



# NIKHIL ADHESIVES LIMITED

An ISO 9001 : 2015 Certified Company

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



02.09.2024

To, The Manager- Listing Department  
Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort  
Mumbai- 400 001  
BSE script: 526159

Subject: **Integrated Annual report for the FY 2023-24 and Notice convening the 38<sup>th</sup> Annual General Meeting**

The 38<sup>th</sup> Annual General Meeting (“AGM”) of the Members of Nikhil Adhesives Limited (“the Company”) is scheduled to be held on Thursday, 26<sup>th</sup> September, 2024, at 03:00 p.m. IST through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”).

In terms of the requirements of Regulations 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report along with Notice of AGM for the financial year 2023-24. 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 2023-24 is also available on the website of the Company [www.nikhiladhesives.com](http://www.nikhiladhesives.com)

You are requested to kindly take the above information record.

Thanking You,

Yours Faithfully,

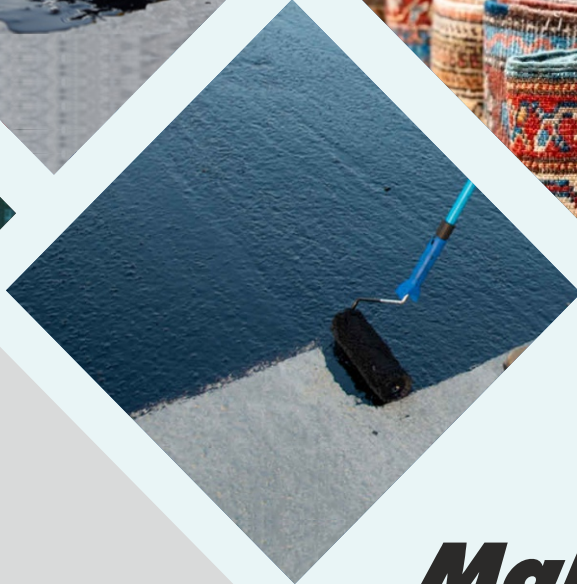
For, Nikhil Adhesives Limited

**Umesh Sanghavi**  
**Managing Director**  
**DIN: 00491220**

# NIKHIL ADHESIVES LIMITED.

An ISO 9001 : 2015 Certified Company

## Annual Report 38<sup>th</sup> 2023-2024



**Mahafix**  
WATERPROOFING SPECIALIST

# COMPANY PROFILE

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

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

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

With it's presence for more than three decades and current production capacity of 135,000 Mt p.a. Nikhil Adhesives Limited has grown in local market also expanded it's horizon into exports to various countries in Asia, Africa and the Middle East.

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



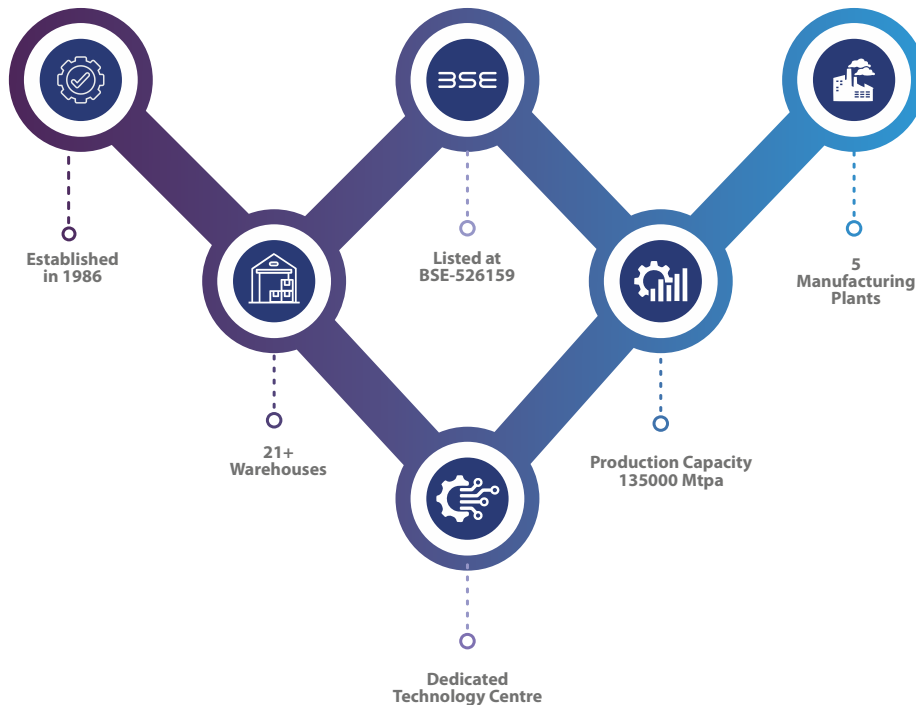
## “ MISSION

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



## “ VISION

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



Reaching Beyond Expectations with our efforts to develop and improve products and services with help of our highly skilled scientists.



## 38<sup>th</sup> ANNUAL REPORT 2023-2024

### BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr.Umesh J. Sanghavi	Chairman and Managing Director (CMD)
Mr.Rajendra J. Sanghavi	Whole Time Director (Executive Director)
Mr.Tarak J. Sanghavi	Whole Time Director (Executive Director)
Mr. Jagdish B. Mali	Additional (Executive) Director (appointed w.e.f 08 <sup>th</sup> August, 2024)
Mr.Pravin K. Laheri	Non-Executive Independent Director
Mrs.Ishita T. Gandhi	Non-Executive Independent Director
Ms.Gauri S. Trivedi	Non-Executive Independent Director
Mr.V. Subramanian	Non-Executive Independent Director (appointed w.e.f 01 <sup>st</sup> July, 2023)
Mrs. Anita U. Sanghavi	Chief Financial Officer(appointed w.e.f 27 <sup>th</sup> September, 2023)
Mrs.Beena Khandelwal	Company Secretary & Compliance Officer (appointed w.e.f 22 <sup>nd</sup> May, 2024)

#### STATUTORY AUDITORS

PPV & Co  
Chartered Accountants

#### REGISTRAR AND TRANSFER AGENTS

Link Intime India Private Limited  
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

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

**COMPANY IDENTIFICATION NUMBER (CIN): L51900MH1986PLC041062**

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## NOTICE

**Notice** is hereby given that the **Thirty Eight Annual General Meeting** of Nikhil Adhesives Limited will be held on **Thursday, 26<sup>th</sup> September, 2024 at 03:00 PM through Video Conferencing ('VC')/Other Audio Visual Means ('OVAM')** to transact the following business:

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

### ORDINARY BUSINESS

- 1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2024 together with the reports of the Board of Directors and Statutory Auditors thereon.**
- 2. To declare dividend of Re.0.2 per equity shares of face value of Re. 1 each for the financial year ended 31<sup>st</sup> March, 2024.**
- 3. To appoint a director in place of Mr.Tarak Jayantilal Sanghavi, Whole Time Director (DIN:00519403), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.**
- 4. Appointment of M/s Jay Shah & Associates, Chartered accountants (FRN: 135424W) as Statutory Auditors of the Company to fill the casual vacancy caused by resignation of M/s PPV & CO. (FRN: 153929W) Chartered accountants**

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

**"RESOLVED THAT** pursuant to the Provisions of Section 139, 141 & 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, pursuant to the recommendations of the Audit committee, M/s. Jay Shah & Associates, Chartered Accountants (FRN: 135424W) be and are hereby appointed as Statutory Auditors of the Company to fill the Casual Vacancy caused by Resignation of M/s PPV & CO. (FRN: 153929W), Chartered accountants to hold office from the conclusion of this Annual General Meeting ("AGM") till the conclusion of the 39<sup>th</sup> Annual General Meeting to be held in the year 2025 at such remuneration and out of pocket expenses as may be decided by the Board of Directors of the Company.

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such deeds & things including filing of requisite Documents/Forms with the Stock Exchange(s),Registrar of Companies, with such authorities as may be required in regard to the above Resolution."

### SPECIAL BUSINESS

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

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

**"RESOLVED THAT** pursuant to Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013(including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of Rs. 50,000/- per annum (Rupees Fifty Thousand Only) plus applicable taxes and reimbursement of out-of-pocket expenses payable to M/s. B. F. Modi & Associates, Cost Accountants (Firm Registration No.

100604), who have been appointed by the Board of Directors, as the Cost Auditors of the Company, to conduct the audit of the cost records maintained by the Company for the Financial Year ending March 31, 2025.

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

**6. Regularisation of Additional Director Mr. Jagdish Mali (DIN: 10736986) appointing him as Executive Director of the Company**

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

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment (s) thereof, for the time being in force), approval of the members be and is hereby accorded to appoint Mr. Jagdish Mali (DIN: 10736986) designated as Executive Director of the Company, for a period of 3 (three) years from Thursday, 8th August, 2024, the period of his office shall be liable to retire by rotation, on the terms and conditions and remuneration as follows, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit."

"RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in the financial year, the Company will pay remuneration by way of Salary including perquisites and allowances as specified under Section II of Part II of Schedule V to the Companies Act, 2013 or in accordance with any statutory modification(s) thereof."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of the appointment and/or remuneration based on the recommendation of the Nomination & Remuneration Committee subject to the same not exceeding the limits specified under Section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force)."

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

**NOTES:**

1. The Ministry of Corporate Affairs, Government of India ('MCA') vide its General Circular No. 14/2020 dated April 08, 2020, the General Circular No. 17/2020 dated April 13, 2020, the General Circular No.22/2020 dated June 15, 2020, the General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, the General Circular No. 10/2021 dated June 23, 2021, General Circular No. 20/2021 dated December 08, 2021, General Circular No. 02/2022 dated May 05, 2022, General Circular No. 11/2022 dated December 28, 2022 and General Circular No. 09/2023 dated September 25, 2023 and other circulars issued in this respect ('MCA Circulars') allowed in relation to "Clarification on holding of Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM)", (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM of the

Company is being held through VC /OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.

2. In accordance with the aforesaid MCA Circulars and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 and SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 October 07, 2023 issued by Securities Exchange Board of India (collectively referred to as "SEBI Circulars"), the Notice of the AGM along with the Integrated Annual Report for FY 2023-24 is being sent only to those Members whose e-mail addresses are registered with the Company or Registrar and Share Transfer Agent or the Depositories through electronic means and no physical copy of the Notice has been sent by the Company to any Member. The Notice has also been hosted on the website of the Company ([www.nikhiladhesives.com](http://www.nikhiladhesives.com)), BSE website ([www.bseindia.com](http://www.bseindia.com)) and on the website of the NSDL ([www.evoting.nsdl.com](http://www.evoting.nsdl.com)).
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this e-AGM is being held pursuant to the MCA Circulars through VC/OAVM facility, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. The Statement, pursuant to Section 102(1) of the Act in respect of Special Business of Item No. 4, 5 and 6 forms part of this notice. The Additional information, pursuant to Regulations 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard – 2 issued by Institute of Company Secretaries of India as notified by the Central Government on general meetings in respect of Director seeking appointment or re-appointment at the Annual General Meeting is furnished as Annexure to the notice.
5. Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in the Notice. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
6. In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Non-Resident Indian Members are requested to inform the Registrar and Share Transfer Agent ('RTA') immediately about the change in residential status on their return to India, if any.
8. Members who hold shares in dematerialised form are requested to quote their Client ID and DP ID numbers for easy identification for attendance at the meeting.
9. As per the SEBI circular no. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated 03<sup>rd</sup> November, 2021, has mandated furnishing of PAN, Address with PINCODE, email address, mobile number, bank account details and nomination by holders of physical securities. Folios wherein any one of the cited documents / details are not available on or after April 01, 2024, shall be frozen by the Registrars and Transfer Agent of the Company (RTA).
10. Nomination Facility: Those Members holding Shares in the physical form and desirous of making / changing Nomination in respect of their shareholdings in the Company as permitted under Section 72 of the Companies Act, 2013 and Rules made thereunder, are requested to submit the prescribed Form No. SH-13, as applicable for this purpose to the Company's Registrar and Share Transfer Agents ('RTA') - Link Intime India Private Limited, who will provide the form on request. In respect of shares held in electronic / demat form, the Members may please contact their respective depository participant.
11. A person, whose name is recorded in the register of members or in the register of beneficial owners of the Company, as on the cut-off date i.e., Thursday, 19<sup>th</sup> September, 2024 only shall be entitled to avail the facility of e-voting, either through remote e-voting and voting at the AGM. A person who is not a member as on the cut-off date should treat this notice for information purposes only. The Register of Members and the Share Transfer Books of the Company will remain closed from 20<sup>th</sup> September, 2024 to 26<sup>th</sup> September, 2024 (both days inclusive).
12. The dividend on Equity Shares as recommended by the Board of Directors, if declared, will be payable to those Equity Shareholders whose names stand on the Register of Members of the Company on 19<sup>th</sup> September, 2024. If shares are held in the electronic form, the dividend will

be payable to the beneficial owners as per details furnished by the Depositories for this purpose.

13. Members are requested to notify immediately any change of address, contact no., mandates, Bank Details and consolidate their holdings into one folio in case they hold shares under multiple folios in the identical order of names;
  - i. To their Depository Participants (DPs) in respect of their electronic shares account, and
  - ii. To the Company's Registrar - M/s Link Intime India Private Limited. in respect of their physical shares, if any, quoting their folio numbers.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. The Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. The Members holding shares in physical form can submit their PAN to the Company/Link Intime India Private Limited.
15. Any Shareholders desiring any information relating to the accounts are requested to write to the Company at [investors@nikhiladhesives.com](mailto:investors@nikhiladhesives.com) at an early date so as to enable the management to keep the information ready.
16. All unclaimed dividends up to and including the year 2015-16 have been transferred to the credit of Investor Education and Protection Fund (the Fund) established by the Central Government. The Shareholders are hereby informed that pursuant to Section 125 of the Act, the Company will be obliged to transfer to the credit of the said Fund any money lying in the Unpaid Dividend Accounts remaining unclaimed for a period of seven years from the dates they became first due for payment. In accordance with provisions of the said Section, no claims shall lie against the Company or the Fund in respect of individual amounts of dividend. The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company [www.nikhiladhesives.com](http://www.nikhiladhesives.com) and on the website of the Ministry of Corporate Affairs.

Those Shareholders who have not claimed dividend of FY 2016-2017, 2017-18, 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23 are being requested to apply before the Company's Registrar to Share Transfer Agent Link Intime India Pvt. Ltd. via email id to [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) or are requested to send a letter for your claim to the RTA Registered Office address.

Pursuant to the provisions of Sections 124 and 125 of the Act and the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, ("the Rules") as amended, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs. The voting rights on shares transferred to IEPF remains frozen until the rightful owner claims the shares. The Shareholders whose dividend/shares have been/will be transferred to the IEPF Authority, can claim the same from the IEPF Authority by following the procedure as detailed on the website of IEPF Authority <http://www.iepf.gov.in/IEPF/refund.html>.
17. Pursuant to amended Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from 01<sup>st</sup> April, 2019, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository. The Company in this regard had sent letters to the Shareholders holding shares in physical form informing them about the above requirement. All Shareholders holding shares in physical form are requested to demat their shares at the earliest.
18. 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 1<sup>st</sup> 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 2023-24 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 2023-24 does not exceed Rs.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 2023-24;
    - 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 2023-24.
- 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 13<sup>th</sup> September, 2024.
- v. Kindly note that the aforementioned documents are required to be submitted via email to [investors@nikhiladhesives.com](mailto:investors@nikhiladhesives.com) on or before 13<sup>th</sup> September, 2024 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 13<sup>th</sup> September, 2024. 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.

#### 19. Voting through Electronic means:

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

member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL:

The voting period begins on Monday, 23<sup>rd</sup> September, 2024 (9:00 AM) and ends on the Wednesday, 25<sup>th</sup> September, 2024(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 Thursday, 19<sup>th</sup> September, 2024 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

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

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





#### **Step 1: Access to NSDL e-Voting system**

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

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

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

<b>Type of shareholders</b>	<b>Login Method</b>
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the " <b>Beneficial Owner</b> " icon under " <b>Login</b> " which is available under ' <b>IDeAS</b> ' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on " <b>Access to e-Voting</b> " under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> . Select " <b>Register Online for IDeAS Portal</b> " or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a>
	3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit

	<p>demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App "<b>NSDL Speede</b>" facility by scanning the QR code mentioned below for seamless voting experience.</p> <p><b>NSDL Mobile App is available on</b></p> <p>   </p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN</li> </ol>

	No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

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

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

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

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

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
<b>a) For Members who hold shares in demat account with NSDL.</b>	<b>8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.</b>
<b>b) For Members who hold shares in demat account with CDSL.</b>	<b>16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****</b>
<b>c) For Members holding shares in Physical Form.</b>	<b>EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***</b>

5. **Password details for shareholders other than Individual shareholders are given below:**
  - a) **If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.**
  - b) **If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.**
  - c) **How to retrieve your 'initial password'?**
    - (i) **If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.**
    - (ii) **If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.**
6. **If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:**
  - a) **Click on "[Forgot User Details/Password?](#)"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).**
  - b) **[Physical User Reset Password?](#)" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).**
  - c) **If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.**
  - d) **Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.**
7. **After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.**
8. **Now, you will have to click on "Login" button.**
9. **After you click on the "Login" button, Home page of e-Voting will open.**

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

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

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

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [somani.poonam1@gmail.com](mailto:somani.poonam1@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on 022 - 4886 7000 or send a request to Ms.Veena Suvarna [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

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

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

Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

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

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

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

**Other General Information**

1. Since the meeting will be conducted through VC/OAVM facility, the Route Map is not annexed in this Notice.
2. The voting rights of Shareholders shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date (record date) of the Thursday, 19th September, 2024.
3. Mrs Poonam Somani, Practicing Company Secretary & Proprietor of Somani & Associates, Company Secretaries has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, count the vote cast at the AGM and thereafter unblock the vote cast

through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's report of the total votes cast in favour of or against the resolutions, within 2 working days of conclusion of the AGM to the Chairman of the Company, who shall counter sign the same. The Chairman will declare the result of voting forthwith on receiving of the Scrutinizer's Report.

4. The result declared along with the Scrutinizer report shall be placed on the Company's website [www.nikhiladhesives.com](http://www.nikhiladhesives.com). The result will also be communicated to the Stock Exchange where the shares of the Company are listed.
5. Subject to receipt of the requisite number of votes, the resolutions shall be deemed to have been passed on the date of AGM.
6. All documents referred to in the accompanying Notice and Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10:00 AM to 6:00 PM) on all working days, up to and including the date of the AGM of the Company.
7. The Company has been maintaining, inter alia, the following statutory registers at its registered office at Mumbai;
  - i. Register of contracts or arrangements in which Directors are interested under Section 189 of the Act.
  - ii. Register of Directors and Key Managerial Personnel and their Shareholding under Section 170 of the Act.
  - iii. Register of Charges;
  - iv. Register of Deposits; and other Statutory Register under the Companies Act, 2013.

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

8. Persons who have acquired the shares of the Company after the dispatch of the Annual Report and are Members as on 19<sup>th</sup> September, 2024. (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](mailto:rnt.helpdesk@linkintime.co.in)/[investors@nikhiladhesives.com](mailto:investors@nikhiladhesives.com) or contact Link Intime India Pvt. Ltd. on 022-4918 6000/022- 4918 6060.

### Contact Details

Company	M/s Nikhil Adhesives Limited Registered Office:A-902, Kaledonia Building, Sahar Road, Opp. Vijay Nagar, Andheri (East) Mumbai-400069. Tel: 022-2683 6564/58/59 Fax: 022-26840854 Email ID: <a href="mailto:investors@nikhiladhesives.com">investors@nikhiladhesives.com</a> CIN: L51900MH1986PLC041062
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 49186000/6270 Fax: 022-4098 6060 Email ID: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>

**Date: 26/08/2024**  
**Place: Mumbai**

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

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



## **ANNEXURE TO NOTICE**

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

As required by Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item number 5 and 6.

The Explanatory Statement for Item No. 4 is provided pursuant to Regulation 36(5) of the SEBI Listing Regulations. However, the same is strictly not required as per Section 102 of the Act.

#### **Item No. 4**

Pursuant to Section 139(8) of the Companies Act, 2013 ("the Act"), the Board of Directors of the Company, on the recommendation of the Audit Committee at its meeting held on 08th August, 2024 accepted resignation of M/s PPV & CO. (FRN: 153929W),, and after obtaining the consent under Section 139(1) of the Act, recommended M/s. Jay Shah & Associates, Chartered Accountants, (FRN: 135424W), as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s PPV & CO, with effect from 08<sup>th</sup> August, 2024 till the conclusion of this 39<sup>th</sup> AGM, subject to the approval and ratification by the Members at such remuneration plus out of pocket expenses and applicable taxes, as may be mutually agreed between the Board of Directors of the Company and the Auditors.

M/s. Jay Shah & Associates, Chartered Accountants is a well-known firm of Chartered Accountants office situated at Mumbai. The Board of Directors of the Company on the recommendation of the Audit Committee also recommend the appointment of M/s. Jay Shah & Associates as the Statutory Auditors of the Company to hold office for a period of 1 year, from the conclusion of this 38<sup>th</sup> AGM, till the conclusion of the 39<sup>th</sup> AGM of the Company, subject to the approval of the Members at payment of Rs. 10 lakhs p.a as audit fees and Rs. 90,000/- per quarter for Limited Review Report plus out of pocket expenses and applicable taxes, as may be mutually agreed between the Board of Directors of the Company and the Auditors.

The Company has received the consent letter and eligibility certificate from M/s. Jay Shah & Associates, to act as the Statutory Auditors of the Company in place of M/s PPV & CO along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Act.

The Board accordingly recommends the ordinary resolutions set out at Item No.4 of this notice for approval of the Members.

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

#### **Item No. 5**

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

In compliance with the above, M/s B. F. Modi & Associates, Cost Accountants, (Firm Registration No. 100604) were re-appointed as Cost Auditors for the year ending 31<sup>st</sup> March, 2025 by the Board of Directors on the recommendation of the Audit Committee at a remuneration of Rs.50, 000/- p.a. (plus applicable taxes and reimbursement of out-of-pocket expenses) payable to the Cost Auditors for FY 2024-25.

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 31<sup>st</sup> March, 2025.

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

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

#### **Item No. 6**

#### **Regularisation of Additional Director Mr. Jagdish Mali (DIN: 10736986) appointing him as Executive Director of the Company**

The Board on the recommendation of the Nomination & Remuneration Committee at its meeting held on Thursday, 8<sup>th</sup> August, 2024, approved the appointment of Mr. Jagdish Mali (DIN: 10736986) as Additional Director (Executive Director) and KMP of the Company for a period of three years, with effect from Thursday, 8<sup>th</sup> August, 2024, subject to approval of shareholders at the forthcoming Annual General Meeting.

Pursuant to Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013, (the Act) the Companies (Appointment and Qualification of Directors), Rules, 2014, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force, the appointment of Mr. Jagdish Mali, requires approval of the Members by way of special resolution. The terms and conditions of the re-appointment and remuneration payable to Mr. Jagdish Mali are provided in the resolution referred in Item No.6 respectively.

The Company has received from Mr. Jagdish Mali (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he/she is not disqualified in accordance with sub-section (2) of Section 164 of the Act. In terms of Section 160 of the Companies Act, 2013, the Company has received notice in writing from a member, proposing the candidature of Mr. Jagdish Mali for appointment.

Both the Nomination and Remuneration Committee and the Board were of the opinion, after evaluation of his qualifications, experience and other attributes, that his/her induction on the Board would be of immense benefit to the Company and it is desirable to avail his/her services as a Director to strengthen the management of the Company.

The brief profile of Mr. Jagdish Mali is given below

Mr. Jagdish Mali (DIN: 10736986) is a seasoned Production Management Professional with an extensive 28-year background in managing large, dynamic, multi-line facilities. He has a commendable history of delivering consistent improvements in quality, cost efficiency, and delivery operations.

