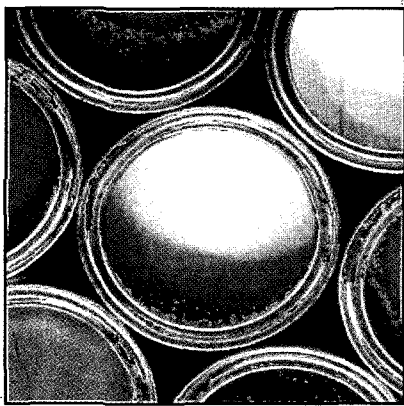
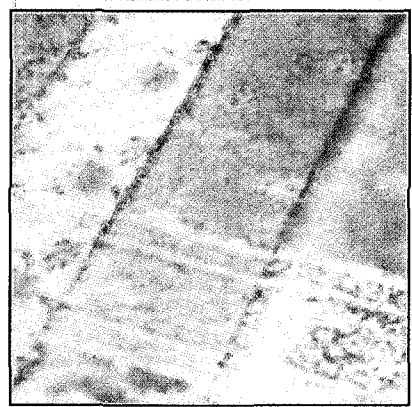


NIKHIL ADHESIVES LTD.

(Formerly emulsion business of Mafatlal Dyes & Chemicals Ltd.)



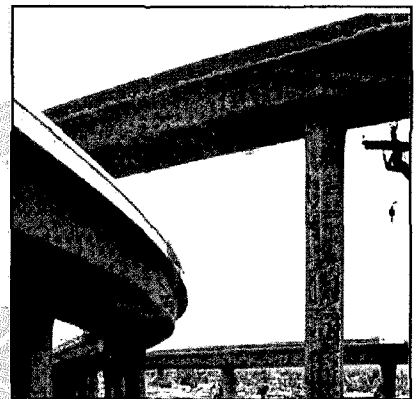
Paints Emulsions



Textile Binders



Adhesives



Construction Chemicals

Emdilith
PAINT EMULSION

Emditex
TEXTILE FINISHING AGENT

Formisol
The Right Adhesive

Mahacol
WOOD ADHESIVE SINCE 1971

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Company Profile

Nikhil Adhesives Ltd. is a multi products company manufacturing various types of polymer emulsions for different industries and in this business for nearly 20 years. It has plants located at Dahanu (Maharashtra) and Silvassa (Union Territory). The Company had acquired the emulsion business of M/s. Mafatlal Dyes & Chemicals Ltd. in the year 2002.

Nikhil Adhesives Ltd. has a well equipped laboratory to develop products for specific applications and is committed to manufacture products at affordable prices for its customers. The company believes in constantly upgrading and introducing new products to meet the ever growing needs of the various industries.

Paint Emulsions / Construction Chemicals : All Acrylic, Styrene Acrylate, Vam Acrylate, Vinyl Acetate Versatate, Thickeners, Dispersants and products tailor made for specific applications. Specialty polymer based products for construction industries.

Textile Emulsions / Binders : Finishing agents from very soft to stiff finish for cotton, polyester, woolen and different blends of textile material and also used for finishing application.

Industrial / Consumer Adhesives : Packaging applications, print lamination, pressure sensitive adhesives, wood working adhesives and epoxy adhesives for daily household applications.

Trading : NAL has a trading division in various chemicals & Plastic representing MITCO (Petronas) Malaysia and other multinationals.

Distribution Channels : NAL has Regional Offices at Chennai, Ahmedabad, Delhi, Kolkata, Jaipur & Ghaziabad having Stocking Facilities by way of warehouses. It has more than 150 Distributors spread all over India.

The company believes in protecting environment and enforces pollution control and other measures for cleaner and greener surroundings.



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Board of Directors

Shri.R.J.Sanghavi	Executive Chairman
Shri.U.J.Sanghavi	Managing Director
Shri.T.J.Sanghavi	Executive Director
Shri.S.R.Sanghavi	Non Executive, Independent Director
Shri.H.S.Kamath	Non Executive, Independent Director
Shri.M.M.Vora	Non Executive, Independent Director

Auditors

D.V.Vakharia & Co.
Chartered Accountants

Bankers

Bank of India
Barclays Bank PLC
Standard Chartered Bank

Registered Office & Plants

Registered Office :

Shreeji Industrial Estate,
Vadkun, College Road,
Dahanu,
Dist. Thane - 401602.

Plants:

1. Shreeji Industrial Estate,
Vadkun, College Road,
Dahanu,
Dist. Thane - 401602.
2. 7A/7B, Govt.Ind. Estate,
Phase I, Piparia, Silvassa.

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NOTICE

Notice is hereby given that the **Twenty Third Annual General Meeting** of **Nikhil Adhesives Limited** will be held on Saturday 26th September, 2009 at 11.00 am at the Registered Office of the Company at **Vadkun, College Road, Dahanu, Dist. Thane – 401 602** to transact the following business:

ORDINARY BUSINESS

- 1) To receive, consider, and adopt the Audited Balance Sheet as at 31st March 2009, together with Profit and Loss Account for the year ended on that date together with the reports of the Directors and the Auditors thereon.
- 2) To declare a dividend on Equity Shares.
- 3) To appoint a Director in place of Shri Tarak J. Sanghavi, who retires by rotation and being eligible, offers himself for reappointment.
- 4) To appoint a Director in place of Shri M.M. Vora, who retires by rotation and being eligible, offers himself for reappointment.
- 5) To appoint auditors and fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT the Board of Directors be and is hereby authorised, in accordance with Section 293(1)(d) of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and the Articles of Association of the Company, to borrow any sum or sums of money (including non fund based facilities) from time to time at their discretion, for the purpose of the business of the Company, from any one or more Banks, Financial Institutions and other persons, firms, bodies corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may, at any time, not exceeding a sum of Rs. 75 crore (Rupees Seventy Five Crore only) and that the Board of Directors be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as they may, in their absolute discretion, think fit."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable, or expedient to give effect to this resolution."



