

NIKHIL ADHESIVES LIMITED  
Notes forming part of the Financial Statements

NOTE 2 : PROPERTY, PLANT & EQUIPMENT

As at March 31, 2019

RUPEES

Particulars	Gross Block				Accumulated Depreciation/Amortisation				Net Block	
	As at April 1, 2018	Additions	Sale/ Disposal	As at March 31, 2019	As at April 1, 2018	For the year	Sale/ Disposal	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
<b>Own Assets :</b>										
Land	21,30,744	3,04,48,042	-	3,25,78,786	-	-	-	-	3,25,78,786	21,30,744
Buildings	8,59,46,778	88,89,379	-	9,48,36,157	1,86,12,411	29,08,232	-	2,15,20,643	7,33,15,514	6,73,34,367
Plant & equipment	34,38,36,248	5,26,14,154	-	39,64,50,402	14,41,62,860	1,58,71,457	-	16,00,34,317	23,64,16,085	19,96,73,388
Furniture and fixtures	67,19,057	3,11,299	-	70,30,356	44,49,979	4,89,633	-	49,39,612	20,90,744	22,69,078
Lease improvement	30,65,428	5,64,400	-	36,29,828	2,58,502	6,94,820	-	9,53,322	26,76,506	28,06,926
Vehicles	76,51,833	-	-	76,51,833	38,06,101	3,29,383	-	41,35,484	35,16,349	38,45,732
Computers	73,05,463	2,60,589	-	75,66,052	68,25,944	2,65,031	-	70,90,975	4,75,077	4,79,519
Phone	-	34,999	-	34,999	-	3,260	-	3,260	31,739	-
<b>Assets under Lease :</b>										
Land	1,99,51,495	-	-	1,99,51,495	10,23,665	1,60,576	-	11,84,241	1,87,67,254	1,89,27,830
<b>Total</b>	<b>47,66,07,046</b>	<b>9,31,22,862</b>	<b>-</b>	<b>56,97,29,908</b>	<b>17,91,39,462</b>	<b>2,07,22,392</b>	<b>-</b>	<b>19,98,61,854</b>	<b>36,98,68,055</b>	<b>29,74,67,584</b>

As at March 31, 2018

RUPEES

Particulars	Gross Block				Accumulated Depreciation/Amortisation				Net Block	
	As at April 1, 2017	Additions	Sale/ Disposal	As at March 31, 2018	As at April 1, 2017	For the year	Sale/ Disposal	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
<b>Own Assets :</b>										
Land	21,30,744	-	-	21,30,744	-	-	-	-	21,30,744	21,30,744
Buildings	7,74,86,567	84,60,211	-	8,59,46,778	1,59,73,902	26,38,509	-	1,86,12,411	6,73,34,367	6,15,12,674
Plant & equipment	28,92,87,329	5,45,48,919	-	34,38,36,248	13,08,86,415	1,32,76,445	-	14,41,62,860	19,96,73,388	15,84,00,906
Furniture and fixtures	65,75,890	1,43,167	-	67,19,057	39,39,996	5,09,983	-	44,49,979	22,69,078	26,35,896
Lease improvement	-	30,65,428	-	30,65,428	-	2,58,502	-	2,58,502	28,06,926	-
Vehicles	61,67,441	22,49,392	(7,65,000)	76,51,833	40,12,327	5,58,774	(7,65,000)	38,06,101	38,45,732	21,55,112
Computers	66,78,958	6,26,505	-	73,05,463	66,24,271	2,01,673	-	68,25,944	4,79,519	54,687
<b>Assets under Lease :</b>										
Land	1,99,51,495	-	-	1,99,51,495	8,63,089	1,60,576	-	10,23,665	1,89,27,830	1,90,88,406
<b>Total</b>	<b>40,82,78,424</b>	<b>6,90,93,622</b>	<b>(7,65,000)</b>	<b>47,66,07,046</b>	<b>16,23,00,000</b>	<b>1,76,04,462</b>	<b>(7,65,000)</b>	<b>17,91,39,462</b>	<b>29,74,67,584</b>	<b>24,59,78,425</b>

8,63,089

**NIKHIL ADHESIVES LIMITED**  
**Notes forming part of the Financial Statements**

**NOTE : 3 CAPITAL WORK-IN-PROGRESS**

As at March 31, 2019

Particulars	Gross Block				Accumulated Depreciation/Amortisation				Net Block	
	As at April 1, 2018	Additions	Transfer to Property Plant and Equipment	As at March 31, 2019	As at April 1, 2018	For the year	Transfer to Property Plant and Equipment	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Capital work-in-progress	15,31,825	47,05,159	(15,31,825)	47,05,159	-	-	-	-	47,05,159	15,31,825

RUPEES

As at March 31, 2018

Particulars	Gross Block				Accumulated Depreciation/Amortisation				Net Block	
	As at April 1, 2017	Additions	Transfer to Property Plant and Equipment	As at March 31, 2018	As at April 1, 2017	For the year	Transfer to Property Plant and Equipment	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Capital work-in-progress	8536237	1531825	(85,36,237)	1531825	-	-	-	-	15,31,825	85,36,237