Mr. Jagdish Mali has earned an MBA in Supply Chain and Holds a Master's degree in Inorganic Chemistry from Pune University, secured with first-class honors in 1995. His expertise in managing large, dynamic, and multi-line facilities, where he has consistently delivered improvements in quality, cost, and delivery functions. He possesses with Skills in the effective implementation of quality product manufacturing. Hands-on experience with QMS & 5S systems. Proficient in training employees on necessary skills. In-depth knowledge of raw materials, production processes, quality control, cost management, and various manufacturing techniques. Engaged in a Best Practices Study Mission to successful organizations through the Confederation of Indian Industry (CII).

He is currently associated with Nikhil Adhesives Limited as General Manager from last 3 years. He looks after 5 factories of business operations. Mr. Mali's career is marked by his commitment to excellence and a proven track record of significant contributions to the production management sector.

The Board of Directors accordingly recommends the resolution set out at Item No. 6 of the accompanying Notice for the approval of the Members. None of the Directors, Key Managerial Personnel, and/or their relatives, except Mr. Jagdish Mali, in any way, concerned or interested in the resolution

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

<b>Name of the Directors</b>	<b>Mr.Tarak. J. Sanghavi</b>	<b>Mr.Jagdish Mali</b>
Director Identification Number	00519403	10736986
Date of Birth& Age	02.10.1962 (61 years)	01.06.1972 (51 years)
Date of Appointment	Since inception	08.08.2024
Status	Whole Time Director	Additional (Executive Director)
Qualification	B.com	MBA in Supply Chain & Master's in Inorganic Chemistry
Expertise in specific functional type	Market Analysis and Commercial Management	Production Management Professional
Terms and Conditions of Appointment/Re-appointment	Re-appointment on retiring by rotation	Appointment as Executive director
Directorship of Other Companies	None	None
Chairman/Member in the Committees of the Boards of Companies	Member of Corporate Social Responsibility Committee	None
Shareholding (No. of Shares)	11,24,900 shares	-
Disclosure of relationships between Directors inter se	Mr.Umesh J. Sanghavi &Mr.Rajendra J. Sanghavi are brothers of Mr.Tarak J. Sanghavi	-

**Date: 26/08/2024**  
**Place: Mumbai**

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

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

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### ABOUT NIKHIL ADHESIVES LIMITED

With more than three decades of industry experience, Nikhil Adhesives Limited (Nikhil) is one of the recognised players in Speciality Chemicals, Industrial emulsions, adhesives and construction chemical 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's major thrust will be to build space in consumer products.

### KEY HIGHLIGHTS FOR 2023-24

- For innovation-driven growth in order to provide solution to customers in order to offer value added products we have invested at state of the art R&D Centre opened at Navi Mumbai.
- Expansion and automation at manufacturing units viz Tumkur & Dahej factories.
- Development of Proprietary technology of Re-dispensible Polymer (RDP) used on wall putty, a 100% import substitute. The RD Pproject is completed at Dahej with a manufacturing capacity of 12,000 tonnes per annum.

### GLOBAL ECONOMIC OVERVIEW

Global growth is projected to be in line with the April 2024 World Economic Outlook (WEO) forecast, at 3.2 percent in 2024 and 3.3 percent in 2025. Services price inflation is holding up progress on disinflation, which is complicating monetary policy normalization. Upside risks to inflation have thus increased, raising the prospect of higher-for-even-longer interest rates, in the context of escalating trade tensions and increased policy uncertainty.

IMF staff projections are based on upward revisions to commodity prices, including a rise in nonfuel prices by 5 percent in 2024. Energy commodity prices are expected to fall by about 4.6 percent in 2024, less than projected in the April WEO, reflecting elevated oil prices from deep cuts by OPEC+ (the Organization of the Petroleum Exporting Countries, including Russia and other non-OPEC oil exporters) and reduced, but still present, price pressure from the Middle East conflict. Monetary policy rates of major central banks are still expected to decline in the second half of 2024, with divergence in the pace of normalization reflecting varied inflation circumstances.

### PERFORMANCE OF MAJOR ECONOMIES

United States: - As per per IMF projected growth is revised downward to 2.6 percent in 2024 reflecting the slower-than-expected start to the year.

Europe:- appears to have bottomed out. In line with the April 2024 projection of IMF, a modest pickup of 0.9 percent is expected for 2024.

Japan:- the strong shunto wage settlement is expected to support a turnaround in private consumption starting in the second half. But the expectation for 2024 growth is revised downward by 0.2 percentage point.

China:- The Growth forecast is revised upward to 5 percent in 2024, primarily on account of a rebound in private consumption and strong exports in the first quarter. In 2025, GDP is projected to slow to 4.5 percent.

Middle East and Central Asia:- oil production and regional conflicts continue to weigh on prospects. The growth forecast for 2024 in Saudi Arabia has been revised downward by 0.9 percentage point.

### GLOBAL TRADE

World trade growth is expected to recover to about 3 1/4 percent annually in 2024-25 (from quasi stagnation in 2023) and align with global GDP growth again. The uptick in the first quarter of this year is expected to moderate as manufacturing remains subdued. Although cross- border trade restrictions have surged, harming trade between geopolitically distant blocs, the global trade-to-GDP ratio is expected to remain stable in the projection.

## INDIAN ECONOMIC OVERVIEW

India took a big economic leap this leap year: The country ended fiscal year 2023 to 2024 with a big bang, surpassing all market estimates of GDP, with 8.15% year-over-year (YoY) growth. For three consecutive years, India's economy has exceeded growth expectations (averaging 8.3% annual growth over this period) despite global uncertainties, driven by strong domestic demand and continuous government efforts toward reforms and capital expenditure.

Optimism prevails, which shows high confidence among industry leaders in India's continued robust growth. With prevalent signs of the rural economy rebounding, strong growth in manufacturing, robust bank balance sheets and credit growth, and stronger exports in services and high-value manufacturing, there is confidence that India's underlying potential will help it outpace growth in the rest of the world.

### fourth quarter of fiscal 2023 to 2024

India's GDP grew 8.15% YoY over fiscal 2023 to 2024, with a sharp growth of 7.8% in the fourth quarter of 2023, beating the government's second advanced estimate of 7.6% and Reserve Bank of India's (RBI) estimate of 7.3%. Fourth-quarter economic activities pointed to three interesting trends: improvement in private consumption, exports, and manufacturing.

Firstly, **private consumption** spending fared better last year than reported earlier. There were upward revisions to the third-quarter data, suggesting consumers spent more generously in the quarter of festivals and the Cricket World Cup than previously believed. Third-quarter GDP growth was revised to 8.6%, up from the earlier estimate of 8.4%, on the back of a 50-basis point upward revision of private consumption spending. That said, private consumption growth remained capped at 4.03% over fiscal 2023 to 2024, owing to modest growth in the agriculture sector and persistent inflation that weighed on rural demand.

Secondly, Indian **exports** surged by an impressive 8.1% YoY in the fourth quarter—the highest this fiscal year. Merchandise exports improved remarkably that quarter (even though the quarter's performance could not prevent annual merchandise export growth from contracting). Notably, high-value manufactured goods like pharmaceuticals, chemicals, engineering products, and electronics achieved record export levels this quarter, propelling overall growth in merchandise exports in the high value-added segment. This positive trend bodes well for India as it aims to strengthen its integration into the global value chain and increase its exports to US\$2 trillion over the next six years. Growth in the traditional basket of exports, however, continued to decline

### India's near-term outlook

The robust growth in fiscal 2023 to 2024 and the continuity of the government at the center after the elections have increased confidence in the domestic economic fundamentals and buoyed India's outlook. We expect India to grow between 7.0% and 7.2% in the coming fiscal year (2024 to 2025) in our baseline scenario, followed by 6.7% and 7.3% (admittedly, a much wider range due to uncertainties around several assumptions) in the subsequent years.

The growth range predicted for next year is higher, as these uncertainties can swing economic activities quite distinctly. That said, India will continue to see the difference between actual GDP and no-COVID-19 levels progressively narrowing as growth picks up pace.

### Union Budget 2024- 23<sup>rd</sup> July 2024

The FM announced the Final Budget on 23<sup>rd</sup> July 2024. She stated that this year's budget is focused on employment, skilling, MSME and the middle class. She also stated the priorities of the budget which were as follows:

- Productivity and Resilience in Agriculture
- Employment and Skilling
- Inclusive Human Resource Development and Social Justice

- Manufacturing and Services
- Urban Development
- Energy Security
- Infrastructure
- Innovation, Research and Development
- Next Generation Reforms

There were also many reforms under Direct taxes and Indirect taxes in the Budget some of them are as below

### **Highlights of Various Sectors (few of them)**

#### **1: Agriculture**

- The government has made a provision of Rs.1.52 lakh crore for agriculture and allied sectors.

#### **2: Employment and Education**

- The government will implement 3 new schemes for 'Employment Linked Incentive' based on EPFO enrolment.
- A new centrally sponsored scheme for skilling will be introduced in collaboration with the Industry and state governments.

#### **3: Inclusive Human Resource Development and Social Justice**

- The government has provided Rs.2.66 lakh crore for rural development and rural infrastructure.

#### **4: Manufacturing and Services**

##### **Promotion of MSMEs**

- The government will introduce a credit guarantee scheme to facilitate term loans to MSMEs to purchase machinery and equipment without collateral or third-party guarantee. It will be a separately constituted self-financing guarantee fund that will provide a guarantee cover up to Rs.100 crore for each applicant.

##### **Promotion of Manufacturing and Services**

- An Integrated Technology Platform will be set up to improve the outcomes under the Insolvency and Bankruptcy Code (IBC).
- The Centre for Processing Accelerated Corporate Exit (C-PACE) services will be extended for the voluntary closure of LLPs.
- Additional National Company Law Tribunals to speed up insolvency resolution. Out of these, some Tribunals will be notified to decide cases exclusively under the Companies Act.
- Additional Debt Recovery Tribunals will be established to speed up the recovery process.

#### **5: Urban Development**

- The government will encourage states to moderate stamp duty rate which charge high stamp duty for all, and consider further lowering duties for properties purchased by women.

#### **6: Energy Security**

- PM Surya Ghar Muft Bijli Yojana has been launched to achieve 300 units of free electricity per month for 1 crore households through rooftop solarisation.

## 7: Infrastructure

- The government has provided Rs.11,11,111 crore for capital expenditure.
- The government has provided Rs.1.5 lakh crore for long-term interest-free loans to support the states in their resource allocation.

## 8: Innovation, Research and Development

- The government will set up a mechanism for boosting private sector-driven research and innovation at commercial scale with a finance pool of Rs.1 lakh crore.

## 9: Next Generation Reforms

- The government will work with the states to initiate land-related reforms, rural land-related actions, and urban land-related actions.

## OUTLOOK

### Key Market Trends in our business:-

**Paint Sector:-** as per Crisil report the organised paints sector's production capacity is set to nearly double to ~7.8 billion litre per annum (blpa) between fiscals 2024 and 2027 with investments of ~Rs 19,000 crore lined up, including by one large entrant. A large part of this, around 2.4 blpa will be operational this fiscal, with the new player alone adding 1.3 blpa, primarily in the decorative segment, which accounts for 75-80% of the total production.

Consequently, manufacturers could price products aggressively to draw customers and utilise their expanded capacities. Overall revenue growth is seen moderating to 7-10% this fiscal. Even operating profitability would moderate to 15-17% due to increased marketing spends and pressure on realisations.

Last fiscal, revenue grew ~4% as manufacturers cut prices 4-5% via higher discounts and rebates after crude-linked input prices softened, and increased promotional spending to counter competition.

The impact of volatile crude oil prices on key raw material prices, currency movement, an expected recovery in rural demand and a higher-than-expected increase in competitive intensity with new capacities coming onstream will bear watching.

### Consumer Sector:-

According to UBS's latest report, India is poised to claim the third spot as the largest consumer market by 2026, surpassing Germany and Japan. The report highlights a significant rise in the affluent population. An estimated 40 million individuals in India fall into this category as of 2023, representing a 4% share of the population aged 15 and above. This affluent segment, characterised by an annual income exceeding \$10,000, is expected to more than double over the next five years, reaching approximately 88 million people by 2028.

UBS predicts a moderate growth in consumption, projecting a 4-5% increase in the current and upcoming fiscal years, which is lower than the 6.5-7% average annual growth observed between FY11 and FY20. While urban mass-market demand may slightly decline due to softening corporate wage growth and decreasing personal loan growth, the premium and affluent segments are anticipated to thrive.

The rural segment is also expected to experience a rebound, particularly with normal monsoon conditions, the removal of export bans on agricultural commodities, and potential capex recovery. Notably, the recent lifting of the ban on onion exports is seen as a positive development, albeit with certain conditions.

### **Construction Chemical Sector:-**

The India Construction Chemicals Market is segmented by End Use Sector (Commercial, Industrial and Institutional, Infrastructure, Residential) and by Product (Adhesives, Anchors and Grouts, Concrete Admixtures, Concrete Protective Coatings, Flooring Resins, Repair and Rehabilitation Chemicals, Sealants, Surface Treatment Chemicals, Waterproofing Solutions). The India Construction Chemicals Market size is estimated at 3.30 billion USD in 2024, and is expected to reach 5.02 billion USD by 2030, growing at a CAGR of 7.24% during the forecast period (2024-2030).

The commercial and residential sectors are leading the growth of the construction chemicals market in India. India's construction chemicals market ranks third globally in profitability and is the leader in terms of growth. In 2022, the market surged by 6.97% in value. The market was projected to maintain its upward trajectory in 2023, with a 6.9% increase owing to robust real estate and infrastructure developments. The market's value in the residential and commercial sectors is estimated to rise at similar and faster rates than the rest, recording CAGRs of 7.9% and 7.4% during the forecast period (2023-2030).

The India Construction Chemicals Market is fragmented, with the top five companies occupying 18.71%. The major players in this market are Fosroc, Inc., MBCC Group, Pidilite Industries Ltd., Saint-Gobain and Sika AG. Other important companies include Ardex Group, Don Construction Products Ltd., ECMAS Group, MAPEI S.p.A., Thermax Limited.

### **Industrial Adhesive Sector:-**

The India Adhesives Market is segmented by End User Industry (Aerospace, Automotive, Building and Construction, Footwear and Leather, Healthcare, Packaging, Woodworking and Joinery), by Technology (Hot Melt, Reactive, Solvent-borne, UV Cured Adhesives, Water-borne) and by Resin (Acrylic, Cyanoacrylate, Epoxy, Polyurethane, Silicone, VAE/EVA). Market Value in USD and Volume in tons are both presented. Key Data Points observed include the volume of automobile production, plastic and paper and paperboard packaging production, new construction floor area, aircraft production and deliveries. The India Adhesives Market size is estimated at 2.87 billion USD in 2024, and is expected to reach 3.76 billion USD by 2028, growing at a CAGR of 6.98% during the forecast period (2024-2028).

The India Adhesives Market is fragmented, with the top five companies occupying 27.19%. The major players in this market are 3M, Arkema Group, H.B. Fuller Company, Henkel AG & Co. KGaA and Pidilite Industries Ltd. Other important companies include ASTRAL ADHESIVES, AVERY DENNISON CORPORATION, Huntsman International LLC, Jubilant Industries Ltd., Sika AG.

### **Textile Chemical Sector:-**

The India Textile Chemicals Market is projected to grow at a CAGR of around 11% during the forecast period, i.e., 2023-28. A robust domestic consumption and export growth coupled with an increase in import substitution drive the market across various end-user industries. From June 2017 to May 2018, the textile industry received nearly \$4 billion in investments, according to the India Brand Equity Foundation with continuous partnerships, investments, and mergers, key players like Archroma, Croda, Huntsman, Rossari, and others are expanding their portfolios to cater to the emerging needs of the textile market. Besides, through internal investments in R&D, manufacturing and service capabilities, and innovative chemicals, these companies are all set to put a strong foothold in the Indian market.

Moreover, with the advent and expansion of industries in India, the demand for Technical Textiles has been on the rise. Technical textiles generally require high-performance chemicals such as auxiliaries to function efficiently, and the automotive industry being the major end-user, further facilitates the industry ascension. As such, the increasing production of vehicles in the automotive sector is anticipated to boost the demand for textile auxiliaries in the years to come.

On the other hand, due to the fragmented nature of the industry, The Apparel Industry in India needs more significant fabric makers compared with major fabric producers like China and USA. Besides, inadequate weaving units in the country emerge as lucrative prospects for the market players willing to



set up such units. In fact, introducing innovative chemicals suiting various fabrics' needs seems opportunistic. For instance,

However, the ongoing fluctuations in crude oil prices and changing economic cycles remained challenging for cotton yarn and synthetic fiber manufacturers in maximizing their profit margins. It is primarily because synthetic textiles' raw materials are mainly derived from crude oil. These aspects pose risks to market growth in the coming years.

## SWOT ANALYSIS

STRENGTHS	WEAKNESSES
➤ Promoters has more than 40 years of experience in Industry.	➤ Limited brand awareness in consumer segment
➤ Diversification in terms of product portfolio of specialty chemicals and sales to multiple end Industries.	➤ Margins are influenced by raw material prices mainly in B2B segment.
➤ Sales Channel Includes both B2B and B2C	➤ Limited sales in export
➤ Strong relationship with Major customers includes Akzo Nobel, Asian paints, Berger, JSW, JK cement, Indigo, DOW, BASF.	
➤ Strong pan India Network because of 5 plants, distribution channel and 17 warehouses Network	
➤ Investment in R&D for future readiness	
OPPORTUNITIES	THREATS
➤ Government initiatives for make in India will support to add newer products	➤ Raw material scarcity and volatility in prices.
➤ Growth infrastructure development and construction	➤ Imported raw materials can have challenges due to change in government regulations such as BIS, Anti dumping duty, safeguard etc
➤ Entry into untapped high growth potential packaging industry	➤ Volatility in foreign exchange rate
➤ Untapped export markets for both B2B and B2C	➤ Low entry barriers in B2B Industry

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

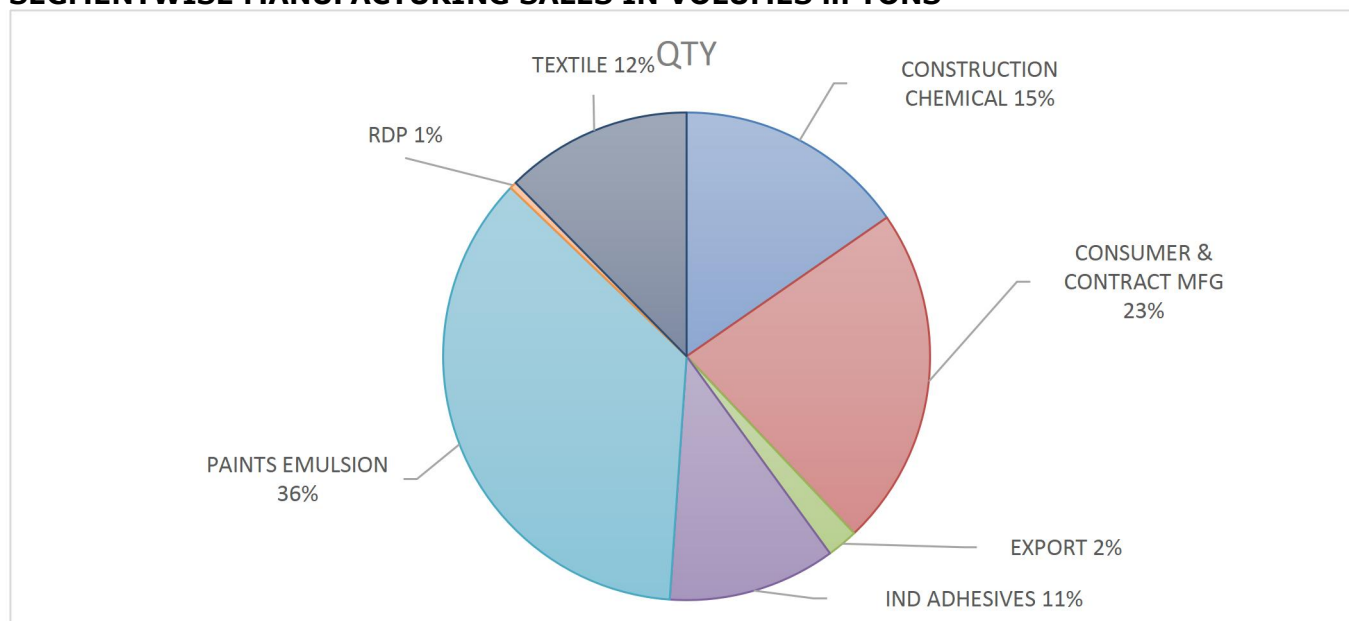
The Company has strong internal control procedures in place that are commensurate with its size and operations. The Board of Directors, responsible for the internal control system, sets the guidelines and verifies its adequacy, effectiveness and application. The Company's internal control system is designed to ensure management efficiency, measurability and verifiability, reliability of accounting and management information, compliance with all applicable laws and regulations, and the protection of the Company's assets. This will help identify and manage the Company's risks (operational, compliance-related, economic and financial).

## HUMAN RESOURCES/INDUSTRIAL RELATIONS

The Company believes that employees are the foundation for the superstructure of any corporate organisation. The Company considers its employees as its most significant asset and provides them with a healthy and competitive work environment to excel and set new standards of quality, productivity, efficiency and customer satisfaction. The Company's consistent HR policies aid in attracting and retaining the best talent pool.

## FINANCIAL HIGHLIGHTS AT A GLANCE

### SEGMENTWISE MANUFACTURING SALES IN VOLUMES in TONS



#### Adhesives & Construction Chemicals contribution 49% of the total sales volume

##### (i) Consumer & Contract Manufacturing Adhesives (MAHACOL/ EMDILITH)

Branded consumer & Contract manufacturing adhesives products contributed 23% 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. Contract Manufacturing is mainly for Asian Paints Ltd.

##### (ii) Industrial Adhesives

Industrial Adhesives contributes 11% of the total volume sales of the Company. Adhesives for Packaging Industries.

##### (iii) Construction Chemicals

Company has achieved 15% of total volume sales of the Company.

##### (iv) Speciality Emulsions

The Company's speciality emulsions contribute 48% of the total sales volumes

##### a) Paint Emulsions (EMDILITH, EMDICRYL) :-

Majority 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 36%.

##### b) Textile (EMDITEX, EMDIBIND) :-

The Company has a network for textile emulsions and binders through distributors PAN India, textile emulsions contribute 12% of the company's total sales volume.

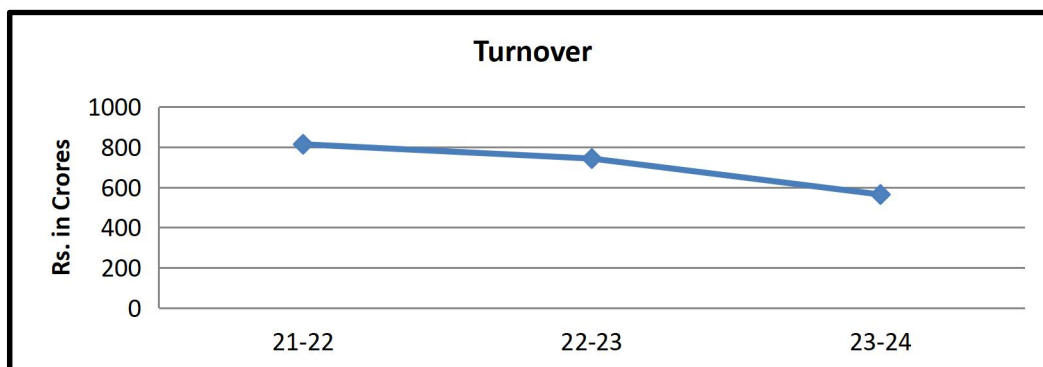
##### (v) Export :-

Company export's adhesives and emulsions to Nepal, Taiwan, Bangladesh, Sri Lanka, Philippines and Kenya which contributes to 2% of the total volume sales of the Company.

