP ID followed by 8 digits Client ID

- c. Members holding shares in physical form should enter folio number registered with the Company.
- vi. Next enter the image Verification as displayed and click on Login.
- vii. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- viii. If you are a first-time user, follow the steps given below:

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

- ix. After entering this details appropriately, click on "SUBMIT" tab.
- x. Members holding shares in physical form will then reach directly the Company selection screen, however Members holding shares in demat form will now reach "Password Creation" menu, where in they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi. For Members holding shares in physical form, the same details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Select on the EVSN (ELECTRONIC VOTING SEQUENCE NUMBER) of NIKHIL ADHESIVES LIMITED on which you choose to vote.
- xiii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against same the option "YES/NO" for voting. Select the option YES or No as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv. Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolution details.
- xv. After selecting the resolution, if you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xviii. If Demat account holder has forgotten the changed login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system. This is not applicable to Shareholders holding the Shares in physical form.
- xix. Shareholders can also cast their vote using CDSL's mobile app "**m-Voting**" available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. The Apple and

Windows phone users can download the app from App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

Instructions for shareholders attending the AGM through VC/OAVM are as under:

- i. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under Shareholders/Members login by using the remote e-voting credentials. The link for VC/OAVM will be available in Shareholders/Members login where the EVSN of Company will be displayed.
- ii. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- iii. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- iv. 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.
- v. 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 atleast 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.
- vi. Those Shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

Instructions for shareholders for e-voting during the AGM(Venue Voting) are as under:-

- i. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- ii. Only those Shareholders, who are 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 available during the AGM.
- iii. If any votes are cast by the Shareholders through the e-voting available during the AGM and if the same Shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such Shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the Shareholders attending the meeting.
- iv. 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.

Note for Non-individual Shareholder and custodian:

- i. Non-Individual Shareholders (i.e. other than individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as a Corporate.
- ii. A scanned copy of the registration form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com/investors@nikhiladhesives.com.
- iii. After receiving the log in details a compliance user should be created using the admin login and password. The compliance user should be able to link the account(s) for which they wish to vote on.
- iv. The list of account linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- v. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutiniser to verify the same.

- vi. Alternatively Non Individual Shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; dmz@dmzaveri.com and investors@nikhiladhesives.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the Scrutinizer to verify the same.
- vii. In case you have any queries or issues regarding e-voting you may refer the Frequently Asked Questions ("FAQ") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

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 Tuesday, 21st September, 2021.
3. Mr. Dharmesh Zaveri, Practicing Company Secretary & Proprietor of M/s D. M. Zaveri & Co., has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the vote cast at the AGM and thereafter unblock the vote cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's report of the total votes cast in favour of or against the resolutions, not later than 48 hours 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 resolution shall be deemed to have been passed on the date of AGM i.e. the 29th September, 2021.
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.

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 21st September, 2021 (being record date for the purpose of voting), may send a request for obtaining their User ID and Password to rnt.helpdesk@linkintime.co.in/investors@nikhiladhesives.com or contact Link Intime India Pvt. Ltd. on 022-4918 6000/022- 4918 6270.

Contact Details

Company	M/s Nikhil Adhesives Limited Registered Office: 315, The Summit Business Bay, Behind Gurunanak Petrol Pump, Opp. Cinemax, Andheri Kurla Road, Andheri (East), Mumbai – 400093. Tel: 022-2683 6564/58/59Fax: 022-26840854 Email ID: investors@nikhiladhesives.com CIN: L51900MH1986PLC041062 Email Id- investors@nikhiladhesives.com
Registrar and Share Transfer Agent	M/s. Link Intime India Private Limited C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai-400 083 Tel: 022 49186000/6270Fax: 022-4098 6060 Email ID: rnt.helpdesk@linkintime.co.in

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

**Date: 07th August, 2021
Place: Mumbai**

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



ANNEXURE TO NOTICE

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

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

Item No. 4

Messrs B. F. Modi & Associates, Cost Accountants, (Firm Registration No. 100604) were appointed as Cost Auditors for the year ending 31st March, 2022 by the Board of Directors on the recommendation of the Audit Committee at a remuneration of ₹ 50,000/- p.a. Goods and Services Tax applicable thereon and reimbursement of travelling and other incidental expenses that may be incurred for the purpose to audit the cost records maintained by the Company in accordance with the Companies (Cost Records and Audit) Rules, as amended.

As per Rule 14 of the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditors as approved by the Board 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, 2022.

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

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

Name of the Director	Mr. Rajendra J. Sanghavi
Director Identification Number	00245637
Date of Birth	11.12.1955
Date of Appointment	Since inception
Status	Whole Time Director & Chairman
Qualification	Diploma in Engineering
Expertise in specific functional type	Businessman
Terms and Conditions of Appointment/Re-appointment	Re-appointment on retiring by rotation
Directorship of Other Companies	None
Chairman/Member in the Committees of the Boards of companies	Chairman of the Board of Director of the Company and Member of Corporate Social Responsibility Committee
Shareholding (No. of Shares)	1,19,700 shares
Disclosure of relationships between Directors inter se	Mr. Umesh J. Sanghavi & Mr. Tarak J. Sanghavi are brothers of Mr. Rajendra J. Sanghavi

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

**Date: 07th August, 2021
Place: Mumbai**

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

Management Discussion & Analysis

About Nikhil Adhesives Limited

With more than three decades of industry experience, Nikhil Adhesives Limited (Nikhil) is one of the recognised players in Speciality Chemicals and Industrial emulsions and adhesives, with a strong domestic presence catering PAN India with an excellent distribution network. Leveraging its well-equipped manufacturing infrastructure, result-oriented Research & Development team.

Nikhil major thrust will be to create space in consumer products.

Key Highlights for 2020-21

- Opened 5 Warehouses mainly in North of India to provide prompt service.
- Expansion of Tumkur unit
- Entered into a new segment of Masking Tape with the brand name of MAHACOL MASKING TAPE and EMBRO MASKING TAPE

OUTLOOK

The global economy has contracted in 2020-2021 due to the significant risk arising from the outbreak of COVID-19. The pandemic has resulted in far-reaching economic and social consequences across the globe, leading to a slowdown in economic activities. The lockdown imposed due to the virus outbreak has disrupted supply chains and lowered productivity, resulting in lower demand for products and services. As the lockdown is gradually lifted, the global economy is expected to recover and is expected to bounce back due to the implementation of various reforms and stimulus packages.

Many countries have to face significant adverse consequences of these developments, including the direct disruption of global supply chains, weaker final demand for imported goods and services, and the wider regional declines in international tourism and business travel. However, announced and implemented policy actions incorporated by economies across the globe will help to support incomes in the near term.

With a strong Government re-elected at the centre ensuring continuity of policies and ease of doing

business and with GST implementation, we expect Good Business opportunities.

There is also large infrastructure spending by the Government and this is likely to support the industries. With all the above factors we expect that the Country's GDP will remain strong.

Consumer products businesses is providing customers with a complete range of consumer adhesives mainly woodworking, packaging adhesives, rubber adhesives, Construction based adhesives & masking tape. Our Adhesive Brands **"MAHACOL"** **"FORMISOL"** **"EMDILITH"** **"EMBRO"** have strong market presence and are known for its product quality among the influencers and consumers. With a nationwide network, our brands **"MAHACOL"** **"FORMISOL"** and **"EMDILITH"** enjoy a very respectable position and popularity in the adhesive market. We are working on having a PAN India intricate distribution and networking through our distributor & dealer network and are expecting exponential growth in the coming year. which in the initial stages had created disturbances in the working of country's economy, have now been evolved and adapted by various industries. This followed by a strong Government re-elected at the Centre would ensure continuity of policies and ease of doing business.

Indian Economy

The Indian economy witnessed softening of GDP, the sluggishness in the economy was on account of a decline in Index of Industrial Production (IIP) output, stress on NBFC sector and subdued demand for products and services across the country. To revive the economy, the government has taken measures to tackle the problem of Non-Performing Assets and improve the health of the banking sector. The agricultural sector performed well due to the above normal rainfall, which led to the fulfilment of the crop production target in FY 20-21.

The economic outlook remains dull as major challenges need to be addressed going forward, due to the COVID-19 outbreak. The Indian economy is expected to contract in FY 2020-21. The lockdown imposed across the country has resulted in lower demand for goods and services, due to disruptions in the supply chain. The Government of India has

introduced vital reforms and fiscal measures to revive the economy to support various sectors of the economy. This will aid the economy to bounce back in the coming years.

Speciality Chemicals Industry

The Specialty chemicals manufacturing is entrepreneurial, innovative and customer driven. Specialty chemicals are manufactured and sold based on their performance or function, unlike commodity chemicals which are strictly based on their chemical composition.

Nikhil's major business segments are Branded Consumer products under the brands names **"MAHACOL"** **"FORMISOL"** **"EMDILITH"** **"MAHAQUICK"** **"EMBRO"** AND **"MAHABOND"** and Industrial products are under various brands names such as **"EMDILITH"** **"EMDITEX"** **"EMDICRYL"** and **"EMDIBIND"**.

Key market trends

Paints and coatings segment to dominate the market demand – Demand for specialty chemicals is extensively driven by the robust performance of the construction industry, across the world. The paints and coatings segment is expected to dominate the overall specialty chemicals market

Growth in automotive industry - Automotive industry is one of the most lucrative spaces for the specialty chemicals market share. It is expected to increase significantly in the coming years with an increase in disposable income and growing urban population. Specialty chemicals are used for polymers & plastic additives, paints & coatings and adhesives & sealants in the automotive market.

Growth in Textile Industry - The post-Covid era has provided a big opportunity for the online textile industry. The sales in the online textile industry witnessed a jump in various cities and states of India due to the lockdown that was imposed to curb the spread of corona virus caused Covid-19 pandemic. The textile industry is showing an increasing trend in sales with Govt. stimulus package.

Growth in Adhesives & Construction chemicals Industry

Adhesives- Solvent and Water based adhesives has high demand and is expected to grow in double digit. Its various applications like Woodworking Adhesives, Pressure Sensitive Adhesives for Stickers, Packaging Adhesives. Leather Adhesives, and many other Adhesives.

Construction chemicals –The industry is growing in double digit since couple of years and the trend is likely to continue for next few years due to the benefits and awareness of products.

SWOT ANALYSIS

Strengths

- Well Equipped manufacturing infrastructure
- Rich History of more than 30 yrs.
- Strong domestic network (PAN India distribution)
- Mfg. units in North, West and South of India

Weakness

- Low Brand Awareness in Consumer Segment

Opportunities

- New Opportunity areas with huge potential for growth, such as Construction Chemicals and Consumer Products.

Threats

- Disruptive effect of Covid – 19 pandemic on the economy is negatively impacting demand
- Looming threat of global recession
- Competition from domestic and foreign players

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

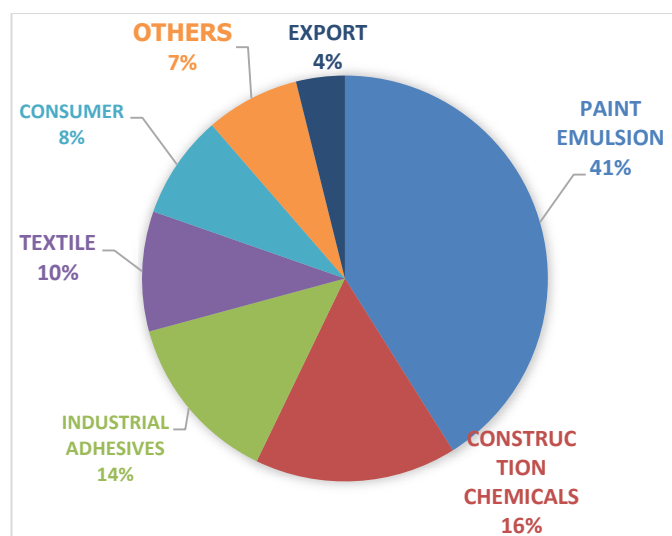
Your Company has in place the control systems based on the use of computer software that generate sufficient management information for internal control purpose. The directors closely monitor the operations of your Company personally. Having regard to the size and nature of the business operations, your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

HUMAN RESOURCES/INDUSTRIAL RELATIONS

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

FINANCIAL HIGHLIGHTS AT A GLANCE

SEGMENTWISE MANUFACTURING SALES IN VOLUMES in TONS



Consumer & Industrial Adhesives

Branded consumer & industrial adhesives products contributed 22% of the total volume sales of the Company. Consumer products include Wood adhesives, Packaging and Lamination Adhesives, Sticker Adhesives and Art and Craft Adhesives, Rubber & PU Adhesives and Tape Adhesives.

Others

Consumer Adhesives manufactured for third party on conversion bases contributes 7% of the total volume sales.

Construction Chemicals

Company has achieved 16% of total sales volumes from this segment.

Export

Company export's adhesives and emulsions to Nigeria, Kenya, Tanzania, Uganda, Nepal, Sri Lanka, Malaysia, Thailand, Bangladesh, UAE, Ethiopia, Indonesia which contributes to 4% of the total sales volume.

Speciality Emulsions

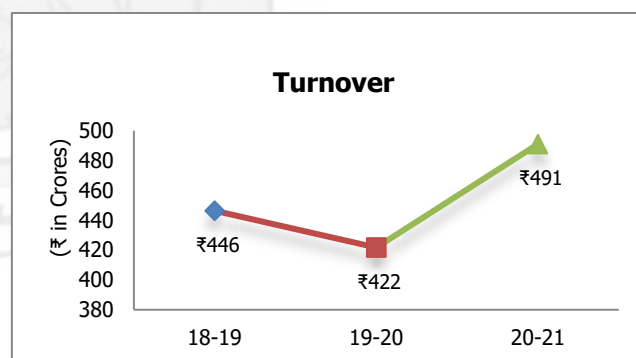
The Company's speciality emulsions contributes 51% of the total sales volumes

A) Paint Emulsions – 85% of the paint emulsions sales is supplied to large corporate paint manufacturers & the balance through distribution channels.

Out of the total sales volume of the Company, paint emulsions contribute 41%.

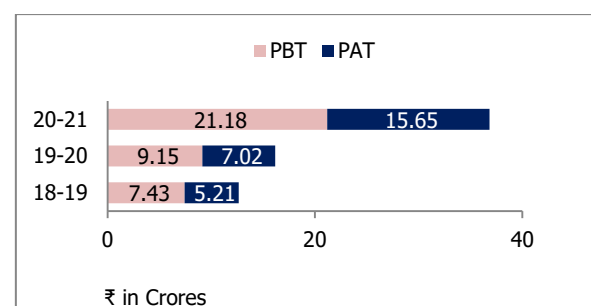
B) Textile Emulsions – The Company has a network for textile emulsions and binders through distributors PAN India, textile emulsions contributes 10% of the company's total sales volume.

TURNOVER



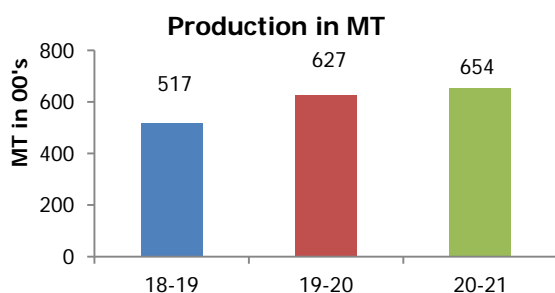
For the year ended 31st March, 2021 turnover is ₹. 491 cr. as compared to ₹.422 cr. in the previous year. The increase is mainly due to better utilisation of plant capacity and increase in raw material prices.

PROFITS



This year was a good year, company could increase margins on their products. Profit Before Tax(PBT) has been increased substantially from ₹ 9.15 cr. for the financial year 19-20 to ₹ 21.18 cr. for the financial year 20-21 and Profit After Tax (PAT) also increased by 122.90 % from ₹ 7.02 cr. for the financial year 2019-20 to ₹ 15.65 cr. for the year ended 31st March, 2021.

MANUFACTURING



During the year the volume wise production has increased by 21.36% from 62702 MT in the financial year 2019-20 to 65377 MT in the year ended 31st March, 2021. However, in terms of value, the manufacturing sales has increased from ₹ 331.34 Crore to ₹ 341.85 Crore registering year on rise of 5.19 %.

TRADING

Trading segment registered growth in terms of value of 20.50% from ₹ 118.22 Crore in the financial year 2019-20 to ₹ 142.46 Crore in the year ended 31st March, 2021.

FOREIGN EXCHANGE FLUCTUATIONS

Your Company had a foreign currency gain of ₹ 210.96 Lakh as compared to loss of ₹ 248 Lakh in the previous year.