RUPEES

**NOTE : 4 INTANGIBLE ASSETS**

As at March 31, 2019

Particulars	Gross Block				Accumulated Depreciation/Amortisation				Net Block	
	As at April 1, 2018	Additions	Sale/ Disposal	As at March 31, 2019	As at April 1, 2018	For the year	Sale/ Disposal	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Intangible assets										
<b>Own Assets :</b>										
Goodwill	6,50,000	-	-	6,50,000	6,50,000	-	-	6,50,000	-	-
Trademarks	10,98,500	-	-	10,98,500	10,98,500	-	-	10,98,500	-	-
Technical know how	30,75,000	-	-	30,75,000	30,75,000	-	-	30,75,000	-	-
MDC logo	35,00,000	-	-	35,00,000	35,00,000	-	-	35,00,000	-	-
No compete agreement	10,00,000	-	-	10,00,000	10,00,000	-	-	10,00,000	-	-
<b>Total</b>	<b>93,23,500</b>	<b>-</b>	<b>-</b>	<b>93,23,500</b>	<b>93,23,500</b>	<b>-</b>	<b>-</b>	<b>93,23,500</b>	<b>-</b>	<b>-</b>

RUPEES

As at March 31, 2018

Particulars	Gross Block				Accumulated Depreciation/Amortisation				Net Block	
	As at April 1, 2017	Additions	Sale/ Disposal	As at March 31, 2018	As at April 1, 2017	For the year	Sale/ Disposal	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Intangible assets										
<b>Own Assets :</b>										
Goodwill	6,50,000	-	-	6,50,000	6,50,000	-	-	6,50,000	-	-
Trademarks	10,98,500	-	-	10,98,500	10,98,500	-	-	10,98,500	-	-
Technical know how	30,75,000	-	-	30,75,000	30,75,000	-	-	30,75,000	-	-
MDC logo	35,00,000	-	-	35,00,000	35,00,000	-	-	35,00,000	-	-
No compete agreement	10,00,000	-	-	10,00,000	10,00,000	-	-	10,00,000	-	-
<b>Total</b>	<b>93,23,500</b>	<b>-</b>	<b>-</b>	<b>93,23,500</b>	<b>93,23,500</b>	<b>-</b>	<b>-</b>	<b>93,23,500</b>	<b>-</b>	<b>-</b>

RUPEES

<b>NIKHIL ADHESIVES LIMITED</b>		
<b>Notes forming part of the Financial Statements</b>		
<b>NOTE 05 NON-CURRENT FINANCIAL INVESTMENTS</b>		
<b>RUPEES</b>		
<b>Particulars</b>	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
(At fair value as per Ind As)		
<b>Trade (quoted)</b>		
<b>Investment in equity shares, fully paid up :</b>		
800 (800) Equity Shares of Bank of India of ` 10/- each	83,400	82,720
Bank of India mutual fund	4,30,069	4,88,011
<b>Total</b>	<b>5,13,469</b>	<b>5,70,731</b>
<b>NOTE 06 OTHER NON CURRENT FINANCIAL ASSETS</b>		
<b>RUPEES</b>		
<b>Particulars</b>	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
Security deposits (other than utility deposits)	42,34,045	44,15,104
Term deposits with more than twelve months maturity	2,75,116	75,09,123
<b>Total</b>	<b>45,09,161</b>	<b>11924227</b>
<b>NOTE 07 OTHER NON CURRENT ASSETS</b>		
<b>RUPEES</b>		
<b>Particulars</b>	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
Capital advances	1,09,76,418	35,31,796
Security deposits - utility	35,89,501	32,21,880
Prepaid Rent	3,63,987	4,63,399
Other receivable	3,52,640	3,52,640
<b>Total</b>	<b>1,52,82,546</b>	<b>75,69,715</b>

**NIKHIL ADHESIVES LIMITED**  
**Notes forming part of the Financial Statements**

**NOTE 8 : INVENTORIES**

**RUPEES**

<b>Particulars</b>	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
(At lower of cost and net realisable value)		
Raw materials and components	29,86,61,779	23,81,54,548
Packing materials	82,24,452	1,19,43,673
Finished goods	4,92,28,968	6,58,69,374
Finished goods in transit	1,75,27,968	-
Stock in trade	2,57,62,132	2,14,61,255
Fuels	10,38,393	7,11,808
<b>Total</b>	<b>40,04,43,692</b>	<b>33,81,40,658</b>

**NOTE 09 TRADE RECEIVABLES**

**RUPEES**

<b>Particulars</b>	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
Unsecured, considered good :		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	1,02,04,558	64,41,868
Other trade receivables	96,25,45,422	77,93,77,047
	<b>97,27,49,980</b>	<b>78,58,18,915</b>
Less: Allowance for expected credit loss (ECL)	(65,65,447)	(43,30,805)
<b>Total</b>	<b>96,61,84,533</b>	<b>78,14,88,110</b>

<b>Particulars</b>	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
Trade Receivables considered for ECL	97,27,49,980	78,58,18,915
Ageing		
Not Due	44,41,52,864	42,88,50,874
30-90 days	46,95,88,908	30,24,33,320
90-180 days	4,88,03,650	4,80,92,853
More than 180 days	1,02,04,558	64,41,868

<b>Particulars</b>	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
Movement in expected credit loss allowance		
Balance at the beginning of the year	43,30,805	33,83,643
Movement in expected credit loss allowance	22,34,642	9,47,162
<b>Balance at the end of the year</b>	<b>65,65,447</b>	<b>43,30,805</b>