##### vi) Mahacol RDP :- Re-dispensable Polymer

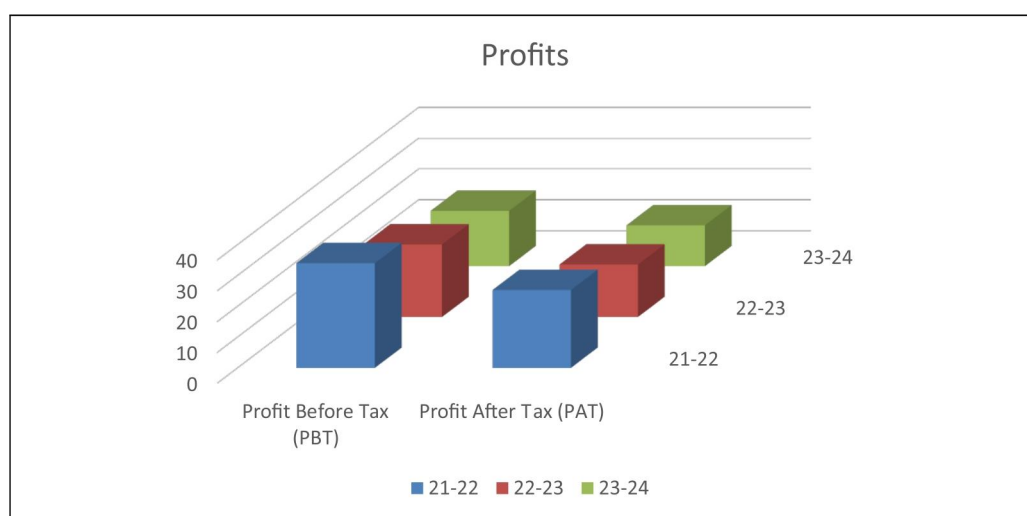
We have launched new business in this financial year which is contributing 1% of the total sales volume, is expected to grow in future.

## TURNOVER



For the year ended 31<sup>st</sup> March, 2024 turnover is ₹. 564 cr. as compared to ₹. 743 cr. in the previous year. Turnover reduction is mainly in Trading division as a policy decision of the Company.

## PROFITS



**Profit Before Tax (PBT)** has decreased from ₹ 23.54 cr. (FY 2022.23) to ₹ 17.93 cr. (FY 2023-24) and **Profit After Tax (PAT)** has decreased from ₹ 17.03 cr. (FY 2022.23) to ₹ 13.25 cr. (FY 2023-24). Decrease in profit is due to reduction in service charges income of Rs.5.84 cr.

## TRADING

Revenue from trading segment has decreased from ₹ 133.83 Crore to ₹ 42.95 Crore during the year ended 31<sup>st</sup> March 2024 as there was a huge fluctuation in international market for the entire chemical segment, therefore the company has decided to reduce its activities.

## FOREIGN EXCHANGE FLUCTUATIONS

Your Company had a foreign currency gain of ₹ 58.09 Lakh in current year (FY 2023-24) as compared to forex loss of ₹ 356.17 Lakh in the previous year (FY 2022-23).

**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:**

<b>Sr. No</b>	<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>	<b>%Change</b>
1.	Return on Net Worth (%)	12.29	18.21	-32.53
2.	Inventory Turnover Ratio (in times)	5.77	7.90	-26.98
3.	Debt Equity Ratio	0.45	0.31	42.84

1. Return on Net Worth: Net profit has been affected mainly due to reduction in service charges income and reduction in trading business. However manufacturing volume has increased and gross profit margin has also improved.
2. Inventory Turnover Ratio (in times): Conscious decision to retain trading inventory to be used for manufacturing activities.
3. Debt Equity Ratio: Increase in long term debt for new project at Dahej and increase in working capital debt to avail special discount for purchases.

## DIRECTOR'S REPORT

### To The Members of Nikhil Adhesives Limited

The Board of Directors are pleased to present the thirty Eighth Annual Report together with the Audited Accounts for the Financial Year ended 31<sup>st</sup> March, 2024.

In Financial Year 2023-24 your Company has continued the phase of positive outlook and witnessed the drastic growth and development both in operational as well as in financial segments.

### FINANCIAL HIGHLIGHTS:

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

(Rs. In Lakh)		
Particulars	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
Profit Before Depreciation and Tax	2415.37	2,875.03
Less: Depreciation	622.66	520.57
<b>Profit Before Tax</b>	<b>1792.71</b>	<b>2,354.46</b>
Less: Provision for Tax		
Current Tax	382.35	550.26
Tax adjustment of earlier years	-	33.44
Deferred Tax	85.29	66.78
<b>Profit After Tax</b>	<b>1325.07</b>	<b>1,703.97</b>

### DIVIDEND

The Board of Directors has recommended a dividend of Re.0.2/- (Rupee Zero point Two only) per equity share of face value of Re. 1/- (Rupee One only) each for the Financial Year ended March 31, 2024 subject to approval of Shareholders.

### RESULT OF OPERATIONS

(Rs. In Lakh)			
Particulars	2023-24	2022-23	%
Sales Turnover	56454.20	74,346.26	-24.06%
Other Income	34.88	47.53	-26.62%
Operating Profit	2,489.11	2,985.09	-16.61%
Total Comprehensive Income(Net Profit)	1,323.87	1,713.42	-22.72%

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

### PUBLIC DEPOSITS

The Company had accepted the deposits amounting to Rs. 1170.40 Lakh from its members during the financial year 2023-24. There has been no default in repayment of deposits or payment of interest during the year. No deposits have been unclaimed as at the end of the year. All the deposits accepted by the Company are in compliance with the requirements of Chapter V of the Companies Act, 2013.

### TRANSFER TO RESERVES

There is no transfer made to reserves during the year.

### SHARE CAPITAL

There was no change in the Authorized and Paid-up Share Capital of the Company during the year. The Authorised Share Capital of the Company is Rs. 5,00,00,000/- (Rupees Five Crore only) divided into 4,95,00,000 (Four Crores Ninety Five Lakh only) Equity Shares of Re. 1 (Rupee One Only) each and

50,000 (Fifty Thousand) 8% Non-Cumulative Redeemable Preference Shares of Rs. 10 (Rupees Ten Only) each.

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

### **CORPORATE GOVERNANCE**

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

### **CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

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

<b>Particular</b>	<b>Amount (In Rupees)</b>
Amount statutorily required to contribute during the year F.Y. 2023-24	Rs. 52,41,507
Actual amount spent as on 31.03.2024	Rs. 20,20,301
Amount unspent on ongoing projects and transferred to separate bank account as on 31.03.2024	Rs. 30,12,716
Amount spent towards PM CARES Fund within the prescribed time limit of six months of end of financial year as per Companies Act, 2013	Rs. 2,08,490
Excess amount available for set off in the succeeding financial years	Nil

<b>Ongoing Projects - Actual payment made in FY 2023-24</b>	<b>Total Project</b>	<b>Amount Spent in FY 23-24</b>	<b>Amount spent in FY 24-25</b>	<b>Pending</b>
Project Bachpan	Rs. 5,50,000	1,70,000	-	3,80,000
Project Shakti	Rs. 5,80,000	4984	-	5,75,016
Umang School	Rs. 12,15,000	1,46,800	-	10,68,200
Jan Jan Ne Bhojan, Sadvichar	Rs. 10,85,000	95,500	6,32,610	3,56,890

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](http://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:

- That in the preparation of the annual financial statements for the year ended 31<sup>st</sup> March, 2024, the applicable accounting standards read with requirements set out under Schedule III to the Companies Act, 2013, have been followed and there are no material departures from the same;
- That had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- That had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the annual financial statements have been prepared on a going concern basis;

- e. That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f. That the systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

### **RISK MANAGEMENT AND ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

The Company's system of financial and compliance controls with reference to the financial statements and risk management is embedded in the business process by which the Company pursues its objectives. The Company uses foreign exchange forward contracts to hedge its exposure for movements in foreign exchange rate. The use of this foreign exchange forward contract reduces the risk to the Company. The Company does not use these for trading or speculative purpose. Additionally, the Audit Committee and the Board of Directors provide risk over sight through their review of potential risks which could negatively impact the operations, the proposed budget and plan, the Company's strategic framework and any risks that may negatively impact it. The management is committed to ensure an effective internal control environment commensurate with the size, scale and complexity of the operations, which provides assurance on the efficiency of the Company's operations and safety/security of its assets besides orderly and legitimate conduct of Company's business in the circumstances, which may reasonably be foreseen. The Company has defined organization structure authority levels delegated powers, internal procedures, rules and guidelines for conducting business transactions.

The Company's system and process relating to internal control and procedures for financial reporting have been designed to provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of Company's assets that could have a material effect on the financial statements and for preventing and detecting fraud and other irregularities or deliberate miss-statements. Management is responsible for establishing and maintaining adequate disclosure controls and procedures and adequate internal controls over financial reporting with respect to financial statements besides its effectiveness in the context of applicable regulations. The Internal Auditor, the Audit Committee as well as the Board of Directors conduct from time to time an evaluation of the adequacy and effectiveness of the system of internal controls for financial reporting with respect to financial statements.

### **INDUSTRIAL RELATIONS**

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

### **DIRECTORS & KEY MANAGERIAL PERSONNEL**

In terms of Sections 149,152 and all other applicable provisions of the Companies Act, 2013, for the purpose of determining the Directors liable to retire by rotation, the Independent Directors are not included in the total number of Directors of the Company. Accordingly, Mr.Tarak Jayantilal Sanghavi (DIN:00519403), Whole Time Director shall retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment as a Whole Time Director of the Company. The details of Directors seeking re-appointment as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given in the notice of the ensuing Annual General Meeting, which is being sent to the Shareholders along with Annual Report.

During the year, Mr.Umesh T Shah resigned as a Chief Financial Officer, Key Managerial Personnel of the Company with effect from 07<sup>th</sup> July, 2023 and Mrs. Anita Umesh Sanghavi was appointed as Chief Financial Officer, Key Managerial Personnel with effect from 27<sup>th</sup> September, 2023 in accordance with Section 203 and other applicable provisions of the Companies Act, 2013.

The Board of Directors in its meeting held on 16<sup>th</sup> May, 2023 appointed Ms.Kinjal Rathod as Company Secretary and Compliance Officer, Key Managerial Personnel of the Company with effect from 16<sup>th</sup> May, 2023.

During the year, Ms. Kinjal Rathod resigned as Company Secretary and Compliance Officer, Key Managerial Personnel of the Company with effect from 30<sup>th</sup> March, 2024. The Board of Directors in its meeting held on 22<sup>nd</sup> May, 2024 appointed Ms. Beena Khandelwal as Company Secretary and Compliance Officer, Key Managerial Personnel of the Company with effect from the same date i.e. 22<sup>nd</sup> May 2024.

The Board of Directors in its meeting held on 27<sup>th</sup> September, 2023 accepted resignation of Mr. Naresh Bhuta from Non-Executive Independent Director with effect from 25<sup>th</sup> September, 2023.

The Members at its Annual General Meeting held on 21<sup>st</sup> of September, 2023 appointed of Mr. V. Subramanian as Non-Executive Independent Director of the company with effect from 01<sup>st</sup> July, 2023 pursuant to the provisions of Sections 149, 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV & V to the Companies Act, 2013.

During the year, Mr. Rabi R. Mishra resigned as Managing Director and Chief Executive Officer with effect from 04<sup>th</sup> July, 2023. Mr. Umesh T. Shah resigned as a Chief Financial Officer, Key Managerial Personnel of the Company with effect from 07<sup>th</sup> July, 2023.

The Board of Directors at its meeting held on 10<sup>th</sup> of July, 2023 accepted the re-designation of Mr. Umesh J. Sanghavi as Chairman and Managing Director of the Company with effect from 10<sup>th</sup> July, 2023 pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and any other such sanction(s) as may be necessary and subject to the approval of Shareholders in this forthcoming Annual General Meeting of the Company.

Pursuant to section 161 and other applicable provisions, if any of the Companies Act, 2013, Mr. Jagdish Mali (DIN: 10162796) was appointed as Additional Director (Executive) with effect from 08<sup>th</sup> August, 2024, by the Board of Directors in their meeting held on 08.08.2024 subject to the approval of Shareholders in this forthcoming Annual General Meeting of the Company.

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

1. Mr. Umesh J. Sanghavi – Chairman and Managing Director
2. Mr. Rajendra J. Sanghavi – Wholetime Director
3. Mr. Tarak J. Sanghavi – Wholetime Director
4. Mr. Pravin K. Laheri – Independent Director
5. Mrs. Ishita T. Gandhi – Independent Director
6. Ms. Gauri S. Trivedi – Independent Director
7. Mr. V. Subramanian – Independent Director
8. Mrs. Anita U. Sanghavi – Chief Financial Officer
9. Ms. Beena Khandelwal – Company Secretary & Compliance officer
10. Mr. Jagdish Mali – Additional (Executive) Director (w.e.f. 08.08.2024)

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

### **COMMITTEES OF THE BOARD**

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

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



## **DECLARATION BY INDEPENDENT DIRECTORS**

The Independent Directors of the Company have furnished the declaration that they meet the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015.

## **MEETINGS OF BOARD AND COMMITTEES**

During the year under review, 6 Board Meetings were convened and held. The details thereof are given in the Report on Corporate Governance.

## **PERFORMANCE EVALUATION OF BOARD, COMMITTEES & DIRECTORS**

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

## **SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION**

The Board of Directors in consonance with the recommendation of Nomination and Remuneration Committee (NRC) has adopted a term of reference which internally deals with the manner of selection of the Directors and the Key Managerial Personnel of the Company. The NRC recommends appointment of Director/re-appointment of Managing Director, Whole Time Directors and Independent Directors based on their qualifications, expertise, positive attributes and independence in accordance with prescribed provisions of the Companies Act, 2013 and rules framed there under. The NRC, in addition to ensuring diversity of race and gender, also considers the impact the appointee would have on Board's balance of professional experience, background, viewpoints, skills and areas of expertise.

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

## **VIGIL MECHANISM /WHISTLE BLOWER POLICY**

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

## **STATUTORY AUDITORS**

M/s PPV & CO. (FRN: 153929W), Chartered Accountants, has resigned from the office of Statutory Auditors of the Company with effect from 08<sup>th</sup> August, 2024. The Board of Directors of the Company in the Board Meeting held on 08-08-2024 on recommendations of Audit Committee, recommended the appointment of M/s. Jay Shah & Associates, Chartered Accountants (FRN: 135424W) as Statutory Auditors of the Company to fill the Casual Vacancy caused by Resignation of M/s PPV & CO. (FRN: 153929W), Chartered Accountants. The Shareholders are requested to approve appointment of M/s. Jay Shah & Associates, Chartered Accountants (FRN: 135424W) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting ("AGM") till the conclusion of the 39<sup>th</sup>

Annual General Meeting to be held in the year 2025 at such remuneration and out of pocket expenses as may be decided by the Board of Directors of the Company. There are no qualifications, reservations or adverse remarks made by Statutory Auditors

#### **COST AUDITOR**

The Board of Directors has re-appointed M/s B. F. Modi & Associates, Cost Accountants (Firm Registration No. 100604), as the Cost Auditors for conducting audit of the cost accounts maintained by the Company in respect of the products of the Company covered under the Companies (Cost Records and Audit) Amendment Rules, 2014 and fixed their remuneration based on the recommendation of the Audit Committee. The remuneration payable to the Cost Auditors is subject to ratification by the Shareholders in this Annual General Meeting of the Company.

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

#### **SECRETARIAL AUDITOR**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s Shiv Hari Jalan & Co., Company Secretaries were appointed to undertake the Secretarial Audit of the Company for the year ended 31<sup>st</sup> March, 2024. There are no adverse remarks or observations made by M/s Shiv Hari Jalan & Co. in the Secretarial Audit 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 are on arm's length basis and in the ordinary course of business. There are no material significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All related party transactions are placed before the meeting(s) of the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the financial year for the transactions which are of a foreseen and repetitive in nature. The statement giving details of all related party transactions entered into pursuant to the omnibus approval together with relevant documents/information are placed before the Audit Committee for review and approval on quarterly basis. The Company has developed a Policy on materiality of Related Party Transactions and dealing with Related Party Transactions including the modifications thereof. The Policy on materiality of Related Party Transactions and dealing with Related Party Transactions as approved by the Board is uploaded on the Company's website and the same is available at the web link <http://www.nikhiadhesives.com>

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

There are no Loans, Guarantees or Investment made during the year in pursuance to Sections 185 and 186 of the Companies Act, 2013.

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

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

## **EXTRACT OF ANNUAL RETURN**

Extract of Annual Return of the Company is available on the website of the Company viz. [www.nikhiladhesives.com](http://www.nikhiladhesives.com)

## **PARTICULARS OF EMPLOYEES**

The particulars required pursuant to Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure-II, which is attached here to and forms a part of the Directors' Report.

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

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

## **GENERAL**

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

- a. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- b. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- c. The Company has no Subsidiary/JV/Associate Companies during the year.
- d. Company does not have any subsidiaries hence Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
- e. As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("POSH Act") and Rules made thereunder, the Company has formed Internal Complaints Committee for various work places to address complaints pertaining to sexual harassment in accordance with the POSH Act.
- f. During the year under review there are no shares in the demat suspense account or unclaimed suspense account of the Company.
- g. The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.
- h. The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.
- i. During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is furnished.
- j. The Board of Directors have complied with applicable Secretarial Standards as specified u/s. 118 of Companies Act, 2013.
- k. The Company confirms that it has paid the Annual Listing Fees for the year 2024-25 to BSE Ltd where the Company's Shares are listed.
- l. During the Financial year no application has been made and no proceeding is pending under the Insolvency and Bankruptcy Code, 2016.
- m. During the year under review, there were no instance of one-time settlement with banks or financial institutions and hence the differences in valuation as enumerated under Rule 8(5)(xii) of Companies (Accounts) Rules, 2014, as amended, do not arise.

## **TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND:**

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

During the year under review, no shares or unpaid dividend of last 7 years was due to be transferred to IEPF.

### **HUMAN RESOURCES**

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

### **CASH FLOW STATEMENT**

In conformity with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and requirements of companies Act, 2013 the cash flow statement for the financial year ended 31.03.2024 is annexed here to as a part of the Financial Statements.

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

No Agreement were entered pursuant to clause 5A of paragraph A of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during FY 2023-24 and as on date

**For and On behalf of Board of Directors**

**Sd/-**

**Umesh J. Sanghavi**

**Chairman and Managing Director**

**DIN: 00491220**

**Place: Mumbai**

**Date: 26/08/2024**

**ANNEXURE- I**

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024**  
**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule**  
**No. 9 of the Companies (Appointment and Remuneration Personnel)**  
**Rules, 2014]**

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

I, Shiv Hari Jalan, Proprietor of Shiv Hari Jalan & Co., Company Secretary in practice 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 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 31.03.2024 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, 2024 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 Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable to the company during the review period)

Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the company during the review period)

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the company during the review period)

Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the company during the period under review)

Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the company during the review period)

Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the company during the review period)

The Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018;

(vi) 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 of the Secretarial Standards issued by The Institute of Company Secretaries of India.

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

I further report that:

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

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

As per the minutes, the decisions at the Board Meetings were taken unanimously.

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

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

**Place: Mumbai**  
**Date: 08.08.2024**  
**UDIN: F005703F000928196**

**For Shiv Hari Jalan & Co.**  
**Company Secretaries**  
**FRN: S2016MH382700**

**(Shiv Hari Jalan)**  
**Proprietor**  
**FCS No: 5703**  
**C.P.NO: 4226**  
**PR No. 1576/2021**

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**  
A-902, Kaledonia Building, Sahar Road,  
Opp. Vijay Nagar, Andheri (East),  
Mumbai - 400069.

My 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of provision of Corporate and other applicable laws, rules, regulations, standard is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The secretarial Audit report is neither an assurance as to the future viability of Company nor of the efficacy of effectiveness with which the management has conducted the affairs of the company.

**For Shiv Hari Jalan & Co.**  
**Company Secretaries**  
**FRN: S2016MH382700**

**(Shiv Hari Jalan)**  
**Proprietor**  
**FCS No: 5703**  
**C.P. No: 4226**  
**PR No. 1576/2021**

**Place: Mumbai**  
**Date: 08.08.2024**  
**UDIN: F005703F000928196**



## ANNEXURE- II

### DISCLOSURE UNDER RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL), RULES, 2014

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

Sr. No	Name	Designation	Remuneration in paid for FY 2023-24 (In Rs.)	Remuneration paid for FY 2022-23 (In Rs.)	% increase - in remuneration in the FY 2023-24	Ratio/ times per median of employee remuneration
1	Mr.Umesh J. Sanghavi	Chairman and Managing Director	21,52,944	21,52,944	-	5.58
2	Mr. Rabi R. Mishra*	Executive- Managing Director and CEO	30,00,000*	1,20,00,000	-	-
3	Mr.Rajendra J. Sanghavi	Executive- Whole Time Director	21,52,944	21,52,944	-	5.58
4	Mr.Tarak J. Sanghavi	Executive- Whole Time Director	21,52,944	21,52,944	-	5.58
5	Mr. Umesh Shah**	Chief Financial Officer	17,06,900*	21,91,091	-	-
6	Ms. Kinjal Rathod***	Company Secretary & Compliance Officer	4,84,218*	-	-	-
7	V Subramaniaum****	Independent Director	14,50,000*	-	-	-
8	Mrs. Anita Umesh Sanghavi*****	Chief Financial Officer	7,21,704	-	-	-

\* The remuneration of Mr. Rabi Mishra is covered for the period from 01.04.2023 to 30.06.23 as he resigned from the post of Whole time Director and Chief Executive Officer of the Company w.e.f 04.07.2023.

\*\*The remuneration of Mr.Umesh Shah is for the period from 01.04.2023 to 07.07.2023, as he resigned from the post of CFO w.e.f. 07.07.2023.

\*\*\*The remuneration Ms. Kinjal Rathod is covered for the period from 08.05.2023 to 30.03.2024 as she resigned as CS w.e.f. 30.03.2024.

\*\*\*\*The remuneration of Mr.V Subramaniaum is covered for the period from 01.07.2023 to 31.03.2024 as he appointed as Independent Director in the company w.e.f. 01.07.2023.

\*\*\*\*\*The remuneration of Mrs. Anita Sanghavi is covered for period from 27.09.2023 to 31.03.2024 as she appointed as CFO of the company w.e.f. 27.09.2023.

Median remuneration of employees in FY 2023-24	Median remuneration of employees in FY 2022-23	Percentage increase/(decrease)
Rs. 4,14,403	Rs. 3,90,300	6.18

2. No. of permanent employees as on 31st March, 2024: 252 Employees

3. Variation in market capitalisation, PE ratio:

Particulars	As on 31.03.2024	As on 31.03.2023	Percentage Change
Market Capitalisation of the Company	Rs. 5,70,15,26,300	Rs.4,47,25,51,050	27.4%
PE Ratio	Rs. 43.09	Rs. 26.25	64.2%
Closing Market share Price (BSE)	Rs.124.10	Rs.97.35	27.5%

4. Comparison between average percentile increase and salaries of employees (excluding managerial personnel) and percentile increase in managerial remuneration:

Average percentile increases in salaries of employees other than managerial personnel in FY 2023-24	Percentile increase in managerial personnel remuneration in FY 2023-24	Justification
75.74	There is no increase in managerial personnel remuneration for FY 2023-2024.	The increase in salaries of managerial personnel remuneration is commensurate with their individual performance attributable to the growth of the Company.

5. The key parameters for any variable component of remuneration availed by Directors: There is no variable component in the remuneration paid to Directors.

