NIKHIL ADHESIVES LIMITED

An ISO 9001 : 2015 Certified Company

Head Office / Regd. Office : 315, The Summit Business Bay, Opp. Cinemax, Andheri-Kurla Road, Andheri (East), Mumbai - 400 093.
Tel.: (91) 022 - 2683 6564 / 2683 6558 / 2683 6559 • E-mail : bala@nikhiladhesives.com
Website : www.nikhiladhesives.com • CIN : L51900MH1986PLC041062



30th July, 2020

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

BSE Scrip Code No: 526159

Dear Sir(s)/Madam(s),

Sub: Outcome of Board Meeting

The Meeting of the Board of Directors held on Thursday, 30th July, 2020 at 5.30 p.m. and concluded on 11.30 P.m considered and approved the following:

1. The Audited Financial Result for the quarter and year ended on 31st March, 2020;
2. The Audited Financial Statement for the year ended on 31st March, 2020;
3. Audited Statement of Assets and Liabilities as at 31st March, 2020;
4. Auditor's Report on Audited Financial Statement for the year ended on 31st March, 2020;
5. Declaration for un-modified opinion with Audit Report Financial Statement for the year ended on 31st March, 2020.
6. Dividend @ Re. 1/- per Equity Share of face value of Rs. 10/- each for the financial year ended on 31st March, 2020, which will be subject to approval of shareholders in the ensuing Annual General Meeting of the company.

Kindly take the above information on your record.

Thanking you,

Yours faithfully,

For, Nikhil Adhesives Limited

NIKHIL ADHESIVES LIMITED MUMBAI

Umesh J Sanghavi
Managing Director
DIN No.00491220

CA Paresh Vakharia
CA Hetan Patel
CA Pinang Shah

Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone Financial Results of the Company Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

TO
TO THE BOARD OF DIRECTORS OF
NIKHIL ADHESIVES LIMITED

Opinion

We have audited the accompanying statement of quarterly and the year to date standalone financial results of **Nikhil Adhesives Limited** ('the Company') for the quarter ended March 31, 2020, and for the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

i. is presented in accordance with the requirements of Listing Regulations in this regard; and

ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the quarter ended March 31, 2020 and for the year ended March 31,2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results for the year ended March, 31 2020 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the

audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Obligations. 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 Statement, 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

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 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with

them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

The Statement includes the results for the last quarter for the current year ended 31.03.2020 and for the previous year ended 31.03.2019 being the balancing figure between the audited figures in respect of the respective full financial years and the published unaudited year to date figures upto the third quarter of the current financial year and previous financial year, which were subjected to a limited review by us as required under Listing Regulations.

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

PHD & Associates * Mumbai * Chartered Accountants

Paresh Vakharia
Partner
Membership No.: 38220
Place: Mumbai
Date: 30th July 2020
UDIN: **20038220AAAABE8868**

NIKHIL ADHESIVES LIMITED

An ISO 9001 : 2015 Certified Company

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EMDILITH Binder with a Thousand uses
EMDICRYL Binder & Textile Printing Agent
EMDITEX Textile Finishing Agent

STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH, 2020

(Rs. In Lacs)