**NIKHIL ADHESIVES LIMITED**  
**Notes forming part of the Financial Statements**

**NOTE 10 CASH AND CASH EQUIVALENT**

Particulars	RUPEES	
	As at 31 March 2019	As at 31 March 2018
Balances with banks in current accounts	1,05,32,195	1,08,19,391
Cash on hand	7,12,610	10,01,893
<b>Total</b>	<b>1,12,44,805</b>	<b>1,18,21,284</b>

**NOTE 11 BANK BALANCES OTHER THAN ABOVE**

Particulars	RUPEES	
	As at 31 March 2019	As at 31 March 2018
Term deposits with more than three months maturity but due within one year from the reporting date	2,21,90,063	1,99,07,814
In Earmarked accounts :		
unpaid dividend account	2,19,671	4,00,866
balances held as margin money	61,094	87,919
<b>Total</b>	<b>2,24,70,828</b>	<b>2,03,96,599</b>

**NOTE 12 OTHER CURRENT FINANCIAL ASSETS**

Particulars	RUPEES	
	As at 31 March 2019	As at 31 March 2018
Interest accrued on term deposits with banks	-	1,15,499
<b>Total</b>	<b>-</b>	<b>1,15,499</b>

**NOTE 13 OTHER CURRENT ASSETS**

Particulars	RUPEES	
	As at 31 March 2019	As at 31 March 2018
Advance to suppliers	24,43,437	1,41,36,513
GST balance	4,59,76,855	6,98,11,454
Prepaid expenses	32,28,626	24,72,229
Advances recoverable in cash or in kind	16,69,143	15,77,437
<b>Total</b>	<b>5,33,18,061</b>	<b>8,79,97,633</b>



**NOTE 14 SHARE CAPITAL**

**RUPEES**

Particulars	As at	
	31 March 2019	31 March 2018
Authorised		
4,950,000 (4,950,000) Equity shares of ` 10/- each	4,95,00,000	4,95,00,000
50,000 (50,000) 8% Preference shares of ` 10/- each	5,00,000	5,00,000
Issued		
45,94,300 (45,94,300) Equity shares of ` 10/- each	4,59,43,000	4,59,43,000
Subscribed and fully paid up		
45,94,300 (45,94,300) Equity shares of ` 10/- each fully paid up	4,59,43,000	4,59,43,000
Add : Forfeited shares account	1,06,603	1,06,603
<b>Total</b>	<b>4,60,49,603</b>	<b>4,60,49,603</b>

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

**RUPEES**

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	45,94,300	4,59,43,000	38,94,300	3,89,43,000
Add: Issued and allotted during the year	-	-	7,00,000	70,00,000
Outstanding at the end of the year	45,94,300	4,59,43,000	45,94,300	4,59,43,000

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

Name of Shareholder	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	% holding	No. of Shares	% holding
<b>Equity shares of ` 10/- each fully paid :</b>				
Ashok J. Sanghavi	4,55,180	9.91	4,55,180	9.91
Vasantben J. Sanghavi	2,46,960	5.37	2,46,960	5.37
V. J. Sanghavi Family Trust(Held by the trustees of the trust)	2,53,300	5.52	2,53,300	5.52
Mrunalini R. Sanghavi	2,37,080	5.16	2,37,080	5.16
Anita U. Sanghavi	2,39,740	5.22	2,39,740	5.22
Rekha T. Sanghavi	2,71,440	5.91	2,71,440	5.91
Vasant Polymers & Chemicals Private Limited	3,15,000	6.86	3,15,000	6.86

(c) Details of forfeited shares :

**RUPEES**

Class of shares	As at 31 March 2019		As at 31 March 2018	
	Number	Amount	Number	Amount
Equity shares	21,320	1,06,603	21,320	1,06,603

**NIKHIL ADHESIVES LIMITED**  
**Notes forming part of the Financial Statements**

**NOTE 15 OTHER EQUITY**

Particulars	Reserves and Surplus				Equity Instruments through Other Comprehensive Income	RUPEES
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings		Total
<b>Balances as on April 1, 2017 (A)</b>	<b>4,00,000</b>	<b>1,28,00,000</b>	<b>6,42,87,415</b>	<b>6,14,42,881</b>	<b>33464</b>	<b>13,89,63,760</b>
Addition during the year:						
Profit for the year	-	-	-	2,85,64,014	-	2,85,64,014
Other comprehensive income :						
Remeasurement of defined benefit plans	-	-	-	(3,77,805)	-	(3,77,805)
Net change in fair value of investments	-	-	-	-	(40,289)	(40,289)
<b>Total Comprehensive Income for the year 2017-18 (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,81,86,209</b>	<b>(40,289)</b>	<b>2,81,45,920</b>
Addition through issued equity						
<b>Securities premium received during the year (C)</b>	<b>-</b>	<b>13,72,00,000**</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,72,00,000</b>
<b>Balance as at March 31, 2018 (D)=(A+B+C)</b>	<b>4,00,000</b>	<b>15,00,00,000</b>	<b>6,42,87,415</b>	<b>8,96,29,090</b>	<b>(6,825)</b>	<b>30,43,09,680</b>
Addition during the year:						
Profit for the year	-	-	-	5,21,46,871	-	5,21,46,871
Other comprehensive income :						
Remeasurement of defined benefit plans	-	-	-	-	(10,03,695)	(10,03,695)
Net change in fair value of investments	-	-	-	-	(57,262)	(57,262)
<b>Total Comprehensive Income for the year 2017-18 (E)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,21,46,871</b>	<b>(10,60,957)</b>	<b>5,10,85,914</b>
Reductions during the year:						
Dividend	-	-	-	(45,94,300)	-	(45,94,300)
Dividend distribution tax	-	-	-	(9,44,369)	-	(9,44,369)
<b>Total (F)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(55,38,669)</b>	<b>-</b>	<b>(55,38,669)</b>
<b>Balance as at March 31, 2019 (D+E+F)</b>	<b>4,00,000</b>	<b>15,00,00,000</b>	<b>6,42,87,415</b>	<b>13,62,37,292</b>	<b>(10,67,782)</b>	<b>34,98,56,925</b>