6. There are 6 employees who have received remuneration in excess of the highest paid Director. Their ratios to the highest paid director are 1.14, 1.44, 1.87, 1.89, 2.08 and 2.97.

7. 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 31<sup>st</sup> March, 2024 is given herein below and forms part of the Director's Report.

#### **A. Conservation of Energy:**

The Company has a well-structured energy management system in place and regular efforts are made to optimise process parameters and energy conservation. Additionally, while undertaking modernisation and technological up gradation of production facilities, due consideration is also given in selection of plant and 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. Replacement and Rewound of Motors, which 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 atomisation 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. Gardening and plantation to help reducing pollution.
- f. Upgradation of effluent treatment plant is continued. Treated water is used for washing & cleaning.
- g. Better utilization of energy and water.
- h. The Company has installed the solar energy system in its plant at Silvassa. And it has installed the solar water heating system in its plant at Dahej and Dahanu which provides 12KL water in a day with 70 degree Celsius in Dahej Plant and 1KL water in a with 70 degree Celsius at its Dahanu plant. The Company is trying best to expand the capacity from the above limit and also the installation of solar energy and water heating system in other plants of the Company is in process.

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

Alternative energy is any energy source that is an alternative to fossil fuel. Amongst various sources of alternate energy like solar, wind, geothermal, biomass, bio fuels, hydropower etc. Solar power is the most convenient of all which can be made use of by installing solar panels and converting solar energy into electrical energy.

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

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

**3. The capital investment on energy conservation equipments:**

Rs. 26.48 Lakh was spent on energy conservation equipments.

**B. Technology absorption:**

**1. The efforts made towards technology absorption:**

Development of proprietary technology for 100% import substitute Re-dispensible Polymer (RDP) & design of plant to manufacture 12,000 TPA.

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

Improvisation in products quality helps to retain and increase the market share. Product development too helps to reduce cost and sustainability in market. We constantly look for process improvisation at manufacturing level to reduce energy consumption, minimise waste generation and to produce cost effective products in line with environmental policies.

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

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

**4. The expenditure incurred on Research and Development.**

Rs. 34.18 Lakh was spent on Research and Development.

**C. Foreign Exchange Earnings and Outgo:**

For the year under consideration, earnings in the foreign exchange in terms of actual inflows is Rs.395.12 Lakh and foreign exchange outgo in terms of actual outflows is Rs. 6,837.84 Lakh.

**For and Behalf of the Board of Directors**

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

**Place: Mumbai**  
**Date: 26/08/2024**

**ANNEXURE- IV**  
**CORPORATE SOCIAL RESPONSIBILITY REPORT**

1. Brief outline on CSR Policy of the Company-

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

2. Composition of CSR Committee:

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

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](http://www.nikhiladhesives.com)

4. Provide the executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not Applicable

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 Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	2023-24	3,017	-
	<b>Total</b>	<b>3,017</b>	-

6. Average net profit of the company as per section 135(5): Rs. 26,20,75,367

7. a) Two percent of average net profit of the company as per section 135(5): Rs. 52,41,507  
 (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: Rs. 3,017  
 (d) Total CSR obligation for the financial year (7a+7b-7c): Rs.52,38,490

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

Total Amount Spent for the Financial Year. (inRs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
20,20,231	30,12,716	10/04/2024	PM CARES FUND	2,08,490	08/08/2024

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)		
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	Dist. rict.						Name	CSR Registration number.
1.	Project Bachpan	(ii) Special Education	No	Gujarat,	Ahmedabad	1 year	Rs. 5,50,000	1,70,000	3,80,000	Yes	NA	NA
2.	Project Shakti	(ii) Special Education	No	Gujarat,	Ahmedabad	1 year	Rs. 5,80,000	4984	5,75,016	Yes	NA	NA
3.	Umang School	(ii) Special Education	No	Gujarat,	Ahmedabad	1 year	Rs. 12,15,000	1,46,800	10,68,200	No	Umang School for Children with Hearing Loss	CSR00004692
4.	Jan Jan Ne Bhojan Sadvichar	(i) Eradicating Hunger	No	Gujarat,	Ahmedabad	1 year	Rs. 10,85,000	95,500	9,89,500	Yes	NA	NA
	Total						34,30,000	4,17,284	30,12,716			

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		
Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.

1.	Ankleshwar Industrial Development Society	(ii) promoting education	No	Gujarat, Bharuch	5,00,000	No	Ankleshwar Industrial Development Society	CSR00003724
2.	Dr. Krishna Vora	(i)"promoting health care including preventinve health car	Yes	Maharashtra, Mumbai	10,00,000	Yes	NA	NA
4.	Shree Vinayak Kelvani Mandal	(i)"promoting health care including preventinve health car		Gujarat, Bhavnagar	50,000	No	Shree Vinayak Kelvani Mandal	CSR00009672
5.	Sadvichar Parivar	(i) Eradicating Hunger	No	Gujarat, Ahmedabad	50,000	Yes	NA	NA
6	PM Care Fund		No		3,017	Yes	NA	NA
		<b>Total</b>				16,03,017		

(d) Amount spent in Administrative Overheads: Nil

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs.50,30,000

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

Sr. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	52,41,507
(ii)	Total amount spent for the Financial Year	20,20,301
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

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

1	2	3	4	5	6		7	8	
Sr No	Precedin g Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135(in Rs.)	Balance Amount in Unspen t CSR Account under sub-section (6) of section 135(in Rs.)	Amount Spent in the Financi al Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any	Amount (in Rs)	Date of Transfer	Amount remaini ng to be spent in succeed ing Financial Years (in Rs)	Deficie ncy, if any
1.	FY - 1				NIL				
2.	FY - 2								
3.	FY - 3								

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

(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 Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
1	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-

10. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Nil  
If Yes, enter the number of Capital assets created/ acquired: Not Applicable

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

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

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

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): For FY 2023-24, the Company has contributed before 31-03-2024 its CSR obligation to an intermediary agent (IA). However, the IA has not utilised such contribution before 31-03-2024.

Sd/-  
Mr.Umesh Sanghavi  
Chairman and Managing Director  
(Member of CSR Committee)  
DIN: 00491220

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



## **INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of Nikhil Adhesives Limited

We have examined the compliance of conditions of Corporate Governance by Nikhil Adhesives Limited for the year ended on 31st March, 2024, as stipulated in Para E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company with Stock Exchanges.

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

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

As per the information and explanation provided by the management, there was no investor grievances remaining unattended/ pending as on 31st March 2024.

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

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

**Sd/-  
Poonam Somani  
FCS No. F9364  
C P No. 8642  
UDIN No: F009364F001050943**

**Place: Mumbai  
Date: 27/08/2024**

## REPORT ON CORPORATE GOVERNANCE

### Company's Philosophy on Corporate Governance

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

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

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

### Board of Directors

The composition of our Board is well aligned with the relevant provisions of the Companies Act, 2013 ("Companies Act"), and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Board currently consists of 7 directors out of which, 4 are Independent Directors. The Board of Directors of your Company comprises of Executive-Chairman, Executive-CEO, Executive-Managing Director, Executive-Whole Time Directors and Non-Executive Independent Directors. The Board of Directors comprises of highly qualified members and with considerable professional experiences, expertise, leadership, and guidance to the management.

### Composition of our Board, Status, No. of Board Meeting and Last AGM attended, Details of Directorship and Committees Membership and name of the Listed Companies as on 31<sup>st</sup> March, 2024:

Name of Directors	Status	No. of Board Meetings attended	Attendance at Annual General Meeting (21.09.2023)	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. Umesh Sanghavi (DIN: 00491220)	Chairman and Managing Director, Promoter	6	Attended	1	-	1
*Mr. Rabi Mishra (DIN: 02888975) resigned on 04.07.23	Executive Managing Director and CEO	1	Not Applicable	-	-	-
Mr. Rajendra Sanghavi (DIN: 00245637)	Executive Whole Time Director, Promoter	6	Attended	1	-	-
Mr. Tarak Sanghavi (DIN: 00519403)	Executive Whole Time Director, Promoter	6	Attended	1	-	-
Mr. Pravin K. Laheri (DIN: )	Non-Executive Independent	6	Attended	1	2	2

00499080)	Director					
Mr.Naresh Bhuta resigned 25.09.23 (DIN: 01610043)	Non-Executive Independent Director	2	Attended	-	-	-
Mrs.Ishita Gandhi (DIN: 07137098)	Non-Executive Independent Director	5	Attended	1	1	2
Ms.Gauri S. Trivedi (DIN: 06502788)	Non-Executive Independent Director	5	Not Attended	4	2	10
Mr. V. Subramanian DIN(1016279) w.e.f 01.07.23	Non-Executive Independent Director	4	Attended	1	-	-

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

Sr. No.	Name of the Directors	Name of the Listed Companies in which concerned Director is a Director	Category of Directorship
1.	Ms.Gauri S. Trivedi	Denis Chem Lab limited Sandesh Limited Adani Total Gas Limited	Non-Executive Independent Director

\*\*\*\*\*The details of the Committees chairmanship and membership include the Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee but does not the Corporate Social Responsibility Committee as per Regulation 26 of the SEBI (LODR) Regulations, 2015.

#### Inter-se relationship between the Directors

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

#### Web Link of details of familiarisation programmes imparted to independent directors

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

#### Skills/Expertise/Competence of the Board of Directors (as on 31<sup>st</sup> March, 2024)

Name of the Directors	Mr. Umesh J. Sanghavi	Mr. Rajendra J. Sanghavi	Mr. Tarak J. Sanghavi	Mr. Pravin K. Laheri	Mrs. Ishita D. Gandhi	Ms. Gauri S. Trivedi	Mr. V. Subramanian
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 its own performance and that of its Committees and Individual Directors. During the year under review, one meeting of the Independent Directors was held wherein the performance of Non-Independent Directors, Chairman of your Company and the Board as a whole were reviewed. The performance evaluation of Committees and Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The Independent Directors also assessed the quality, quantity and timelines of flow of information between your Company management and the Board that is necessary for the Directors to effectively and necessarily perform their duties. The Board, its Committees and Directors evaluation provided a formal process of communication in raising issues that might not otherwise be vetted by the Board, with the underlying objectives to develop an action plan to improve the Board performance, inter alia, by ensuring compliance with the requirements of the Companies Act, 2013 and code of corporate governance.

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

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

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

### **Board Meetings**

During the financial year ended on 31<sup>st</sup> March, 2024, 6 Board Meetings were held on 16<sup>th</sup> May, 2023; 10<sup>th</sup> July, 2023; 14<sup>th</sup> August, 2023, 27<sup>th</sup> September, 2023, 09<sup>th</sup> November, 2023, 09<sup>th</sup> February 2024.

All material information are circulated to the Directors before the meeting or placed at the meeting including minimum information as required under the Listing Regulations. The Directors were given the facility to attend the meeting through Video Conferencing (VC) or Other Audio-Visual Means (OAVM). All the Directors have completed and unrestricted access to any information required by them to understand the transactions and take decisions. This enables the Board to discharge its responsibilities effectively and make an informed decision. The compliance report of all laws applicable to your Company as prepared and compiled and circulated to all the Directors along with the agenda and placed/reviewed in each Board Meeting.

The Board has laid down a Code of Conduct for all Board Members and Senior Management Personnel of your Company and the same has been posted on the website of your Company ([www.nikhiladhesives.com](http://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. During the year Mr. Naresh Bhuta resign from the post of Independent Director of the company due to personal reason and there is no material reason for resignation

### **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 it's functioning.

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

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Status</b>	<b>No. of Meetings held</b>	<b>No. of Meetings attended</b>	<b>Date of Audit Committee Meetings</b>
1	Mrs.Ishita Gandhi (Chairman)	Non Executive/ Independent	5	4	16 <sup>th</sup> May, 2023
2	Mr.Pravin K. Laheri (Member)	Non Executive/ Independent	5	5	14 <sup>th</sup> August, 2023
3	Ms.Gauri S. Trivedi (Member)	Non Executive/ Independent	5	4	27 <sup>th</sup> September, 2023
4	Mr.Naresh D. Bhuta (Member)*	Non Executive/ Independent	5	2	09 <sup>th</sup> November, 2023
5	Mr.Umesh J. Sanghavi (Member)**	Executive Managing Director	5	5	09 <sup>th</sup> February, 2024
6	Mr. Rabi. R. Mishra (Member)***	Executive Managing Director and CEO	5	1	

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

\*Mr. R.R. Mishra resigned from the position of Managing director & CEO of the company w.e.f 04th July, 2023

\*\*Mr. Naresh Bhuta resigned from the position of Non-Executive Independent Director of the company w.e.f 25th September, 2023.

\*\*\*Ms. Kinjal Rathod, Company Secretary and Compliance Officer act as a Secretary of the Committee till 30.03.2024.

The Chairman of the Committee was present at the last Annual General Meeting held on 21.09.2023

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

- Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible; To seek information from any employee.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

- matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
- changes, if any, in accounting policies and practices and reasons for the same;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings;
  - compliance with listing and other legal requirements relating to financial statements;
  - disclosure of any related party transactions;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.

### Stakeholders Relationship Committee

Sr. No	Name of the Director	Status	No. of Meetings held	No. of Meetings attended	Date of Stakeholders Relationship Committee Meetings
1	Mrs.Ishita Gandhi (Chairman)	Non Executive /Independent	1	1	16 <sup>th</sup> May, 2023
2	Mr.Pravin K. Laheri (Member)	Executive /Non-Independent	1	1	
3	Ms.Gauri S. Trivedi (Member)	Non Executive /Independent	1	-	

Ms. Beena Khandelwal appointed as Company Secretary & Compliance Officer of the Company w.e.f. 22.05.2024.

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

Number of shareholders complaints received so far	4
Number of shareholders complaint resolved	4
Number of shareholders complaint pending	Nil

#### Terms of Reference:

The Company has a Stakeholders Relationship Committee, to look into various aspects of interest of Shareholders, Debentures Holders and other Security Holders.

The Committee deals with various matters relating to:

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

### Nomination and Remuneration Committee

The terms of reference of the Nomination and Remuneration Committee inter alia includes determination of your Company's policy on appointment and remuneration packages for Directors and senior management personnel.

Sr. No.	Name of the Directors	Status	No. of Meetings held	No. of Meetings attended	Date of Remuneration Committee Meetings
1	Mr.Pravin K. Laheri(Chairman)	Non Executive/ Independent	3	3	16 <sup>th</sup> May, 2023, 10 <sup>th</sup> July, 2023 27 <sup>th</sup> November, 2023
2	Mr.Ishita T. Gandhi (Member)	Non Executive/ Independent	3	2	
3	Ms.Gauri S. Trivedi(Member)	Non Executive/ Independent	3	2	

### Terms of Reference:

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

### Remuneration Policy

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

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

### Remuneration to Directors

The remunerations for the financial year 2023-24 are as follows:

Name of the Directors	Status	Salary	Bonus es	Contribut ion to Providen t Fund	Commissi on	Sitting Fees	Total
Mr.Umesh J. Sanghavi	Executive Chairman and Managing	21,52,944	-	1,58,400	-	-	23,11,344

	Director						
Mr. R. R. Mishra	Executive Managing Director and CEO	30,00,000	-	-	-	-	30,00,000
Mr. R. J. Sanghavi	Executive Whole Time Director	21,52,944	-	1,58,400	-	-	23,11,344
Mr. T. J. Sanghavi	Executive Whole Time Director	21,52,944	-	1,58,400	-	-	23,11,344
Mr. V. Subramanian	Non Executive/ Independent Director	14,50,000	-	-	-	72,000	15,22,000
Mr. Pravin K. Laheri	Non Executive/ Independent Director	-	-	-	-	2,52,000	2,52,000
Mr. Naresh D. Bhuta	Non Executive/ Independent Director	-	-	-	-	72,000	72,000
Mrs. Ishita T. Gandhi	Non Executive/ Independent Director	-	-	-	-	2,02,500	2,02,500
Ms. Gauri S. Trivedi	Non Executive/ Independent Director	-	-	-	-	1,89,000	1,89,000
Mrs. Anita Sanghavi	CFO	7,21,204	-	-	-	-	7,21,204

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 31<sup>st</sup> March, 2024

Name of the Director	Nature of Directorship	No. of Shares held	Percentage to the paid-up capital
Mrs. Ishita T. Gandhi	Non-Executive Independent	10,000	0.02%
Mr. Pravin K. Laheri	Non-Executive Independent	-	-
Ms. Gauri S. Trivedi	Non-Executive Independent	-	-
Mr. V. Subramanian (w.e.f 01.07.23)	Non-Executive Independent	-	-

#### Independent Directors Meeting:

During the year under review, a separate meeting of Independent Directors was held on 09<sup>th</sup> February, 2024, 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

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

Sr. No.	Name of the Director	Status	No. of the Meeting Held	No. of meeting attended
1	Mr.PravinK.Laheri	Chairman	2	2
2	Mr.Rajendra J. Sanghavi	Member	2	2
3	Mr.Umesh J. Sanghavi	Member	2	2
4	Mr.Tarak J. Sanghavi	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 13.06.2023 and 29.03.2024. The detailed terms of reference of the Corporate Social Responsibility Committee's available on the website of the Company at [www.nikhiladhesives.com](http://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
2022-23	37th	21st September, 2023	The meeting conducted through Video Conferencing (VC)/other Audio Visual means (OAVM) at the Registered Office of the Company as a deemed venue of the meeting.	12.00 PM	5
2021-22	36th	12th September, 2022	The meeting conducted through Video Conferencing (VC)/other Audio Visual means (OAVM) at the Registered Office of the Company as a deemed venue of the meeting.	12.00 PM	4
2020-21	35 <sup>th</sup>	29 <sup>th</sup> September, 2021	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	0

Details of Special Resolutions passed in the previous three AGMs:

Date of AGM	Particulars of Special Resolutions passed there at
21 <sup>st</sup> September, 2023	1. Appointment of Mr. V. Subramanian (DIN: 10162796) as an Independent Director (Non-Executive) of the company. 2. To approve payment of remuneration by way of profit related commission to Mr. V. Subramanian 3. Re-appointment of Mr.Rajendra J. Sanghavi (DIN: 00245637) as a Whole Time Director for a period of 3 years. 4. Re-appointment of Mr.Tarak J. Sanghavi (DIN: 00519403) as a Whole Time Director for a period of 3 years 5. Change in Designation of Mr.Umesh J. Sanghavi (DIN: 00491220) from Chairman and Wholetime Director to Chairman and Managing Director for a period of 3 years w.e.f. 10th July, 2023.
12 <sup>th</sup> September, 2022	1. Alteration of Memorandum of Association of the Company 2. Change in Designation of Mr. Rabi R. Mishra (DIN: 02888975) from Wholetime Director and Chief Executive Officer to Managing Director and Chief Executive Officer 3. Change in Designation in Mr.Umesh J. Sanghavi (DIN: 00491220) from Chairman and Managing Director to Chairman and Wholetime Director 4. Ratification of the appointment of Ms.Gauri S. Trivedi (DIN:06502788) as an Independent Director for a period of 5 years
29 <sup>th</sup> September, 2021	No Special Resolutions were passed.

During the year under review, there were no Resolutions 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 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. 37 of Notes to financial statements in the Annual Report. The Policy on materiality of Related Party Transactions and dealing with Related Party Transactions as approved by the Board is uploaded on the Company's website and the same is available at the web link <http://www.nikhiladhesives.com>
- b) Your Company has complied with the requirements of Stock Exchange, Securities and Exchange Board of India and other statutory authorities on matter relating to capital markets during the last three years and consequently no penalties or strictures have been imposed on your Company by these authorities.
- c) While preparation of the financial statements during the year under review, no accounting treatment which was different from that prescribed in the Indian Accounting Standards was followed. The significant accounting policies applied in preparation and presentation of financial statements have been set out in Note No. 1 of Notes to financial statements in the Annual Report.
- d) The Company has timely paid the Annual Listing Fees to BSE Ltd. and Annual Custodial Fees to NSDL and CDSL for the Financial Year 2024-25.
- e) Your Company has laid down procedures to inform the Board Members about the risk assessment and minimisation procedures covering the entire gamut of business operations of

your Company. These procedures are periodically reviewed to ensure that executive management controls risks by means of a properly defined framework.

- f) The designated senior management personnel of your Company have disclosed to the Board that no material, financial and commercial transactions have been entered into during the year under review in which they have personal interest, which may have a potential conflict with the interest of your Company at large.
- g) The Chief Executive Officer and Chief Financial Officer have furnished a duly signed Certificate to the Board for the year ended 31<sup>st</sup> March, 2024 in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- h) In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended Ms.Kinjal Rathod has been designated as the Compliance Officer of the Company from 16<sup>th</sup> May, 2023 till 30<sup>th</sup> March, 2024 and thereafter Ms.Beena Khandelwal has been designated as the Compliance Officer of the Company from 22<sup>nd</sup> May, 2024 under the Company's Code of Conduct for Prevention of Insider Trading. Your Company also adheres to the disclosure practices for Prevention of Insider Trading as specified in the aforesaid SEBI Regulations.
- i) Your Company has adopted Vigil Mechanism/Whistle Blower Policy for developing a culture where it is safe for all Directors/Employees to raise concerns about any unacceptable practice and any event of misconduct. The Policy allows unrestricted access to all employees and others to approach the Audit Committee and there has been no instance during the year.
- j) where any personnel has been denied access to the Audit Committee. There was no complaint under this mechanism received during the year. The policy of Vigil Mechanism / Whistle Blower is placed on the website of the Company ([www.nikhiladhesives.com](http://www.nikhiladhesives.com)).
- k) Your Company is familiarising the Independent Directors on it's 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>.
- l) Your Company has compliant with all applicable mandatory requirements of the provisions of the SEBI LODR for the March 31, 2024.
- m) Your Company has presently not adopted certain non-mandatory requirements in regard to maintenance of Non-Executive Chairman's office, sending half-yearly declaration of financial performance to each household of shareholders and reporting of internal auditors directly to the Audit Committee.
- n) During the year, the Board has accepted all recommendations made by various Committees of Board of Directors of the Company.
- o) The Company has complied with the requirements of Corporate Governance Report of sub paras (2) to (10) mentioned in Para C of Schedule V of SEBI LODR and disclosed necessary information as specified in Regulations 17 to 27 and clauses (b) to (i) and (t) of Regulation 46(2) of SEBI LODR at the respective places in this report.
- p) The total fees paid to M/s. PPV & CO, Statutory Auditor of the Company in relation to the Statutory Audit is given in the financial statements.
- q) During the year under review, there were no cases filed or reported pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- r) The Certificate from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified by the Board/Ministry of Corporate Affairs or any such Statutory Authority is given under this Report.
- s) Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount': Not Applicable
- t) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries: There are no material subsidiaries of the Company.

