



**TRANSCRIPT OF THE 34<sup>th</sup> ANNUAL GENERAL MEETING OF NIKHIL ADHESIVES LTD HELD ON WEDNESDAY, 30<sup>TH</sup> DECEMBER, 2020 THROUGH VC/OAVAM FACILITY AT THE REGISTERED OFFICE OF THE COMPANY IS A DEEMED VENUE FOR THE MEETING COMMENCED AT 11.30 A.M.**

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The welcome and AGM speech addressed by the Company Secretary Ms. Rachana Baria on behalf of the Board of Directors of the company.

**Dear Shareholders,**

A very warm Good Morning to each and every one of you present here!!

It gives us a great pleasure to welcome you all to the 34<sup>th</sup> Annual General Meeting of Nikhil Adhesives Limited.

We hope that you all are doing well and taking precautions in this difficult situation of Covid-19 pandemic.

Directors present in this meeting through VC/OAVM facility.

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|-----------------------------|---|-------------------------------------|
| 1. Mr. Rajendra J. Sanghavi | - | Chairman, Executive Director        |
| 2. Mr. Umesh J. Sanghavi    | - | Managing Director                   |
| 3. Mr. Tarak J. Sanghavi    | - | Whole Time Director                 |
| 4. Mr. Madhusudan M. Vora   | - | Non Executive, Independent Director |
| 5. Mrs. Ishita T. Gandhi    | - | Non Executive, Independent Director |
| 6. Mr. H. S. Kamath         | - | Non Executive, Independent Director |

Also in attendance are Shri Paresh Vakharia partner of M/s. PHD & Associates representing the company's Statutory Auditor and Shri Dharmesh Zaveri proprietor of M/s. D.M. Zaveri & Co., the Secretarial Auditor representing the Company's secretarial auditor and also appointed as Scrutinizer to audit the voting results of the meeting.

You know that the Covid-19 pandemic is still persisting in the world. This is one of the biggest crisis and unprecedented situation which has caused global, social and economic disruption in the world. This has led to the human suffering and tragic loss to the human life. The effective vaccines and self-precautions are the only stable solution to save ourselves from this disease.

We believe that the world will soon come out of this disease with the help of vaccines and other efforts which are being made and the situation will get back to normal soon.

In view of this Pandemic, the Ministry of Corporate Affairs has allowed to conduct this meeting by VC/OAVM facility and send the Notice and Annual report through electronic mode. Hence, the Annual Report is not dispatched physically. The Notice and the Annual report for the financial year 2019-2020 had been shared to the members whose email ids were registered with the company and RTA (Link Intime India Pvt. Ltd.) and is also available on the website of the company ([www.nikhiladhesives.com](http://www.nikhiladhesives.com)) and on BSE. We request you to those whose email id is not registered, to update the email id and bank details to avail the online benefits for all such purpose.

We further would like to bring to your notice of everyone that since this meeting is conducted through VC facility of CDSL, the appointment of proxy, to attend and vote on behalf of the members is not applicable.

The requirement for E-voting and the System E-Voting are available in this AGM. The E-voting were commenced on from 27.12.2020 (9.00 a.m.) to 29.12.2020 (5.00 p.m.). The system voting is available for those who have not casted their vote through E-voting facility provided by the company, shall cast their votes on the resolutions proposed to be passed in this AGM.

Members attended this AGM, will be quoted for the purpose of ascertaining the quorum under section 103 of the Companies Act, 2013.

The voting on CDSL platform will be continued for another 15 minutes of the closure of the meeting. The Consolidated Scrutinizer Report of the total vote cast in favour of or against the resolutions will be available on the company's website and website of BSE within 48 hours of the conclusion of the AGM.

***On behalf of Chairman of the Company, I am starting further proceedings of the meeting with an overview of the key achievements during the financial year 2019-20 and with your permission let us review them as read under:***

During the year, your company has earned its profitability and strengthened its business, which can be seen from the following figures:

The lockdown announce by the Government from 22.03.2020 due to covid-19 pandemic has not materially impacted the financial position of the Company for the year ended on 31.03.2020. However, the pandemic has materially affected company's scale of operations during the period April, 2020 to June, 2020. After the month of July 2020, the Company's scale of operations had reached to the normalcy and barring unforeseen circumstances, the Company is hopeful of continuity of the normalcy for the rest of the financial year ending on 31.03.2021.

During the financial year as stated in the report, your Company has improved its plant capacity utilization and registered volume wise growth of 21.36 %. However, the turnover of your Company has decreased to Rs. 422 Cr. in current year as compared to Rs. 446 Cr. in the previous year i.e. shows decreased by 9.17%. The operating profit before depreciation and tax has increased from Rs. 9.50 Cr. to Rs. 12.02 Cr. in current year. The net profit after

depreciation and tax also increased to 34.67 % i.e. Rs. 7.02 Cr. in the current year as compared to Rs. 5.21 Cr. in the previous year.