NOTE 16 NON CURRENT FINANCIAL LIABILITIES

Particulars	RUPEES	
	As at 31 March 2019	As at 31 March 2018
<b>Secured :</b>		
<b>From banks :</b>		
Vehicle finance	13,01,837	21,50,378
<b>From others</b>		
Term loans	11,62,24,514	9,47,21,035
	<b>11,75,26,351</b>	<b>9,68,71,413</b>
<b>Unsecured :</b>		
<b>Deferred payment liabilities</b>		
Sales tax deferral	14,01,433	60,48,761
<b>Deposits</b>		
From shareholders	3,38,35,861	3,78,40,000
	<b>3,52,37,294</b>	<b>4,38,88,761</b>
<b>Total</b>	<b>15,27,63,645</b>	<b>14,07,60,174</b>

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

Particulars	Security and terms of repayment as at 31 March 2019	RUPEES	
		As at 31 March 2019	As at 31 March 2018
Term loans from others:			
<b>Aditya Birla Finance Ltd</b>			
Term Loans I	(a) Secured against first charge on present and future movable and immovable fixed assets of the plant at Dahej  (b) Repayable in 53 monthly installments, last installment being due in Aug 2023.  (c) Rate of Interest is 12.35%.	5,90,55,919	7,66,52,551
Term Loans II	(a) Secured against first charge on present and future movable and immovable fixed assets of the plant at Dahej  (b) Repayable in 60 monthly installments, last installment being due in April 2024.  (c) Rate of Interest is 12.35%.	1,44,66,224	1,80,68,484
Term Loans III	(a) Secured against first charge on present and future movable and immovable fixed assets of the plant at Dahej  (b) Repayable in 85 monthly installments, last installment being due in April 2026.  (c) Rate of Interest is 12.35%.	4,27,02,371	-
<b>Total</b>		<b>11,62,24,514</b>	<b>9,47,21,035</b>
Vehicle Finance			
<b>HDFC Bank</b>			
Vehicle I	(a) Secured against hypothecation of the vehicle financed.  (b) Repayable in 21 monthly installments, last installment being due in December 2019.  (c) Rate of Interest is 9.06%.	-	4,51,385
<b>ICICI Bank</b>			
Vehicle I	(a) Secured against hypothecation of the vehicle financed.  (b) Repayable in 64 monthly installments, last installment being due in January 2023.  (c) Rate of Interest is 8.01%.	13,01,837	16,98,993
<b>Total</b>		<b>13,01,837</b>	<b>21,50,378</b>

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

Particulars	Security and terms of repayment	RUPEES	
		As at 31 March 2019	As at 31 March 2018
<b>Sales Tax Deferral</b>	Sales tax collected under Package scheme of Incentives are payable in 5 to 6 yearly installments after 10 to 12 years from the year of collection.	14,01,433	60,48,761
<b>From Shareholders</b>	Deposits repayable as per maturity terms not exceeding 3 years	3,38,35,861	3,78,40,000
<b>Total</b>		<b>3,52,37,294</b>	<b>4,38,88,761</b>

(c) Secured long term borrowings of ` 11,62,24,514 /- ( ` 9,47,21,035 /-) are personally guaranteed by some of the directors of the Company

(d) Current maturities of Term Loans, Vehicle Finance from Bank and Sales Tax Deferral amounting to ` 5,17,92,096/- (Previous Year ` 2,83,05,438/-) is disclosed under 'Other Current Liabilities' (Refer Note 22 )

**NOTE 17 OTHER NON CURRENT FINANCIAL LIABILITIES**

Particulars	RUPEES	
	As at 31 March 2019	As at 31 March 2018
Interest accrued but not due on public deposits	48,11,296	38,47,289
<b>Total</b>	<b>48,11,296</b>	<b>38,47,289</b>

**NOTE 18 PROVISIONS - NON CURRENT**

Particulars	RUPEES	
	As at 31 March 2019	As at 31 March 2018
<b>Provision for employee benefits</b>		
Provision for gratuity	35,39,272	33,47,364
<b>Total</b>	<b>35,39,272</b>	<b>33,47,364</b>