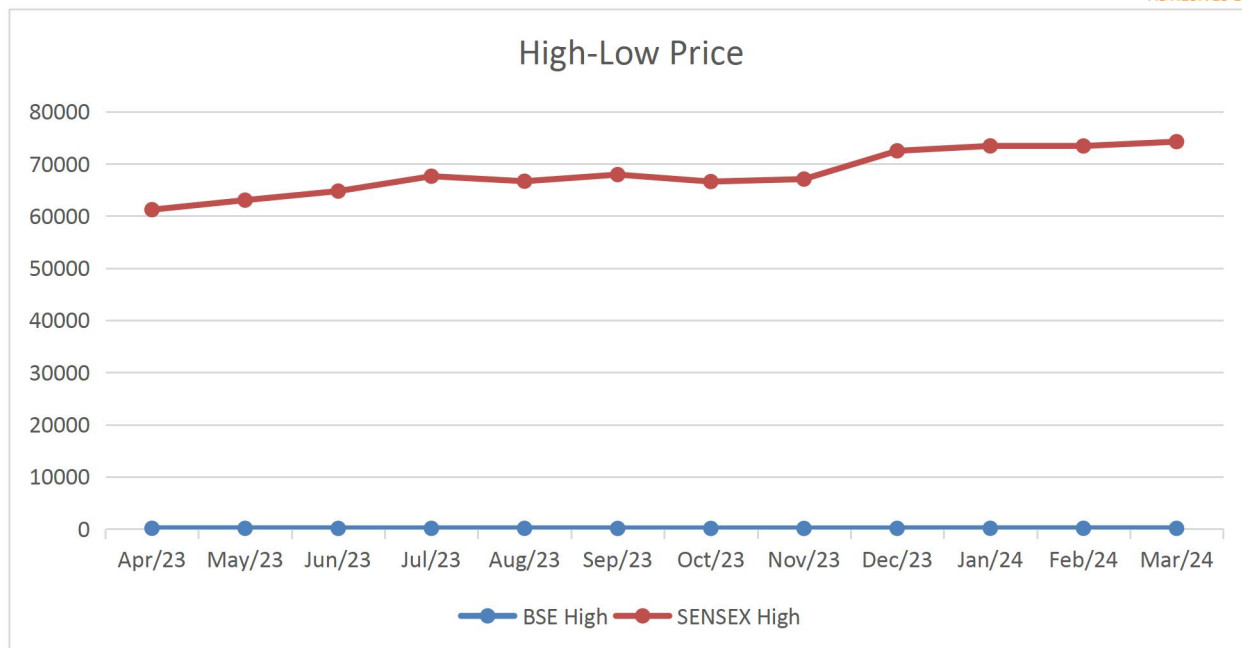
## Means of Communication

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

## General Shareholder Information

1. Annual General Meeting Date, Time and Deemed Venue : Thursday, 26<sup>th</sup> September, 2024, 03:00 PM. (through VC/OVAM facility)  
(The Registered Address is deemed venue)  
902, 9th Floor, A-Wing, Kaledonia HDIL Building  
Sahar Road, Opp. D-Mart  
Andheri (East), Mumbai – 400069.
2. Financial Year : 2023-2024
3. Date of Book Closure/Cut-off date of e-voting : Book closure start date: 20<sup>th</sup> September, 2024  
Book closure end date: 26<sup>th</sup> September, 2024  
Cut-off date of e-voting: 19<sup>th</sup> September, 2024
4. Date of Payment of Dividend : within 30 days of 38<sup>th</sup> AGM
5. Financial Calendar (Tentative)
  - Unaudited financial result for the quarter ended 30<sup>th</sup> June, 2024 : 8<sup>th</sup> August, 2024
  - Unaudited financial result for the quarter ended 30<sup>th</sup> September, 2024 : On or before 14<sup>th</sup> November, 2024
  - Unaudited financial result for the quarter ended 30<sup>th</sup> December, 2024 : On or before 14<sup>th</sup> February, 2025
  - Audited financial result for the year ending 31<sup>st</sup> March, 2025 : On or before 30<sup>th</sup> May, 2025
  - Annual General Meeting for the year ending 31<sup>st</sup> March, 2025 : On or before 30<sup>th</sup> September, 2025
6. Listing of Stock Exchange and its address : BSE Ltd.  
Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai-400001
7. Stock Code on BSE Ltd : 526159
8. Demat ISIN number NSDL & CDSL : INE926C01022
9. Grievance Redressal division email : [investors@nikhiladhesives.com](mailto:investors@nikhiladhesives.com)
10. High/Low Share Price during last financial year (Month wise) :

Month	BSE		SENSEX	
	High	Low	High	Low
April- 2023	150.00	98.00	61,209.46	58,793.08
May- 2023	144.80	117.50	63,036.12	61,002.17
June-2023	130.00	118.00	64,768.58	62,359.14
July- 2023	137.00	118.80	67,619.17	64,836.16
August- 2023	138.00	107.65	66,658.12	64,723.63
September- 2023	125.85	113.00	67,927.23	64,818.37
October- 2023	121.80	108.20	66,592.16	63,092.98
November-2023	122.50	108.10	67,069.89	67,069.89
December- 2023	142.00	118.15	72,484.34	67,149.07
January- 2024	147.70	115.25	73,427.59	70,001.60
February- 2024	147.25	123.05	73,413.93	70,809.84
March- 2024	136.95	115.00	74,245.17	71,674.42



11. Distribution Schedule of number of shares as on 31st March, 2024:

Shares	No. of Holders	%	No. of Shares	%
Upto 500	13033	87.9005	1106734	2.4089
501 to 1000	815	5.4967	691540	1.5052
1001 to 5000	733	4.9436	178185	3.8812
5001 to 10000	116	0.7824	917880	1.9979
10001 to above	130	0.8768	41443661	90.2067

Category of Shareholding as on 31<sup>st</sup> March, 2024:

Category	No. of Shares	% of Shareholding
<b>A. Promoter's Holding</b>		
12. Promoters		
a. Indian Promoters	2,50,10,100	54.44
b. Foreign Promoters	-	-
1. Persons acting in concert	-	-
<b>SUB TOTAL (A)</b>	<b>2,50,10,100</b>	<b>54.44</b>
<b>B. Non-Promoter's Holding</b>		
2. Institutional Investors		
a. Mutual Funds and UTI	-	-
b. Banks, Financial Institutions, Insurance Companies (Central/State Government Institutions/Non Government Institutions)	-	-
c. FII(s)	-	-
4. Others		
a. Bodies Corporate	60,89,446	13.2543
b. Indian Public	1,27,11,538	27.67
c. NRI's and OCB's	2,35,220	0.512
d. Clearing Members	2,10,34,29	4.58
e. Trusts	-	-
f. HUF	4,15,063	0.90
g. IEPF MCA Account	637450	1.3875
<b>SUB TOTAL (B)</b>		
<b>GRAND TOTAL (A+B)</b>	<b>4,59,43,000</b>	<b>100.00</b>

12. Registrars and Transfer Agents : M/s. Link Intime Pvt. Ltd  
: C-201, 247 Park, LBS Marg, Vikhroli (West), Mumbai- 400 083.
13. Share Transfer Systems : Since your Company's shares are compulsorily traded in the demat segment on the BSE, bulk of the transfers take place in the electronic form. The Share Transfer held in stipulated time, if documents are clear in all aspects. The Share Certificate duly endorsed are returned immediately to the Shareholders by RTA. The details of transfers/transmission, are placed before the Stakeholders Relationship Committee for noting/confirmation.
14. Dematerialisation of Shares and Liquidity : Trading in Equity Shares of your Company is Permitted only in dematerialised form. The request of dematerialisation are processed and confirmed within the time.  
Total No. of Shares dematerialised upto 31<sup>st</sup> March, 2024 is 45522500 i.e. 99.08% of the total share capital of your Company.
15. Issue of any GDRs, ADRs etc : Your Company has not issued any GDRs, ADRs, Warrants or any Convertible Instruments
16. Plant Locations : **Plant 1:**  
Shreeji Industrial Estate, Vadkun College, Road, Dahanu, Dist. Palghar – 401602.  
**Plant 2:**  
Plot No. 7A & 7B, Government Industrial Estate, Phase- I, Piparia, Silvassa – 396230.  
**Plant 3:**  
Plot No. D-2/CH/49, GIDC Estate, Dahej, Tal-Vagra, Dist-Bharuch- 392130, Gujarat.  
**Plant 4:**  
Plot No. 570A & 570B, Vasanthanaraspura Industrial Area, 2nd Phase, Tumakuru, Dist- Bengaluru.  
**Plant 5:**  
Plot No. 73 & 74, Industrial Area, Mehatpur, Dist – UNA, Himachal Pradesh – 174315
17. Registered Office Address : 902, 9th Floor, A-Wing, Kaledonia HDIL Building, Sahar Road, Opp. D-Mart, Andheri(East), Mumbai – 400069, Maharashtra.
18. Address of Shareholders Correspondence : M/s. Link Intime India Pvt. Ltd.  
C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai- 400 083  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)  
Email id- [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)
19. Credit Rating : N.A.

## **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, 2024.

**For Nikhil Adhesives Limited**

**Sd/-**  
**Umesh Sanghavi**  
**Managing Director and Chief Executive Officer**

**Place: Mumbai**  
**Date: 26/08/2024**

## **CEO AND CFO CERTIFICATION**

To,  
The Members  
Nikhil Adhesives Limited,  
Mumbai.

### **Re: Financial Statements for the year 2023-24 Certification by the CEO and CFO.**

We the undersigned, on the basis of the review of the financial statements and the cash flow statement for the financial year ended 31<sup>st</sup> March, 2024 and to the best of our knowledge and belief, hereby certify that:

1. These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with the Indian Accounting Standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31<sup>st</sup> March, 2024 which are fraudulent, illegal or violative of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal controls. We have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that:
  - a. There have been no significant changes in internal control during this year;
  - b. There have been no significant changes in accounting policies during this year;
  - c. There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems.

**Sd/-**  
**Umesh Sanghavi**  
**Managing Director and Chief Executive Officer**

**Sd/-**  
**Anita Sanghavi**  
**Chief Financial Officer**



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

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

I, Shiv Hari Jalan, Proprietor of Shiv Hari Jalan & Co., Company Secretary in practice have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Nikhil Adhesives Limited having CIN L51900MH1986PLC041062 and having registered office at A-902, Kaledonia Building, Sahar Road, Opp. Vijay Nagar, Andheri (East), Mumbai - 400069 hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

<b>Sr. No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of Appointment in Company *</b>
1	Mr. Rajendra Jayantilal Sanghavi	00245637	29/09/1986
2	Mr. Umesh Jayantilal Sanghavi	00491220	29/09/1986
3	Mr. Pravin Kanubhai Laheri	00499080	01/04/2021
4	Mr. Tarak Jayantilal Sanghavi	00519403	01/10/1987
5	Mr. Subramanian Venketakrishnan	10162796	01/07/2023
6	Ms. Gauri Trivedi	06502788	01/01/2022
7	Ms. Ishita Tushar Gandhi	07137098	28/03/2015

\*The date of appointment is as per the MCA Portal

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

**Place: Mumbai**  
**Date: 08.08.2024**  
**UDIN: F005703F000928185**

**For Shiv Hari Jalan & Co.**  
**Company Secretaries**  
**FRN: S2016MH382700**

**(Shiv Hari Jalan)**  
**Proprietor**  
**FCS No: 5703**  
**C.P.NO: 4226**  
**PR No. 1576/2021**

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Nikhil Adhesives Limited

### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying Standalone Financial Statements of **Nikhil Adhesives Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2024, 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 material accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit, other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the key audit matter below, our description of how our audit addressed the matter is provided in that context.

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

results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying Standalone Financial Statements.

<b>Key audit matters</b>	<b>How our audit addressed the key audit matters</b>
<p><u>Inventory Existence and Valuation</u> As at March 31, 2024 the Company held Inventory amounting to ₹ 7,596.08 lakhs.</p> <p>Inventories are valued at lower of cost and Net realizable value. The Company's major part of inventory comprises raw materials and work-in-progress which are spread across multiple factories. These inventories are physically counted by Management on a periodical basis.</p> <p>There is significant management judgement involved in estimating the overhead costs allocation on inventories, assessing provision towards non-moving or obsolete inventories, as well as net realizable value of items held.</p> <p>The Management's estimates of net realizable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise. The Management also provides for non-moving or obsolete stock on the basis of age of inventory. Such methodology relies upon certain assumptions made in determining appropriate provisioning for such inventories.</p> <p>Based on above, existence and valuation of inventories have been identified as a key audit matters. Refer Notes 1.6 and 8 to the Financial Statements.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>- assessing the Company's accounting policy for inventory valuation.</li> <li>- assessing the inventory valuation processes and testing the key controls around inventory existence and valuation assertions.</li> <li>- verifying the existence and condition of inventory by attending inventory physical counts across various locations.</li> <li>- assessing management judgements regarding estimates of net realizable value, the methodology used for overhead costs allocation on inventory and treatment for non-moving or obsolete stock.</li> </ul>

### **Other Information**

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

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

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

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 the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements for the financial year ended March 31, 2024 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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A] As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to these Standalone Financial Statements and the operating effectiveness of such controls, refer to our separate Report in **Annexure B** to this report;
- B] With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- (a) The Company does not have any pending litigations which would impact its financial position – Refer Note 43 to the said financial statements;
  - (b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - (d)
    - (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 42B(ix) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
    - (ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in note 42B(x) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (iii) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (d) (i) and (d) (ii) above contain any material mis-statement.
  - (e) The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act as applicable.  
As stated in Note 44 to the Standalone Financial Statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
  - (f) The reporting under Rule 11(g) of the Companies (Audit and Auditor's) Rules 2014, is applicable from 01 April 2023.

Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software and the audit trail has been preserved by the Company as per statutory requirements for record retention for the year ended March 31, 2024.

- C] 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 according to the explanations given to us, the managerial remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V to the Act.

**For PPV & CO**

Chartered Accountants  
Firm Registration No.153929W

**Priyanshi Vakharia**

Proprietor  
Membership No.: 181834  
UDIN: 24181834BKFASN6588  
Mumbai  
May 22, 2024

## Annexure A

**Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditors' Report of even date to the members of Nikhil Adhesives Limited on the Standalone Financial Statements for the year ended March 31, 2024:**

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Property, Plant and Equipment have been 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, the title deeds of all immovable properties (other than properties where the Company is the lessee and lease agreements are duly executed in favour of the lessee) disclosed in Standalone Financial Statements, are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right-of-use assets) and intangible assets during the year hence clause 3(i)(d) of the Order is not applicable.
- (e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder and hence clause 3(i)(e) of the Order is not applicable.
- (ii) (a) The management has conducted physical verification of inventory except goods-in-transit and stocks lying with third parties, at reasonable intervals during the year, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in aggregate for each class of inventory were noticed on such physical verification of inventories. For stocks held with third parties at the year end, written confirmations have been obtained.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. According to the information and explanation given and reviewed by us, the quarterly statements filed by the Company with such banks are generally in agreement with the unaudited books of account and the differences between the quarterly returns and books of account are explainable and not material in nature.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year hence clause (iii) is not applicable.
- (iv) In our opinion and according to the information and explanation given to us, the Company has not granted loans, not made investments, not given guarantees and securities during the year to parties covered under section 185 and 186 of the Act. Accordingly, compliance under section 185 and 186 of the Act is not applicable to 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, duty of custom, Goods and Service Tax (GST), provident fund, employees' state insurance, cess and other statutory dues as applicable, and as at March 31, 2024, there were no undisputed dues payable for a period of more than six months from the date of becoming payable.
- (b) According to the information and explanations given to us, there are no dues of GST, provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, value added tax, cess or other statutory dues which have not been deposited by the Company on account of disputes.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the term loans taken by the Company were applied for the purpose for which the loans were taken.
- (d) According to the information and explanations given to us, we report that funds raised on short-term basis have not been utilised for long term purposes by the Company.
- (e) According to the information and explanation given to us, the Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Companies Act, 2013) during the year ended March 31, 2024. Accordingly, clause 3(ix)(e) is not applicable.
- (f) According to the information and explanation given to us, the Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Companies Act, 2013) during the year ended March 31, 2024. Accordingly, clause 3(ix)(f) of the Order is not applicable.

- (x) (a) The Company has not raised any moneys by way of initial public offer or further Public offer (including debt instruments) during the year. Accordingly, clause (x)(a) of the Order is not applicable.  
(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause (x)(b) of the Order is not applicable.
- (xi) (a) According to the information and explanation given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.  
(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.  
(c) There were no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.  
(b) Internal auditor's reports for the period under audit have been considered by us.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India, 1934. Accordingly, clause 3(xvi) (a) of the Order is not applicable.  
(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India, 1934. Accordingly, clause 3(xvi) (a) of the Order is not applicable.  
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.  
(d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi) (d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditor during the year. Accordingly, clause (xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of audit report that the Company is not capable of meeting its

liabilities existing at the date of balance sheet, as and when they fall due, within a period of one year from the balance sheet date. We however, state that our reporting is not an assurance on the future viability of the Company. We further state that our reporting is based on the facts upto the date of the audit report and we neither give any guarantee nor any assurance that all the liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) In our opinion and according to the information and explanations given to us, the Company has not transferred the amount remaining unspent to a Fund specified in Schedule VII to the Companies Act, 2013 till the date of our report. However, the time period for such transfer i.e. six months of the expiry of the financial year as permitted under the second proviso to sub-section (5) of section 135 of the Act, has not elapsed till the date of our report. (Refer Note 41 to financial statements)

(Rs. in Lakhs)

<b>Financial year</b>	<b>Amount unspent on Corporate Social Responsibility activities "other than Ongoing Projects"</b>	<b>Amount Transferred to Fund specified in Schedule VII within 6 months from the end of the Financial Year</b>	<b>Amount Transferred after the due date</b>
(a)	(b)	(c)	(d)
2022-23	1.57 lakhs	1.57 lakhs	-
2023-24	2.08 lakhs	-	-

- (b) In our opinion and according to the information and explanations given to us in respect of ongoing projects, the Company has transferred unspent amount to a special account, within a period of thirty days from the end of the financial year in compliance with section 135(6) of the Act.

**For PPV & CO**

Chartered Accountants  
Firm Registration No.153929W

Priyanshi Vakharia  
Proprietor  
Membership No.: 181834  
UDIN: 24181834BKFASN6588  
Mumbai  
May 22, 2024

## **Annexure B**

**Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditors' Report of even date to the members of Nikhil Adhesives Limited on the Standalone Financial Statements for the year ended March 31, 2024.**

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

We have audited the internal financial controls with reference to the Standalone Financial Statements of **Nikhil Adhesives Limited** ("the Company") as at March 31, 2024, in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to the Standalone Financial Statements, assessing

the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

## **Meaning of Internal Financial Controls with reference to the Standalone Financial Statements**

A Company's internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Standalone Financial Statements includes those policies and procedures that

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

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to the Standalone Financial Statements and such internal financial controls with reference to the Standalone Financial Statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to Standalone Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **For PPV & CO**

Chartered Accountants  
Firm Registration No.153929W

### **Priyanshi Vakharia**

Proprietor  
Membership No.: 181834  
UDIN: 24181834BKFASN6588  
Mumbai  
May 22, 2024

**BALANCE SHEET AS AT MARCH 31, 2024**

(Amount in lakhs)

Particular	Note No.	As at March 31, 2024	As at March 31, 2023
<b>ASSETS:</b>			
<b>1. Non-current assets:</b>			
(a) Property, Plant and Equipment	2a	8,892.65	7,159.64
(b) Right of Use assets	2b	480.53	476.23
(c) Capital Work-in-Progress	3	1.44	361.46
(d) Other Intangible assets	4	-	-
(e) Financial Assets			
(i) Investments	5	1.10	0.60
(ii) Other Non-Current Financial Assets	6	51.72	47.28
(f) Other Non-Current Assets	7	127.38	307.34
<b>Total Non Current Assets</b>		<b>9,554.82</b>	<b>8,352.55</b>
<b>2. Current Assets:</b>			
(a) Inventories	8	7,596.08	8,420.35
(b) Financial Assets			
(i) Trade Receivables	9	10,072.25	11,022.25
(ii) Cash and Cash Equivalents	10	1,102.90	359.26
(iii) Bank Balances other than above	11	108.48	122.88
(c) Current Tax Assets (net)		750.74	749.88
(d) Other Current Assets	12	363.32	498.86
<b>Total Current Assets</b>		<b>19,993.77</b>	<b>21,173.48</b>
<b>TOTAL ASSETS:</b>		<b>29,548.59</b>	<b>29,526.03</b>
<b>EQUITY AND LIABILITIES:</b>			
<b>I. Equity</b>			
(a) Equity Share Capital	13	460.50	460.50
(b) Other Equity	14	10,938.27	9,706.28
<b>TOTAL EQUITY</b>		<b>11,398.77</b>	<b>10,166.78</b>
<b>II. LIABILITIES</b>			
<b>1. Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	2,528.48	1,591.03
(ia) Lease Liabilities	15 a	247.69	250.75
(ii) Other Non-Current Financial Liabilities	16	155.03	144.32
(b) Provisions	17	146.24	135.43
(c) Deferred Tax Liabilities (Net)	18	530.47	445.75
<b>Total Non-Current Liabilities</b>		<b>3,607.90</b>	<b>2,567.28</b>
<b>2. Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	2,544.19	1,576.53
(ia) Lease Liabilities	19 a	74.55	56.67
(ii) Trade Payables	20		
(A) total outstanding dues to micro enterprises and small enterprises		914.64	578.05
(B) total outstanding dues to creditors other than micro enterprises and small enterprises		8,359.53	11,521.63
(iii) Other Current Financial Liabilities	21	1,390.39	1,045.47
(b) Other Current Liabilities	22	510.25	1,269.25
(c) Provisions	23	11.40	7.38
(d) Current Tax Liabilities (Net)		736.99	736.99
<b>Total Current Liabilities</b>		<b>14,541.92</b>	<b>16,791.97</b>
<b>TOTAL EQUITY AND LIABILITIES:</b>		<b>29,548.59</b>	<b>29,526.03</b>

**Material Accounting Policies**

1

The accompanying notes are an integral part of the financial statements

**As per our attached report of even date**

**For PPV & Co.**

Chartered Accountants  
Firm Registration No. 153929W

**Priyanshi Vakharia**

(Proprietor)  
Membership No. 181834  
Mumbai, May 22, 2024

**For and on behalf of the Board of Directors**

**Umesh J. Sanghavi**  
(Managing Director)  
DIN : 00491220

**Rajendra J. Sanghavi**  
(Executive Chairman)  
DIN : 00245637

**Tarak J. Sanghavi**  
(Executive Director)  
DIN : 00519403

**Ishita T. Gandhi**  
(Independent Director)  
DIN : 07137098

**Anita U. Sanghavi**  
(Chief Financial Officer)  
Mumbai, May 22, 2024

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024**

(Amount in lakhs)

Particulars	Note No.	Year Ended March 31, 2024	Year Ended March 31, 2023
<b>INCOME</b>			
Revenue from operations	24	56,419.32	74,346.26
Other income	25	34.88	47.53
<b>Total income</b>		<b>56,454.20</b>	<b>74,393.79</b>
<b>EXPENSE</b>			
Cost of materials consumed	26	42,144.52	50,228.16
Purchases of stock in trade	27	3,878.20	12,824.37
Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	179.42	125.22
Employee benefits expenses	29	1,905.61	1,906.91
Finance costs	30	696.40	630.63
Depreciation and amortization expenses	31	622.66	520.57
Other expenses	32	5,234.68	5,803.47
<b>Total expenses</b>		<b>54,661.49</b>	<b>72,039.33</b>
<b>Profit before exceptional items and tax</b>		<b>1,792.71</b>	<b>2,354.46</b>
<b>Exceptional items</b>		<b>-</b>	<b>-</b>
<b>Profit before tax</b>		<b>1,792.71</b>	<b>2,354.46</b>
<b>Tax expense</b>			
Current tax		382.35	550.26
Tax adjustment of earlier year		-	33.45
Deferred tax		85.29	66.78
<b>Total tax expenses</b>		<b>467.64</b>	<b>650.49</b>
<b>Profit for the year</b>		<b>1,325.07</b>	<b>1,703.97</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit &amp; loss</b>			
Change in fair value of financial assets		0.50	0.23
Remeasurements of net defined benefit plans		(2.27)	12.31
Tax effect of above		0.57	(3.10)
<b>Total other comprehensive income /(loss)</b>		<b>(1.20)</b>	<b>9.44</b>
<b>Total comprehensive income for the year</b>		<b>1,323.87</b>	<b>1,713.41</b>
Earnings per equity share (Face value of Re.1/- per share)			
Basic		2.88	3.71
Diluted		2.88	3.71