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.	Particulars	Current Year	Previous Year	%Change
1.	Debtors	112.38	82.12	36.85

	Turnover			
2.	Inventory Turnover	14.62	8.70	68.05
3.	Interest Coverage Ratio	3.35	1.89	77.25
4a.	Operating Profit Margin (%)	6.38	4.71	35.46
4b.	Net Profit Margin (%)	3.19%	1.61%	98.14
4c.	Return on Networth (%)	95.74%	14.89%	72.87

1. Debtors Turnover: The value of sales during the year has increased mainly in last quarter resulting in increased corresponding debtors with reasonable subsequent realisation as on date.
2. Inventory Turnover: The increase in ratio is due to increased purchase quantity and market value of imported raw material at the year end.
3. Interest Coverage Ratio: Increased benefit of competitive finance rates from bank and increased profit as compared to previous year.
4. (a) Operating Profit Margin, (b) Net Profit Margin, (c) Return on Networth: Without there being any increase in the capital base of the Company, net profit as a % to the turnover has increased by 98.14 % which has the effect of increase in return on networth by 72.87%. The increase in the net profit is mainly due to increase in the gross profit margin as a result of increased value sales and benefit of cost of goods sold.

The Covid-19 Pandemic

The Financial Year 2020-21 started with amid strict lockdown in the Country due to COVID 19 pandemic. This is one of the biggest crisis and unprecedented situation which has caused the global, social and economic disruption in the world. This majorly impacted on the initial months of the fiscal year. However, from the beginning of March-2021, India has witnessed the 2nd wave of Covid-19 with sudden rise in Covid-19 cases across the Country. This has led again the lockdowns like restrictions in the country. The duration of the pandemic is uncertain, this will impact on the consumer sentiment and demand.

Although this has not materially impacted the financial position of the Company. However, the pandemic has materially affected Company's scale of operations during the period April 20 to June 20. During the month of July 20, the Company's scales of operations have reached near normalcy. Post July-2020, the restrictions were gradually uplifted as the various places were unlocked by the Government. The Company with Covid-19 safety and precautions adapt the Organisation to operate efficiently and start the business operations. The Company has taken various measures to mitigate the risks and increase the sales and market share and recover the losses and assets.

DISCLAIMER

Statements in the Management Discussion and Analysis Report describing your Company's objectives, estimates, expectations may be "forwarding-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to your Company's operations include economic conditions affecting demand/supply, price conditions in the domestic and overseas markets in which your Company operates, changes in government regulations, tax laws and other statutes.



DIRECTOR'S REPORT

To The Members of Nikhil Adhesives Limited

The Board of Directors are pleased to present the thirty fifth Annual Report together with the Audited Accounts for the financial year ended 31st March, 2021.

In Financial Year 2020-21 your Company has continued the phase of positive outlook and witnessed the significant growth.

FINANCIAL HIGHLIGHTS:

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

(₹ In Lakh)

Particulars	31 st March, 2021	31 st March, 2020
Profit Before Depreciation and Tax	₹ 2463.59	₹ 1202.47
Less: Depreciation	₹ 345.99	₹ 287.85
Profit Before Tax	₹ 2117.60	₹914.62
Less: Provision for Tax		
Current Tax	₹ 525.00	₹207.00
Deferred Tax	₹ 27.20	₹ 5.34
Profit After Tax	₹ 1565.40	₹702.28

DIVIDEND

The Board of Directors has recommended a dividend of ₹ 1.5/- (Rupee One point Fifty Paise only) per equity share of face value of ₹ 10/- (Rupee Ten only) each for the Financial Year ended March 31, 2021 subject to approval of Shareholders.

RESULT OF OPERATIONS

(₹ In Lakh)

Particulars	2020-21	2019-20	%
Sales Turnover	₹491.01	₹ 421.77	16.42%
Other Income	₹ 28.94	₹ 75.19	-61.51%
Operating Profit	₹ 31.30	₹ 19.86	57.60%
Total	₹ 15.67	₹ 6.80	130.44%

Comprehensive Income(Net Profit)			
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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

During the year, your Company accepted deposits amounting to ₹ 393.88 Lakh from its members. 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 ₹ 5,00,00,000/- (Rupees Five Crore only) divided into 49,50,000 (Forty Nine Lakh and Fifty Thousand) Equity Shares of ₹ 10/- (Rupees Ten) each and 50,000 (Fifty Thousand) 8% Preference Shares of ₹ 10/- (Rupees Ten) each.

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

CORPORATE GOVERNANCE

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

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Board noted that accordance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Company is statutorily required to contribute ₹ 14,51,648 amounts towards CSR for the financial year 2020-21 and the unspent amount of ₹ 5,37,978 for the financial year 2019-20. The Company has spent ₹ 20,89,400 during the financial year ended 31st March, 2021. 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, 2021, the applicable accounting standards read with requirements set out under Schedule III to the Companies Act, 2013, have been followed and there are no material departures from the same;
- b. That such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of

the Company as at March 31, 2021 and the profit of the Company for the year ended on that date;

- c. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. That the annual Financial statements have been prepared on a going concern basis;
- e. That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f. That the systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

RISK MANAGEMENT AND ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company's system of financial and compliance controls with reference to the financial statements and risk management is embedded in the business process by which the Company pursues its objectives. The Company uses foreign exchange forward contracts to hedge its exposure for movements in foreign exchange rate. The use of this foreign exchange forward contract reduces the risk to the Company. The Company does not use these for trading or speculative purpose. Additionally, the Audit Committee and the Board of Directors provide risk 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. Rajendra J. Sanghavi (DIN:00245637), 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.

Pursuant to Section 196, 197, 198, 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 Association of the Company, and such other approvals as may be necessary. Based on the recommendation of the Nomination and Remuneration Committee and approval of the Board and the consent of the Members were taken in the 34th Annual General Meeting of the Company which was held on 30th December, 2020 for the re-appointment Mr. Rajendra J. Sanghavi (DIN: 00245637) as a Executive- Whole Time Director designated as a Chairman & Whole Time Director, Mr. Umesh J. Sanghavi (DIN: 00491220) as a Managing Director, and Mr. Tarak J. Sanghavi (DIN: 00519403) as a Executive- Whole Time Director of the Company for the period of 3 years effective from 01st January, 2021. Their terms of office expired on 31st December, 2021.

The office of Mr. Rajendra J. Sanghavi and Mr. Tarak J. Sanghavi, shall be liable to retire by rotation. The term of office of Mr. Umesh J. Sanghavi, shall not be retire by rotation.

However, Mr. M. M. Vora (DIN: 00245427) and Mr. H. S. Kamath (DIN: 02628018) ceased to be Directors as Non-Executive Independent Directors with effect from 01st April, 2021.

In accordance with the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has appointed Mr. Mr. Pravin K. Laheri (DIN: 00499080) and Mr. Naresh D. Bhuta (DIN: 01610043) as Non-Executive Independent Directors of the Company for the period of 5 consecutive years effective from 01st

April, 2021. The approvals of Members were taken for the appointment of both the Directors, who were attaining the age of 75 years through Postal Ballot (the details of the Postal Ballot given in the Corporate Governance Report).

As on 31st March, 2021, the details of the Key Managerial Personnel under the Companies Act, 2013 are given below;

1. Mrs. Anita U. Sanghavi- Chief Financial Officer
2. Ms. Rachana Baria- Company Secretary & Compliance officer

COMMITTEES OF THE BOARD

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

- a. Audit Committee;
- b. Nomination and Remuneration Committee;
- c. Stakeholders Relationship Committee.
- d. Corporate Social Responsibility Committee

DECLARATION BY INDEPENDENT DIRECTORS

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

MEETINGS OF BOARD AND COMMITTEES

During the year under review, four 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 terms of reference which internally deals with the manner of selection of Directors and the Key Managerial Personnel of the Company. The NRC recommends appointment of Director / 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, view points, skills and areas of expertise.

The Board of Directors in consonance with the recommendation of Nomination and Remuneration Committee has also adopted the Remuneration Policy for the Members of the Board and Executive Management. The said policy earmarks the principles of remuneration and ensures a well balanced and performance related compensation package taking into account Shareholders' interest,

industry practices and relevant corporate regulations in India.

VIGIL MECHANISM /WHISTLE BLOWER POLICY

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

STATUTORY AUDITORS

The Shareholders of the Company at the 34th Annual General Meeting held on 31st December, 2020, appointed M/s. PPV & CO., Chartered Accountants (Firm Registration No. 153929W) as Statutory Auditors of the Company for a period of 5 years until the conclusion of Annual General Meeting to be held in the year 2025, at such remuneration including the out pocket expenses incurred during the audit process, which will be mutually agreed between the Board of Directors and the Auditor.

There are no qualifications or adverse remarks in the Auditors Report, except a small delay in transfer of shares to Investor Education & Protection Fund pursuant to Section 124 & 125 of the Act.

COST AUDITOR

The Board of Directors has appointed Messrs 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.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Messrs D. M. Zaveri & Co., Company Secretaries were appointed to undertake the Secretarial Audit of the Company for the year ended 31st March, 2021. There are no adverse remarks or observations made by Messrs D. M. Zaveri & Co. in the Secretarial Audit Report except *the small delay of 2 days in submission of disclosure of Related Party Transactions for the half year ended on 31st March, 2020, which is required to be made pursuant to the Regulation 23(9) of SEBI (LODR), 2015.*

Due to outbreak of COVID 19 pandemic and consequential lockdown, there has been a nominal delay in the aforesaid compliance by the Company.

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

MATERIAL CHANGES AND COMMITMENTS

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

REGULATORY/COURT ORDERS

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

RELATED PARTY TRANSACTIONS

All related party transactions entered into during the financial year under review by the Company were on an arm's length basis and in the ordinary course of business. There are no material significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at

large. All related party transactions are placed before the meeting(s) of Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the financial year for the transactions which are of a foreseen and repetitive in nature. The statement giving details of all related party transactions entered into pursuant to the omnibus approval together with relevant documents/information are placed before the Audit Committee for review and approval on quarterly basis. The Company has developed a Policy on materiality of Related Party Transactions and dealing with Related Party Transactions. The Policy on materiality of Related Party Transactions and dealing with Related Party Transactions as approved by the Board is uploaded on the Company's website and the same is available at the web link <http://www.nikhiladhesives.com>

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

There are no Loans, Guarantees or Investment made during the year in pursuance to Section 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 not applicable to the Company as there was no employee drawing remuneration to the extent mentioned therein.

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

As required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules 2014, the information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in Annexure-III which is attached hereto and forms a part of the 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. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
- e. As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("POSH Act") and Rules made thereunder, the Company has formed Internal Complaints Committee for various work places to address complaints pertaining to sexual harassment in accordance with the POSH Act.

HUMAN RESOURCES

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

For and On behalf of Board of Directors

Sd/-
Rajendra J. Sanghavi
Chairman
DIN:00245637

Mumbai
Date: 07th August, 2021



ANNEXURE- I

Secretarial Audit Report (Form No. MR-3)

For the Financial year ended 31st March, 2021

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

To,
The Members,
Nikhil Adhesives Limited

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

Based on my verification of the Nikhil Adhesives Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial year ended on 31st March 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and the Bye-laws framed thereunder;

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder (Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings are not applicable to the Company during the audit period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('The SEBI'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not relevant / applicable during the year under review)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not relevant / applicable during the year under review)**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not relevant / applicable during the year under review)**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not relevant / applicable during the year under review)**
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

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

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

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

a) there was a delay of 2 days in filling of disclosures of related party transactions for the half year ended 31st March, 2020 which is required to be filed within 30 days from the date of publication of financial results as per Regulation 23(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

the agenda items before the meeting and for meaningful participation at the meetings.

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

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

**For D. M. Zaveri & Co
Company Secretaries**

Dharmesh Zaveri (Proprietor)
FCS No.: 5418
CP No.: 4363

Place: Mumbai
Date: 7th August 2021

ICSI UDIN: F005418C000742682

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

Annexure A

**To,
The Members,
Nikhil Adhesives Limited**

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes 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 processes and practices, we followed provide are as on able basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever 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 procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future eviability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. Due to the pandemic caused by Covid-19 and prevailing lockdowns/restrictions on movement of people imposed by the Government, for the purpose of issuing this report, we have conducted our audit remotely based on the records and information made available to us by the Company electronically.

**For D. M. Zaveri & Co
Company Secretaries**

**Dharmesh Zaveri (Proprietor)
FCS No.: 5418
CP No.: 4363**

**Place: Mumbai
Date: 07th August, 2021**

ICSI UDIN: F005418C000742682

ANNEXURE- II**DISCLOSURE UNDER RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL), RULES, 2014**

1. The ratio remuneration of each director to the median remuneration of the employee and percentage increase in remuneration of Director, CFO and CS:

Sr. No	Name	Designation	Remuneration in paid for FY 2020-21 (In ₹)	Remuneration paid for FY 2019-20 (In ₹)	% increase -in remuneration in the FY 2020-21	Ratio/ times per median of employee remuneration
1	Mr. Rajendra Sanghavi	Chairman, Whole Time Director	17,77,685	9,00,000	97.52*	4.94
2	Mr. Umesh Sanghavi	Managing Director	17,19,678	11,75,400	46.31*	4.78
3	Mr. Tarak Sanghavi	Whole Time Director	17,77,685	9,00,000	97.52*	4.94
4	Mrs. Anita Sanghavi	Chief Financial Officer	7,79,756	7,98,066	(0.02)	2.24
5	Ms. Rachana Baria	Company Secretary	3,78,078	2,62,500	44.03	1.05

* Increase in remuneration of Whole Time Directors and Managing Director were approved by the Shareholders through Postal Ballot process.

Median remuneration of employees in FY 2020-21	Median remuneration of employees in FY 2019-20	Percentage increase
₹3,60,000	₹ 3,55,716	1.20%

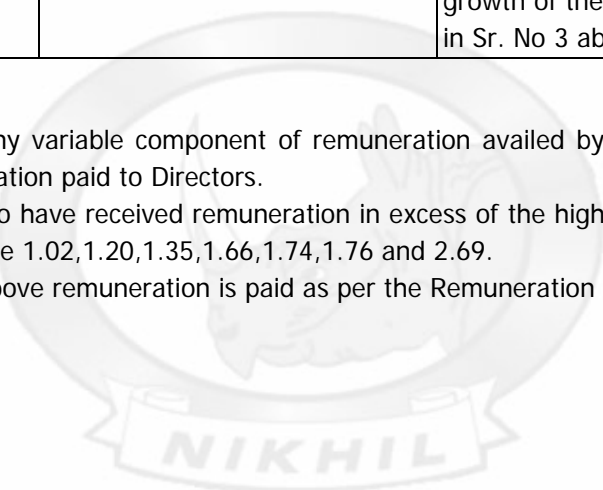
2. No. of permanent employees as on 31st March, 2021: 229 Employees
3. Relationship between average increase in remuneration and company performance:
The increase in remuneration is based on the Company's performance and also includes various other factors like individual performance, experience, academic background and future growth prospects.
4. The KMP Remuneration is not wholly related to the Company's performance. They are paid as per their terms of employment. As such there is increase in the remunerations of the KMP as stated in (*).
5. Variation in market capitalisation, PE ratio:

Particulars	As on 31.03.2021	As on 31.03.2020	Percentage Change
Market Capitalisation of the Company	₹ 173,77,93,975	₹ 44,84,03,680	287.55%
PE Ratio	₹ 11.10	₹ 6.38	73.98%
Closing Market share Price (BSE)	₹ 378.25	₹ 97.60	287.55%

6. 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 2020-21	Percentile increase in managerial personnel remuneration in FY 2020-21	Justification
-5.11%	60.07%	<p>The decrease in salaries of employees other than managerial personnel as compared to previous year is due to voluntary resignation of some high designated employees.</p> <p>The increase in salaries of managerial personnel remuneration is commensurate with their individual performance attributable to the growth of the Company as referred to in Sr. No 3 above.</p>

7. The key parameters for any variable component of remuneration availed by Directors: There is no variable component in the remuneration paid to Directors.
8. There are 7 employees who have received remuneration in excess of the highest paid Director. Their ratios to the highest paid director are 1.02, 1.20, 1.35, 1.66, 1.74, 1.76 and 2.69.
9. This is to affirm that the above remuneration is paid as per the Remuneration Policy of the Company.



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, 2021 is given here below and forms part of the Director's Report.

A. Conservation of Energy:

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

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

- a. Continuous replacement of incandescent bulbs with compact fluorescent (CFLs) and LED bulbs. These are energy efficient modern alternatives which save energy considerably & helps to reduce energy consumption.
- b. Installation of VFD (Variable Frequency Drive), the electronic device on the electrical motors, where the energy consumption is very high, by which considerable amount of energy is saved resulting in conservation of energy.
- c. Capacities are installed for effective distribution of electricity supply and improve the power factor. The Company has carried out automisation of this system, resulting in better control and improving further power factor.
- d. Energy also can be saved by better utilisation staff is well trained accordingly. Running of equipments unnecessary also results in wastage of energy. Energy is conserved by stopping the wastage.
- e. Undertaken thick plantation to help reducing pollution.