Now showing the segment wise performance of the company and its achievement:

### **MANUFACTURING DIVISION**

In the current year, the total production increased to 62702 MT as compared to 51668 MT in the last year showing growth of 21.36%. The Sales of manufactured goods contributed Rs. 300.04 Cr. in the current year vis a vis Rs. 328.39 Cr. in the last year, which shows declined the growth of 8.63%. This reduction is mainly due to impact of reduction of Raw Material prices and also has the effects of Pandemic affected in the last quarter but still Company could manage higher volumes compared to previous year.

In the last year, your Company had acquired an industrial land at Tumkur near Bengaluru, Karnataka from the Government of Karnataka in which your Company has started manufacturing various grades of Construction Chemicals mainly for Asian Paints having long term agreement with your Company. Also had started the manufacturing of various grades of Emulsions and Adhesives in continuation to the existing line of businesses at the same location. Beside this, Your Company has now also started supplying stationery adhesives to Asian Paints along with other adhesives.

Your Company had acquired a small plant of adhesives last year at Mehatpur near Nangal Township in Himachal Pradesh and successfully started production mainly Adhesives for the consumers as well as industrialists customers.

With these two additions, your Company will be in a very strong position to offer better services to our PAN India customers.

The company serves Consumers the products which are mainly Woodworking Adhesives, Pressure Sensitive Adhesives for Stickers, Packaging Adhesives. Leather Bonding Adhesives, and a variety of General Purpose Adhesives, are widely used by Carpenters and Furnishers, Packaging and Printing, Plumbers, Mechanics, Household and students for arts and crafts, offices etc. Branded consumer products contributed 11% of the total volume sales of the Company.

We cater the products for Industrial Adhesives applications such as Synthetic Emulsions for Textile Processing and manufacture of Paint and Printing on fabrics and other applications related to Leather and Automobiles. These Industrial Products contributed to 70% of the total sales volume of the Company.

Your Company achieved a major boost from the construction chemical segment with contribution of 8% of the volume from this new division thus creating a new vertical in our portfolio.

Your Company Export contribution is 4% of the total sales volume.

With plants at West, North and South, your Company is in a very strong position and offers better services to its consumers and enhance the value of its shareholders and stakeholders.

### **TRADING DIVISION**

Trading segment registered the growth of 3.13% from ₹ 11,463 Lakhs in the financial year 2018-19 to ₹ 11,822 Lakhs in the year ended 31<sup>st</sup> March, 2020.

### **DIVIDEND**

Having regard to profitability, the Board has recommended a dividend of 10% i.e. Re. 1/- per equity share of face value of Rs. 10/- for the year ended on 31<sup>st</sup> March, 2020 which is subject to your approval.

Now I am starting proceedings of the meeting, with your permission notice taken as read.

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2020 together with the reports of the Board of Directors and Auditors thereon. (Ordinary Business/Ordinary Resolution)
2. To declare dividend of Re.1 per equity shares of face value of Rs. 10 for the financial year ended 31st March, 2020. (Ordinary Business/Ordinary Resolution)
3. To appoint a Director in place of Mr. Tarak J. Sanghavi (DIN:00519403), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment. (Ordinary Business/Ordinary Resolution)
4. Appointment of M/s. PPV & Co., Chartered Accountant (Firm Registration No. 153929W) as a Statutory Auditor in the place of existing auditor M/s. PHD & Associates, Chartered Accountant (Firm Registration No. 111236W). (Ordinary Business/Ordinary Resolution)
5. Ratification of Remuneration of Cost Auditor M/s. B. F. Modi & Associates, Cost Accountants (Firm Registration No. 10064). (Special Business/Ordinary Resolution)
6. Reappointment of Mrs. Ishita Gandhi (DIN: 07137098) as an Independent Director for 2nd term of 5 years. (Ordinary Business/Special Resolution)
7. Reappointment of Mr. Rajendra J. Sanghavi (DIN: 00245637) as a Whole Time Director for a period of 3 years. (Ordinary Business/Special Resolution)
8. Reappointment of Mr. Umesh J. Sanghavi (DIN: 00491220) as a Managing Director for a period of 3 years. (Ordinary Business/Special Resolution)
9. Reappointment of Mr. Tarak J. Sanghavi (DIN: 00519403) as a Whole Time Director for a period of 3 years. (Ordinary Business/Special Resolution)

***As company has placed the system for those members who submitted their request in advance of 7 days, to speak to express their views/ask questions during the meeting.***

Who has registered herself to speak in the meeting. I would request her to express her views and ask questions to the company.

Mr. Surendra Yeole – due to the technical and network issues could not able to speak.

Mr. Nirad Shah – Was not present in the meeting

**ACKNOWLEDGEMENT**

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

Thanking you,