Material Accounting Policies

1

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

**For PPV & Co.**

Chartered Accountants  
Firm Registration No. 153929W

**Priyanshi Vakharia**

(Proprietor)  
Membership No. 181834  
Mumbai, May 22, 2024

For and on behalf of the Board of Directors

**Umesh J. Sanghavi**  
(Managing Director)  
DIN : 00491220

**Rajendra J. Sanghavi**  
(Executive Chairman)  
DIN : 00245637

**Tarak J. Sanghavi**  
(Executive Director)  
DIN : 00519403

**Ishita T. Gandhi**  
(Independent Director)  
DIN : 07137098

**Anita U. Sanghavi**  
(Chief Financial Officer)  
Mumbai, May 22, 2024

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024**

(Amount in lakhs)

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
<b>A. Cash flows from Operating Activities</b>				
<b>Profit before income tax</b>		<b>1,792.71</b>		<b>2,354.46</b>
<b>Non-cash and not operating adjustment to profit before tax:</b>				
Depreciation and amortisation expense	622.66		520.57	
Allowance for expected credit loss	16.13		(12.86)	
Provision for Gratuity	12.55		14.71	
Finance costs	696.40		630.63	
Loss on sale of property plant & equipment	-		12.82	
Bad debts written off	4.81		1.15	
Unrealised exchange differences (gain)/loss	(58.09)	1,294.45	356.17	1,523.19
		3,087.16		3,877.65
<b>Change in operating assets and liabilities :</b>				
Decrease/(Increase) in Trade Receivables	932.27		3,468.08	
Decrease/(Increase) in Inventories	824.28		(848.93)	
Increase/(Decrease) in Trade Payables	(2,770.63)		(4,309.80)	
Decrease/(Increase) in Other Non-Current Financial Assets	(4.43)		0.91	
Increase/(Decrease) in Other Non-Current Financial Liabilities	(14.31)		16.42	
Decrease/(Increase) in Other Non-Current Assets	(21.98)		(11.31)	
Decrease/(Increase) in Other Current Assets	135.54		268.86	
Increase/(Decrease) in Other Current Financial Liabilities	398.30		33.41	
Increase/(Decrease) in Other Current Liabilities	(759.01)	(1,279.98)	150.20	(1,232.16)
<b>Cash generated from operations</b>		<b>1,807.19</b>		<b>2,645.49</b>
Direct taxes paid (net of refunds)		(383.21)		(587.26)
<b>Net cash flows from/(used in) Operating Activities (A)</b>		<b>1,423.97</b>		<b>2,058.23</b>
<b>B. Cash flows from Investing Activities</b>				
Payments for acquisition of property, plant and equipment	(1,719.15)		(1,913.48)	
Proceeds from sale of Property, Plant and Equipment	-		11.01	
Term deposits with banks (placed)/ matured(net)	14.41		(6.43)	
<b>Net Cash Flows from/(used in) Investing Activities (B)</b>		<b>(1,704.74)</b>		<b>(1,908.91)</b>
<b>C. Cash flows from Financing Activities</b>				
Dividend paid	(91.89)		(91.88)	
Proceeds / (Repayment) of long term borrowings (net)	937.45		(197.75)	
Proceeds / (Repayment) of short term borrowings (net)	967.66		634.76	
Finance costs	(788.81)		(623.96)	
<b>Net Cash Flows from/(used in) Financing Activities (C)</b>		<b>1,024.41</b>		<b>(278.83)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>		<b>743.64</b>		<b>(129.49)</b>
Cash and cash equivalents at the beginning of the year		359.26		488.77
<b>Cash and cash equivalents at the end of the year</b>		<b>1,102.90</b>		<b>359.26</b>

**Notes:**
**A)** Cash and cash equivalents are as under:

(Amount in lakhs)

Particulars	As at	As at
	31 March 2024	31 March 2023
Cash in hand	1.55	0.96
Balances with banks in current accounts	602.35	358.30
Term Deposit with less than 3 months maturity	499.00	-
<b>Total</b>	<b>1,102.90</b>	<b>359.26</b>

**B)** 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

**C)** For Disclosure requirements as per amendment to Ind AS 7 (Refer Note 40)

**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

**Umesh . J. Sanghavi**  
 (Managing Director)  
 DIN : 00491220

**Rajendra J. Sanghavi**  
 (Executive Chairman)  
 DIN : 00245637

**Priyanshi Vakharia**  
 (Proprietor)  
 Membership No. 181834  
**Mumbai, May 22, 2024**
**Tarak. J. Sanghavi**  
 (Executive Director)  
 DIN : 00519403

**Ishita T. Gandhi**  
 (Independent Director)  
 DIN : 07137098

**Anita U. Sanghavi**  
 (Chief Financial Officer)  
 Mumbai, May 22, 2024



**STATEMENT OF CHANGES IN EQUITY**

**A. Equity share capital**

(Amount in lakhs)

Particulars	Balance as at April 1, 2023	Changes in Equity Share Capital due to prior period errors	Restated balance as at April 1, 2023	Changes in equity share capital during the year	Balance as at March 31, 2024
<b>Authorised</b>					
4,95,00,000 Equity shares of Re. 1/- each	495.00	-	495.00	-	495.00
50,000 (50,000) 8% Preference shares of Rs. 10/- each	5.00	-	5.00	-	5.00
<b>Issued</b>					
4,95,43,000 Equity shares of Re. 1/- each	459.43	-	459.43	-	459.43
<b>Subscribed and fully paid up</b>					
4,95,43,000 Equity shares of Re. 1/- each	459.43	-	459.43	-	459.43
Add : Forfeited shares account	1.07	-	1.07	-	1.07
<b>Total</b>	<b>460.50</b>		<b>460.50</b>		<b>460.50</b>

**B. Other Equity**

(Amount in lakhs)

Particulars	Share application money pending allotment	Reserves and Surplus				Equity Instruments through Other Comprehensive Income	Remeasurements of net defined benefit plans	Total
		Capital Reserve	Securities Premium	General Reserve	Retained Earnings			
<b>Balance as at April 1, 2023 (A)</b>	-	4.00	1500.00	642.87	7581.53	2.60	(24.72)	9,706.28
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
<b>Restated balance at April 1, 2023 (B)</b>	-	4.00	1,500.00	642.87	7,581.53	2.60	(24.72)	9,706.28
Profit for the year (C)					1,325.07	-	-	1,325.07
Other Comprehensive Income/(Loss) for the year, net of tax (D)	-	-	-	-	-	0.50	(1.70)	(1.20)
<b>Total Comprehensive Income for the year, net of tax (C+D)=(E)</b>	-	-	-	-	1,325.07	0.50	(1.70)	1,323.87
Dividend paid (F)	-	-	-	-	(91.89)	-	-	(91.89)
Transfer to retained earnings	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2024 (B+E-F)=(G)</b>	-	4.00	1,500.00	642.87	8,814.72	3.10	(26.42)	10,938.27

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

**Umesh J. Sanghavi**  
(Managing Director)  
DIN : 00491220

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Mumbai, May 22, 2024

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DIN : 07137098

**Anita U. Sanghavi**  
(Chief Financial Officer)  
Mumbai, May 22, 2024

**STATEMENT OF CHANGES IN EQUITY**

**A. Equity share capital**

(Amount in lakhs)

Particulars	Balance as at April 1, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance as at April 1, 2022	Changes in equity share capital during the year	Balance as at March 31, 2023
<b>Authorised</b>					
4,95,00,000 Equity shares of Re. 1/- each (Previous Year: 49,50,000 Equity shares of Rs. 10/- each)	495.00	-	495.00	-	495.00
50,000 (50,000) 8% Preference shares of Rs. 10/- each	5.00	-	5.00	-	5.00
<b>Issued</b>					
4,59,43,000 Equity shares of Re. 1/- each (Previous Year: 45,94,300 Equity shares of Rs. 10/- each)	459.43	-	459.43	-	459.43
<b>Subscribed and fully paid up</b>					
4,59,43,000 Equity shares of Re. 1/- each (Previous Year: 45,94,300 Equity shares of Rs. 10/- each)	459.43	-	459.43	-	459.43
Add : Forfeited shares account	1.07	-	1.07	-	1.07
<b>Total</b>	<b>460.50</b>	<b>-</b>	<b>460.50</b>	<b>-</b>	<b>460.50</b>

**B. Other Equity**

(Amount in lakhs)

Particulars	Share application money pending allotment	Reserves and Surplus				Equity Instruments through Other Comprehensive Income	Remeasurements of net defined benefit plans	Total
		Capital Reserve	Securities Premium	General Reserve	Retained Earnings			
<b>Balances as on April 1, 2022</b>	-	4.00	1,500.00	642.87	5,969.44	2.37	(33.93)	8084.76
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
<b>Restated balance at April 1, 2022 (B)</b>	-	4.00	1,500.00	642.87	5,969.44	2.37	(33.93)	8,084.76
Profit for the year (C)	-	-	-	-	1,703.97	-	-	1,703.97
Other Comprehensive Income/(Loss) for the year, net of tax (D)	-	-	-	-	-	0.23	9.21	9.44
<b>Total Comprehensive Income for the year, net of tax (C+D)=(E)</b>	-	-	-	-	1,703.98	0.23	9.21	1,713.41
Dividend paid (F)	-	-	-	-	(91.88)	-	-	(91.88)
Transfer to retained earnings	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2023 (B+E-F)=(G)</b>	-	4.00	1,500.00	642.87	7,581.53	2.60	(24.72)	9,706.28

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

Umesh J. Sanghavi  
(Managing Director)  
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DIN : 07137098

Anita U. Sanghavi  
(Chief Financial Officer)  
Mumbai, May 22, 2024

## 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 (Banglore). The company is also engaged in the business of trading in chemicals.

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

#### 1.1 Basis of Preparation

1.1.1 These Ind -AS financial statements (hereinafter referred to as 'financial statements') of the Company are prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (Act) read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. The financial statements of the Company are consistently prepared and presented under historical cost convention on an accrual basis in accordance with Ind AS except for certain financial assets and liabilities that are measured at fair values.

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:

- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- 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 :

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- 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 financial statements in conformity with the recognition and measurement principles of Ind AS requires management of the Company to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment in the future periods in the carrying amount of assets or liabilities affected. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

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

a) 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. The Company reviews the useful life of property plant and equipment at the end of each reporting period.

b) Fair value measurement of financial instruments:

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

c) Impairment of financial and non-financial assets:

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

d) Taxes:

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

e) Defined benefit plans:

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

f) Provisions:

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

g) Contingencies:

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

h) Leases: The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgment in assessing the lease term (including anticipated renewals) and applicable discount rate.

## MATERIAL ACCOUNTING POLICIES

### 1.3 Property, Plant and Equipment

#### Recognition and Measurement

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

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

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

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.

#### Depreciation

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. The estimated useful lives of the assets are as follows:

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

Based on technical evaluation of useful life by the Management, it believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013. The residual value of Property, Plant & Equipment is considered at ₹ Nil as the realisable value at the end of useful life is not expected to be significant.

#### Derecognition

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 and Advances

Capital work-in-progress includes cost of Property, Plant and Equipment which are not ready for their intended use. Advances given towards acquisition of Property Plant and Equipment are disclosed as Other Non Current Assets.

### 1.4 Intangible Assets

#### Recognition and Measurement

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

#### Amortisation

Intangible assets with finite lives are amortised on straight line basis over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each year end. The amortised expense on intangible assets with finite lives and impairment loss is recognised in the Statement of Profit and Loss. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with indefinite useful lives, are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. The impairment loss on intangible assets with indefinite life is recognised in the Statement of Profit and Loss.

#### Derecognition

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

### 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. Costs are ascertained on First in First Out (FIFO) basis. Costs includes cost of purchase and other cost incurred in bringing each product to its present location and condition.

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 Equivalents in the Balance Sheet comprise cash at banks, cash on hand, balances in current accounts and short-term deposits with original maturities

of three months or less than three months, which are readily convertible into cash and which are subject to insignificant risk of changes in value.

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) Initial recognition and measurement :

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset, except in the case of financial assets not recognised at fair value through profit and loss. Transaction costs of financial assets carried at fair value through profit or loss are expensed through the Statement of Profit or Loss.

##### (ii) Subsequent measurement:

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

(i) The Company's business model for managing the financial asset and

(ii) The contractual cash flow characteristics of the financial asset

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

(i) Financial assets measured at amortised cost

(ii) Financial assets measured at fair value through other comprehensive income (FVTOCI)

(iii) Financial assets measured at fair through profit & loss (FVTPL)

##### (iii) Financial assets measured at amortised cost :

Financial assets are measured at amortised cost using effective interest rate method (EIR), if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. The losses arising from the impairment are recognised in the Statement of Profit and Loss.

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

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms give rise to cash flows that are solely payments of principal and interest on the 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.

#### Equity Instruments

All equity investments within the scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income (OCI). There is no recycling of the amounts from OCI to profit and loss, even on sale of investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

##### (vi) Derecognition of financial assets :

A financial asset is derecognised only when:

i. the rights to receive cash flows from the financial asset have expired contract is discharged, cancelled or expires.

ii. Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

iii. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

#### B. Impairment of Financial Assets

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

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward looking estimates. At each reporting date, the historically

observed default rates and changes in the forward-looking estimates are updated.

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

### **1.9 Fair value measurement**

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

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

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

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

### **1.10 Borrowing cost**

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

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

### **1.11 Provisions, Contingent liabilities, Contingent Assets**

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

Contingent liabilities are disclosed in the case of :

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

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

### **1.12 Employee Benefits**

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

#### **(i) Provident Fund :**

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

#### **(ii) Gratuity :**

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

#### **(iii) Compensated Leave :**

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

### 1.13 Revenue Recognition

#### Sale of Goods :

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

#### Dividend Income :

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

#### Contract Revenue :

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

#### Interest Income :

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

#### Insurance compensation :

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

#### Others :

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

### 1.14 Income Taxes

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

#### Current Tax :

Current tax is the amount of income taxes payable in respect of taxable profit for a period.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretations and establishes provisions where appropriate.

#### Deferred Tax :

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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

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

#### Presentation of current and deferred tax:

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

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

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

### 1.15 Earnings per Share

Basic earnings per share are calculated by dividing the profit after tax or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

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

### 1.16 Segment Reporting

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

#### **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 settlement or translation of monetary items are recognised in profit or loss in the year in which they arise.

#### **1.19 Derivative Financial instruments and hedge accounting**

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

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

##### **Forward exchange contracts**

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

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

#### **1.20 Exceptional items**

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

#### **1.21 Events after Reporting date**

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

#### **1.22 Dividend**

The Company recognises a liability for any dividend declared but not distributed at the end of the reporting period, when the distribution is authorised and the distribution is no longer at the discretion of the Company on or before the end of the reporting period. As per Corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.



Notes forming part of the financial statements

Note 2 a : Property, Plant and Equipment

As at March 31, 2024

(Amount in lakhs)

Particulars	Gross Carrying Value				Accumulated Depreciation/Amortisation				Net Carrying Value	
	As at April 1, 2023	Additions	Deductions / Adjustments	As at March 31, 2024	As at April 1, 2023	For the year	Deductions / Adjustments	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Land	432.02	-	-	432.02	-	-	-	-	432.02	432.02
Buildings	1,897.26	586.20	9.15	2,492.61	416.04	72.00	(0.07)	487.96	2,004.65	1,481.22
Plant & Machinery	7,649.96	1,622.30	4.22	9,276.48	2,637.47	434.20	(6.97)	3,064.70	6,211.78	5,012.49
Furniture and Fixtures	240.50	46.00	-	286.49	84.31	20.81	(0.09)	105.03	181.46	156.18
Lease improvement	36.30	2.60	(0.01)	38.88	35.98	0.34	-	36.32	2.57	0.32
Computers	114.33	3.33	(1.99)	115.67	96.75	11.04	(3.28)	104.51	11.16	17.58
Phone	14.02	1.28	-	15.30	12.19	0.61	-	12.81	2.49	1.82
Vehicles	132.71	-	-	132.71	74.70	11.47	-	86.17	46.53	58.01
<b>Total</b>	<b>10,517.08</b>	<b>2,261.71</b>	<b>11.36</b>	<b>12,790.16</b>	<b>3,357.44</b>	<b>550.47</b>	<b>(10.41)</b>	<b>3,897.51</b>	<b>8,892.65</b>	<b>7,159.64</b>

As at March 31, 2023

(Amount in lakhs)

Particulars	Gross Carrying Value				Accumulated Depreciation/Amortisation				Net Carrying Value	
	As at April 1, 2023	Additions	Deductions / Adjustments	As at March 31, 2023	As at April 1, 2023	For the year	Deductions / Adjustments	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Land	432.02	-	-	432.02	-	-	-	-	432.02	432.02
Buildings	1,808.83	88.43	-	1,897.26	354.01	62.03	-	416.04	1,481.22	1,455.82
Plant & Machinery	6,433.99	1,241.88	25.91	7,649.96	2,287.53	364.30	(14.36)	2,637.47	5,012.49	4,147.51
Furniture and Fixtures	149.73	90.77	-	240.50	69.79	14.53	-	84.31	156.18	79.94
Lease improvement	36.30	-	-	36.30	31.32	4.66	-	35.98	0.32	4.97
Computers	105.72	8.61	-	114.33	86.10	10.87	(0.23)	96.75	17.58	19.63
Phone	14.35	0.73	1.06	14.02	11.64	0.55	-	12.19	1.82	1.64
Vehicles	132.71	-	-	132.71	63.23	11.47	0.00	74.70	58.01	69.48
<b>Total</b>	<b>9,113.64</b>	<b>1,430.41</b>	<b>26.97</b>	<b>10,517.08</b>	<b>2,903.62</b>	<b>468.41</b>	<b>(14.59)</b>	<b>3,357.44</b>	<b>7,159.64</b>	<b>6,211.00</b>

Part of above assets are collateral towards borrowings (refer note 15)

Note 2 b : Right of Use assets

Following are the changes in the carrying value of Right of Use (ROU) assets for the year ended March 31, 2024:

(Amount in lakhs)

Particulars	Category of ROU assets		Total
	Leasehold Land	Premises	
Balance as at April 1, 2023	181.25	294.98	476.23
Additions during the year	-	86.90	86.90
Deletion during the year	-	-	-
Depreciation / Amortisation for the year	(1.61)	(80.99)	(82.60)
<b>Balance as at March 31, 2024</b>	<b>179.64</b>	<b>300.88</b>	<b>480.53</b>

Following are the changes in the carrying value of Right of Use (ROU) assets for the year ended March 31, 2023:

(Amount in lakhs)

Particulars	Category of ROU assets		Total
	Leasehold Land	Premises	
Balance as at April 1, 2022	182.86	42.75	225.61
Additions during the year	-	347.03	347.03
Deletion during the year	-	(29.66)	(29.66)
Depreciation / Amortisation for the year	(1.61)	(65.15)	(66.75)
<b>Balance as at March 31, 2023</b>	<b>181.25</b>	<b>294.98</b>	<b>476.23</b>

The aggregate depreciation expenses on ROU assets is included under depreciation and amortization expenses in the Statement of Profit and Loss. (Refer Note 31)

**Notes forming part of the Financial Statements**

**Note : 3 Capital Work-in-Progress**

**As at March 31, 2024** (Amount in lakhs)

Particulars	As at April 1, 2023	Additions	Transfer to Property Plant and Equipment	As at March 31, 2024
Capital work-in-progress	361.46	1.44	(361.46)	1.44
<b>Total</b>	<b>361.46</b>	<b>1.44</b>	<b>(361.46)</b>	<b>1.44</b>

**As at March 31, 2023** (Amount in lakhs)

Particulars	As at April 1, 2022	Additions	Transfer to Property Plant and Equipment	As at March 31, 2023
Capital work-in-progress	119.84	361.46	(119.84)	361.46
<b>Total</b>	<b>119.84</b>	<b>361.46</b>	<b>(119.84)</b>	<b>361.46</b>

**Capital Work in Progress ageing as on March 31, 2024** (Amount in lakhs)

Particulars	Amount of CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1.44	-	-	-	1.44

**Capital Work In Progress ageing as on March 31, 2023** (Amount in lakhs)

Particulars	Amount of CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	361.46	-	-	-	361.46

There are no Capital Work-In-Progress where completion is overdue against original planned timelines or where estimated cost exceeds its original placed cost as on March 31, 2024 and March 31, 2023

**Note : 4 Other Intangible assets**

**As at March 31, 2024** (Amount in lakhs)

Particulars	Gross Carrying Value			Accumulated Depreciation/Amortisation				Net Carrying Value		
	As at April 1, 2023	Additions	Sale/Disposal	As at March 31, 2024	As at April 1, 2023	For the year	Sale/Disposal	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Intangible assets										
<b>Own Assets :</b>										
Goodwill	6.50	-	-	6.50	6.50	-	-	6.50	-	-
Trademarks	10.99	-	-	10.99	10.99	-	-	10.99	-	-
Technical know how	30.75	-	-	30.75	30.75	-	-	30.75	-	-
MDC logo	35.00	-	-	35.00	35.00	-	-	35.00	-	-
Non compete agreement	10.00	-	-	10.00	10.00	-	-	10.00	-	-
<b>Total</b>	<b>93.24</b>	<b>-</b>	<b>-</b>	<b>93.24</b>	<b>93.24</b>	<b>-</b>	<b>-</b>	<b>93.24</b>	<b>-</b>	<b>-</b>

**As at March 31, 2023** (Amount in lakhs)

Particulars	Gross Carrying Value			Accumulated Depreciation/Amortisation				Net Carrying Value		
	As at April 1, 2022	Additions	Sale/Disposal	As at March 31, 2023	As at April 1, 2022	For the year	Sale/Disposal	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Intangible assets										
<b>Own Assets :</b>										
Goodwill	6.50	-	-	6.50	6.50	-	-	6.50	-	-
Trademarks	10.99	-	-	10.99	10.99	-	-	10.99	-	-
Technical know how	30.75	-	-	30.75	30.75	-	-	30.75	-	-
MDC logo	35.00	-	-	35.00	35.00	-	-	35.00	-	-
Non compete agreement	10.00	-	-	10.00	10.00	-	-	10.00	-	-
<b>Total</b>	<b>93.24</b>	<b>-</b>	<b>-</b>	<b>93.24</b>	<b>93.24</b>	<b>-</b>	<b>-</b>	<b>93.24</b>	<b>-</b>	<b>-</b>

There are no Intangible Assets under development

**Notes forming part of the Financial Statements**
**Note: 5 Investments**

(Amount in lakhs)

Particular	As at March 31, 2024	As at March 31, 2023
(At Fair Value through Other Comprehensive Income)		
<b>Trade (quoted)</b>		
Investment in Equity shares fully paid up : 800 (Previous year 800) equity shares of Bank of India of Rs.10/- each	1.10	0.60
<b>Total</b>	<b>1.10</b>	<b>0.60</b>

**Note: 6 Other Non-Current Financial Assets**

(Amount in lakhs)

Particular	As at March 31, 2024	As at March 31, 2023
Security deposits (other than utility deposits)	51.72	47.28
<b>Total</b>	<b>51.72</b>	<b>47.28</b>

**Note: 7 Other Non-Current Assets**

(Amount in lakhs)

Particular	As at March 31, 2024	As at March 31, 2023
Capital Advances	50.27	252.21
Security deposits - utility	63.37	41.67
Prepaid rent	13.75	13.46
<b>Total</b>	<b>127.38</b>	<b>307.34</b>

**Note: 8 Inventories**

(Amount in lakhs)

Particular	As at March 31, 2024	As at March 31, 2023
(Valued at lower of Cost or Net realisable value)		
Finished goods in transit	-	7.34
Finished goods	2,381.64	2,405.67
Fuels	1.63	4.83
Packing materials	336.58	290.33
Raw material and components	4,398.53	5,086.43
Stock in trade	477.70	625.75
<b>Total</b>	<b>7,596.08</b>	<b>8,420.35</b>

Inventories are hypothecated against secured borrowings (Refer Note 19)