- f. Upgradation of effluent treatment plant is continued. Treated water is used for washing & cleaning.
- g. Water is consumed very efficiently avoiding any losses. Monitoring is done on day to day basis.
- h. Treated efficient water is used.
- i. The Company has installed the solar energy system in its plant at Silvassa and Installation process is going on at the plant located at Dahanu.

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. There are various sources of alternate energy i.e. solar, wind, geothermal, biomass, bio fuels, hydropower etc. Solar power is the most convenient of all which can be made use of by installing solar panels and converting solar energy into directly electrical energy.

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

3. The capital investment on energy conservation equipments:

₹ 4.30 Lakh were spent on energy conservation equipments.

B. Technology absorption:

1. The efforts made towards technology absorption:

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

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

Improvisation in products quality helps to retain and increase the market share. Product development too helps to reduce cost and sustainability in market. We constantly look for process improvisation at

manufacturing level to reduce energy consumption, minimise waste generation and to produce cost effective products in line with environmental policies.

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

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

4. The expenditure incurred on Research and Development.

₹ 14.32 Lakh were 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 ₹ 1576.69 lakh and foreign exchange outgo in terms of actual outflows is ₹ 27865.60 lakh

For and Behalf of the Board of Directors

Sd/-
Rajendra J. Sanghavi
Chairman
DIN:00245637

Place: Mumbai
Date: 07th August, 2021



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:

Sl. 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. Rajendra J. Sanghavi (Chairman)	Whole Time Director	2	2
2.	Mr. Umesh J. Sanghavi (Member)	Managing Director	2	2
3.	Mr. Tarak J. Sanghavi (Member)	Whole Time Director	2	2
4.	Mr. M. M. Vora* (Member)	Non-Executive Independent Director	2	2

*Mr. M. M. Vora ceased to be a Non-Executive Independent Director of the Company from 1st April, 2021, and the Company appointed Mr. Pravin K. Laheri as a Chairman of this Committee who is appointed as a Non-Executive Independent Director of the Company from 1st April, 2021.

3) 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

4) Provide the details 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 (attach the report): Not Applicable

5) 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 ₹.)	Amount required to be setoff for the financial year, if any (in ₹.)
1	Nil	Nil	Nil
	Total		

6) Average net profit of the Company as per Section 135(5): ₹ 7,25,82,387

- 7) a) Two percent of average net profit of the Company as per Section 135(5): ₹ 14,51,648
b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
c) Amount required to be set off for the financial year, if any: Nil
d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 14,51,548

8. a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)	
	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
₹ 20,89,400	Not Applicable		Not Applicable		

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

(1) SL. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No).		(5) Project duration.	(6) Amount allocated for the project (in ₹)	(7) Amount spent in the current financial Year (in ₹)	(8) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	(9) Mode of Implementation - Direct (Yes/No)	(10) Mode of Implementation - Through Implementing Agency	
			State.	District.						Name	CSR Registration Number
Not Applicable											

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

(1) SL. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No).		(6) Amount allocated for the project (in ₹)	(7) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	(8) Mode of Implementation Direct (Yes/No)	(9) Mode of Implementation Through Implementing Agency	
			State.	District				Name	CSR Registration No.
1	Eradicating hunger, promoting health care	(i)	No		₹ 3,89,400	Nil	No	Jeevan Jyot Charitable Trust	CSR00014284
			Gujarat	Dahanu					
2	Education	(ii)	Yes		₹ 1,00,000	Nil	No	Shree Nutan Shikshan Prasaran Sangh	NA
			Maharashtra	Mumbai					
3	Education	(ii)	Yes		₹ 5,00,000	Nil	No	Shree Bhagwat Vidyapith Trust	
			Gujarat	Ahmadabad					

			at	bad				CSR00009413
4	Healthcare	(i)	No		₹ 11,00,000	Nil	Yes	Shree Ram Krushna Aarogya Seva Trust
			Gujarat	Rajula, Amreli				NA
Total		₹ 20,89,400						

d) Amount spent in Administrative Overheads: Nil

e) Amount spent on Impact Assessment, if applicable: Nil

f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 20,89,400

g) Excess amount for set off, if any: ₹ 99,774

Sl. No.	Particular	Amount
1.	Two percent of average net profit of the company as per Section 135(5)	□ 14,51,648
2.	Total amount spent for the Financial Year	₹ 20,89,400
3.	Excess amount spent for the financial year [(ii)-(i)]	₹ 99,774
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
5.	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹ 99,774

9. a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1	2019-20	NA	₹ 5,37,978	NA			Nil
	Total		₹ 5,37,978				

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.
Sl. No	Project ID	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed /Ongoing

						₹)		
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Nil

(asset-wise details)

- Date of creation or acquisition of the capital asset(s): Nil
 - Amount of CSR spent for creation or acquisition of capital asset: Nil
 - Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Nil
 - Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Nil
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): Not Applicable

Sd/-

Mr. Umesh Sanghavi
Managing Director
DIN: 00491220

Sd/-

Mr. Pravin K. Laheri
Non-Executive- Independent Director
DIN: 00499080



Independent Auditors' Certificate on Corporate Governance

To the Members of
Nikhil Adhesives Limited

1. This certificate is issued in accordance with the terms of engagement letter dated 31st May 2021.
2. We, PPV & CO, Chartered Accountants, the Statutory Auditors of Nikhil Adhesives Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2021, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the Listing Regulations).

Managements' Responsibility

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

Auditor's Responsibility

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

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st March, 2021.

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

For PPV & CO

Chartered Accountants

(Firm Registration No.153929W)

Priyanshi Vakharia

Proprietor

Membership No.: 181834

UDIN:21181834AAAABA6102

Place: Mumbai

Date: 30-06-2021



REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance

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

- By improving the effectiveness of the Board of Directors in supervising management; and
- Improving the quality of information and communication with stakeholders.

Your Company believes that these two principles will result in a better shareholders value.

Board of Directors

The 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 6 directors out of which, 3 are Independent Directors. The Board of Directors of your Company comprises of Executive-Chairman, Executive-Managing Director, Executive-Whole Time Director and Non-Executive Independent Directors. The Managing Director is responsible for day to day operations and overall business of your Company.

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, 2021:

Name of Directors	Status	No. of Board Meetings attended	Attendance at Annual General Meeting (30.12.2020)	No. of Directorship in the Listed Companies including this Company and Name of the Company*	No. of Other Committees Membership in the Public Companies Including this Company, whether Listed or not**	
					Chairman	Member
Mr. R. J. Sanghavi (DIN: 00245637)	Executive Whole Time Director and Chairman, Promoter	4	Attended	1	-	-
Mr. U. J. Sanghavi (DIN: 00491220)	Executive Managing Director, Promoter	4	Attended	1	-	-
Mr. T. J. Sanghavi (DIN: 00519403)	Executive Whole Time Director, Promoter	4	Attended	1	-	1
Mrs. Ishita Gandhi (DIN: 07137098)	Non-Executive Independent Director	4	Attended	1	2	1
Mr. H. S. Kamath*** (DIN: 02628018)	Non-Executive Independent Director	4	Attended	1	1	2
Mr. M. M. Vora***	Non-Executive Independent	4	Not Attended	1	-	3

(DIN: 00245427)	Director					
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*Pursuant to disclosure under Schedule V C(2)(C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, none of Directors of the Company are holding directorship in the Board or Committees of other Listed Companies except this Listed Company during the year ended and as at 31st March, 2021

**The details of the Committees chairmanship and membership include the Audit Committee, Stakeholders Relationship Committee, and Nomination & Remuneration Committee but does not include the Corporate Social Responsibility Committee.

***Mr. H. S. Kamath and Mr. M. M. Vora, ceased to be Non-Executive Independent Directors of the Company from 01st April, 2021 and the Company appointed Mr. Pravin K. Laheri (DIN: 00499080) and Mr. Naresh D. Bhuta (DIN: 01610043) as Non-Executive Independents Directors with effect from 01st April, 2021 for a period of 5 years.

Inter-se relationship between the Directors

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

Skills/Expertise/Competence of the Board of Directors (as on 31st March, 2021)

Name of the Directors	Mr. Rajendra J. Sanghavi	Mr. Umesh J. Sanghavi	Mr. Tarak J. Sanghavi	Mrs. Ishita T. Gandhi	Mr. M. M. Vora	Mr. H. S. Kamath
Sales & Marketing		✓	✓		✓	
General Management and Governance	✓	✓	✓	✓	✓	✓
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 it's own performance and that of it's committees and individual directors. During the year under review, one meeting of the Independent Directors was held wherein the performance of non-independent directors, Chairman (Non-executive) of your Company and the Board as a whole were reviewed. The performance evaluation of Committees and Independent Directors was carried out by the entire Board, excluding the director being evaluated. The Independent Directors also assessed the quality, quantity and timelines of flow of information between your Company management and the Board that is necessary for the Directors to effectively and necessarily perform their duties. The Board, it's Committees and Directors evaluation provided a formal process of communication in raising issues that might not otherwise be vetted by the Board, with the underlying objectives to develop an action plan to improve the Board performance, interalia, by ensuring compliance with the requirements of the Companies Act, 2013 and code of corporate governance.

The structure valuation process was focused on identifying areas of improvement, if any, such as creating balance of power between the Board and management, long term strategy, more effectively fulfilling the Board's oversight responsibilities, the adequacy of committee(s) structures, the assessment of Board culture to ascertain whether the same is conducive to attract right individuals to join the Board and updating the 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, 2021, four Board Meetings were held on 30th July, 2020, 15th September, 2020, 13th November, 2020, and 11th February, 2021.

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. Owing to COVID-19 pandemic, 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	Mrs. Ishita Gandhi (Chairman)	Non Executive/ Independent	4	4	30.07.2020, 15.09.2020, 13.11.2020, and 11.02.2021
2	Mr. H. S. Kamath (Member)*	Non Executive/ Independent	4	4	
3	Mr. M. M. Vora (Member)*	Non Executive/ Independent	4	4	

*Mr. H. S. Kamath and Mr. M. M. Vora ceased to be Non-Executive Independent Directors of the Company from 01st April, 2021. Accordingly they ceased to be Members of this Committee and Mr. Pravin K. Laheri and Mr. Naresh D. Bhuta are appointed as Members of this Committee, who are appointed as Non-Executive Independent Directors of the Company w.e.f. 01st April, 2021.

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

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

Stakeholders Relationship Committee

Sr No.	Name of the Director	Status	No. of Meetings held	No. of Meetings attended	Date of Stakeholders Relationship Committee Meetings
1	Mrs. Ishita Gandhi (Chairman)	Non Executive/Independent	2	2	13.11.2020, and 11.02.2021
2	Mr. Tarak J. Sanghavi (Member)*	Executive/Non-Independent	2	2	
3	Mr. M. M. Vora (Member)*	Non Executive/Independent	2	2	

*Mr. M. M. Vora ceased to be a Non-Executive Independent Directors of the Company from 01st April, 2021. Accordingly he ceased to be a Member of this Committee and Mr. Pravin K. Laheri and Mr. Naresh D. Bhuta are appointed as Members of the Committee with effect from 01st April, 2021, who are appointed as Non Executive Independent Directors of the Company with effect from 01st April, 2021. Mr. Tarak J. Sanghavi ceased to be a Member of the Committee from 01st April, 2021.

Company Secretary and Compliance Officer	Ms. Rachana Baria
Number of shareholders complaints received so far	Nil
Number of shareholders complaint resolved	Nil
Number of shareholders complaint pending	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 specific remuneration packages for Directors.

Sr. No.	Name of the Directors	Status	No. of Meetings held	No. of Meetings attended	Date of Remuneration Committee Meetings
1	Mr. H. S. Kamath (Chairman)*	Non Executive/ Independent	3	3	30.07.2020, 13.11.2020, and 11.02.2021
2	Mr. M. M. Vora (Member)*	Non Executive/ Independent	3	3	
3	Mrs. Ishita Gandhi (Member)	Non Executive/ Independent	3	3	

*Mr. M. M. Vora and Mr. H. S. Kamath ceased to be Non-Executive Independent Director of the Company from 01st April, 2021. Accordingly they ceased to be Members of this committee and Mr. Pravin K. Laheri and Mr. Naresh D. Bhuta are appointed as a Chairman and a Member of this Committee respectively with effect from 01st April, 2021, who are appointed as Non-Executive Independent Directors of the Company from 01st April, 2021.

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;
- 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

The remuneration policy of the Company is to ensure that executive directors of the Company are rewarded in a fair and responsible manner, for their individual contributions to the success of your Company. The remuneration paid to the Executive Directors is recommended by the Nomination and Remuneration Committee in accordance with the Companies Act, 2013 and approved by the Board of Directors in the Board meeting subject to the subsequent approval by the Shareholders at the general meeting and such other authorities as and when required. Non-Executive Independent Directors are paid sitting fees for attending Board meetings.

Remuneration to Directors

The remunerations for the financial year 2020-21 are as follows:

Name of the Directors	Status	Salary	Bonuses	Contribution to Provident Fund	Commission	Sitting Fees	Total
Mr. R. J. Sanghavi	Executive Chairman, Whole Time Director	17,77,865	-	1,17,270	-	-	18,94,955
Mr. U. J. Sanghavi	Managing Director	17,19,678	-	1,35,171	-	-	18,54,849

Mr. T. J. Sanghavi	Executive Whole Time Director	17,77,865	-	1,17,270	-	-	18,94,955
Mr. M. M. Vora	Non Executive/ Independent	-	-	-	-	83,500	83,500
Mr. H. S. Kamath	Non Executive/ Independent	-	-	-	-	83,500	83,500
Mrs. Ishita Gandhi	Non Executive/ Independent	-	-	-	-	83,500	83,500

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, 2021

Name of the Director	Nature of Directorship	No. of Shares held	Percentage to the paid- up capital
Mr. M. M. Vora	Non-Executive Independent	8024	0.17
Mr. H. s. Kamath	Non-Executive Independent	960	0.01
Mrs. Ishita Gandhi	Non-Executive Independent	1000	0.22

Independent Directors Meeting:

During the year under review, a separate meeting of Independent Directors was held on 11th February, 2021, 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 it's duties.

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

Corporate Social Responsibility Committee

Sr. No.	Name of the Director	Status	No. of the Meeting held	No. of meeting attended
1	Mr. Rajendra J. Sanghavi	Chairman	2	2
2	Mr. Umesh J. Sanghavi	Member	2	2
3	Mr. Tarak J. Sanghavi	Member	2	2
4	Mr. M. M. Vora	Member	2	2

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 18.11.2020 and 12.03.2021.

The detailed terms of reference of the Corporate Social Responsibility Committee is contained with the 'Corporate Governance Code' which 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
2019-20	34 th	30 th December, 2020	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.	11.30 AM	4
2018-19	33 rd	30 th September, 2019	The Andheri Recreation Club, Dadabhai Road, Opposite Bhavans College Road, Andheri (West), Mumbai - 400058	11.00 AM	2
2017-18	32 nd	28 th September, 2018	The Andheri Recreation Club, Dadabhai Road, Opposite Bhavans College Road, Andheri (West), Mumbai - 400058	11.00 AM	2

Details of Special Resolutions passed in the previous three AGMs:

Date of AGM	Particulars of Special Resolutions passed there at
30 th December, 2020	<ol style="list-style-type: none"> 1. To Re-appoint of Mrs. Ishita Gandhi (DIN: 07137098) as an Independent Director for 2nd term of 5 years. 2. To Re-appoint of Mr. Rajendra J. Sanghavi (DIN: 00245637) as a Whole Time Director for a period of 3 years. 3. To Re-appoint of Mr. Umesh J. Sanghavi (DIN: 00491220) as a Managing Director for a period of 3 years. 4. To Re-appoint of Mr. Tarak J. Sanghavi (DIN: 00519403) as a Whole Time Director for a period of 3 years.
30 th September, 2019	<ol style="list-style-type: none"> 1. To re-appoint Mr. M. M. Vora (DIN: 00245427) as a Non-Executive Independent Director for term 2 years. 2. To re-appoint Mr. H. S. Kamath (DIN: 002628018) as a Non-Executive Independent Director for term 2 years.
28 th September, 2018	<ol style="list-style-type: none"> 1. Approval for continuation of Directorship of Mr. M. M. Vora who have attained the age of 75 years, for the remaining period of their existing term of directorship as Independent Directors of the Company. 2. Approval for continuation of Directorship of Mr. H. S. Kamath who have attained the age of 75 years, for the remaining period of their existing term of directorship as Independent Directors of the Company.