**NOTE 19 :DEFERRED TAX LIABILITIES (NET)**

**Movement in deferred tax balances during the financial year ended March 31, 2019**

Components of Deferred Tax	RUPEES		
	Deferred Tax liabilities/(assets) as on April 1, 2018	Deferred Tax for the year	Deferred Tax balance as on March 31, 2019
<b>Deferred tax liabilities/ (assets)</b>			
Deferred sales tax adjustment	11,36,578	(1,41,835)	9,94,743
Depreciation on fixed assets	2,77,84,339	69,41,759	3,47,26,099
Borrowing cost amortised in books of account	2,71,679	1,64,715	4,36,394
Employee benefit-gratuity	(16,81,159)	(7,44,458)	(24,25,617)
Expected credit loss	(14,31,762)	(7,46,013)	(21,77,775)
	<b>2,60,79,676</b>	<b>54,74,168</b>	<b>3,15,53,843</b>
<b>MAT credit entitlement</b>	<b>(62,95,879)</b>		<b>-</b>
<b>Net deferred tax liabilities / (assets)</b>	<b>1,97,83,797</b>		<b>3,15,53,843</b>

**Movement in deferred tax balances during the financial year ended March 31, 2018**

Components of Deferred Tax	RUPEES		
	Deferred Tax liabilities/(assets) as on April 1, 2017	Deferred Tax for the year	Deferred Tax balance as on March 31, 2018
<b>Deferred Tax Liabilities/ (Assets)</b>			
Deferred sales tax adjustment	13,08,536	(1,71,958)	11,36,578
Depreciation on fixed assets	2,49,38,173	28,46,166	2,77,84,339
Borrowing cost amortised in books of account	3,48,500	(76,821)	2,71,679
Employees benefit-gratuity	(11,65,108)	(5,16,051)	(16,81,159)
Expected credit loss	(11,18,630)	(3,13,132)	(14,31,762)
	<b>2,43,11,471</b>	<b>17,68,204</b>	<b>2,60,79,675</b>
<b>MAT credit entitlement</b>	<b>(79,85,776)</b>		<b>(62,95,879)</b>
<b>Net Deferred Tax Liabilities / (Assets)</b>	<b>1,63,25,695</b>		<b>1,97,83,796</b>

**NIKHIL ADHESIVES LIMITED**  
**Notes forming part of the Financial Statements**

**NOTE 20 CURRENT FINANCIAL BORROWINGS**

RUPEES		
Particulars	As at 31 March 2019	As at 31 March 2018
Secured (Refer (a) and (b) below) :		
Cash credit from banks	13,70,64,912	15,51,67,081
<b>Total</b>	<b>13,70,64,912</b>	<b>15,51,67,081</b>

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

RUPEES			
Particulars	Nature of security	As at 31 March 2019	As at 31 March 2018
Loans repayable on demand Cash Credit from Banks 1) Bank of India 2) Standard Chartered Bank 3) Yes Bank	The facilities from the consortium banks viz. Bank of India and Standard Chartered 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.	11,37,21,953 2,23,46,570 9,96,389	8,83,43,503 70,20,393 5,98,03,185
<b>Total</b>		<b>13,70,64,912</b>	<b>15,51,67,081</b>

(b) Secured short term borrowings of ` 137,06,64,912/- (Previous year ` 155,167,081/-) are personally guaranteed by some of the promoter directors and others and are collaterally secured against equitable mortgage of certain residential flats of the promoter directors in favour of the said banks on pari passu basis.

**NOTE 21 TRADE PAYABLES**

RUPEES		
Particulars	As at 31 March 2019	As at 31 March 2018
Trade Payables		
i) Total Outstanding dues of Micro & Small Enterprises	-	-
ii) Total Outstanding dues of Creditors Other than Micro & Small Enterprises	97,86,51,102	79,78,05,620
<b>Total</b>	<b>97,86,51,102</b>	<b>79,78,05,620</b>

**NOTE 22 OTHER CURRENT FINANCIAL LIABILITIES**

RUPEES		
Particulars	As at 31 March 2019	As at 31 March 2018
Current maturities of Long term debt	5,17,92,096	28,30,54,38
Interest accrued but not due on Public Deposits	14,12,498	4,87,702
Unclaimed dividend	2,19,671	4,00,866
Security deposits	58,95,129	41,85,853
Other payables	3,72,80,199	1,94,35,106
<b>Total</b>	<b>9,65,99,593</b>	<b>5,28,14,965</b>

**NOTE 23 OTHER CURRENT LIABILITIES**

RUPEES		
Particulars	As at 31 March 2019	As at 31 March 2018
Liabilities for expenses	3,48,65,807	2,47,03,526
Advances from customers	23,29,826	19,79,974
Statutory dues	24,46,373	16,44,473
<b>Total</b>	<b>3,96,42,006</b>	<b>2,83,27,973</b>

**NOTE 24 CURRENT PROVISIONS**

RUPEES		
Particulars	As at 31 March 2019	As at 31 March 2018
<b>Provision for employee benefits</b>		
Gratuity	38,39,543	18,01,467
<b>Total</b>	<b>38,39,543</b>	<b>18,01,467</b>