## Notes forming part of the Financial Statements

### Note: 9 Trade Receivables

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good	10,156.33	11,090.20
Less: Expected credit losses	(84.08)	(67.95)
<b>Total</b>	<b>10,072.25</b>	<b>11,022.25</b>

#### (a) Movement in Allowance for doubtful receivables

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	67.95	80.81
Movement in expected credit loss allowance	16.13	(12.86)
<b>Balance at the end of the year</b>	<b>84.08</b>	<b>67.95</b>

#### (b) There are no unbilled receivables as at March 31, 2024 and March 31, 2023

#### Trade Receivables ageing schedule

(Amount in lakhs)

Particulars	Outstanding for following periods from due date of payment					As at March 31, 2024
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	10,090.69	65.65	-	-	-	10,156.33
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>SUB-TOTAL</b>	<b>10,090.69</b>	<b>65.65</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,156.33</b>
Less: Expected credit loss allowance						(84.08)
<b>TOTAL</b>						<b>10,072.25</b>

#### Trade Receivables ageing schedule

(Amount in lakhs)

Particulars	Outstanding for following periods from due date of payment					As at March 31, 2023
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	11,019.92	70.28	-	-	-	11,090.20
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>SUB-TOTAL</b>	<b>11,019.92</b>	<b>70.28</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,090.20</b>
Less: Expected credit loss allowance						(67.95)
<b>TOTAL</b>						<b>11,022.25</b>

### Note: 10 Cash and Cash Equivalents

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance with banks in current accounts	602.35	358.30
Cash on hand	1.55	0.96
Term Deposits with original maturity of three months or less	499.00	-
<b>Total</b>	<b>1,102.90</b>	<b>359.26</b>

### Note: 11 Bank Balances other than above

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Term deposits with more than 3 months maturity but due within one year from reporting date	73.76	28.96
<b>In earmarked accounts</b>		
Deposit repayment reserve account	31.25	91.91
Unpaid Dividend Account (Refer Note (a))	3.46	2.02
<b>Total</b>	<b>108.48</b>	<b>122.88</b>

#### (a) The Company can utilise these balances only towards settlement of unclaimed dividend

**Notes forming part of the Financial Statements**

**Note : 12 Other Current Assets**

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good :		
Advance to suppliers	92.19	118.18
Balance with government authorities	185.85	320.06
Prepaid expenses	61.91	60.08
Advances recoverable in cash or in kind	23.37	0.54
<b>Total</b>	<b>363.32</b>	<b>498.86</b>

**Note : 13 Equity share capital**

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Authorised</b>		
4,95,00,000 Equity shares of Re. 1/- each (Previous Year: 4,95,00,000 Equity shares of Re. 1/- each) (Refer note 13A)	495.00	495.00
50,000 (50,000) 8% Preference shares of Rs. 10/- each	5.00	5.00
<b>Issued</b>		
4,59,43,000 Equity shares of Re. 1/- each (Previous Year: 4,59,43,000 Equity shares of Re. 1/- each) (Refer note 13A)	459.43	459.43
<b>Subscribed and fully paid up</b>		
4,59,43,000 Equity shares of Re. 1/- each (Previous Year: 4,59,43,000 Equity shares of Re. 1/- each) (Refer note 13A)	459.43	459.43
Add : Forfeited shares account	1.07	1.07
<b>Total</b>	<b>460.50</b>	<b>460.50</b>

13(A) In the AGM dated September 12, 2022, the sub-division of 1 equity share [Face Value Rs.10/- each, fully paid up], into 10 equity shares [Face Value of Re.1/- each fully paid up] was approved. The Board of Directors approved the record date as October 13, 2022 vide circular resolution effected on September 22, 2022.

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

(Amount in lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	45,943,000	459.43	4,594,300	459.43
Add: Adjustment of sub-division of equity shares	-	-	41,348,700	-
Outstanding at the end of the year	45,943,000	459.43	45,943,000	459.43

**(b) Terms/rights attached to equity shares:**

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

During the year ended March 31, 2024, the Company has paid final dividend of Rs. 0.2/- per Equity Share of face value of Rs. 1/- each aggregating to Rs 91.89 Lakhs.

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

Name of Shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	% holding	No. of Shares	% holding
<b>Equity shares of Re. 1/- each fully paid :</b>				
Vasantben J. Sanghavi	2,533,000	5.51	5,002,600	10.89
Mrunalini R. Sanghavi	4,761,130	10.36	4,326,730	9.42
Anita U. Sanghavi	3,921,240	8.54	3,021,040	6.58
Rekha T. Sanghavi	4,846,730	10.55	4,454,830	9.70
Vasant Polymers & Chemicals Private Limited	5,036,000	10.96	5,036,000	10.96

(d) Disclosure of Shareholding of Promoters

Shares held by promoters at the end of the current year					% Change during the year
Promoter Name	As at March 31, 2024		As at March 31, 2023		
	No. of shares	% of total shares	No. of shares	% of total shares	
Vasantben Jayantilal Sanghavi	2,533,000	5.51	5,002,600	10.89	-5.38
Rekha Tarak Sanghavi	4,846,730	10.55	4,454,830	9.70	0.85
Mrunalini Rajendra Sanghavi	4,761,130	10.36	4,326,730	9.42	0.95
Anita Umesh Sanghavi	3,921,240	8.54	3,021,040	6.58	1.96
Rajendra Jayantilal Sanghavi	1,197,000	2.61	1,197,000	2.61	-0.00
Tarak Jayantilal Sanghavi	1,124,900	2.45	1,124,900	2.45	-
Umesh Jayantilal Shanghavi	953,400	2.08	953,400	2.08	-
Nikhil Umesh Sanghavi	867,850	1.89	867,850	1.89	-
Hemal Umesh Sanghavi	857,850	1.87	857,850	1.87	-
Rajendra Jayantilal Sanghavi HUF	551,000	1.20	551,000	1.20	-
Umesh Jayantilal Sanghavi HUF	547,000	1.19	547,000	1.19	-
Tarak Jayantilal Sanghavi HUF	535,500	1.17	535,500	1.17	-
Avni Vinit Bhuva	827,300	1.80	361,500	0.79	1.01
Ami Tarak Sanghavi	321,700	0.70	321,700	0.70	-
Tulsi Rajendra Sanghavi	320,700	0.70	320,700	0.70	-
Janaki Tarak Sanghavi	828,300	1.80	320,000	0.70	1.11
Ashok Jayantilal Sanghavi	800	0.00	231,800	0.50	-0.50
Payal Ashok Sanghavi	7,000	0.02	7,000	0.02	-
Sagar Ashok Sanghavi	4,700	0.01	4,700	0.01	-
Ashok Jayantilal Sanghavi HUF	3,000	0.01	3,000	0.01	-
	<b>25,010,100</b>	<b>54.44</b>	<b>25,010,100</b>	<b>54.44</b>	-

(e) Details of forfeited shares :

(Amount in lakhs)

Class of shares	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares	213,200	1.07	213,200	1.07

**Notes forming part of the Financial Statements**
**Note 14 Other Equity**

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Reserves and Surplus</b>		
<b>Capital Reserve</b>		
Balance at the beginning of the year	4.00	4.00
Addition during the year	-	-
Deductions during the year	-	-
<b>Balance at the end of the year</b>	<b>4.00</b>	<b>4.00</b>
<b>Securities premium</b>		
Balance at the beginning of the year	1,500.00	1,500.00
Addition during the year	-	-
Deductions during the year	-	-
<b>Balance at the end of the year</b>	<b>1,500.00</b>	<b>1,500.00</b>
<b>Retained Earnings</b>		
Balance at the beginning of the year	7,581.53	5,969.44
Profit/(Loss) for the year	1,325.07	1,703.97
Dividend paid to equity shareholders	(91.89)	(91.88)
<b>Balance at the end of the year</b>	<b>8,814.72</b>	<b>7,581.53</b>
<b>General Reserve</b>		
Balance at the beginning of the year	642.87	642.87
Addition during the year	-	-
Deductions during the year	-	-
<b>Balance at the end of the year</b>	<b>642.87</b>	<b>642.87</b>
<b>Other Comprehensive Income</b>		
Balance at the beginning of the year	(22.12)	(31.56)
Movement in other comprehensive income (net)	(1.20)	9.44
<b>Balance at the end of the year</b>	<b>(23.32)</b>	<b>(22.12)</b>
<b>Total Other Equity</b>	<b>10,938.27</b>	<b>9,706.28</b>

**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 loss of Rs. 1.20 lakhs consists of :

(i) Remeasurement loss on employees defined benefit expenses of Rs. 2.27 lakhs and deferred tax credit thereon of Rs. 0.57 lakhs (ii) Fair value gain arising out of change in fair value of investment in equity shares of Rs. 0.50 lakhs

Notes forming part of the Financial Statements

Note 15 Borrowings

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Secured :</b>		
<b>From banks :</b>		
Vehicle finance	9.70	14.73
<b>From others</b>		
Term loans	1,651.25	1,404.05
<b>Total</b>	<b>1,660.95</b>	<b>1,418.78</b>
<b>Unsecured :</b>		
<b>Deferred payment liabilities</b>		
Sales tax deferral	5.53	5.53
<b>Deposits</b>		
From shareholders	862.00	166.72
Others		
<b>Total</b>	<b>867.53</b>	<b>172.25</b>
<b>Grand total</b>	<b>2,528.48</b>	<b>1,591.03</b>

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

(Amount in lakhs)

Particulars	Security and terms of repayment as at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Term loans from others:			
<b>HDFC Bank Ltd</b>			
Term Loan I	(a) Secured against first charge on present and future movable and (b) Repayable in 23 monthly installments, last installment being due in Feb 2024. (c) Rate of Interest is 8.95% p.a		15.15
Term Loan II	(a) Secured against first charge on present and future movable and immovable fixed assets of the (b) Repayable in 7 monthly installments, last installment being due in Sep 2024. (c) Rate of Interest is 8.95% p.a		28.70
Term Loan III	(a) Secured against first charge on present and future movable and immovable fixed assets of the plant at Dahej (b) Repayable in 32 monthly installments, last installment being due in Nov 2026. (c) Rate of Interest is 8.95% p.a	139.48	210.32



**Note 15 Borrowings**

(Amount in lakhs)

<b>HDFC Bank Ltd</b>			
Term Loan IV	(a) Secured against first charge on present and future movable and immovable fixed assets of the plant at Dahej (b) Repayable in 39 monthly installments, last installment being due in June 2027. (c) Rate of Interest is 8.95% p.a	170.95	241.41
Term Loan V	(a) Secured against first charge on present and future movable and immovable fixed assets of the plant at Dahej (b) Repayable in 42 monthly installments, last installment being due in September 2027. (c) Rate of Interest is 8.20% p.a	500.00	700.00
Term Loan VI	(a) Secured against first charge on present and future movable and immovable fixed assets of the plant at Dahej (b) Repayable in 48 monthly installments, last installment being due in July 2028 (c) Rate of Interest is 8.20% p.a	840.81	208.47
<b>Total</b>		<b>1,651.25</b>	<b>1,404.05</b>
Vehicle Finance			
<b>HDFC Bank</b>			
Vehicle II	(a) Secured against hypothecation of the vehicle financed. (b) Repayable in 33 monthly installments, last installment being due in December 2026. (c) Rate of Interest is 8.01%.	9.70	14.73
<b>Total</b>		<b>9.70</b>	<b>14.73</b>

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

(Amount in lakhs)

Particulars	Security and terms of repayment as at March 31, 2024	As at March 31, 2024	As at March 31, 2023
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	5.53	5.53
From Shareholders	Deposits repayable as per maturity terms not exceeding 3 years	862.00	166.72
<b>Total</b>		<b>867.53</b>	<b>172.25</b>

(c) Secured long term borrowings of Rs.1,651.25 lakhs (Rs.1,404.05 lakhs) 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 Rs. 820.56 lakhs (Previous Year Rs. 1,099.48 lakhs) is disclosed under 'Borrowings' (Refer Note 19)

Notes forming part of the Financial Statements

Note 15 (a): Lease Liabilities

(Amount in lakhs)

Particulars	Non-Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Lease Liabilities	247.69	250.75	74.55	56.67
<b>Total</b>	<b>247.69</b>	<b>250.75</b>	<b>74.55</b>	<b>56.67</b>

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

(Amount in lakhs)

	Less than 1 year	Between 1 - 5 years	More than 5 years	Total	Carrying value
<b>As at March 31, 2024</b>					
Lease Liabilities	100.64	278.38	-	379.01	322.24
<b>As at March 31, 2023</b>					
Lease Liabilities	82.04	291.55	-	373.59	307.42

(b) Movement in Lease Liabilities

(Amount in lakhs)

Particulars	FY 2023-24	FY 2022-23
Balance as at April 1 <sup>st</sup>	307.42	51.86
Additions	78.87	338.20
Deletions	-	(37.50)
Finance cost	29.98	20.10
Repayment	(94.04)	(62.88)
Lease rent waived	-	(2.37)
<b>Balance as at March 31<sup>st</sup></b>	<b>322.24</b>	<b>307.42</b>

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

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Cash out flow of Lease expenses -</b>		
Expense relating to short term leases and low value assets	78.54	81.42
Expenses relating to long term leases	94.04	62.88
Expenses relating to lease renewed on short term basis	-	18.12
<b>Total cash outflow for leases</b>	<b>172.58</b>	<b>162.42</b>

(d) Movement in Right of Use (ROU) Assets

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Right of use of assets recognized at the beginning of the year	476.23	225.61
Additions to right of use assets during the year	86.90	347.03
Deletions to right of use assets during the year	-	(29.66)
Depreciation on right of use of assets	(82.60)	(66.75)
<b>Total Right of Use Assets as at the year end</b>	<b>480.53</b>	<b>476.23</b>

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

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Interest on lease liabilities	29.98	20.10
Depreciation of Right-of-use assets	82.60	66.75
Deferred tax (credit)/charge	(4.26)	5.31
<b>Impact on the Statement of Profit and Loss</b>	<b>108.32</b>	<b>92.15</b>

## Notes forming part of the Financial Statements

### Note: 16 Other Non-Current Financial Liabilities

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Interest accrued but not due on public deposits	36.99	11.97
Security Deposits (customers)	118.04	132.35
<b>Total</b>	<b>155.03</b>	<b>144.32</b>

### Note: 17 Provisions

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Provision for employee benefits</b>		
Provision for gratuity	146.24	135.43
<b>Total</b>	<b>146.24</b>	<b>135.43</b>

### Note : 18 Deferred Tax Liabilities (Net)

#### Movement in Deferred Tax Balances during the Year ended March 31, 2024

(Amount in lakhs)

Components of Deferred Tax	Deferred Tax (Asset) / Liability Balance as on April 1, 2023	Deferred Tax charge/(credit) on Profit & Loss	Deferred Tax charge/(credit) on Other Comprehensive Income	Deferred Tax (Asset) / Liability Balance as on March 31, 2024
<b>Deferred Tax Liabilities/(Assets)</b>				
Difference between written down value of fixed assets as per the books of accounts and Income Tax Act, 1961	519.21	97.59	-	616.79
Borrowing Cost FY 2019-20	0.18	(0.08)	-	0.10
Borrowing Cost FY 2022-23	0.41	(0.16)	-	0.25
Provision for gratuity expense allowable in income tax when actually paid	(41.63)	(3.73)	-	(45.36)
Expected Credit Loss	(17.10)	(4.06)	-	(21.16)
Lease expense allowable as deduction in income tax in subsequent years	(5.35)	(4.26)	-	(9.62)
Tax on remeasurement of defined benefit plans	(9.97)	-	(0.57)	(10.54)
<b>Net Deferred Tax Liabilities / (Assets)</b>	<b>445.75</b>	<b>85.29</b>	<b>(0.57)</b>	<b>530.47</b>

### Note 19 Borrowings

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Secured</b> (Refer (a) and (b) below) :		
<b>Cash credit from banks</b>	1,723.63	477.04
<b>Current maturities of long term debt (secured)*</b>	820.56	1,099.48
<b>Total</b>	<b>2,544.19</b>	<b>1,576.53</b>

\*Refer note 15 for the nature of securities.

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

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Loans repayable on demand</b>		
Cash Credit from Banks		
1) Bank of India	-	6.95
2) DBS Bank - Bill Discounting facility	1,186.61	-
3) Yes Bank	527.61	164.24
4) DBS Bank	9.41	305.86
<b>Total</b>	<b>1,723.63</b>	<b>477.04</b>

#### (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 & Silvassa.

Secured short term borrowings of Rs.1,723.63 lakhs (Previous year Rs.477.04 lakhs) are personally guaranteed by some of the promoter directors and collaterally secured by way of (i) Pledge of 57,28,900 equity shares of Re. 1 each/- held by some promoters of the Company (ii) 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 19 (a) Lease Liabilities**

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Lease hold premises liability	74.55	56.67
<b>Total</b>	<b>74.55</b>	<b>56.67</b>

**Note: 20 Trade payables**

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payables		
a) Total outstanding dues of micro & small enterprises	914.64	578.05
b) Total outstanding dues of creditors other than micro & small enterprises	8,359.53	11,521.63
<b>Total</b>	<b>9,274.16</b>	<b>12,099.68</b>

**Trade Payable ageing schedule**

(Amount in lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2024
(i) MSME	914.64	-	-	-	914.64
(ii) Others	8,359.53	-	-	-	8,359.53
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>TOTAL</b>	<b>9,274.16</b>	-	-	-	<b>9,274.16</b>

**Trade Payable ageing schedule**

(Amount in lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2023
(i) MSME	578.05	-	-	-	578.05
(ii) Others	11,521.63	-	-	-	11,521.63
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>TOTAL</b>	<b>12,099.68</b>	-	-	-	<b>12,099.68</b>

**Note: 21 Other Current Financial Liabilities**

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Other Payables	1,339.90	975.25
Provision for CSR Expenditure ( Refer Note 41)		
- Ongoing Project	30.13	-
- Other than Ongoing Project	2.08	-
Interest accrued but not due on public deposits	14.81	68.20
Unclaimed dividend	3.46	2.02
<b>Total</b>	<b>1,390.39</b>	<b>1,045.47</b>

**Note: 22 Other Current Liabilities**

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Liabilities for expenses	429.29	759.62
Advances from customers	48.16	464.54
Statutory dues	32.80	45.09
<b>Total</b>	<b>510.25</b>	<b>1269.25</b>

**Note: 23 Provisions**

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Provision for employee benefits</b>		
Gratuity	11.40	7.38
<b>Total</b>	<b>11.40</b>	<b>7.38</b>

**Notes forming part of the Financial Statements**
**Note : 24 Revenue from operations**

(Amount in lakhs)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
<b>Sale of products :</b>		
(a) Manufactured goods	51,345.93	59,647.61
(b) Traded goods	4,294.66	13,383.14
	55,640.59	73,030.75
<b>Other operating revenues :</b>		
(a) Service charges	680.67	1,264.53
(b) Foreign exchange gain	58.09	-
(c) Interest Income	5.98	6.74
(d) Reversal of expected credit loss	-	12.86
(e) Other Income	-	31.38
(f) Indenting Income	33.98	-
	778.73	1,315.51
<b>Revenue from operations</b>	<b>56,419.32</b>	<b>74,346.26</b>

**Note : 25 Other income**

(Amount in lakhs)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
<b>Other non-operating income :</b>		
(a) Interest Income received	0.08	0.40
(b) Bad debts recovered	3.54	-
(c) Scrap sales	31.26	47.13
<b>Total</b>	<b>34.88</b>	<b>47.53</b>

**Note : 26 Cost of materials consumed**

(Amount in lakhs)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
<b>Raw materials consumed</b>		
Opening stock	5,086.43	4,067.80
Add : Purchases	37,879.05	47,540.20
	42,965.48	51,608.00
Less : Closing stock	4,398.53	5,086.43
<b>Sub total (A)</b>	<b>38,566.95</b>	<b>46,521.57</b>
<b>Packing materials consumed</b>		
Opening stock	290.33	333.31
Add : Purchases	3,623.81	3,663.60
	3,914.15	3,996.92
Less : Closing stock	336.58	290.33
<b>Sub total (B)</b>	<b>3,577.57</b>	<b>3,706.58</b>
<b>Total (A)+(B)</b>	<b>42,144.52</b>	<b>50,228.16</b>

Notes forming part of the Financial Statements

Note : 27 Purchase of traded goods

(Amount in lakhs)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Purchase of stock in trade	3,878.20	12,824.37
<b>Total</b>	<b>3,878.20</b>	<b>12,824.37</b>

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

(Amount in lakhs)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
<b>Opening Stock</b>		
(a) Finished goods	2,405.67	2,095.23
(b) Goods in transit (finished goods)	7.34	156.89
(c) Stock-in-trade	625.75	911.87
<b>Sub Total (A)</b>	<b>3,038.76</b>	<b>3,163.99</b>
<b>Less : Closing Stock</b>		
Finished goods	2,381.64	2,405.67
Goods in transit (finished goods)	-	7.34
Stock-in-trade	477.70	625.75
<b>Sub Total (B)</b>	<b>2,859.34</b>	<b>3,038.76</b>
<b>Total (A)-(B)</b>	<b>179.42</b>	<b>125.22</b>

Note : 29 Employee benefit expenses

(Amount in lakhs)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Salaries and wages	1728.23	1738.75
Contributions to provident and other funds	102.75	100.99
Staff welfare expenses	74.63	67.16
<b>Total</b>	<b>1905.61</b>	<b>1906.91</b>

Note : 30 Finance costs

(Amount in lakh)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Interest on bank borrowings	258.30	201.51
Interest on bill discounting	228.49	134.11
Interest on public deposits	79.20	69.47
Other borrowing costs	130.41	225.54
<b>Total</b>	<b>696.40</b>	<b>630.63</b>

Note : 31 Depreciation and amortization expenses

(Amount in lakh)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Depreciation and amortisation expense	540.06	453.82
Depreciation on Right-of-Use assets	82.60	66.75
<b>Total</b>	<b>622.66</b>	<b>520.57</b>

**Notes forming part of the Financial Statements**

**Note : 32 Other expenses**

(Amount in lakhs)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Stores and spares consumed	160.10	164.23
Power and fuel	887.11	940.98
Labour charges	1,050.62	1,104.04
Rent	87.11	102.08
Repairs and maintenance :		
Plant & machinery	100.73	128.32
Building	17.14	35.55
Others	9.50	14.95
Printing and stationery	15.82	17.46
Insurance	69.70	79.92
Storage charges (net)	193.65	171.88
Telephone expenses	35.15	41.01
Travelling and conveyance expenses	304.48	323.23
Legal and professional charges	174.67	146.95
Payment to Auditors (Refer Note (i) below)	13.35	14.25
Sales promotion expenses	661.09	516.06
Transportation expenses	1,188.41	1,432.22
Brokerage and commission	27.24	12.82
Loss on sale of Property, Plant and Equipment	-	12.82
Donation	3.11	2.00
Corporate Social Responsibility (CSR ) expenses ( Refer Note 41)	53.99	38.67
Bad debts	4.81	1.15
Directors sitting fees	8.75	8.95
Miscellaneous expenses	100.50	123.40
Expected credit loss	16.13	-
Computer and software expenses	51.52	14.34
Foreign Exchange fluctuation loss	-	356.17
<b>Total</b>	<b>5,234.68</b>	<b>5,803.47</b>

**Note (i) : Payment to Auditors**

(Amount in lakhs)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
As Auditor	10.00	10.00
For limited review reports	2.70	2.70
For taxation matters	-	0.75
For certifications	0.65	0.80
<b>Total</b>	<b>13.35</b>	<b>14.25</b>

**Note : 33 Earnings per share**

(Amount in lakhs)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Net profit after tax available to the equity shareholders (Amount in lakhs)	1,325.07	1,703.97
Weighted average number of equity shares	45,943,000	45,943,000
Basic and diluted earnings per share [Face Value of Re. 1/- per share]	2.88	3.71