Postal Ballots:

During the year under review, the Company passed the following Special Resolutions through Postal Ballot vide notice dated 24.02.2021, results of which announced on 27.03.2021. The Voting period commenced from 25.02.2021 to 26.03.2021. Mr. D. M. Zaveri & Co., Company Secretaries (Membership No. 5418) was appointed as the Scrutinizer to scrutinize the Postal Ballot process only by voting through electronic means (remote e-voting) in a fair and transparent manner.

- Appointment of Mr. Pravin K. Laheri (DIN: 00499080), as a Non-Executive Independent Director, who has attained the age of 75 years- Special Resolution
- Appointment of Mr. Naresh Bhuta (DIN: 01610043), as a Non-Executive Independent Director, who attains the age of 75 years during his tenure- Special Resolution

The Postal Ballot Conducted in accordance with the provisions of Sections 108 and 110 of the Companies Act, 2013 ("the Act") read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 ("the Rules") as amended from time to time including any statutory modification(s) or re-enactment(s) thereof for the time being in force and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and other applicable laws and regulations, if any. Considering the outbreak of Covid-19, Ministry of Corporate Affairs advised vide its Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 33/2020 dated September 28, 2020, and Circular No. 39/2020 dated December 31, 2020 that the Postal Ballot Notice shall be sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories/RTA. The Members were entitled to exercise their voting rights only through remote e-voting. The Company authorised the Central Depository Service Limited (CDSL), for providing e-voting facilities to the Shareholders through their e-voting platform www.evotingindia.com.

Particular of Resolutions	Total Valid Votes	Votes in favour of Resolutions			Votes against the Resolutions			Invalid Votes	
		No of ballot / e-voting entry	Nos	% to total valid votes	No of ballot / e-voting entry	Nos	% to total valid votes	No of ballot/evoting Entry	Nos
Appointment of Mr. Pravin K. Laheri (DIN:00499080), as a Non-Executive Independent Director, who has attained the age of 75 years.	3025311	50	3025310	100.00	1	1	0.00	0	0
Appointment of Mr. Naresh D. Bhuta (DIN:01610043), as a Non-Executive Independent Director, who attains the age of 75 years during his tenure.	3025311	50	3025310	100.00	1	1	0.00	0	0

No Resolution is proposed to be passed through Postal Ballot.

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

Disclosures

- a) There are no materially significant party transactions entered into by your Company with its Promoters, Directors or Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of your Company at large. A statement in summary form of transactions with the related parties during the year in the ordinary course of business and at Arm's Length basis is disclosed in Note No. 36 of Notes to financial statements in the Annual Report.
- b) Your Company has complied with the requirements of Stock Exchange, Securities and Exchange Board of India and other statutory authorities on matter relating to capital markets during the last three years and consequently no penalties or strictures have been imposed on your Company by these authorities.
However, with respect to the submission of Outcome of Board Meeting held on 14.11.2019. There was a delay of 8 mins., therefore, the BSE limited, where equity shares of the Company are listed has imposed the fine of Rs. 5900/- on this non-compliance.
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.
- c) The Company has paid the Annual Listing Fees to BSE Ltd. and Annual Custodial Fees to NSDL and CDSL for the Financial Year 2021-22.
- d) 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.
- e) 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.
- f) The Managing Director and the CFO have furnished a duly signed Certificate to the Board for the year ended 31st March, 2021 in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) and the same has been placed in the Board Meeting held on 07th August, 2021.
- g) In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended Ms. Rachana Baria has been designated as the Compliance Officer of your Company under your Company's Code of Conduct for Prevention of Insider Trading. She is responsible for adherence to the Code by your Company and its designated employees. Your Company also adheres to the disclosure practices for Prevention of Insider Trading as specified in the aforesaid SEBI Regulations.
- h) Your Company has adopted Vigil Mechanism/Whistle Blower Policy for developing a culture where it is safe for all directors/employees to raise concerns about any unacceptable practice and any event of misconduct. The Policy allows unrestricted access to all employees and others to approach the Audit Committee and there has been no instance during the year where any personnel has been denied access to the Audit Committee. The quarterly report with number of complaints received under the policy and their outcome is being placed before the Audit Committee. The same is placed on the website of the Company (www.nikhiladhesives.com).
- i) Your Company is familiarising the Independent Directors on its Board on a quarterly basis and the detail of familiarisation programme are posted on the website of your Company and is available at the weblink <http://www.nikhiladhesives.com>.
- j) Your Company has compliant with all applicable mandatory requirements of the provisions of the SEBI LODR for the March 31, 2021.
- k) Your Company has presently not adopted certain non-mandatory requirements in regard to maintenance of Non-Executive Chairman's office, sending half-yearly declaration of financial performance to each household of shareholders and reporting of internal auditors directly to the Audit Committee.
- l) During the year, the Board has accepted all recommendations made by various Committees of Board of Directors of the Company.
- m) 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

- n) Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of SEBI LODR at the respective places in this report.
- o) The total fees paid to M/s. PPV & CO, Statutory Auditor of the Company in relation to the Statutory Audit is given in the financial statements.
- p) 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>.
- 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.

Means of Communication

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

General Shareholder Information

1. Annual General Meeting Date, Time and Deemed Venue : Wednesday, 29th September, 2021, 11:30 AM.
(through VC/OVAM facility)
315, The Summit Business Bay,
Behind Gurunanak Petrol Pump,
Opp. Cinemax, Andheri Kurla Road,
Andheri (East), Mumbai – 400093.
2. Date of Book Closure/Cut-off date of e-voting& Dividend : 22nd September, 2021-29th September, 2021/
(both days inclusive) 21st September, 2021
3. Date of Payment of Dividend : within 30days from AGM
4. Financial Calendar (Tentative) :
Unaudited financial result for the
quarter ended 30th June, 2021 : by August 07, 2021
(SEBI/HO/CFD/CMD1/P/CIR/2021/556)
Unaudited financial result for the
quarter ended 30th September, 2021 : 2nd Week of November, 2021
Unaudited financial result
for the quarter ended 30th December, 2021 : 2nd Week of February, 2022
Audited financial result
for the year ending 31st March, 2022 : 4th Week of May, 2022
Annual General Meeting
for the year ending 31st March, 2022 : 30th September, 2022
5. Listing of Stock Exchange and its address : BSE Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai- 400 001
6. Demat ISIN number NSDL & CDSL : INE926C01014
7. Stock Code on BSE Ltd. : 526159
8. Grievance redressal division email : investors@nikhiladhesives.com
9. High/Low Share Price during last financial year (Month wise):

Month	BSE		SENSEX	
	High	Low	High	Low
April- 2020	110.20	85.20	33887.25	27500.79
May- 2020	99.40	80.40	32845.48	29968.45
June-2020	119.00	88.10	35706.55	32348.10
July- 2020	133.95	102.20	38617.03	34927.20
August- 2020	208.00	116.00	40010.17	36911.23
September- 2020	191.40	135.05	39359.51	36495.98
October- 2020	159.90	119.35	41048.05	38410.20

November-2020	188.85	131.70	44825.37	39334.92
December- 2020	209.85	153.40	47896.97	44118.10
January- 2021	262.00	190.05	50184.01	40160.46
February- 2021	415.00	219.00	52516.76	46433.65
March- 2021	484.00	335.00	51821.84	48236.35

10. Distribution Schedule of number of shares as on 31st March, 2021:

Shares	No. of Holders	%	No. of Shares	%
Upto 500	1578	86.47	176065	3.83
501 to 1000	105	5.76	88324	1.92
1001 to 5000	81	4.44	175005	3.81
5001 to 10000	18	0.97	130222	2.84
10001 to above	43	2.36	4024684	87.60

Category of Shareholding as on 31st March, 2021:

Category	No. of Shares	% of Shareholding
A. Promoter's Holding		
1. Promoters		
a. Indian Promoters	2,501,010	54.44
b. Foreign Promoters	-	-
2. Persons acting in concert	-	-
SUB TOTAL (A)	2,501,010	54.44
B. Non-Promoter's Holding		
3. Institutional Investors		
a. Mutual Funds and UTI	-	-
b. Banks, Financial Institutions, Insurance Companies (Central/State Government Institutions/Non Government Institutions)	-	-
c. FII(s)	-	-
4. Others		
a. Bodies Corporate	687,673	14.97
b. Indian Public	1,255,893	27.34
c. NRI's and OCB's	4,492	0.10
d. Clearing Members	12,459	0.27
e. Trusts	0	0.00
f. HUF	68,128	1.48
g. IEPF MCA Account	64,645	1.41
SUB TOTAL (B)	2,093,290	45.56
GRAND TOTAL (A+B)	4,594,300	100.00

11. Registrars and Transfer Agents

: M/s. Link Intime Pvt. Ltd
C-201, 247 Park, LBS Marg,
Vikhroli (West), Mumbai- 400 083

12. Share Transfer Systems

: Since your Company's shares are compulsorily traded in the demat segment on the BSE, bulk of the transfers take place in the electronic form. Share transfers in physical are stipulated time, if documents clear in all respect. The Committee of Directors place in the electronic form. The Committee of Directors for share Transfer meets frequently to approve

13. Dematerialisation of Shares and Liquidity	:	Transfer of shares. Trading in equity shares of your Company is Permitted only in dematerialised form. Total No. of Shares dematerialised upto 31 st March, 2021 is 4528080 i.e. 98.56% of the total share capital of your Company.
14. Issue of any GDRs, ADRs etc.	:	Your Company has not issued any GDRs, ADRs, Warrants or any Convertible Instruments
1. Plant Locations	:	<p>Plant 1: Shreeji Industrial Estate, Vadkun College Road, Dahanu, Dist. Palghar – 401602.</p> <p>Plant 2: Plot No. 7A & 7B, Government Industrial Estate, Phase – I, Piparia, Silvassa – 396230.</p> <p>Plant 3: Plot No. D-2/CH/49, GIDC Estate, Dahej, Tal-Vagra, Dist-Bharuch- 392130, Gujarat.</p> <p>Plant 4: Plot No. 570A & 570B, Vasanthanaraspura Industrial Area, 2nd Phase, Tumakuru, Dist– Bengaluru.</p> <p>Plant 5: Plot No. 73 & 74, Industrial Area, Mehatpur, Dist – UNA, Himachal Pradesh – 174315.</p>
2. Registered Office Address	:	315, The Summit Business Bay, Behind Gurunanak Petrol Pump, Opp. Cinemax, Andheri-Kurla Road, Andheri (East), Mumbai – 400093, Maharashtra.
3. Address of Shareholders Correspondence	:	<p>M/s. Link Intime India Pvt. Ltd. C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai- 400 083 Website: www.linkintime.co.in Email id: rnt.helpdesk@linkintime.co.in</p>

DECLARATION

As required under Schedule V(D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Board Members and the Senior Management Personnel have confirmed compliances with the Code of Conduct for the Board of Directors and the Senior Management for the year ended 31st March, 2021.

For, Nikhil Adhesives Limited

**Sd/-
Umesh J. Sanghavi
Managing Director**

**Place: Mumbai
Date: 07th August, 2021**

MANAGING DIRECTOR AND CFO CERTIFICATION

The Board of Directors
Nikhil Adhesives Limited,
Mumbai.

Re: Financial Statements for the year 2020-21 Certification by the Managing Director and CFO.

We the undersigned, on the basis of the review of the financial statements and the cash flow statement for the financial year ended 31st March, 2021 and to the best of our knowledge and belief, hereby certify that:

1. These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Indian Accounting Standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2021 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 J. Sanghavi
Managing Director
07th August, 2021**

**Sd/-
Anita U. Sanghavi
Chief Financial Officer
07th August, 2021**

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,
315, the Summit Business Bay,
Behind Gurunanak Petrol Pump, Opp. Cinemax, Andheri
Kurla Road, Andheri (East),
Mumbai – 400 093

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Nikhil Adhesives Limited having CIN L51900MH1986PLC041062 and having registered office at 315, The Summit Business Bay, Behind Gurunanak Petrol Pump, Opp. Cinemax, Andheri Kurla Road, Andheri (East), Mumbai – 400 093 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs.

SR. No.	Name of Directors	DIN	Date of appointment in the Company
1.	Umesh Jayantilal Sanghavi	00491220	29/09/1986
2.	Rajendra Jayantilal Sanghavi	00245637	29/09/1986
3.	Tarak Jayantilal Sanghavi	00519403	01/10/1987
4.	Madhusudan Manmohan Vora*	00245427	03/02/2007
5.	Hirebettu Sadananda Kamath*	02628018	15/02/2004
6.	Ishita Tushar Gandhi	07137098	28/03/2015

* retired w.e.f. 01st April, 2021

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

For D M Zaveri & Co.
Company Secretary

Dharmesh Zaveri (Proprietor)
M. No.: 5418
CP. No.: 4363
ICSI UDIN:F005418C000742715

Place: Mumbai
Date: 7th August, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of Nikhil Adhesives Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the standalone financial statements of **Nikhil Adhesives Limited**("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind As financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (Ind AS), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report. For each key audit matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to this matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key Audit Matters

Key audit matters	How our audit addressed the key audit matters
<p><u>Existence and condition of inventories of raw and packing material, finished goods and stock in trade (Refer note 8 to the standalone Ind AS financial statements)</u></p> <p>The Company has a policy of performing physical verification of inventories, as per plan, for all its locations, throughout the year. Due to the restrictions imposed on account of COVID-19, the planned year end verification of the inventories was carried out subsequent to the year end, which we could not observe physically. The total value of inventory as at 31st March 2021 is Rs.7,180lakh.</p>	<p>We performed the following alternate audit procedures to audit the existence and condition of inventories as per the guidance provided in SA 501 "Audit Evidence – Specific Considerations for Selected Items", as at the year-end, since we were not able to physically observe the verification of inventories:</p> <ul style="list-style-type: none"> • The stocks physically verified by the management were reconciled with the perpetual inventory records maintained by the Company as on the date of the physical verification and in respect of the material items of the inventories, carried out rolled back procedure to arrive at the stock quantities as at the balance sheet date. • For stocks held at third party locations, obtained direct confirmation of the inventory held by them as at the year-end. • Performed additional alternate procedures which included inspection of supporting documentation relating to purchases, sales and production records relating to inventory as at year-end.
<p><u>Revenue recognition</u></p> <p>Revenue is one of the key profit drivers. Cut –off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year. The issue assumed more importance this year due to COVID 19 related transportation constraints towards the end of the year.</p>	<p>The issue was addressed in our audit by audit procedures with regard to revenue recognition that included testing controls around dispatches/deliveries, substantive testing for cut -offs and analytical review procedures.</p>

<u>Increased risk of non recovery of debts in retail segment.</u>	The issue was addressed by performance of more extensive procedures to establish the recoverability of the debts including realizations subsequent to the balance sheet date and considered the market pulse from the sales and marketing team of the Company
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Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises of the Annual Report but does not include the standalone Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read such other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and to comply with the relevant applicable requirements of the standard on auditing for auditor's responsibility in relation to other information in documents containing audited financial statements. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of the standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the 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 Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 Ind AS 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 with reference to financial statements 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including 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 Ind AS financial statements for the financial year ended 31st March 2021 and are therefore the key audit matters.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We 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), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the 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 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act read with Schedule V to the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 41 to the financial statements.
 - (ii) The Company does not have any long-term contracts including derivative contracts outstanding as on the balance sheet date. Hence, disclosure of any foreseeable losses in respect thereof is not applicable.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund (IEPF Fund) by the Company. However there has been delay of 21 days in transferring 7,650 equity shares of nominal value Rs 76,500/- which were required to be transferred to the IEPF Fund pursuant to Section 124(6) of the Act for Financial Year 2012-13.