**NIKHIL ADHESIVES LIMITED**  
**Notes forming part of the Financial Statements**

**NOTE 25 REVENUE FROM OPERATIONS**

Particulars	RUPEES	
	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Sale of products :</b>		
(a) Manufactured goods	3,28,38,73,183	2,42,51,26,686
(b) Traded goods	1,14,63,67,972	93,70,76,972
	4,43,02,41,155	3,36,22,03,658
<b>Other operating revenues :</b>		
(a) Labour charges income	2,95,14,586	1,86,12,026
(b) Foreign exchange gain	38,62,349	1,61,43,818
	3,33,76,935	3,47,55,844
<b>Revenue from operations (Gross)</b>	<b>4,46,36,18,089</b>	<b>3,39,69,59,502</b>
Less : Excise duty	-	9,46,61,415
<b>Revenue from operations (Net)</b>	<b>4,46,36,18,089</b>	<b>3,30,22,98,087</b>

**NOTE 26 OTHER INCOME**

Particulars	RUPEES	
	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Other non-operating income :</b>		
(a) Sundry balances written back	-	22,109
(b) Interest income	80,05,357	-
(b) Sundry income	4,75,512	66,04,324
(c) Scrap sales	1,65,801	1,72,600
(d) Rent income	-	92,403
<b>Total</b>	<b>86,46,670</b>	<b>68,91,436</b>

**NIKHIL ADHESIVES LIMITED**  
Notes forming part of the Financial Statements

**NOTE 27 COST OF MATERIALS CONSUMED**

Particulars	RUPEES	
	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Raw materials consumed</b>		
Opening stock	23,81,54,548	14,36,66,098
Add : Purchases	2,69,64,84,966	1,94,03,10,251
	2,93,46,39,514	2,08,39,76,349
Less : Closing stock	29,86,61,779	23,81,54,548
<b>Sub total (A)</b>	<b>2,63,59,77,735</b>	<b>1,84,58,21,801</b>
<b>Packing materials consumed</b>		
Opening stock	1,19,43,673	80,75,567
Add : Purchases	16,59,65,536	13,96,20,937
	17,79,09,209	14,76,96,504
Less : Closing stock	82,24,452	1,19,43,673
<b>Sub total (B)</b>	<b>16,96,84,757</b>	<b>13,57,52,831</b>
<b>Total (A)+(B)</b>	<b>2,80,56,62,492</b>	<b>1,98,15,74,632</b>

**NOTE 28 PURCHASE OF STOCK IN TRADE GOODS**

Particulars	RUPEES	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Purchase of stock in trade	1,12,05,38,145	92,42,11,969
<b>Total</b>	<b>1,12,05,38,145</b>	<b>92,42,11,969</b>

**NOTE 29 CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE**

Particulars	RUPEES	
	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Opening Stock</b>		
(a) Finished goods	6,58,69,374	3,73,44,724
(b) Stock-in-trade	2,14,61,255	2,19,01,781
	<b>8,73,30,629</b>	<b>5,92,46,505</b>
<b>Less : Closing Stock</b>		
Finished goods	4,92,28,968	6,58,69,374
Goods in transit (finished goods)	1,75,27,968	-
Stock-in-trade	2,57,62,132	2,14,61,255
	<b>9,25,19,068</b>	<b>8,73,30,629</b>
Changes in inventories	(51,88,439)	(2,80,84,124)
Increase/(decrease) in excise duty on finished goods	-	(46,552)
<b>Total</b>	<b>(51,88,439)</b>	<b>(2,81,30,676)</b>

**NIKHIL ADHESIVES LIMITED**  
Notes forming part of the Financial Statements

**NOTE 30 EXCISE DUTY ON SALE OF GOODS**

Particulars	RUPEES	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Excise duty (for the year ended March 31,2018, due to introduction of GST regime from July 1 2017, the excise duty is only for the period of April to June 2017)	-	9,46,61,415
<b>Total</b>	<b>-</b>	<b>9,46,61,415</b>

**NOTE 31 EMPLOYEE BENEFIT EXPENSES**

Particulars	RUPEES	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries and wages	8,91,77,437	7,47,18,855
Contributions to provident and other funds	61,85,348	63,50,127
Staff welfare expenses	23,32,434	22,52,503
<b>Total</b>	<b>9,76,95,219</b>	<b>8,33,21,485</b>

**NOTE 32 FINANCE COSTS**

Particulars	RUPEES	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest expense	4,01,81,488	3,67,64,873
Other borrowing costs	4,06,23,348	3,05,93,398
	8,08,04,836	6,73,58,271
Less :		
Interest received (gross)	14,20,718	20,35,017
<b>Total</b>	<b>7,93,84,118</b>	<b>6,53,23,254</b>

**NOTE 33 DEPRECIATION AND AMORTIZATION EXPENSES**

Particulars	RUPEES	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Depreciation and amortization expenses	2,07,22,392	1,76,04,462
<b>Total</b>	<b>2,07,22,392</b>	<b>1,76,04,462</b>