## Notes forming part of the Financial Statements

### 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 Rs. 68.89 lakhs (previous year Rs. 73.30 lakhs).

#### (b) Retirement Benefit - Gratuity:

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

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

#### Statement of Profit and Loss

Net employee benefit expenses recognised in Employee Benefit Expenses

(Amount in lakhs)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
<b>Components of employer expense</b>		
Current Service cost	21.58	15.60
Interest cost	10.47	10.01
Expected return on plan assets	-	-
Curtailement cost/(credit)	-	-
Settlement cost/(credit)	-	-
Past service cost	-	-
Actuarial losses/(gains)	-	-
<b>Total expense recognised in the Statement of Profit &amp; Loss</b>	<b>32.06</b>	<b>25.61</b>

#### Balance Sheet

Details of provision for gratuity

(Amount in lakhs)

Net asset/(liability) recognised in balance sheet	As at March 31, 2024	As at March 31, 2023
Present value of defined benefit obligation	(157.63)	(142.81)
Fair value of plan assets	-	-
Funded status [surplus/(deficit)]	(157.63)	(142.81)
Unrecognised past service costs	-	-
<b>Net asset/(liability) recognised in balance sheet</b>	<b>(157.63)</b>	<b>(142.81)</b>

(Amount in lakhs)

Change in Defined Benefit Obligations (DBO) during the year ended	Year Ended March 31, 2024	Year Ended March 31, 2023
Present value of DBO at beginning of period	142.81	140.40
Current Service cost	21.58	15.60
Interest cost	10.47	10.01
Curtailement cost/(credit)	-	-
Settlement cost/(credit)	-	-
Plan amendments	-	-
Acquisitions	-	-
Actuarial (gains)/ losses	-	-
Past Service cost	-	-
Benefit paid Directly by the Employer	(19.51)	(10.90)
Actuarial (gains)/ losses on obligations - due to change in financial assumptions	4.52	14.31
Actuarial (gains)/ losses on obligations - due to experience	(2.25)	(26.61)
<b>Present value of DBO at the end of period</b>	<b>157.63</b>	<b>142.81</b>

#### Principal actuarial assumptions as at the balance sheet date :

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate	7.21%	7.49%
Salary escalation	6.50%	6.50%
Attrition rate	2.00%	2.00%



Notes forming part of the Financial Statements

Note : 35 Segment Reporting

(a) Information about Business Segments for the year ended March 31, 2024

(Amount in lakhs)

Particulars	Manufacturing of Adhesives & Emulsions	Trading in Chemicals	Total
<b>Revenue</b>			
Sales/income from operations	52,090.68	4,328.64	56,419.32
Inter-segment sales	-	-	-
<b>Total revenue</b>	<b>52,090.68</b>	<b>4,328.64</b>	<b>56,419.32</b>
<b>Result</b>			
Segment result (A)	3,397.16	139.77	3,536.93
Unallocated corporate expenses(net) (B)			1,047.82
Operating profit (A-B)= C			2,489.11
Interest expense(net) (D)			696.40
Income taxes(including deferred tax) (E )			-
Profit from ordinary activities (C-D-E)= F			1,792.71
Extraordinary items (G)			-
<b>Net Profit (F-G) = H</b>			<b>1,792.71</b>
<b>Other Information</b>			
Segment assets (I)	28,265.30	1,282.19	29,547.49
Unallocated corporate assets (J)			1.10
<b>Total Assets (I+J)= K</b>			<b>29,548.59</b>
Segment liabilities	10,904.14	494.62	11,398.76
Unallocated corporate liabilities			1,660.96
<b>Total Liabilities (L)</b>			<b>18,149.82</b>
Add: Share capital and reserves (M)			11,398.77
<b>Total Capital &amp; Liabilities (L+M)=N</b>			<b>29,548.59</b>
Capital expenditure (including capital work in progress)	1.44	-	1.44
Depreciation	622.66	-	622.66

Notes :

- 1) The Information stated above is in conformity with Indian Accounting Standard 108 "Operating Segment "
- 2) The Business segment is the Primary Segment of the Company and there is no geographical segment having differing risk and returns.

(b) Information about business segments for the Year Ended March 31, 2023

(Amount in lakhs)

Particulars	Manufacturing of Adhesives & Emulsions	Trading in Chemicals	Total
<b>Revenue</b>			
Sales/income from operations	60,963.12	13,383.14	74,346.26
Inter-segment sales	-	-	-
<b>Total revenue</b>	<b>60,963.12</b>	<b>13,383.14</b>	<b>74,346.26</b>
<b>Result</b>			
Segment result (A)	3,977.18	236.33	4,213.51
Unallocated corporate expenses(net) (B)			1,228.42
Operating profit (A-B)= C			2,985.09
Interest expense(net) (D)			630.63
Income taxes(including deferred tax) (E )			650.49
Profit from ordinary activities (C-D-E)= F			1,703.98
Extraordinary items (G)			-
<b>Net Profit (F-G) = H</b>			<b>1,703.98</b>
<b>Other Information</b>			
Segment assets (I)	27,497.28	2,028.15	29,525.44
Unallocated corporate assets (J)			0.60
<b>Total Assets (I+J)= K</b>			<b>29,526.03</b>
Segment liabilities	16,708.14	1,232.34	17,940.48
Unallocated corporate liabilities			1,418.78
<b>Total Liabilities (L)</b>			<b>19,359.26</b>
Add: Share capital and reserves (M)			10,166.78
<b>Total Capital &amp; Liabilities (L+M)=N</b>			<b>29,526.03</b>
Capital expenditure (including capital work in progress)	361.46	-	361.46
Depreciation	520.57	-	520.57

- 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** Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2023- 24, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Principal amount remaining unpaid at the end of the financial year*	914.64	578.05
(b) Interest due thereon remaining unpaid	-	-
(c) The amount of interest paid u/s 16 of MSMED Act , along with the amounts of payments made to the supplier beyond the appointed day during each accounting year Principal paid beyond the appointed date Interest paid in terms of section 16 of the Act	- - -	- - -
(d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(e) The amount accrued and remaining unpaid at the end of each accounting period	-	-
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to small enterprise, this is required for the purpose of disallowance as a deductible expenditure u/s 23 of the Act.	-	-

\*The disclosures in respect of the amounts payable to such enterprises as at March 31, 2024 and March 31, 2023 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

### Note : 37 Related party disclosures

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

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

Sr	Name	Nature of Relationship
<b>A - Directors and Key Managerial Personnel (KMP)</b>		
1	Umesh J. Sanghavi	Managing Director
2	Rajendra J. Sanghavi	Whole-time Director
3	Tarak J. Sanghavi	Whole-time Director
4	Rabi Mishra	Chief Executive Officer & Managing Director (upto June 30, 2023)
5	Umesh Shah	Chief Financial Officer (upto July 07, 2023)
6	Anita U. Sanghavi	Chief Financial Officer (w.e.f. September 27, 2023)
7	Kinjal Rathod	Company Secretary & Compliance Officer
<b>B - Relatives of Directors or Key Managerial Personnel (KMP)</b>		
1	Vasantben Jayantilal Sanghavi	Mother of Promoter Director
2	Nikhil Umesh Sanghavi	Son of Promoter Director
3	Ashok J. Sanghavi	Brother of Promoter Director
4	Avni Vinit Bhuva	Daughter of Promoter Director
5	Ami Tarak Sanghavi	Daughter of Promoter Director
6	Janaki Tarak Sanghavi	Daughter of Promoter Director
7	Mrunalini Rajendra Sanghavi	Wife of Promoter Director
8	Tulsi Rajendra Sanghavi	Daughter of Promoter Director
9	Sagar Ashok Sanghavi	Nephew of Promoter Director
10	Payal Ashok Sanghavi	Sister-in-law of Promoter Director
11	Hemal Umesh Sanghavi	Son of Promoter Director
12	Rekha Tarak Sanghavi	Wife of Promoter Director
<b>C - Entities where Key Managerial Personnel / Close family members of Key Managerial Personnel have control / significant influence</b>		
1	Ashok J. Sanghavi HUF	HUF of Ashok J. Sanghavi
2	Rajendra J. Sanghavi HUF	HUF of Rajendra J. Sanghavi
3	Tarak J. Sanghavi HUF	HUF of Tarak J. Sanghavi
4	Umesh J. Sanghavi HUF	HUF of Umesh J. Sanghavi
5	Zeki Software Solutions Pvt.Ltd	Enterprises significantly influenced by relatives of director
6	Vajiya Enercon LLP	Enterprises significantly influenced by relatives of director
7	Green Tree Lifescapes LLP	Enterprises significantly influenced by relatives of director
8	Green Building LLP	Enterprises significantly influenced by relatives of director
9	Vasant Polymers & Chemicals Pvt Ltd	Enterprises significantly influenced by relatives of director

(b) Transaction with Related Parties are as follows :

(Amount in lakhs)

Sr.	Particulars	Directors and key managerial personnel		Relatives of Directors and key managerial personnel		Enterprises significantly influenced by the Directors / Relatives /KMP	
		March 31,2024	March 31,2023	March 31,2024	March 31,2023	March 31,2024	March 31,2023
1	Remuneration paid	123.72	261.53	58.21	67.32	-	-
2	Professional Fees	-	-	5.87	10.68	-	-
3	Annual maintenance and hosting charges	-	-	-	-	42.61	16.13
4	Sale of material	-	-	-	-	128.80	4.39
5	Purchase of assets	-	-	-	-	26.48	47.34
6	Interest on Public Deposit	11.30	-	5.88	1.32	-	-
7	Dividend paid	12.59	12.59	33.43	33.43	3.27	3.27
8	Outstanding balances :						
	(i) Advance for purchase of asset	-	-	-	-	0.20	6.48
	(ii) Trade Receivables	-	-	-	-	24.95	4.39
	(iii) Trade Payables	-	-	-	-	14.63	-

Notes forming part of the Financial Statements

Note : 38 Financial Instruments

(A) Categories of financial instruments

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Financial Assets</b>		
<b>Measured at fair value through Profit &amp; Loss (FVTPL)</b>		
Trade Receivables	64.71	128.64
<b>Measured at fair value through other comprehensive income (FVOCI)</b>		
<b>Investments</b>	1.10	0.60
<b>Measured at amortised cost</b>		
(a) Trade receivables	10,007.55	10,893.61
(b) Cash and cash equivalents	1,102.90	359.26
(c) Bank balances other than above	108.48	122.88
(d) Other financial assets	51.72	47.28
<b>Total financial assets</b>	<b>11,336.44</b>	<b>11,552.27</b>
<b>Financial Liabilities</b>		
<b>Measured at fair value through Profit &amp; Loss (FVTPL)</b>		
Trade Payables	2,220.28	3,573.96
<b>Measured at amortised cost</b>		
(a) Trade payables	7,053.88	8,525.72
(b) Borrowing	5,072.67	3,167.56
(c) Lease Liabilities	322.24	307.42
(d) Other financial liabilities	1,545.42	1,189.79
<b>Total Financial liabilities</b>	<b>16,214.49</b>	<b>16,764.45</b>

(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.

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

(Amount in lakhs)

Currency	Number of contracts	Buy amount (in USD)	Indian rupee equivalent of forward contract liability
Forward contract to buy USD- as at March 31, 2024	1	8.81	730.82
Forward contract to buy USD- as at March 31, 2023	5	12.45	1,024.58

(ii) Exposure in foreign currency -Unhedged

The foreign currency exposure not hedged As at March 31, 2024 are as under:

(Amount in lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Amount in foreign currency	Amount in rupees	Amount in foreign currency	Amount in rupees
Payable in foreign currency exposure (USD)	18	1,485.58	31.27	2,569.74

Particulars	As at March 31, 2024		As at March 31, 2023	
	Amount in foreign currency	Amount in rupees	Amount in foreign currency	Amount in rupees
Receivable in foreign currency exposure (USD)	1	64.71	1.57	128.64

**(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 lakhs)

Financial Assets/ Financial Liabilities	Fair value		Fair value hierarchy	Valuation techniques(s) and key input(s)
	As at March 31, 2024	As at March 31, 2023		
Trade payables (imports)	2,220.28	3,573.96	Level 1	Rate published by FEDAI
Receivables (exports)	64.71	128.64	Level 1	Rate published by FEDAI
Investments	1.10	0.60	Level 1	As per quoted price

**(ii) The fair value hierarchy:**

Level 1: valuation based on quoted market price: financial instruments with quoted prices for identical instruments in active markets that the Company can access at the measurement date.

Level 2: valuation using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3: valuation technique with significant unobservable inputs: financial instruments valued using valuation techniques where one or more significant inputs are unobservable.

**(iii) Financial instruments measured at amortised cost**

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

## Notes forming part of the Financial Statements

### Note: 39 Reconciliation of Income Tax

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

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Profit Before Tax	1,792.71	2,354.46
Income Tax Rate (%)	25.168%	25.168%
Income Tax expense	451.19	592.57
Effect of expenses that are not deductible in determining taxable profit	18.80	15.54
Effect of expenses that are deductible in determining taxable profit	(86.04)	(57.86)
Others	(1.60)	-
<b>TOTAL</b>	<b>382.35</b>	<b>550.26</b>
Deferred tax	85.29	66.78
Tax Adjustment of Earlier Year	-	33.45
<b>Income tax expense recognised in profit or loss</b>	<b>467.64</b>	<b>650.49</b>

### Income Tax recognised in Other Comprehensive Income

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Tax arising on income and expenses recognised in Other Comprehensive Income:		
- income tax (expense)/credit - gain arising out of sale of investment	-	-
- income tax (charge)/credit - gain on re-measurement of defined benefit obligation	0.57	(3.10)
<b>Total Income Tax recognised in Other Comprehensive Income</b>	<b>0.57</b>	<b>(3.10)</b>

### Note : 40 Disclosure under Amendment to Ind AS 7 regarding impact of non- cash transactions on financial liabilities

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

(Amount in lakhs)

Particulars	As at April 1, 2023	Cash Flows	Foreign Exchange (gain)/loss (Non-Cash)	As at March 31, 2024
Long term borrowings	1,591.03	937.45	-	2,528.48
Short term borrowings	1,576.53	967.66	-	2,544.19
<b>Total liabilities from financing activities</b>	<b>3,167.56</b>	<b>1,905.11</b>	<b>-</b>	<b>5,072.67</b>

(Amount in lakhs)

Particulars	As at April 1, 2022	Cash Flows	Foreign Exchange (gain)/loss (Non-Cash)	As at March 31, 2023
Long term borrowings	1,788.78	(197.75)	-	1,591.03
Short term borrowings	941.76	634.76	-	1,576.53
<b>Total liabilities from financing activities</b>	<b>2,730.54</b>	<b>437.01</b>	<b>-</b>	<b>3,167.56</b>

## Notes forming part of the Financial Statements

### Note: 41 Corporate Social Responsibility

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

(Amount in lakhs)

Sr No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	Gross Amount required to be spent by the company during the year:	52.42	44.19
Less:	Set off of excess expenditure of previous Financial Year	-	3.96
	<b>Net amount required to be spent by the company during the year</b>	<b>52.42</b>	<b>40.24</b>
2	<b>Amount spent during the year:</b>		
	Amount spent on Other than Ongoing Project during the year	16.03	38.67
	Amount spent on ongoing project during the year	4.17	-
	Amount provided for on- going project	30.13	-
	Total amount spent towards CSR Liability of FY 2023-24	<b>50.33</b>	
3	<b>Shortfall/(Excess) at the end of the year #</b>	<b>2.08</b>	<b>1.57</b>
4	Reason for shortfall	For FY 2023-24, the Company has contributed before 31-03-2024 its CSR obligation to an intermediary agent (IA). However, the IA has not utilised such contribution before 31-03-2024.	For FY 2022-23, the Company has contributed before 31-03-2023 its CSR obligation to an intermediary agent (IA). However, the IA has not utilised such contribution before 31-03-2023.
5	Nature of CSR activities	Eradicating hunger, promoting health care, Research Project, promoting special education among differently abled children	Eradicating hunger, promoting health care, Research Project
6	Details of related party transactions, [e.g., contribution to a trust controlled by the company] in relation to CSR expenditure as per relevant Accounting Standard,	Not applicable	Not applicable
7	Amount of expenditure incurred on :		
	(i) Construction/acquisition of any asset	-	-
	(ii) On purposes other than (i) above	50.33	38.67

# The Company shall transfer the unspent amount of Rs. 2.08 lakhs to a Fund specified in Schedule VII to the Companies Act, 2013 within the prescribed time of six months from the end of the current financial year i.e FY 2023-24 as permitted under the second proviso to sub-section (5) of section 135 of the Act.

#### Details of Unspent amount under Section 135(5) of Companies Act 2013 in respect of other than on-going project for year ended March 31, 2024

(Amount in lakhs)

Opening balance as on April 01, 2023	Amount deposited in Specified Fund of Schedule VII within 6 months	Amount required to be spent during the year towards other than on going project	Amount spent during the year	Closing Balance as on March 31, 2024
1.57	1.57	18.12	16.03	2.08

The Company shall transfer the unspent amount of Rs. 2.08 lakhs to a Fund specified in Schedule VII to the Companies Act, 2013 within the prescribed time of six months from the end of the current financial year i.e FY 2023-24 as permitted under the second proviso to sub-section (5) of section 135 of the Act.

#### Details of Unspent amount under Section 135(6) of Companies Act 2013 in respect of ongoing project for the year ended March 31, 2024

(Amount in lakhs)

Opening balance as on April 01, 2023		Amount required to be spent during the year towards ongoing	Amount spent during the year		Closing Balance as on March 31, 2024	
With Company	In separate CSR Unspent A/c		From Company's bank A/c	From separate CSR unspent A/c	With Company	In separate CSR Unspent A/c #
-	-	34.30	4.17	-	30.13	-

# The Company has transferred an amount of Rs. 30.13 lakhs to a separate Unspent CSR Account within 30 days from the end of the financial year in accordance with provisions of Section 135(6) of the Companies Act 2013

#### Details of Unspent amount under Section 135(5) of Companies Act 2013 in respect of other than on-going project for year ended March 31, 2023

(Amount in lakhs)

Opening balance as on April 01, 2022	Amount deposited in Specified Fund of Schedule VII within 6	Amount required to be spent during the year	Amount spent during the year	Closing Balance as on March 31, 2023
-	-	40.24	38.67	1.57

#### Details of Unspent amount under Section 135(6) of Companies Act 2013 in respect of ongoing project for the year ended March 31, 2023

(Amount in lakhs)

Opening balance as on April 1 2022		Amount required to be spent during the year	Amount spent during the year		Closing Balance as on March 31, 2023	
With Company	In separate CSR Unspent A/c		From Company's bank A/c	From separate CSR unspent A/c	With Company	In separate CSR Unspent A/c
-	-	-	-	-	-	-

**Notes forming part of the Financial Statements**
**Note: 42(A) Additional regulatory information**
**Ratios**

Sr no	Ratio	Numerator	Denominator	As at March 31, 2024	As at March 31, 2024	% of variance	Reason for variance
1	Current Ratio (in times)	Current Assets	Current Liabilities	1.37	1.26	9.04	
2	Debt-equity ratio (in times)	Total Debt	Shareholders' Equity	0.45	0.32	40.73	Increase in long term debt for new project at Dahej and increase in working capital debt to avail special discount for purchases.
3	Debt service coverage ratio (in times)	Earnings available for Debt Service	Debt Service	1.19	1.81	(34.47)	EBITDA is affected mainly due to reduction in service charges income and reduction in trading business. However manufacturing volume has increased and gross profit margin has also improved.
4	Return on equity ratio (%)	Net Profit after taxes - Preference Dividend	Average Shareholder's Equity	12.29	18.21	(32.53)	Net profit has been affected mainly due to reduction in service charges income and reduction in trading business. However manufacturing volume has increased and gross profit margin has also improved.
5	Trade receivables turnover ratio (in times)	Net Credit Sales	Average Trade Receivables	5.35	5.83	(8.29)	
6	Trade payables turnover ratio (in times)	Net Credit Purchases	Average Trade Payables	4.25	4.55	(6.67)	
7	Net capital turnover ratio (in times)	Revenue from Operations	Average Working Capital	11.48	17.15	(33.09)	Conscious decision to reduce trading activities and reduced business in manufacturing activity of products with thin margins.
8	Net profit ratio (%)	Profit for the year	Revenue from Operations	2.35	2.29	2.47	
9	Return on capital employed (%)	Earnings before interest and taxes	Capital Employed	15.07	22.26	(32.31)	Increase in long term debt for new project at Dahej and increase in working capital debt to avail special discount for purchases.
10	Inventory turnover ratio (in times)	Cost of Goods Sold	Average Inventory	5.77	7.90	(26.98)	Conscious decision to retain trading inventory to be used for manufacturing activities

\*EBITDA - Earnings before interest tax depreciation and ammortisation

## Notes forming part of the Financial Statements

### Note: 42 (B) Additional Regulatory Information required by Schedule III of The Companies Act, 2013

- (i) All immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) are held in the name of the Company.
- (ii) The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- (iii) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets), and Intangible Assets during the year.
- (iv) The Company does not hold any investment property during the year and as at the year end.
- (v) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. The quarterly statements filed by the Company with such banks are generally in agreement with the unaudited books of account and the differences between the quarterly returns and books of account are explainable and not material in nature.
- (vi) The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.
- (vii) There are no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (viii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (ix) The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds ) to any other persons or entities, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (x) The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (xi) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (xii) The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- (xiii) There are no loans or advances in the nature of loan granted to promoters, directors, KMPs and the related parties, either severally or jointly with any other person.
- (xiv) The Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year.
- (xv) There are no layers to the Company as prescribed under clause (87) of section 2 of Act read with the Companies (Restriction on number of Layers) Rules.
- (xvi) The Company has not entered into scheme of arrangement during the year.



**Notes forming part of the Financial Statements**

**Note : 43 Contingent Liabilities**

There is no contingent liability as on March 31, 2024. ( Previous Year : NIL)

**Note : 44** The Board of Directors have recommended a payment of final dividend of Rs. 0.20/- (Twenty paise only) per equity share of face value of Re.1 each for the financial year ended March 31, 2024.

**Note : 45** The figures for the previous year have been regrouped or rearranged wherever necessary.

**Note : 46** Figures have been rounded off to nearest lakhs.

**Note : 47** The financial statements of the Company for the year ended March 31, 2024 were approved for issue by the Board of Directors at their meeting held on May 22, 2024.

**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

**Umesh J. Sanghavi**  
(Managing Director)  
DIN : 00491220

**Rajendra J. Sanghavi**  
(Executive Chairman)  
DIN : 00245637

**Priyanshi Vakharia**  
(Proprietor)  
Membership No. 181834  
Mumbai, May 22, 2024

**Tarak J. Sanghavi**  
(Executive Director)  
DIN : 00519403

**Ishita T. Gandhi**  
(Independent Director)  
DIN : 07137098

**Anita U. Sanghavi**  
(Chief Financial Officer)  
Mumbai, May 22, 2024

# WAREHOUSES

Depots, Technology Center & Manufacturing Plants all over India

**19 Depots (Warehouses)**

- Agra
- Ahmedabad
- Dehradun
- Delhi
- Ghaziabad
- Hyderabad
- Indore
- Jaipur
- Kolkata
- Lucknow
- Ludhiana
- Meerut
- Mohali
- Nagpur
- Nashik
- Odisha
- Patna
- Ranchi
- Surat
- Vasai

**Technology Center**

Turbhe (Navi Mumbai)

**Corporate Office**

Andheri (Mumbai)



**05 Manufacturing Plants**

- Dahanu
- Silvassa
- Dahej
- Mehatpur
- Tumkur

# Mahafix

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Mahaguard NMB



Mahaguard PU coat



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Nikhoxy WB



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Mahacrete 776



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