For PPV & CO

Chartered Accountants

Firm Registration No.153929W

Priyanshi Vakharia

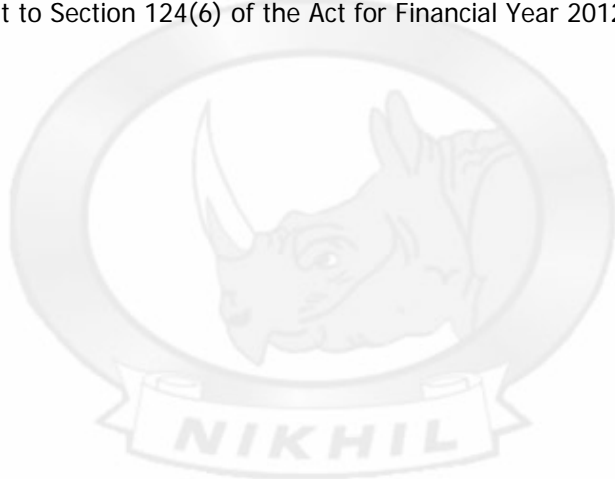
Proprietor

Membership No.: 181834

UDIN : 21181834AAAAAZ3917

Mumbai

Date: 30th June 2021



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 Ind AS financial statements for the year ended 31st March 2021:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us, we report that the title deeds of immovable properties are held in the name of the Company. In respect of immovable properties that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the company has not granted secured or unsecured loans to company covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act').
- (iv) In our opinion and according to the information and explanations given to us, in respect of loans, investments, guarantees and security, where applicable, the provisions of Section 185 and 186 of the Companies Act 2013 have been complied with by the Company.
- (v) In our opinion and according to the information and explanations given to us, the Company has accepted deposits during the year and complied with the provisions of Sections 73 to 76 and other relevant provisions of the Companies Act, 2013 and the rules framed there under, as applicable.
- (vi) The maintenance of cost records have been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended, prescribed by the Central Government under sub-section (1) of the Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- (vii) (a) According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company has been generally regular in depositing with the appropriate authorities undisputed statutory dues including Income Tax, Goods and Service Tax, cess and other statutory dues as applicable, and as at March 31, 2021, there were no undisputed dues payable for a period of more than six months from the date of becoming payable.

(b) According to the information and explanations given to us, there are no dues of Income tax or Sales tax or Value Added Tax or Service Tax or Custom Duty or Excise Duty or Cess or GST which have not been deposited on account of disputes except following:

Statute	Financial Year	Dispute Forum	Amount(Rs)
Income Tax	2016-17	Commissioner of Income Tax Appeals-CIT-(Appeal)	1,71,509
Sales Tax	2003-04	Deputy Commissioner of Sales Tax (Appeal)	71,99,180

- (viii) According to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to the banks and financial institution. The Company has not availed any loan or borrowing government and has not issued debentures.
- (ix) According to the information and explanations given to us, the Company has neither raised money by way of initial public offer or further public offer (including debt instruments). The term loans taken by the Company were applied for the purposes for which they were taken.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore the provisions of clause 3(xii) of the Order are not applicable to the Company and reporting under this clause is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Act, where applicable, and details of related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards (Ind AS).

- (xiv) The Company has not made any preferential allotment or private placement of shares or issued fully or partly convertible debentures during the year under review.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors.
- (xvi) According to the information and explanations given to us, the Company is not NBFC and hence the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Therefore, reporting under this clause is not applicable to the Company.

For PPV & CO

Chartered Accountants

Firm Registration No.153929W

Priyanshi Vakharia

Proprietor

Membership No.: 181834

UDIN: 21181834AAAAAZ3917

Mumbai

Date: 30th June 2021



Annexure B

Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditors' Report of even date to the members of Nikhil Adhesives Limited on the financial statements for the year ended March 31, 2021.

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

We have audited the internal financial controls over financial reporting of **Nikhil Adhesives Limited** ("the Company") as at March 31, 2021, in conjunction with our audit of the standalone Ind AS 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 control over financial reporting criteria established by the Company considering the essential components of internal control stated in the 'Guidance Note on Audit of Internal Financial Controls Over Financial Reporting' issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to the standalone Ind AS 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 over financial reporting with reference to the standalone Ind AS 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 over financial reporting with reference to the standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to the standalone Ind AS financial statements included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting with reference to the Standalone Ind AS Financial Statements

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting with reference to the 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 Over Financial Reporting with reference to the Standalone Ind AS Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting with reference to the standalone Ind AS financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For PPV & CO

Chartered Accountants

Firm Registration No. 153929W

Priyanshi Vakharia

Proprietor

Membership No.: 181834

UDIN: 21181834AAAAAZ3917

Mumbai

Date: 30th June 2021



BALANCE SHEET AS AT 31ST MARCH, 2021

(Amount in rupees)

Particular	Note No.	As at 31st March 2021	As at 31st March 2020
ASSETS:			
1. Non-current assets:			
(a) Property, Plant and Equipment	2	54,25,42,211	44,36,51,743
(b) Capital Work-in-Progress	3	14,16,200	5,65,04,442
(c) Other Intangible assets	4	-	-
(d) Financial Assets			
(i) Investments	5	7,15,119	3,97,428
(ii) Other Non-Current Financial Assets	6	40,65,576	50,37,101
(e) Other Non-Current Assets	7	80,71,273	1,23,48,831
TOTAL NON CURRENT ASSETS		55,68,10,379	51,79,39,545
2. Current Assets:			
(a) Inventories	8	71,80,35,011	36,68,13,558
(b) Financial Assets			
(i) Trade Receivables	9	1,51,17,76,391	94,63,16,154
(ii) Cash and Cash Equivalents	10	30,03,038	50,60,908
(iii) Bank Balances other than above	11	1,10,24,319	94,40,207
(iv) Other Current Financial Assets		-	-
(c) Current Tax Assets (Net)		4,76,07,535	1,35,00,000
(d) Other Current Assets	12	4,40,12,979	4,91,14,148
TOTAL CURRENT ASSETS		2,33,54,59,273	1,39,02,44,975
TOTAL ASSETS:		2,89,22,69,652	1,90,81,84,520
EQUITY AND LIABILITIES:			
I. EQUITY			
(a) Equity Share Capital	13	4,60,49,603	4,60,49,603
(b) Other Equity	14	56,27,88,073	41,06,55,133
TOTAL EQUITY		60,88,37,676	45,67,04,736
II. LIABILITIES			
1. NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	15	19,79,17,911	15,54,49,549
(ii) Other Non-Current Financial Liabilities	16	1,65,62,560	1,92,18,521
(b) Provisions	17	77,27,818	68,26,554
(c) Deferred Tax Liabilities (Net)	18	3,35,55,497	3,08,79,765
TOTAL NON-CURRENT LIABILITIES		25,57,63,786	21,23,74,389
2. CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	19	20,84,223	11,07,79,022
(ii) Trade Payables	20	1,60,21,32,167	86,63,76,371
(iii) Other Current Financial Liabilities	21	16,85,59,995	14,81,87,029
(b) Other Current Liabilities	22	18,10,68,246	9,44,28,709
(c) Provisions	23	47,42,617	42,53,322
(d) Current Tax Liabilities (Net)		6,90,80,942	1,50,80,942
TOTAL CURRENT LIABILITIES		2,02,76,68,190	1,23,91,05,395
TOTAL EQUITY AND LIABILITIES:		2,89,22,69,652	1,90,81,84,520

Significant Accounting Policies

1

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For and on behalf of the Board of Directors

For PPV & Co.

Chartered Accountants

Firm Registration No. 153929W

U. J. Sanghavi

(Managing Director)

DIN : 00491220

T. J. Sanghavi

(Executive Director)

DIN : 00519403

Priyanshi Vakharia

(Proprietor)

Membership No. 181834

R. J. Sanghavi

(Executive Chairman)

DIN : 00245637

M. M. Vora

(Director)

DIN : 00245427

Place : Mumbai

Date : 30th June 2021

A. U. Sanghavi

(Chief Financial Officer)

Rachana Baria

(Company Secretary)

M. No. A53336

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

(Amount in rupees)

Particulars	Note No.	Year Ended 31st March 2021	Year Ended 31st March 2020
INCOME			
Revenue from operations	24	4,91,00,54,707	4,21,76,81,592
Other income	25	28,93,668	75,19,399
Total income		4,91,29,48,375	4,22,52,00,991
EXPENSE			
Cost of materials consumed	26	2,80,12,71,015	2,42,27,56,677
Purchases of stock in trade	27	1,38,37,73,467	1,16,18,23,486
Changes in inventories of finished goods work-in-progress and stock-in-trade	28	(4,42,00,133)	(3,77,45,772)
Employee benefits expense	29	11,70,36,102	11,77,50,597
Finance costs	30	6,66,70,883	7,88,93,485
Depreciation and amortization expense	31	3,45,99,172	2,87,85,408
Other expenses	32	34,20,37,890	36,14,74,713
Total expenses		4,70,11,88,396	4,13,37,38,594
Profit before exceptional items and tax		21,17,59,979	9,14,62,397
Exceptional items		-	-
Profit before tax		21,17,59,979	9,14,62,397
Tax expense			
Current tax		5,25,00,000	2,07,00,000
Deferred tax		27,19,701	5,33,922
Tax Adjustment for earlier years		-	-
Total tax expenses		5,52,19,701	2,12,33,922
Profit for the year		15,65,40,278	7,02,28,475
Other comprehensive income			
Change in fair value of financial assets		3,17,691	(1,16,041)
Remeasurements of net defined benefit plans		(1,74,698)	(28,01,207)
Tax effect of above		43,968	7,05,008
Remeasurement of defined benefit plans (Net of Tax)		(1,30,730)	(20,96,199)
Total other comprehensive income / (loss)		1,86,961	(22,12,240)
Total comprehensive income for the year		15,67,27,239	6,80,16,235
Earnings per equity share (Face value of ₹ 10/- per share)			
Basic		34.07	15.29
Diluted		34.07	15.29

Significant Accounting Policies

1

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For and on behalf of the Board of Directors

For PPV & Co.

 Chartered Accountants
Firm Registration No. 153929W

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

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

 Priyanshi Vakharia
(Proprietor)
Membership No. 181834

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

 M. M. Vora
(Director)
DIN : 00245427

 Place : Mumbai
Date : 30th June 2021

 A. U. Sanghavi
(Chief Financial Officer)
Rachana Baria
(Company Secretary)
M. No. A53336

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

(A) Equity share capital

(Amount in rupees)

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the reporting year	4,60,49,603	4,60,49,603
Change in equity share capital during the year	-	-
Balance at the end of the reporting year	4,60,49,603	4,60,49,603

(B) Other equity

(Amount in rupees)

Particulars	Reserves and Surplus				Other Comprehensive Income	Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings		
Balances as on April 1, 2019 (A)	4,00,000	15,00,00,000	6,42,87,415	13,58,59,486	(10,67,782)	34,94,79,119
Addition during the year:						
Adjustment for lease properties under IND AS 116 (B)	-	-	-	(13,01,551)	-	(13,01,551)
Profit for the year	-	-	-	7,02,28,475	-	7,02,28,475
Other comprehensive income :						
Remeasurement of defined benefit plans	-	-	-	-	(20,96,199)	(20,96,199)
Net change in fair value of investments	-	-	-	-	(1,16,041)	(1,16,041)
Total Comprehensive Income for the year 2019-20(F)	-	-	-	7,02,28,475	(22,12,240)	6,80,16,235
Reductions during the year:						
Dividend	-	-	-	(45,94,300)	-	(45,94,300)
Dividend distribution tax	-	-	-	(9,44,369)	-	(9,44,369)
Total (G)	-	-	-	(55,38,669)	-	(55,38,669)
Balance as at March 31, 2020(D) = (A+B+C)	4,00,000	15,00,00,000	6,42,87,415	19,92,47,741	(32,80,022)	41,06,55,133
Addition during the year:						
Profit for the year	-	-	-	15,65,40,278	-	15,65,40,278
Other comprehensive income :						
Remeasurement of defined benefit plans	-	-	-	-	(1,30,730)	(1,30,730)
Net change in fair value of investments	-	-	-	-	3,17,691	3,17,691
Total Comprehensive Income for the year 2020-2021 (E)	-	-	-	15,65,40,278	1,86,961	15,67,27,239
Reductions during the year:						
Dividend	-	-	-	(45,94,300)	-	(45,94,300)
Total (F)	-	-	-	(45,94,300)	-	(45,94,300)
Balance as at March 31, 2021 (D+E+F)	4,00,000	15,00,00,000	6,42,87,415	35,11,93,719	(30,93,061)	56,27,88,073

56,27,88,073

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 PPV & Co.
Chartered Accountants
Firm Registration No. 153929W

Priyanshi Vakharia
(Proprietor)
Membership No. 181834

Place : Mumbai
Date : 30th June 2021

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

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

A. U. Sanghavi
(Chief Financial Officer)

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

M. M. Vora
(Director)
DIN : 00245427

Rachana Baria
(Company Secretary)
M. No. A53336

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31.03.2021

(Rupees in lakhs)

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
A. Cash flows from Operating Activities				
Profit before income tax		21,17,59,979		9,14,62,397
Non-cash and not operating adjustment to profit before tax:				
Depreciation and amortisation expense	3,45,99,172		2,87,85,408	
Allowance for expected credit loss	18,70,565		2,97,993	
Provision for Gratuity	12,15,861		8,99,854	
Finance costs	6,66,70,883		7,88,93,485	
Sales tax deferral adjustment	-		5,76,162	
Bad debts written off	88,12,491		1,72,57,554	
Unrealised exchange differences (gain)/loss	(28,67,641)	11,03,01,331	1,86,90,545	14,54,01,001
		32,20,61,310		23,68,63,398
Change in operating assets and liabilities :				
Decrease/(increase) in trade receivables	(57,57,64,249)		27,75,878	
Decrease/(increase) in inventories	(35,12,21,453)		3,36,30,134	
Increase/(decrease) in trade payables	73,82,44,394		(13,18,06,127)	
Decrease/(Increase) in other non-current financial assets	10,50,619		(8,21,057)	
Increase/(decrease) in other non-current financial Liabilities	17,81,659			
Decrease/(increase) in other non-current assets	(15,57,853)		9,21,838	
Decrease/(increase) in other current assets	51,01,169		42,03,913	
Increase/(decrease) in other current financial liabilities	3,66,21,594		3,31,36,329	
Increase/(decrease) in other current liabilities	8,56,65,813	(6,00,78,307)	5,41,86,699	(37,72,393)
Cash generated from operations		26,19,83,003		23,30,91,005
Direct taxes paid (net of refunds)		(3,26,07,535)		(2,37,90,618)
Net cash flows from/(used in) Operating Activities (A)		22,93,75,468		20,93,00,387
B. Cash flows from Investing Activities				
Payments for acquisition of property, plant and equipment (net)	(7,25,65,987)		(13,57,41,461)	
Term deposits with banks (placed)/ matured(Net)	(16,63,206)		1,33,23,738	
Net Cash Flows from/(used in) Investing Activities (B)		(7,42,29,193)		(12,24,17,723)
C. Cash flows from Financing Activities				
Net Cash Flows from/(used in) in Financing Activities (C)				
Dividend paid	(45,94,300)		(55,38,669)	
Proceeds / (Repayment) of long term borrowings (Net)	4,24,68,362		35,34,630	
Proceeds / (Repayment) of short term borrowings (Net)	(12,29,77,059)		(82,92,672)	
Finance costs	(7,21,01,148)		(8,27,69,850)	
Net Cash Flows from/(used in) Financing Activities (C)		(15,72,04,145)		(9,30,66,561)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		(20,57,870)		(61,83,897)
Cash and cash equivalents at the beginning of the year		50,60,908		1,12,44,805
Cash and cash equivalents at the end of the year		30,03,038		50,60,908

Notes:

Cash and cash equivalents are as under:

(Rupees in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Cash in hand	6,33,916	18,11,800
Balances with banks in current accounts	23,69,122	32,49,108
Total	30,03,038	50,60,908

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Indian Accounting Standard 7- Statement of Cash Flows as prescribed by the Central Government in the Companies (Accounting Standards) Rules, 2015 , as amended

As per our attached report of even date

For and on behalf of the Board of Directors

For PPV & Co.
Chartered Accountants
Firm Registration No. 153929W

Priyanshi Vakharia
(Proprietor)
Membership No. 181834

Place : Mumbai
Date : 30th June 2021

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

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

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

M. M. Vora
(Director)
DIN : 00245427

Rachana Baria
(Company Secretary)
M. No. A53336

Notes forming part of the Financial Statements

Corporate Information

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

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation

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

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

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

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

A liability is treated as current when :

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

All other liabilities are classified as non-current.

1.2 Use of judgements, estimates and assumptions

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

The Company's accounting policies, management has made judgements in respect of evaluation of recoverability of deferred tax assets, which has the most significant effect on the amounts recognised in the financial statements.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within:

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

The Company has estimated useful life of the Property Plant and Equipment as specified in Schedule II to the Companies Act, 2013. However the actual useful life for individual equipments could turn out to be different, there could be technology changes, breakdown, unexpected failure leading to impairment or complete discard. Alternately the equipment may continue to provide useful service well beyond the useful life assumed.

b) Fair value measurement of financial instruments:

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

c) Impairment of financial and non-financial assets:

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

d) Taxes:

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

Notes forming part of the Financial Statements

e) Defined benefit plans:

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

f) Provisions:

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

g) Contingencies:

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

1.3 Property, Plant and Equipment

Freehold land is carried at historical cost. All other property, plant and equipment are stated at cost, net of recoverable taxes, trade discounts and rebates less accumulated depreciation and impairment loss, if any. The cost of tangible assets comprises of its purchase price, borrowing cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, initial estimation of any decommissioning obligations and finance cost.