**NIKHIL ADHESIVES LIMITED**  
**Notes forming part of the Financial Statements**

**NOTE 34 OTHER EXPENSES**

Particulars	RUPEES	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Stores and spares consumed	94,36,433	62,14,134
Power and fuel	3,92,59,242	2,59,27,591
Labour charges	3,11,80,183	2,07,73,685
Rent	78,46,596	78,78,539
Repairs and maintenance :		
Plant & machinery	47,48,751	28,26,570
Building	2,36,130	65,368
Others	5,45,240	4,81,503
Printing and stationery	8,27,575	7,63,031
Insurance	29,03,302	26,02,947
Storage charges expenses (net)	1,45,16,796	1,05,37,099
Telephone expenses	17,04,499	25,00,968
Travelling and conveyance expenses	2,07,92,048	1,72,07,233
Legal and professional charges *	83,48,984	60,11,570
Sales promotion expenses	1,32,34,141	1,29,42,978
Transportation and octroi charges	9,53,18,436	7,14,93,341
Foreign exchange loss	2,53,333	2,92,373
Brokerage and commission	28,32,489	54,91,044
Bad debts	1,14,07,377	91,21,008
Directors sitting fees	1,54,500	2,03,450
Miscellaneous expenses	1,13,51,468	94,14,512
Expected credit Loss	22,34,642	9,47,162
<b>Total</b>	<b>27,91,32,164</b>	<b>21,36,96,106</b>

**NOTE 35 EXCEPTIONAL ITEMS**

Particulars	RUPEES	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Loss on insurance claim	-	86,33,879
<b>Total</b>	<b>-</b>	<b>86,33,879</b>

\*Legal and professional charges includes payment to the auditors as under:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
As auditor **	7,20,000	3,65,000
For taxation matters **	2,75,000	50,000
For other services **	1,07,500	25,000
<b>Total</b>	<b>11,02,500</b>	<b>4,40,000</b>

\*\* excluding Service tax and GST



**NOTE 36 : DETAILS OF HEDGED AND UNHEDGED EXPOSURE IN FOREIGN CURRENCY DENOMINATED MONETARY ITEMS**

**a. 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:

<b>Currency</b>	<b>Number of Contracts</b>	<b>Buy Amount</b>	<b>Indian Rupee Equivalent</b>
Forward contract to buy USD - As 31-03-2019	12	41,25,583	29,82,40,907
Forward contract to buy USD - As 31-03-2018	13	34,00,691	22,15,07,287

**b. Exposure in foreign currency - Unhedged**

The foreign currency exposure not hedged as at 31st March, 2019 are as under:

<b>Particulars</b>	<b>As at 31.03.2019</b>		<b>As at 31.03.2018</b>	
	<b>Amount in foreign currency</b>	<b>Amount in Rupees</b>	<b>Amount in foreign currency</b>	<b>Amount in Rupees</b>
Payable in foreign currency exposure (USD)	38,21,493	27,41,47,683	30,74,678	20,04,85,260

<b>Particulars</b>	<b>As at 31.03.2019</b>		<b>As at 31.03.2018</b>	
	<b>Amount in foreign currency</b>	<b>Amount in Rupees</b>	<b>Amount in foreign currency</b>	<b>Amount in Rupees</b>
Receivable in foreign currency exposure (USD)	6,37,022	4,46,37,103	-	-

**NOTE 37 EARNINGS PER SHARE**

**RUPEES**

<b>Particulars</b>	<b>For the year ended 31 March 2019</b>	<b>For the year ended 31 March 2018</b>
Nominal value of equity shares	10	10
Net profit after tax available to the equity shareholders	5,10,85,914	2,81,45,920
Weighted average number of equity shares	45,94,300	39,34,574
Basic and diluted earnings per share	11.12	7.15

**NOTE 38 DETAILS OF LEASING ARRANGEMENTS**

Operating Lease: As a Lessee

The company has entered into cancellable operating leases. These lease arrangements are normally renewable on expiry. The lease arrangement can be cancelled either at the option of lessor giving notice for the period ranging from two months to three months or lessee giving two months notice.

Lease payments amounting to Rs 77,36,257/- (Previous year Rs 77,86,136/-) are included in rental expenditure in the Statement of Profit and Loss during the current year.

**NOTE 39 EMPLOYEE BENEFIT PLANS**

(a) Defined contribution plans:

The amount recognised as expense in respect of defined contribution plans (Contribution to provident fund) aggregate to ` 45,80,721/- (previous year ` 43,05,146/-).

(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

Particulars	RUPEES	
	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Components of employer expense</b>		
Current Service cost	7,36,162	5,66,840
Interest cost	4,04,698	2,63,350
Expected return on plan assets	-	-
Curtailement cost/(credit)	-	-
Settlement cost/(credit)	-	-
Past service cost	-	15,92,596
Actuarial losses/(Gains)	-	-
<b>Total expense recognised in the Statement of Profit &amp; Loss</b>	<b>11,40,860</b>	<b>24,22,786</b>

**Balance Sheet**

Details of provision for gratuity

Net asset/(liability) recognised in balance sheet	RUPEES	
	As at 31 March 2019	As at 31 March 2018
Present value of defined benefit obligation	(73,78,815)	(51,48,831)
Fair value of plan assets	-	-
Funded status [surplus/(deficit)]	(73,78,815)	(51,48,831)
Unrecognised past service costs	-	-
<b>Net asset/(liability) recognised in balance sheet</b>	<b>(73,78,815)</b>	<b>(51,48,831)</b>