No.	Particulars	Quarter Ended			Year ended	
		31.03.2020 (Audited)	31.12.2019 (Unaudited)	31.03.2019 (Audited)	31.03.2020 (Audited)	31.03.2019 (Audited)
1	**INCOME**					
	Revenue from Operations	11,537.96	10,038.33	13,390.14	42,170.92	44,636.18
	Other Income	1.84	0.56	1.04	75.19	86.47
	Total Income from operations	**11,539.80**	**10,038.89**	**13,391.18**	42,246.11	44,722.65
2	**EXPENSES**					
	Cost of Materials Consumed	6,067.99	5,623.26	7,056.08	24,227.57	28,056.62
	Purchases of Stock-in-Trade	3,729.41	2,714.87	4,895.56	11,618.23	11,205.38
	Changes in Inventories of Finished goods and Stock-in-Trade	(233.06)	54.78	(45.85)	(377.46)	(51.88)
	Employee Benefits Expenses	307.75	301.88	257.31	1,177.51	976.95
	Finance Costs	146.62	183.48	234.31	783.04	793.84
	Depreciation and Amortisation Expense	80.73	75.40	51.95	287.85	207.22
	Other Expenses	1,265.61	805.20	618.17	3,614.75	2,791.32
	Total Expenses	**11,365.05**	**9,758.87**	**13,067.54**	41,331.49	43,979.46
3	**Profit/(loss) before exceptional items and tax (1-2)**	**174.75**	**280.01**	**323.64**	914.62	743.19
4	Exceptional Items	-	-	-	-	-
5	**Profit/(loss) before tax (3-4)**	**174.75**	**280.01**	**323.64**	914.62	743.19
	Tax expenses					
	(a) Current tax	26.00	59.52	96.33	207.00	197.00
	Less : MAT Credit set off	-	-	(10.15)	-	-
	(b)Tax adjustment for earlier year	14.48	(0.00)	(20.44)	-	(30.02)
	(c) Deferred tax	(18.12)	42.20	22.66	5.34	54.74
6	**Total Tax Expense**	**22.36**	**101.72**	**108.70**	212.34	221.72
7	**Profit for the period (5-6)**	**152.38**	**178.30**	**214.94**	702.28	521.47
	Other Comprehensive Income					
	Items that will not be reclassified to profit or loss	-			-	-
	Change in fair value of financial assets	(0.92)	(0.03)	0.11	(1.16)	(0.57)
	Remeasurement of net defined benefit plans	(3.84)	(7.28)	(15.07)	(28.01)	(15.07)
	Tax Effect of above	0.97	1.83	5.03	7.05	5.03
	Remeasurement of defined benefit plans (Net of Tax)	(2.87)	(5.44)	(10.04)	(20.96)	(10.04)
8	Total Other Comprehensive Income	(3.79)	(5.48)	(9.93)	(22.12)	(10.61)
9	**Total Comprehensive Income (7+8)**	**148.59**	**172.82**	**205.01**	**680.16**	**510.86**
10	**Paid-up Equity Share Capital (Face value of Rs. 10/- per share)**	**459.53**	**459.53**	**459.53**	**459.53**	459.43
11	**Other Equity**				4,114	3,499
12	Basic and Diluted Earnings Per Share (EPS) in Rs. (Not annuaulized for the quarterly periods)	3.23	3.76	4.46	14.80	11.12

NIKHIL ADHESIVES LIMITED MUMBAI

NIKHIL ADHESIVES LIMITED

CONTINUATION SHEET

Notes :

1 The above results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on July 30, 2020 .

2 The above results are in compliance with Indian Accounting Standards (IND AS) notified by the Ministry of Corporate Affairs.

3 The Ministry of Corporate Affairs has notified Indian Accounting Standard 116 ('Ind AS 116') Leases, with effect from 1st April 2019. The Standard primarily requires the Company, as a lessee, to recognize, at the commencement of the lease a right to use asset and a lease liability (representing present value of unpaid lease payments). Such right to use assets are subsequently depreciated and the lease liability reduced when paid, with the interest on the lease liability being recognized as finance cost. The Company has elected to apply this Standard to its leases retrospectively and the cumulative effect of the retrospective application of the Standard has been adjusted to the opening balance of retained earnings.

5 The COVID pandemic has materially affected Company's scale of operations during the month of April 20 to June 20. However, during the month of July 20, the Company's scale of operations are reaching near to normalcy and barring unforseen circumstances, the Company is hopeful of maintaning the normalcy for the rest of the financial year.