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. Likewise 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.

Cost of Software directly identified with hardware is recognised along with the cost of hardware.

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

An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit and Loss when the asset is derecognised.

Capital work-in-progress includes cost of Property, Plant and Equipment which are not ready for their intended use.

The residual values and useful lives of Property, Plant and Equipment are reviewed at each financial year end, and changes, if any, are accounted prospectively.

Depreciation on the Property, Plant and Equipment is provided over the useful life of assets as specified in Schedule II to the Companies Act, 2013 using straight line method. Property, Plant and Equipment which are added / disposed off during the year, depreciation is provided on pro rata basis with reference to the month of addition / deletion.

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.

1.4 Intangible Assets

Intangible Assets are recognised only if they are separately identifiable and the Company expects to receive future economic benefits arising out of them. Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/ depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use. Intangible assets with finite lives are amortised on straight line basis over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each year end. The amortised expense on intangible assets with finite lives and impairment loss is recognised in the Statement of Profit and Loss. The useful lives of intangible assets are assessed as either finite or indefinite. Gains or losses arising from derecognition of an intangible asset are recognised in the Statement of Profit and Loss when the asset is derecognised. Intangible assets with indefinite useful lives, are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. The impairment loss on intangible assets with indefinite life is recognised in the Statement of Profit and Loss.

Notes forming part of the Financial Statements

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

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

Finished goods (including in transit) are valued at cost or net realisable value whichever is lower. Cost for this purpose includes direct materials, direct labour utilities, other variable direct costs and manufacturing overheads, based on the normal operating capacity and depreciation.

1.7 Cash and cash Equivalents

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

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

Bank Balances other than above

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

Cash Flow Statement

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

1.8 Financial Instruments

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

A. Financial Assets:

(i) Classification :

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

(ii) Initial recognition and measurement :

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

(iii) Financial assets measured at amortised cost :

Financial assets are subsequently 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 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 principal outstanding.

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

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

Notes forming part of the Financial Statements

(vi) Derecognition of financial assets :

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

B. Impairment of Financial Assets

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

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

C. Financial Liabilities

(i) Classification :

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

(ii) Initial recognition and measurement :

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

(iii) Subsequent measurement :

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

(iv) Loans and borrowings :

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

(v) Derecognition of financial liabilities :

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

(vi) Derivative financial instruments :

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

1.9 Fair value measurement

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

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

- (a) In the principal market for the asset or liability; or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

1.10 Borrowing cost

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

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

1.11 Provisions, Contingent liabilities, Contingent Assets

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

Notes forming part of the Financial Statements

Contingent liabilities are disclosed in the case of :

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

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

1.12 Employee Benefits

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

(i) Provident Fund :

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

(ii) Gratuity :

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

(iii) Compensated Leave :

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

1.13 Revenue Recognition

Sale of Goods :

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

Dividend Income :

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

Contract Revenue :

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

Interest Income :

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

Insurance compensation :

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

Others :

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

1.14 Taxes on Income

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

Current Tax :

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

Notes forming part of the Financial Statements

Deferred Tax :

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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

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

1.15 Earnings per Share

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

1.16 Segment Reporting

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

1.17 Leases

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 (i.e. the higher of the fair value less cost to sell and the value-in-use) 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.

Notes forming part of the Financial Statements

Effective 1st April 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1st April 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application.

1.18 Foreign exchange transactions

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

1.19 Capital Work-in-Progress

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.

Notes forming part of the financial statements

Note 2 Property, plant and equipment

As at 31st March, 2021

(Amount in rupees)

Particulars	Gross Block				Accumulated Depreciation/Amortisation				Net Block	
	As at 1 April 2020	Additions	Adjustments	As at 31 Mar 2021	As at 1 April 2020	As at 31 Mar 2021	Adjustments	As at 31 Mar 2021	As at 31 Mar 2021	As at 31 Mar 2020
<u>Own Assets :</u>										
Land	3,70,55,418	-	-	3,70,55,418	-	-	-	-	3,70,55,418	3,70,55,418
Land under lease	1,99,51,495	-	-	1,99,51,495	13,44,817	1,60,576	-	15,05,393	1,84,46,102	1,86,06,678
Buildings	12,77,27,073	2,88,68,734	-	15,65,95,807	2,52,49,390	47,06,841	-	2,99,56,231	12,66,39,576	10,24,77,683
Right to use of lease hold premises	1,66,15,041	-	-	1,66,15,041	35,73,898	43,82,892	-	79,56,790	86,58,251	1,30,41,143
Plant & Equipment	44,23,09,720	10,33,75,199	-	54,56,84,919	17,87,63,163	2,29,29,697	-	20,16,92,860	34,39,92,059	26,35,46,558
Furniture and Fixtures	90,80,326	5,82,451	-	96,62,776	55,44,442	6,84,498	-	62,28,940	34,33,836	35,35,884
Lease Improvement	36,29,828	-	-	36,29,828	16,80,836	7,25,527	-	24,06,363	12,23,465	19,48,992
Vehicles	77,22,038	-	-	77,22,038	49,79,157	5,65,760	-	55,44,917	21,77,121	27,42,881
Computers	81,30,676	6,51,780	-	87,82,456	74,99,427	4,34,008	-	79,33,435	8,49,021	6,31,249
Phone	77,390	11,480	-	88,870	12,132	9,376	-	21,508	67,362	65,258
<u>Assets under Lease :</u>										
Total	67,22,99,004	13,34,89,644	-	80,57,88,648	22,86,47,262	3,45,99,175	-	26,32,46,437	54,25,42,211	44,36,51,743

As at 31st March, 2020

(Amount in rupees)

Particulars	Gross Block				Accumulated Depreciation/Amortisation				Net Block	
	As at 1 April 2019	Additions	Adjustments	As at 31 March 2020	As at 1 April 2019	For the year	Adjustments	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
<u>Own Assets :</u>										
Land	3,25,78,787	44,76,631	-	3,70,55,418	-	-	-	-	3,70,55,418	3,25,78,787
Land under lease	1,99,51,495	-	-	1,99,51,495	11,84,241	1,60,576	-	13,44,817	1,86,06,678	1,87,67,254
Buildings	9,48,36,157	3,28,90,916	-	12,77,27,073	2,15,20,643	37,28,747	-	2,52,49,390	10,24,77,683	7,33,15,514
Right to use of lease hold premises	-	1,93,79,948	-	1,93,79,948	-	63,38,805	-	63,38,805	1,30,41,143	-
Plant & equipment	39,64,50,402	4,58,59,318	-	44,23,09,720	16,00,34,317	1,87,28,846	-	17,87,63,163	26,35,46,557	23,64,16,085
Furniture and fixtures	70,30,356	20,49,970	-	90,80,326	49,39,612	6,04,830	-	55,44,442	35,35,884	20,90,744
Lease improvement	36,29,828	-	-	36,29,828	9,53,322	7,27,514	-	16,80,836	19,48,992	26,76,506
Vehicles	76,51,833	70,205	-	77,22,038	41,35,484	8,43,673	-	49,79,157	27,42,881	35,16,349
Computers	75,66,052	5,64,624	-	81,30,676	70,90,975	4,08,452	-	74,99,427	6,31,249	4,75,077
Phone	34,999	42,391	-	77,390	3,260	8,872	-	12,132	65,258	31,739
Total	56,97,29,909	10,53,34,003	-	67,50,63,912	19,98,61,854	3,15,50,315	-	23,14,12,169	44,36,51,743	36,98,68,055

Notes forming part of the Financial Statements

Note 3: Capital work in progress

As at March 31, 2021

(Amount in rupees)

Particulars	Gross Block				Accumulated Depreciation/Amortisation				Net Block	
	As at 1 April, 2020	Additions	Transfer to Property Plant and Equipment	As at 31 March, 2021	As at 1 April, 2020	For the year	Transfer to Property Plant and Equipment	As at 31 March, 2021	As at 31 March, 2021	As at 31 March, 2020
Capital work-in-progress	5,65,04,442	14,16,200	(5,65,04,442)	14,16,200	-	-	-	-	14,16,200	5,65,04,442
Total	5,65,04,442	14,16,200	(5,65,04,442)	14,16,200	-	-	-	-	14,16,200	5,65,04,442

As at March 31, 2020

(Amount in rupees)

Particulars	Gross Block				Accumulated Depreciation/Amortisation				Net Block	
	As at 1 April, 2019	Additions	Transfer to Property Plant and Equipment	As at 31 March, 2020	As at 1 April, 2019	For the year	Transfer to Property Plant and Equipment	As at 31 March, 2020	As at 31 March, 2020	As at 31 March, 2019
Capital work-in-progress	47,05,159	5,59,57,411	(41,58,128)	5,65,04,442	-	-	-	-	5,65,04,442	5,65,04,442
Total	47,05,159	5,59,57,411	(41,58,128)	5,65,04,442	-	-	-	-	5,65,04,442	5,65,04,442

Note 4 : Intangible assets

As at March 31, 2021

(Amount in rupees)

Particulars	Gross Block				Accumulated Depreciation/Amortisation				Net Block	
	As at 1 April, 2020	Additions	Sale/Disposal	As at 31 March, 2021	As at 1 April, 2020	For the year	Sale/Disposal	As at 31 March, 2021	As at 31 March, 2021	As at 31 March, 2020
Intangible assets										
<u>Own Assets :</u>										
Goodwill	6,50,000	-	-	6,50,000	6,50,000	-	-	6,50,000	-	-
Trademarks	10,98,500	-	-	10,98,500	10,98,500	-	-	10,98,500	-	-
Technical know how	30,75,000	-	-	30,75,000	30,75,000	-	-	30,75,000	-	-
MDC logo	35,00,000	-	-	35,00,000	35,00,000	-	-	35,00,000	-	-
Non compete agreement	10,00,000	-	-	10,00,000	10,00,000	-	-	10,00,000	-	-
Total	93,23,500	-	-	93,23,500	93,23,500	-	-	93,23,500	-	-

As at March 31, 2020

(Amount in rupees)

Particulars	Gross Block				Accumulated Depreciation/Amortisation				Net Block	
	As at 1 April, 2019	Additions	Sale/Disposal	As at 31 March, 2020	As at 1 April, 2019	For the year	Sale/Disposal	As at 31 March, 2020	As at 31 March, 2020	As at 31 March, 2019
Intangible assets										
<u>Own Assets :</u>										
Goodwill	6,50,000	-	-	6,50,000	6,50,000	-	-	6,50,000	-	-
Trademarks	10,98,500	-	-	10,98,500	10,98,500	-	-	10,98,500	-	-
Technical know how	30,75,000	-	-	30,75,000	30,75,000	-	-	30,75,000	-	-
MDC logo	35,00,000	-	-	35,00,000	35,00,000	-	-	35,00,000	-	-
Non compete agreement	10,00,000	-	-	10,00,000	10,00,000	-	-	10,00,000	-	-
Total	93,23,500	-	-	93,23,500	93,23,500	-	-	93,23,500	-	-

Notes forming part of the Financial Statements

Note: 5 Investments

(Amount in rupees)

Particular	As at 31 March 2021	As at 31 March 2020
(At fair value)		
Trade (quoted)		
Investment in equity shares, fully paid up :		
BOI AXA MIDCAP TAX FUND	6,60,839	3,71,628
800 (800) Equity Shares of Bank of India of ₹ 10/- each	54,280	25,800
Total	7,15,119	3,97,428

Note: 6 Other non-current financial assets

(Amount in rupees)

Particular	As at 31 March 2021	As at 31 March 2020
Security deposits (other than utility deposits)	40,65,576	50,37,101
Total	40,65,576	50,37,101

Note: 7 Other non-current assets

(Amount in rupees)

Particular	As at 31 March 2021	As at 31 March 2020
Capital Advances	31,29,130	89,64,541
Security deposits - utility	41,33,198	24,50,532
Other loans and advances	3,52,640	3,52,640
Prepaid rent	4,56,305	5,81,118
Total	80,71,273	1,23,48,831

Note: 8 Inventories

(Amount in rupees)

Particular	As at 31 March 2021	As at 31 March 2020
(At lower of cost or net realisable value)		
Finished goods stock	15,24,23,155	11,11,65,041
Fuels	6,87,379	6,46,650
Packing materials	2,54,40,692	1,53,91,705
Raw material and components	51,74,41,967	21,86,19,299
Stock in trade	2,20,41,818	2,09,90,863
Total	71,80,35,011	36,68,13,558

Notes forming part of the Financial Statements

Note: 9 Trade receivables

(Amount in rupees)

Particular	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good :		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	57,74,720	1,13,54,153
Other trade receivables	1,51,47,35,676	94,18,25,441
	1,52,05,10,396	95,31,79,594
Less: Expected credit loss allowance	(87,34,005)	(68,63,440)
Total	1,51,17,76,391	94,63,16,154

Particulars	As at 31 March 2021	As at 31 March 2020
Trade Receivables considered for ECL	1,52,05,10,396	95,31,79,594
Ageing		
Not Due	98,20,30,539	39,22,76,730
30-90 days	42,91,07,807	47,39,03,361
90-180 days	10,35,97,331	7,56,45,350
More than 180 days	57,74,720	1,13,54,153

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	68,63,440	65,65,447
Movement in expected credit loss allowance	18,70,565	2,97,993
Balance at the end of the year	87,34,005	68,63,440

Note: 10 Cash and cash equivalents

(Amount in rupees)

Particular	As at 31 March 2021	As at 31 March 2020
Balance with banks in current accounts	23,69,122	32,49,108
Cash on hand	6,33,916	18,11,800
Total	30,03,038	50,60,908

Note: 11 Bank balances other than above

(Amount in rupees)

Particular	As at 31 March 2021	As at 31 March 2020
Term deposits with more than three months maturity but due within one year from reporting date	1,08,37,608	91,74,402
In earmarked accounts		
Unpaid Dividend Account	1,86,711	1,86,711
Balances held as margin money	-	79,094
Total	1,10,24,319	94,40,207

Notes forming part of the Financial Statements

Note 12 Other current assets

(Amount in rupees)

Particulars	As at 31st March 2021	As at 31st March 2020
Unsecured, considered good :		
Advance to suppliers	46,15,275	44,31,116
GST balance	2,60,19,093	3,97,96,528
Prepaid expenses	43,88,031	35,29,403
Advances recoverable in cash or in kind	89,90,580	13,57,101
Total	4,40,12,979	4,91,14,148

Note 13 Equity share capital

(Amount in rupees)

Particulars	As at 31st March 2021	As at 31st March 2020
Authorised		
49,50,000 (49,50,000) Equity shares of ₹ 10/- each	4,95,00,000	4,95,00,000
50,000 (50,000) 8% Preference shares of ₹ 10/- each	5,00,000	5,00,000
Issued		
45,94,300 (45,94,300) Equity shares of ₹ 10/- each	4,59,43,000	4,59,43,000
Subscribed and fully paid up		
45,94,300 (45,94,300) Equity shares of ₹ 10/- each fully paid up	4,59,43,000	4,59,43,000
Add : Forfeited shares account	1,06,603	1,06,603
Total	4,60,49,603	4,60,49,603

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

(Amount in rupees)

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	45,94,300	4,59,43,000	45,94,300	4,59,43,000
Outstanding at the end of the year	45,94,300	4,59,43,000	45,94,300	4,59,43,000

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

Name of Shareholder	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	% holding	No. of Shares	% holding
Equity shares of ₹ 10/- each fully paid :				
Vasantben J. Sanghavi	5,00,260	10.89	5,00,260	10.89
Mrunalini R. Sanghavi	4,32,673	9.42	4,32,673	9.42
Anita U. Sanghavi	3,02,104	6.58	3,02,104	6.58
Rekha T. Sanghavi	4,45,483	9.70	4,45,483	9.70
Vasant Polymers & Chemicals Private Limited	5,03,600	10.96	5,03,600	10.96

(c) Details of forfeited shares :

(Amount in rupees)

Class of shares	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares	21,320	1,06,603	21,320	1,06,603

Notes forming part of the Financial Statements

Note 14 Other equity

(Amount in rupees)

Particulars	As at 31 March 2021	As at 31 March 2020
Reserves and Surplus		
Capital Reserve		
Balance at the beginning of the year	4,00,000	4,00,000
Addition during the year	-	-
Deductions during the year	-	-
Balance at the end of the year	4,00,000	4,00,000
Securities premium		
Balance at the beginning of the year	15,00,00,000	15,00,00,000
Addition during the year	-	-
Deductions during the year	-	-
Balance at the end of the year	15,00,00,000	15,00,00,000
Retained Earnings		
Balance at the beginning of the year	19,92,47,741	13,58,59,486
Adjustment for lease properties under IND AS 116	-	(13,01,551)
Profit/(Loss) for the year	15,65,40,278	7,02,28,475
Dividend paid to Equity Shareholders	(45,94,300)	(45,94,300)
Dividend distribution tax	-	(9,44,369)
Balance at the end of the year	35,11,93,719	19,92,47,741
General Reserve		
Balance at the beginning of the year	6,42,87,415	6,42,87,415
Addition during the year	-	-
Deductions during the year	-	-
Balance at the end of the year	6,42,87,415	6,42,87,415
Other Comprehensive Income		
Balance at the beginning of the year	(32,80,022)	(10,67,782)
IND AS Adjustments	-	-
Movement in other comprehensive income (net)	1,86,961	(22,12,240)
Balance at the end of the year	(30,93,061)	(32,80,022)
Total Other Equity	56,27,88,073	41,06,55,133

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

Under the erstwhile Companies Act, 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilized only in accordance with the specific requirements of Companies Act, 2013.