Change in Defined Benefit Obligations (DBO) during the year ended	For the year ended	
	31 March 2019	31 March 2018
Present value of DBO at beginning of period	51,48,831	35,87,879
Current Service cost	4,04,698	5,66,840
Interest cost	7,36,162	2,63,350
Curtailement cost/(credit)	-	-
Settlement cost/(credit)	-	-
Plan amendments	-	-
Acquisitions	-	-
Actuarial (gains)/ losses	-	-
Past Service cost	-	15,92,596
Benefits paid	(4,17,564)	(4,84,029)
Actuarial (gains)/ losses on obligations - due to change in financial assumptions	29,594	(2,12,385)
Actuarial (gains)/ losses on obligations - due to experience	14,77,094	(1,65,420)
<b>Present value of DBO at the end of period</b>	<b>73,78,815</b>	<b>53,14,251</b>

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

Particulars	As at	
	31 March 2019	31 March 2018
Discount rate	7.86%	7.34%
Salary escalation	5%	5%
Attrition rate	2%	2%

**NOTE 40 SEGMENTS REPORTING**

**(a) Information about Business Segments for the Quarter Ended 31 March 2019**

**RUPEES**

Particulars	Manufacturing of Adhesives & Emulsions	Trading in Chemicals	Total Rupees
<b>Revenue</b>			
Sales/income from operations	3,31,72,50,117	1,14,63,67,972	4,46,36,18,089
Inter-segment sales	-	-	-
<b>Total revenue</b>	<b>3,31,72,50,117</b>	<b>1,14,63,67,972</b>	<b>4,46,36,18,089</b>
<b>Result</b>			
Segment result	15,98,94,115	2,02,86,644	18,01,80,758
Unallocated corporate expenses(Net)			2,64,77,972
Operating profit			15,37,02,786
Interest expense(net)			7,93,84,118
Income taxes(including deferred tax)			2,21,71,797
Profit from ordinary activities			5,21,46,871
Extraordinary items			-
<b>Net profit</b>			<b>5,21,46,871</b>
<b>Other Informations</b>			
Segment assets	1,50,69,69,849	33,64,92,443	1,84,34,62,292
Unallocated corporate assets			5,13,469
<b>Total assets</b>			<b>1,84,39,75,761</b>
Segment liabilities	1,18,41,46,336	26,43,18,875	1,44,84,65,211
Unallocated corporate liabilities			11,75,26,351
<b>Total liabilities</b>			<b>1,42,33,62,055</b>
Add: Share capital and reserves			42,06,13,706
<b>Total capital &amp; liabilities</b>			<b>1,84,39,75,761</b>
Capital expenditure (including capital work in progress)	9,31,22,862	-	
Depreciation	2,07,22,392	-	

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.

3) For comparison with previous year, refer Note 42(b)

**Note 40 : Segments Reporting**

**(b) Information about business segments for the year ended 31 March, 2018**

**RUPEES**

Particulars	Manufacturing of Adhesives & Emulsions	Trading in Chemicals	Total
<b>Revenue</b>			
Sales/income from operations	2,45,88,28,279	93,81,31,223	3,39,69,59,502
Inter-segment sales	-	-	-
<b>Total revenue</b>	<b>2,45,88,28,279</b>	<b>93,81,31,223</b>	<b>3,39,69,59,502</b>
<b>Result</b>			
Segment result	12,44,72,643	96,34,873	13,41,07,516
Unallocated corporate expenses(Net)			2,54,52,256
Operating profit			10,86,55,260
Interest expense(Net)			6,53,23,246
Income taxes(including deferred tax)			1,47,68,000
Profit from ordinary activities			2,85,64,014
Extraordinary items			-
<b>Net profit</b>			<b>2,85,64,014</b>
<b>Other informations</b>			
Segment assets	1,30,43,34,220	25,57,22,236	1,56,00,56,456
Unallocated corporate assets			5,35,500
<b>Total assets</b>			<b>1,56,05,91,956</b>
Segment liabilities	1,01,26,38,819	19,84,52,198	1,21,10,91,017
Unallocated corporate liabilities			29,94,30,533
<b>Total liabilities</b>			<b>1,20,72,51,281</b>
Add: Share capital and reserves			35,33,40,675
<b>Total capital &amp; liabilities</b>			<b>1,56,05,91,956</b>
Capital expenditure (including capital work in progress)	7,06,25,447	-	
Depreciation	1,76,04,461	-	

Notes :

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

2) The Business segment is the primary segment of the company and there is no geographical segment having differing risk and returns.

**NOTE 41 RELATED PARTY DISCLOSURES**

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

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

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

**(b) Details of Related Party transactions during the year ended 31st March 2019**

<b>Particulars</b>	<b>Directors &amp; Key Management Personnel</b>			<b>RUPEES</b>
				<b>Total</b>
Remuneration paid	38,31,648		-	38,31,648
	(33,32,448)		(-)	(33,32,448)

Figures in brackets relates to the previous year

**NIKHIL ADHESIVES LIMITED**  
**Notes forming part of the Financial Statements**

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

NOTE 43: The Board of Directors have recommended a payment of final dividend of ₹ 1/- (One rupees only) per equity share of face value of ₹ 10 each for the financial year ended 31st March, 2019, aggregating ₹ 45.94 lakhs.

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

**NOTE 45 : Figures have been rounded off to nearest rupees.**

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

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

**Paresh Vakharia**  
**(Partner)**  
**Membership No. 38220**

**Place : Mumbai**  
**Date : 30th May 2019**

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

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

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

**A. U. Sanghavi**  
**Chief Financial Officer**

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

**M. M. Vora**  
**(Director)**  
**DIN : 00245427**