6 Previous periods' figures are regrouped to make them comparable with current period.

7 The details of foreign exchange gains/ (loss) for the comparative quarters / year details are as under:

Rs in lakhs

Particulars	Quarter Ended			Year Ended	
	31.03.2020 (Audited)	31.12.2019 (Unaudited)	31.03.2019 (Audited)	31.03.2020 (Audited)	31.03.2019 (Audited)
Foreign Exchange Gain / (Loss)	(251.20)	1.68	183.14	(248.29)	38.62

8 Statement of Assets & Liabilities , Cash Flow Statement and Segment Report are attached herewith

For Nikhil Adhesives Limited

(Umesh J. Sanghavi)
DIN: 00491220
Managing Director

Date : 30th July, 2020
Place : Mumbai

NIKHIL ADHESIVES LIMITED MUMBAI

NIKHIL ADHESIVES LIMITED

CONTINUATION SHEET

SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPOLYED FOR THE YEAR & QUARTER ENDED 31ST MAR' 2020

(Rs. In Lacs)

	PARTICULARS	Quarter Ended			Year ended	
		31.03.2020 (Audited)	31.12.2019 (Unaudited)	31.03.2019 (Audited)	31.03.2020 (Audited)	31.03.2019 (Audited)
1	SEGMENT REVENUE					
	(a) Manufacturing of Adhesives & Emulsions	7,687.30	7,340.03	8,615.62	30,348.87	33,172.50
	(b) Trading in chemicals & Others	3,850.65	2,698.30	4,760.82	11,822.04	11,463.68
	(c) Unallocable	-	-	-		-
	Total					
	NET SALES / INCOME FROM OPERATIONS	**11,537.95**	**10,038.33**	**13,376.44**	**42,170.91**	**44,636.18**
2	SEGMENT RESULTS PROFIT - PBIT					
	(a) Manufacturing of Adhesives & Emulsions	602.93	575.55	646.48	2,162.47	1,598.94
	(b) Trading in chemicals & Others	67.38	0.10	29.87	41.15	202.87
	(c) Unallocable	-	-	-	-	-
	Total	670.31	575.65	676.35	2,203.62	1,801.81
	Less: (i) Interest & Financial Charges (Net)	146.62	183.48	234.31	783.04	793.84
	(ii) Other Unallocable Expenditure net of Unallocable Income	348.92	112.17	118.40	505.95	264.78
	TOTAL PROFIT BEFORE TAX	**174.77**	**280.01**	**323.64**	**914.63**	**743.19**
3	CAPITAL EMPLOYED					
	(Segment Assets - Segment Liabilities)					
	(a) Manufacturing of Adhesives & Emulsions	3,848.50	3,754.44	3,228.24	3,848.50	3,228.24
	(b) Trading in chemicals & Others	726.11	680.81	721.74	726.11	721.74
	(c) Unallocable		-	-		-
	TOTAL	4,574.61	4,435.25	3,949.98	4,574.61	3,949.98

NIKHIL ADHESIVES LIMITED MUMBAI

NIKHIL ADHESIVES LIMITED

CONTINUATION SHEET

STATEMENT OF ASSETS AND LIABILITIES AS AT 31st MARCH 2020

(Rs. In Lacs)