(e) Other comprehensive income

Other comprehensive income consist of remeasurement gains/losses on employees defined benefit expenses and change in fair value of investments

Notes forming part of the Financial Statements

Note 15 Borrowings

(Amount in rupees)

Particulars	As at 31 March 2021	As at 31 March 2020
Secured :		
From banks :		
Vehicle finance	4,05,758	8,71,673
From others		
Term loans	17,40,21,585	13,22,90,533
Total	17,44,27,343	13,31,62,206
Unsecured :		
Deferred payment liabilities		
Sales tax deferral	5,52,707	5,52,707
Deposits		
From shareholders	2,29,37,861	2,17,34,637
Total	2,34,90,568	2,22,87,344
Grand total	19,79,17,911	15,54,49,550

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

(Amount in rupees)

Particulars	Security and terms of repayment as at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Term loans from others:			
Aditya Birla Finance Ltd			
Term Loans I	(a) Secured against first charge on present and future movable and immovable fixed assets of the plant at Tumkur, Bangalore (b) Repayable in 81 monthly installments, last installment being due in Jan 2028. (c) Rate of Interest is 10% p.a	5,13,81,515	-

Note 15 Borrowings

(Amount in rupees)

HDFC Bank Ltd			
Term Loans I	(a) Secured against first charge on present and future movable and immovable fixed assets of the plant at Dahej (b) Repayable in 35 monthly installments, last installment being due in Feb 2024. (c) Rate of Interest is 9.85% p.a	3,75,44,337	4,35,52,491
Term Loans II	(a) Secured against first charge on present and future movable and immovable fixed assets of the plant at Dahej (b) Repayable in 43 monthly installments, last installment being due in Sep 2024. (c) Rate of Interest is 9.85% p.a	1,02,01,583	78,85,174
Term Loans III	(a) Secured against first charge on present and future movable and immovable fixed assets of the plant at Dahej (b) Repayable in 68 monthly installments, last installment being due in Nov 2026. (c) Rate of Interest is 9.85% p.a	3,51,99,543	3,65,39,964
Term Loans IV	(a) Secured against first charge on present and future movable and immovable fixed assets of the plant at Dahej (b) Repayable in 75 monthly installments, last installment being due in June 2027. (c) Rate of Interest is 9.85% p.a	3,96,94,607	4,43,12,904
Total		17,40,21,585	13,22,90,533
Vehicle Finance			
ICICI Bank			
Vehicle I	(a) Secured against hypothecation of the vehicle financed. (b) Repayable in 22 monthly installments, last installment being due in January 2023. (c) Rate of Interest is 8.01%.	4,05,758	8,71,673
Total		4,05,758	8,71,673

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

(Amount in rupees)

Particulars	Security and terms of repayment	As at 31 March 2021	As at 31 March 2020
Sales Tax Deferral	Sales tax collected under Package scheme of Incentives are payable in 5 to 6 yearly installments after 10 to 12 years from the year of collection.	5,52,707	5,52,707
From Shareholders	Deposits repayable as per maturity terms not exceeding 3 years	2,29,37,861	2,17,34,637
Total		2,34,90,568	2,22,87,344

(c) Secured long term borrowings of ₹ 17,40,21,585 /- (₹ 13,22,90,533/-) are personally guaranteed by some of the directors of the Company

(d) Current maturities of Term Loans, Vehicle Finance from Bank and Sales Tax Deferral amounting to ₹ 5,69,27,942/- (Previous Year ₹ 7,12,10,202/-) is disclosed under 'Other Current Liabilities' (Refer Note 21)

Notes forming part of the Financial Statements

Note: 16 Other non-current financial liabilities

(Amount in rupees)

Particulars	As at 31st March 2021	As at 31st March 2020
Interest accrued but not due on public deposits	20,92,764	13,90,616
Security Deposits (Customers)	92,83,526	75,01,867
Lease hold premises liability (As per IND AS 116)	51,86,270	1,03,26,038
Total	1,65,62,560	1,92,18,521

Note: 17 Provisions

(Amount in rupees)

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for employee benefits		
Provision for gratuity	77,27,818	68,26,554
Total	77,27,818	68,26,554

Note : 18 Deferred tax liabilities (net)

Movement in Deferred Tax Balances during the financial year ended 31st March, 2021

(Amount in rupees)

Components of Deferred Tax	Deferred Tax (Asset) / Liability Balance as on 31.03.2020	Deferred Tax Adjustment	Deferred Tax (Asset) / Liability Balance as on 31.03.2021
Deferred Tax Liabilities/(Assets)			
Depreciation on Property, Plant and Equipment	3,75,30,071	39,76,369	4,15,06,440
Borrowing Cost FY 2019-20	59,279	(16,161)	43,119
Provision for gratuity expense allowable in income tax when actually paid	(33,57,100)	(3,49,976)	(37,07,076)
Expected Credit Loss	(17,27,391)	(4,70,784)	(21,98,174)
Lease expense allowable as deduction in income tax in subsequent years	(4,17,095)	(4,19,749)	(8,36,843)
Tax on remeasurement of defined benefit plans	(12,08,001)	(43,968)	(12,51,969)
Net Deferred Tax Liabilities / (Assets)	3,08,79,765	26,75,732	3,35,55,497

(Amount in rupees)

Components of Deferred Tax	Deferred Tax (Asset) / Liability Balance as on 31.03.2019	Deferred Tax Adjustment	Deferred Tax (Asset) / Liability Balance as on 31.03.2020
Deferred Tax Liabilities/(Assets)			
Deferred Sales Tax liability accounted in books of account on discounted present value basis which is considered for taxation purpose for tax value	9,94,743	(9,94,743)	-
Depreciation on Property, Plant and Equipment	3,47,26,098	28,03,973	3,75,30,071
Borrowing cost amortised in books of account (01.04.2018)	1,86,014	(1,86,014)	-
Borrowing Cost FY 2018-19	2,50,380	(2,50,380)	-
Borrowing Cost FY 2019-20	-	59,279	59,279
Provision for gratuity expense allowable in income tax when actually paid	(24,25,617)	(9,31,483)	(33,57,100)
Expected Credit Loss	(21,77,775)	4,50,384	(17,27,391)
Lease expense allowable as deduction in income tax in subsequent years	-	(4,17,095)	(4,17,095)
Tax on remeasurement of defined benefit plans	(5,02,993)	(7,05,008)	(12,08,001)
Net Deferred Tax Liabilities / (Assets)	3,10,50,850	(1,71,087)	3,08,79,765

Notes forming part of the Financial Statements

Note 19 Borrowings

(Amount in rupees)

Particulars	As at 31 March 2021	As at 31 March 2020
Secured (Refer (a) and (b) below) :		
Cash credit from banks	20,84,223	11,07,79,022
Total	20,84,223	11,07,79,022

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

(Amount in rupees)

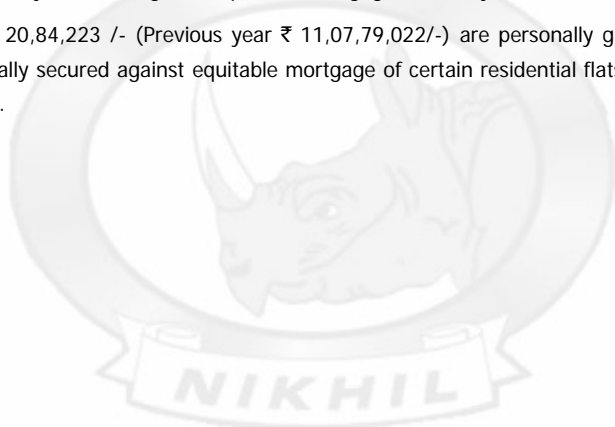
Particulars	As at 31 March 2021	As at 31 March 2020
Loans repayable on demand		
Cash Credit from Banks		
1) Bank of India	(68,44,560)	(50,50,184)
2) Standard Chartered Bank	1,67,25,843	1,75,97,306
3) Yes Bank	(14,54,691)	8,45,44,718
4) DBS Bank	(63,42,369)	1,36,87,182
Total	20,84,223	11,07,79,022

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

Nature of Security

The facilities from the consortium banks viz. Bank of India, Standard Chartered Bank, Yes Bank and DBS Bank are secured against hypothecation of stock of raw & packing materials, finished goods, book debts and plant & machineries of the company on pari passu basis. Further they are collaterally secured against equitable mortgage of factory blocks at Dahanu.

Secured short term borrowings of ₹ 20,84,223 /- (Previous year ₹ 11,07,79,022/-) are personally guaranteed by some of the promoter directors and others and are collaterally secured against equitable mortgage of certain residential flats of the promoter directors in favour of the said banks on pari passu basis.



Notes forming part of the Financial Statements

Note: 20 Trade payables

(Amount in rupees)

Particulars	As at 31st March 2021	As at 31st March 2020
Trade payables		
a) Total outstanding dues of micro & small enterprises		
b) Total outstanding dues of creditors other than micro & small enterprises	1,60,21,32,167	86,63,76,371
Total	1,60,21,32,167	86,63,76,371

Note: 21 Other current financial liabilities

(Amount in rupees)

Particulars	As at 31st March 2021	As at 31st March 2020
Current maturities of Long term debt (secured)*	5,69,27,942	7,12,10,202
Other Payables	10,54,64,347	6,88,42,753
Interest accrued but not due on public deposits	8,41,230	35,75,018
Unclaimed dividend	1,86,707	1,86,707
Lease hold premises liability	51,39,769	43,72,349
	16,85,59,995	14,81,87,029

* Refer note 15 for the nature of securities.

Note: 22 Other current liabilities

(Amount in rupees)

Particulars	As at 31st March 2021	As at 31st March 2020
Liabilities for expenses	16,83,36,668	8,70,98,523
Advances from customers	64,75,187	37,87,740
Statutory dues	62,56,391	35,42,446
	18,10,68,247	9,44,28,709

Note: 23 Provisions

(Amount in rupees)

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for employee benefits		
Gratuity	47,42,617	42,53,322
	47,42,617	42,53,322

Notes forming part of the Financial Statements

Note : 24 Revenue from operations

(Amount in rupees)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of products :		
(a) Manufactured goods	3,42,21,27,962	3,00,04,42,139
(b) Traded goods	1,42,45,67,382	1,18,22,04,418
	4,84,66,95,344	4,18,26,46,557
Other operating revenues :		
(a) Service charges	4,18,84,814	3,44,45,126
(b) Foreign exchange gain	2,10,96,416	-
(c) Interest Income	3,78,133	5,89,909
	6,33,59,363	3,50,35,035
Revenue from operations	4,91,00,54,707	4,21,76,81,592

Note : 25 Other income

(Amount in rupees)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Other non-operating income :		
(a) Interest Income received	72,805	62,97,432
(b) Sundry income	-	10,191
(c) Scrap sales	28,20,863	12,11,776
Total	28,93,668	75,19,399

Notes forming part of the Financial Statements

Note : 26 Cost of materials consumed

(Amount in rupees)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Raw materials consumed		
Opening stock	22,05,10,364	29,86,61,779
Add : Purchases	2,90,70,75,456	2,17,26,46,835
	3,12,75,85,820	2,47,13,08,614
Less : Closing stock	51,74,41,967	22,05,10,364
Sub total (A)	2,61,01,43,853	2,25,07,98,250
Packing materials consumed		
Opening stock	1,53,91,706	82,24,452
Add : Purchases	20,11,76,149	17,91,25,681
	21,65,67,855	18,73,50,133
Less : Closing stock	2,54,40,693	1,53,91,706
Sub total (B)	19,11,27,162	17,19,58,427
Total (A)+(B)	2,80,12,71,015	2,42,27,56,677

Note 27 Purchase of traded goods

(Amount in rupees)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Purchase of stock in trade	1,38,37,73,467	1,16,18,23,486
Total	1,38,37,73,467	1,16,18,23,486

Note 28 Changes in inventories of finished goods and stock in trade

(Amount in rupees)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening Stock		
(a) Finished goods	10,92,73,977	4,92,28,968
(b) Goods in transit (finished goods)	-	1,75,27,968
(c) Stock-in-trade	2,09,90,863	2,57,62,132
Sub Total (A)	13,02,64,840	9,25,19,068
Less : Closing Stock		
Finished goods	15,24,23,155	10,92,73,977
Stock-in-trade	2,20,41,818	2,09,90,863
Sub Total (B)	17,44,64,973	13,02,64,840
Total (A)-(B)	(4,42,00,133)	(3,77,45,772)

Notes forming part of the Financial Statements

Note 29 Employee benefit expense

(Amount in rupees)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries and wages	10,52,12,643	10,81,31,114
Contributions to provident and other funds	79,00,271	74,33,644
Staff welfare expenses	39,23,188	21,85,839
Total	11,70,36,102	11,77,50,597

Note 30 Finance costs

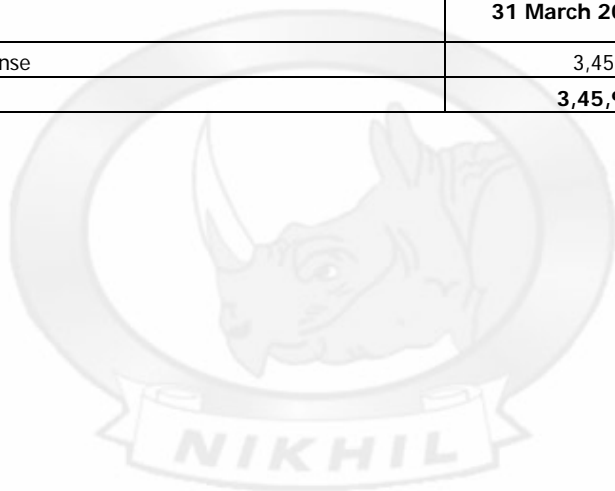
(Amount in rupees)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense	2,84,31,289	3,35,25,224
Other borrowing costs	3,82,39,594	4,53,68,261
Total	6,66,70,883	7,88,93,485

Note 31 Depreciation and amortization expense

(Amount in rupees)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation and amortization expense	3,45,99,172	2,87,85,408
Total	3,45,99,172	2,87,85,408



Notes forming part of the Financial Statements

Note 32 Other expenses

(Amount in rupees)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Stores and spares consumed	1,01,87,025	1,16,79,141
Power and fuel	3,95,67,053	4,38,76,725
Labour charges	5,60,76,222	4,71,61,591
Rent	46,64,492	62,49,274
Repairs and maintenance :		
Plant & machinery	90,15,939	86,25,868
Building	10,42,147	3,29,874
Others	8,01,496	3,73,169
Printing and stationery	8,43,462	9,17,981
Insurance	50,98,210	31,14,568
Storage charges expenses (net)	1,96,83,478	1,14,10,503
Telephone expenses	21,05,759	17,13,481
Travelling and conveyance expenses	1,91,08,927	2,58,96,977
Legal and professional charges *	95,60,785	1,06,37,141
Sales promotion expenses	67,17,106	1,58,33,307
Transportation and octroi charges	13,19,39,253	11,35,85,362
Brokerage and commission	18,00,473	37,99,328
Bad debts	88,12,491	1,72,57,554
Directors sitting fees	2,50,500	2,07,500
Miscellaneous expenses	1,28,92,507	1,36,78,426
Expected credit Loss	18,70,565	2,97,993
Foreign Exchange fluctuation loss	-	2,48,28,950
Total	34,20,37,890	36,14,74,713

*includes auditors fees towards:

(Amount in rupees)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
As auditor	6,00,000	8,07,500
For taxation matters	1,00,000	2,25,000
For limited review reports	2,70,000	3,60,000
For certifications	25,000	50,000
For company law matters	75,000	2,10,000
Total	10,70,000	16,52,500

Notes forming part of the Financial Statements

Note 33 Earnings per share

(Amount in rupees)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Nominal value of equity shares	10	10
Net profit after tax available to the equity shareholders	15,65,40,278	7,02,28,475
Weighted average number of equity shares	45,94,300	45,94,300
Basic and diluted earnings per share	34.07	15.29

Note 34 Employee benefit expense

(a) Defined contribution plans:

The amount recognised as expense in respect of defined contribution plans (Contribution to provident fund) aggregate to ₹ 56,50,960/- (previous year ₹ 58,48,894/-).