	Particulars	As at 31.03.2020 (Audited)	As at 31.03.2019 (Audited)
A	**ASSETS**		
I	Non - Current Assets		
	Property, Plant and Equipment	4,438	3,699
	Capital Work-in-Progress	564	47
	Other Intangible assets	-	-
	Financial Asstes:		
	Investments	4	5
	Other non-current financial assets	39	45
	Other non-current assets	135	153
	Total - Non-Current Assets	5,179	3,949
II	Current Assets		
	Inventories	3,668	4,004
	Financial Asstes:		-
	Trade receivables	9,471	9,662
	Cash and Cash Equivalents	51	112
	Bank Balances other than above	94	225
	Other Current Financial Assets	-	-
	Current Tax Assets (Net)	135	160
	Other current assets	491	533
	Total Current Assets	13,910	14,697
	TOTAL ASSETS	**19,089**	**18,646**
B	**EQUITY AND LIABILITIES**		
I	EQUITY		
	Equity Share Capital	460	460
	Other Equity	4,114	3,499
	Total Equity	4,575	3,959
II	LIABILITIES		
1	**1. NON-CURRENT LIABILITIES**		
	(a) Financial Liabilities		
	(i) Borrowings	1,554	1,528
	(ii) Other Non-Current Financial Liabilities	161	48
	(b) Provisions	68	35
	(c) Deferred Tax Liabilities (Net)	309	316
	Total - Non-Current Liabilities	2,092	1,927
2	**2. CURRENT LIABILITIES**		
	(a) Financial Liabilities		
	(i) Borrowings	1,108	1,371
	(ii) Trade Payables	8,664	9,787
	(iii) Other Current Financial Liabilities	1,513	966
	(b) Other Current Liabilities	944	396
	(c) Provisions	43	38
	(d) Current Tax Liabilities (Net)	151	202
	Total Current Liabilities	12,422	12,760
	Total Liabilities	14,515	14,687
	TOTAL - EQUITY AND LIABILITIES	**19,089**	**18,646**



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

Rs. In Lakhs

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
A. Cash flow from operating activities				
Profit before income tax		914.62		743.19
Non-cash and not operating adjustment to profit before tax:				
Depreciation and amortisation expense	287.85		207.22	
Allowance for expected credit loss	2.98		22.35	
Provision for Gratuity	9.00		12.26	
Finance costs	783.04		793.84	
Sales tax differal adjustment	5.76		4.25	
Unrealised exchange differences (gain)/loss	186.91	1,275.54	(219.71)	820.21
		2,190.16		1,563.40
Change in operating assets and liabilities :				
Decrease/(increase) in trade receivables	196.56		(1,874.88)	
Decrease/(increase) in inventories	336.30		(623.03)	
Increase/(decrease) in trade payables	(1,332.33)		2,030.31	
Decrease/(Increase) in other non-current financial assets	3.18		1.81	
Decrease/(Increase) in other current financial assets	-		-	
Decrease/(increase) in other non-current assets	(2.17)		(2.68)	
Decrease/(increase) in other current assets	42.04		346.80	
Increase/(decrease) in other non- current financial liabilities	146.98		-	
Increase/(decrease) in other current financial liabilities	331.36		193.73	
Increase/(decrease) in other current liabilities	541.87	263.79	113.14	185.20
Cash generated from operations		2,453.95		1,748.59
Direct taxes paid (net of refunds)		(232.88)		(108.73)
Net cash flow from/(used in) operating activities (A)		2,221.07		1,639.87
B. Cash flow from investing activities				
Payments for acquisition of property, plant and equipment (net)	(1,523.57)		(1,037.41)	
Payment for purchase of investment	-		-	
Term deposits with banks (placed)/ matured(Net)	133.24		51.33	
Net Cash Flow from/(used in) Investing Activities (B)		(1,390.33)		(986.08)
C. Cash flows from financing activities				
Net Cash Flow from/(used in) in financing activities (C)				
Proceeds / (Repayment) of issue of equity share capital	-		-	
Dividend paid	(55.39)		(55.39)	
Proceeds / (Repayment) of long term borrowings (Net)	35.35		115.79	
Proceeds / (Repayment) of short term borrowings (Net)	(82.93)		53.84	
Finance costs	(789.62)		(773.80)	
Net Cash Flow from/(used in) Financing Activities (C)		(892.58)		(659.55)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		(61.84)		(5.76)
Cash and cash equivalents at the beginning of the year		112.45		118.21
Cash and cash equivalents at the end of the year		**50.61**		**112.45**

Notes:

Cash and Cash Equivalents are as under:

Particulars	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Cash in hand	18.12	7.13
Balances with banks in current accounts	32.49	105.32
	50.61	**112.45**

2). The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Indian Accounting Standard 7- Statement of Cash Flow.

NIKHIL ADHESIVES LIMITED MUMBAI