(b) Retirement Benefit - Gratuity:

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

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

Statement of Profit and Loss

Net employee benefit expenses recognised in Employee Benefit Expenses

(Amount in rupees)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Components of employer expense		
Current Service cost	12,10,016	8,68,514
Interest cost	7,57,864	5,74,810
Expected return on plan assets	-	-
Curtailement cost/(credit)	-	-
Settlement cost/(credit)	-	-
Past service cost	-	-
Actuarial losses/(Gains)	-	-
Total expense recognised in the Statement of Profit & Loss	19,67,880	14,43,324

Balance Sheet

Details of provision for gratuity

(Amount in rupees)

Net asset/(liability) recognised in balance sheet	As at 31 March 2020	As at 31 March 2019
Present value of defined benefit obligation	(1,24,70,435)	(1,10,79,876)
Fair value of plan assets	-	-
Funded status [surplus/(deficit)]	(1,24,70,435)	(1,10,79,876)
Unrecognised past service costs	-	-
Net asset/(liability) recognised in balance sheet	(1,24,70,435)	(1,10,79,876)

(Amount in rupees)

Change in Defined Benefit Obligations (DBO) during the year ended	For the year ended 31 March 2020	For the year ended 31 March 2019
Present value of DBO at beginning of period	1,10,79,876	73,78,815
Current Service cost	12,10,016	8,68,514
Interest cost	7,57,864	5,74,810
Curtailement cost/(credit)	-	-
Settlement cost/(credit)	-	-
Plan amendments	-	-
Acquisitions	-	-
Actuarial (gains)/ losses	-	-
Past Service cost	-	-
Benefits paid	(7,52,019)	(5,43,470)
Actuarial (gains)/ losses on obligations - due to change in financial assumptions	(65,931)	6,15,201
Actuarial (gains)/ losses on obligations - due to experience	2,40,629	21,86,006
Present value of DBO at the end of period	1,24,70,435	1,10,79,876

Principal actuarial assumptions as at the balance sheet date :

(Amount in rupees)

Particulars	As at 31 March 2020	As at 31 March 2019
Discount rate	6.84%	7.79%
Salary escalation	5%	5%
Attrition rate	2%	2%

Note 35 Segment reporting

(a) Information about business segments for the Year Ended 31 March 2021

(Amount in rupees)

Particulars	Manufacturing of Adhesives & Emulsions	Trading in Chemicals	Total
Revenue			
Sales/income from operations	3,48,54,87,325	1,42,45,67,382	4,91,00,54,707
Inter-segment sales	-	-	-
Total revenue	3,48,54,87,325	1,42,45,67,382	4,91,00,54,707
Result			
Segment result	26,24,42,972	4,15,61,093	30,40,04,065
Unallocated corporate expenses(Net)			2,55,73,202
Operating profit			27,84,30,863
Interest expense(net)			6,66,70,882
Income taxes(including deferred tax)			5,52,19,701
Profit from ordinary activities			15,65,40,280
Extraordinary items			-
Net profit			15,65,40,280
Other Information			
Segment assets	2,38,32,51,971	50,83,02,566	2,89,15,54,537
Unallocated corporate assets			7,15,119
Total assets			2,89,22,69,656
Segment liabilities	1,73,83,57,150	37,06,47,484	2,10,90,04,634
Unallocated corporate liabilities			17,44,27,344
Total liabilities			2,28,34,31,978
Add: Share capital and other equity			60,88,37,676
Total capital & liabilities			2,89,22,69,654
Capital expenditure (including capital work in progress)	14,16,200	-	
Depreciation	3,45,99,172	-	

1) The information stated above is in conformity with Indian Accounting Standard 108 "Operating Segment "

2) The business segment is the Primary Segment of the Company and there is no geographical segment having differing risk and returns.

(b) Information about business segments for the Year Ended 31 March 2020

(Amount in rupees)

Particulars	Manufacturing of Adhesives & Emulsions	Trading in Chemicals	Total
Revenue			
Sales/income from operations	3,03,48,87,262	1,18,22,04,418	4,21,70,91,680
Inter-segment sales	-	-	-
Total revenue	3,03,48,87,262	1,18,22,04,418	4,21,70,91,680
Result			
Segment result	21,62,46,764	41,14,607	22,03,61,371
Unallocated corporate expenses(Net)			5,05,95,397
Operating profit			16,97,65,974
Interest expense(net)			7,83,03,576
Income taxes(including deferred tax)			2,12,33,922
Profit from ordinary activities			7,02,28,476
Extraordinary items			-
Net profit			7,02,28,475
Other Information			
Segment assets	1,60,62,11,927	30,15,75,165	1,90,77,87,092
Unallocated corporate assets			3,97,428
Total assets			1,90,81,84,520
Segment liabilities	1,10,99,66,742	20,83,50,835	1,31,83,17,577
Unallocated corporate liabilities			13,31,62,207
Total liabilities			1,45,14,79,784
Add: Share capital and other equity			45,67,04,736
Total capital & liabilities			1,90,81,84,520
Capital expenditure (including capital work in progress)	5,65,04,442	-	
Depreciation	2,87,85,408	-	

1) The information stated above is in conformity with Indian Accounting Standard 108 "Operating Segment "

2) The business segment is the Primary Segment of the Company and there is no geographical segment having differing risk and returns.

Notes forming part of the Financial Statements

Note 36 Related party disclosures

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

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

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

(b) Details of Related Party transactions during the year ended 31st March 2021

(Amount in rupees)

Particulars	Directors & Key Management Personnel
<i>For the year ended 31.03.2021</i>	
Remuneration paid	60,72,304
Balance outstanding	-
<i>For the year ended 31.03.2020</i>	
Remuneration paid	37,73,466
Balance outstanding	-



Notes forming part of the Financial Statements

Note 37 Financial Instruments

(A) Categories of financial instruments

(Amount in rupees)

Particulars	As at 31st March 2021	As at 31st March 2020
Financial Assets		
<u>Measured at fair value through other comprehensive income (FVOCI)</u>		
Investments	7,15,119	3,97,428
<u>Measured at amortised cost</u>		
(a) Trade receivables	1,51,17,76,391	94,63,16,154
(b) Cash and cash equivalents	30,03,038	50,60,908
(c) Bank balances other than above	1,10,24,319	94,40,207
(d) Other financial assets	40,65,576	50,37,101
Total financial assets	1,53,05,84,443	96,62,51,798
Financial Liabilities		
<u>Measured at amortised cost</u>		
(a) Trade payables	1,60,21,32,167	86,63,76,371
(b) Borrowing	20,00,02,134	26,62,28,571
(c) Other financial liabilities	18,51,22,555	16,74,05,550
Total Financial liabilities	1,98,72,56,856	1,30,00,10,492

(B) 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.

(C) Market risk

The Company's activities expose it primarily to the financial risk of changes in foreign currency exchange rates (see note E below). The Company enters into foreign exchange forward contracts to manage its exposure to foreign currency risk of net imports.

(D) 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. There are no forward contracts outstanding as at 31st March 2021. (Previous Year : Nil)

(ii) Exposure in foreign currency -Unhedged

The foreign currency exposure not hedged as at 31st March 2021 are as under:

Particulars	As at 31.03.2021		As at 31.03.2020	
	Amount in foreign currency	Amount in rupees	Amount in foreign currency	Amount in rupees
Payable in foreign currency exposure (USD)	36,09,813	63,40,86,032	57,80,892	44,69,44,377

Particulars	As at 31.03.2021		As at 31.03.2020	
	Amount in foreign currency	Amount in rupees	Amount in foreign currency	Amount in rupees
Receivable in foreign currency exposure (USD)	4,06,502	2,93,40,347	1,79,420	1,27,34,932

(E) 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 and EUR. The Company enters in to 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.

Mode of taking Cover: Based on the outstanding details of import payable and export receivable (in weekly baskets) the net trade import exposure is arrived at i.e imports - exports = net trade exposures. The net trade import exposure arrived at is netted off with the outstanding forward cover as on date. The forward cover deals are all backed by actual trade underlines and settlement of these contracts on maturity by actual delivery of the hedged currency for settling the underline hedged trade transaction.

(F) 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 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.

(G) 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.

(H) 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

(Amount in rupees)

Financial Assets/ Financial Liabilities	Fair value		Fair value hierarchy	Valuation techniques(s) and key input(s)
	As at 31st March 2021	As at 31st March 2020		
Trade payables (imports)	63,40,86,032	44,69,44,377	Level 1	Rate published by FEDAI
Receivables (exports)	2,93,40,347	1,27,34,932	Level 1	Rate published by FEDAI
Derivative contracts	-	-	Level 1	Rate offered by foreign exchange dealer
Investments	7,15,119	3,97,428	Level 1	As per quoted price/NAV

(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.

Notes forming part of the Financial Statements

Note 38 Reconciliation of Income Tax

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

(Amount in rupees)

Particulars	As at 31st March 2021	As at 31st March 2020
Profit Before Tax	21,17,59,979	9,14,62,397
Income Tax Rate (%)	25.168%	27.82%
Income Tax expense	5,32,95,751	2,54,44,839
Effect of expenses that are not deductible in determining taxable profit	20,75,599	5,73,079
Effect of expenses that are deductible in determining taxable profit	(32,18,633)	(51,86,394)
Others	3,47,282	(1,31,524)
TOTAL	5,24,99,999	2,07,00,000
Deferred tax	27,19,701	5,33,922
Income tax expense recognised in profit or loss	5,52,19,700	2,12,33,922

Income Tax recognised in Other Comprehensive Income

(Amount in rupees)

Particulars	As at 31st March 2021	As at 31st March 2020
<u>Tax arising on income and expenses recognised in Other Comprehensive Income:</u>		
Re-measurement of Defined Benefit Obligation	43,968	7,05,008
Total Income Tax recognised in Other Comprehensive Income	43,968	7,05,008

Note 39 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 rupees)

Sr No.	Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
	Gross amount required to be spent by the Company	14,51,648	10,52,378
	Amount spent during the year		
(i)	Construction/acquisition of any asset	-	-
(ii)	On purposes other than (i) above	20,89,400	5,14,400
	Total amount spent	20,89,400	5,14,400
	Amount yet to be spent/(Excess spent)	(6,37,752)	5,37,978

Notes forming part of the Financial Statements

Note 40 : Lease

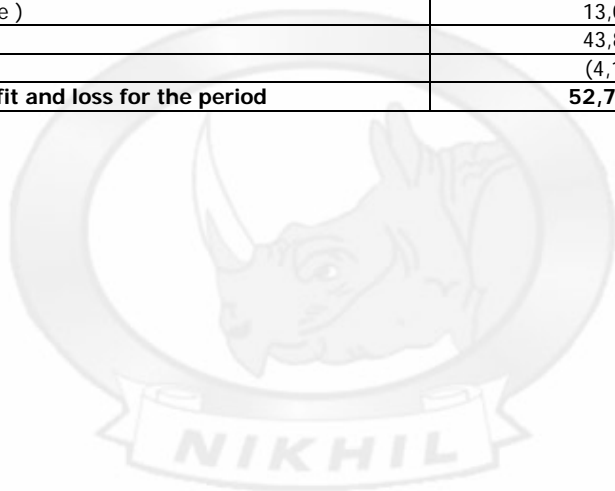
The Right to Use of Assets, Lease Liability as at 31 March 2021 and impact on Cash flows on account of lease payments during the year ended 31 March 2021 pursuant to IND AS 116 is as under :

(Amount in rupees)

Particulars	Amount
Interest expense on lease liabilities	13,06,875
Depreciation on right of use of assets	43,82,889
Cash out flow of Lease expenses	
Expense relating to short term leases and low value assets	46,64,492
Expenses relating to long term leases	56,79,224
Total cash outflow for leases	1,03,43,716
Right of use of assets recognized at the beginning of the year	1,30,41,143
Additions to right of use assets during the year	-
Depreciation on right of use of assets	43,82,889
Total right of use of assets as at the year end	86,58,254
Lease liabilities as at the year end	1,03,26,039

Impact of adoption of Ind AS 116 on the statement of profit and loss:

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Interest on lease liabilities (refer note)	13,06,875	12,87,719
Depreciation of Right-of-use assets	43,82,889	35,73,898
Deferred tax (credit)/charge	(4,19,749)	(4,17,095)
Impact on the statement of profit and loss for the period	52,70,015	44,44,521



Notes forming part of the Financial Statements

Note 41 : Contingent Liabilities (to the extent not provided for)

(Amount in rupees)

Particulars	As at 31st March 2021	As at 31st March 2020
Sales Tax demand*	82,99,180	1,14,02,746

* The Company had filed appeal before the First Appellate Authority against the demand which was partly allowed during the financial year 2020-21. The Company has filed an appeal to Tribunal and the management is of the opinion that considering the merits of the case, the demand is not likely to culminate into cash outflow

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

Note 43 : The Board of Directors have recommended a payment of final dividend of ₹ 1.50/- (Rupee One and fifty Paise only) per equity share of face value of ₹ 10 each for the financial year ended 31st March, 2021, aggregating ₹ 68.91 lakhs.

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

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

Note 46 : The outbreak of COVID -19 pandemic and consequential lockdown has materially affected Company's scale of operations during the period April 20 to June 20. However, during the subsequent period, the Company's scale of operations reached near normalcy and barring unforeseen circumstances, the Company is hopeful to maintain continuity of the normalcy.

Note 47 : The financial statements of the Company for the year ended 31 March, 2021 were approved for issue by the Board of Directors at their meeting held on 30 June, 2021.

As per our attached report of even date

For PPV & Co.

Chartered Accountants
Firm Registration No. 153929W

Priyanshi Vakharia

(Proprietor)
Membership No. 181834

Place : Mumbai

Date : 30th June 2021

For and on behalf of the Board of Directors

U. J. Sanghavi

(Managing Director)
DIN : 00491220

R. J. Sanghavi

(Executive Chairman)
DIN : 00245637

A. U. Sanghavi

(Chief Financial Officer)

T. J. Sanghavi

(Executive Director)
DIN : 00519403




M. M. Vora

(Director)
DIN : 00245427

Rachana Baria

(Company Secretary)
M. No. A53336

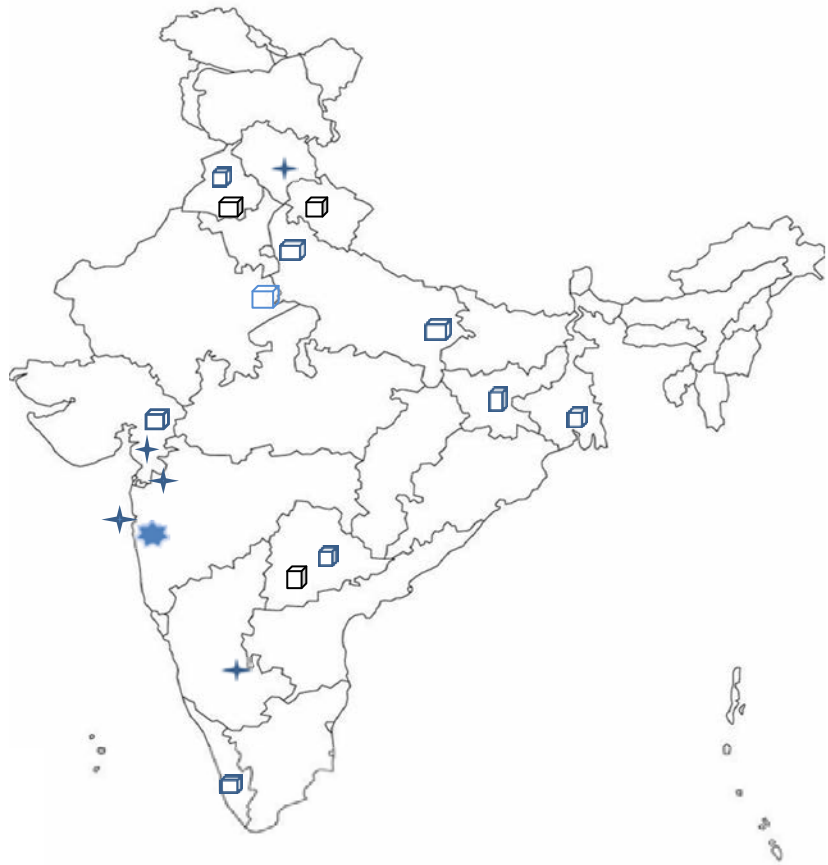
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Head Office/Registered Office

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