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

"RESOLVED THAT the consent of the Company be and is hereby granted in terms of Section 293(1)(a) and all other applicable provisions of the Companies Act, 1956, (including any statutory modification or re-enactment thereof, for the time being in force), to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose) to mortgage and/or charge, in addition to the mortgages/charges created /to be created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the movable and/or immovable properties of the Company, both present and future and/or the whole any part of the undertaking(s) of the Company together with the power to take over the management of the business and concern of the Company in certain events of default, in favour of the Lender(s), Agent(s) and Trustee(s)/Trustee(s), for securing the borrowings availed/ to be availed by the Company by way of loan(s) (in foreign currency and/or rupee currency) and Securities (comprising fully/partly Convertible Debentures and/or Non Convertible Debentures with or without detachable or non-detachable Warrants and/or secured premium notes and/or floating rates notes/bonds or other debt instruments), issued/to be issued by the Company, from time to time, subject to the limits approved under Section 293(1)(d) of the Companies Act, 1956, together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on repayment, remuneration of the Agent(s)/Trustees, premium if (any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation/ revaluation/ fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s)/ Heads of Agreement(s), Debenture Trust Deed(s) or any other document, entered into/ to be entered into between the Company and the Lender(s)/Agent(s) and Trustee(s)/ Trustee(s), in respect of the said loans/ borrowings/ debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Lender(s)/ Agent(s) and Trustee(s)/Trustee(s)."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board and/or its duly constituted Committee be and are hereby authorised to fianlise, settle and execute such documents/deeds/writings/papers/agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages/charges as aforesaid."

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

"RESOLVED THAT pursuant to provisions of sub section on(1B) of Section 314 and other applicable provisions of the Companies Act, 1956, the Company hereby consents, to Mr. Nikhil U. Sanghavi, a relative of the Directors of the company, holding and continuing to hold an office of profit as President under a contract of service with the company carrying monthly remuneration not exceeding Rs. 50,000/- (Rupees Fifty Thousand Only) which limit includes all benefits and monetary value of perquisites."



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"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to finalize the terms and conditions of appointment, the break up of remuneration into various components such as basic salary, allowances and perquisites as may be mutually acceptable subject to the overall ceiling of Rs. 50,000/- mentioned above."

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

"RESOLVED THAT pursuant to Section 17 & other applicable provisions of the Companies Act 1956, the Object Clause of the Memorandum of Association be and is hereby amended by insertion of Clause No. 81 under the caption "Other Objects" as follows:

(81) To take on lease or tenancy, purchase or sell any land, with or without any infrastructure or rights, options or privileges attached to it, to construct any infrastructure including storage tanks, workshops & other essentials on the same, directly or indirectly conducive to the objects of the company or to enter into lease, rental arrangements with others for the uses of such infrastructure including storage tanks and essentials."

Notes:

1. The explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the Item Nos. 6, 7, 8 & 9 are given in the footnote to this notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER. The instrument of proxy, in order to be effective, must be deposited at the Registered Office of the Company duly completed and signed not less than 48 hours before the commencement of the meeting.
3. Members who hold shares in dematerialized form are requested to bring their Client ID and DPID numbers for easy identification for attendance at the meeting.
4. The Register of Members and the Share Transfer Books of the company will remain closed from **21st September, 2009** to **26th September, 2009** (both days inclusive). The dividend as recommended by the Board, if sanctioned at the meeting, will be paid after **26th September, 2009** to those members whose names appear on the Company's Register of Members on **26th September, 2009**. In respect of the shares in electronic form, the dividend will be payable to the beneficial owners of the shares as at the end of business hours on **26th September, 2009** as per the details furnished by the depositories for this purpose.
5. Members are requested to notify immediately any change of address:
 - i) To their Depository Participants (DPs) in respect of their electronic share accounts, and
 - ii) To the Company's Registrars, M/s. Sharex Dynamic (India) Pvt. Ltd. in respect of their physical shares, if any, quoting their folio numbers.



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6. Shareholders holding shares in electronic form may kindly note that their bank account details as furnished by their Depositories to the Company will be used for ECS (wherever available)/ printed on their Dividend Warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such shareholders for deletion of / change in such bank account details. Shareholders who wish to change such bank account details are therefore requested to advise their Depository Participants about such change, with complete details of the bank account.
7. Members can avail nomination facilities by filing Form No. 2B as prescribed under the Companies (Central Government's) General Rules and Forms, 1956 with the Company. The Blank Form will be supplied on request.
8. Shareholders desiring any information relating to the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.

Registered Office:

Dahanu, Dist. Thane – 401 602

Date : 31st July, 2009

By order of the Board of Directors

(Umesh J. Sanghavi)

Managing Director

ANNEXURE TO NOTICE

Explanatory Statements pursuant to Section 173 (2) of the Companies Act 1956

Item No. 6 & 7.

Pursuant to the Resolution passed in the Annual General Meeting held on 24.09.1993, the Board had been empowered to exercise the borrowing powers upto Rs. 25 Crores (Rupees Twenty Five Crores) from time to time for the business purposes. Since the company has undertaken expansion and also intends to set up new projects, the company will be required to borrow funds for these purposes by way of term loans, funded/ non-funded working capital facilities which together with the existing borrowings may exceed the existing borrowing limits of the company i.e. Rs. 25 Crores (Rupees Twenty Five Crores).

In view of this, the Resolution at Item No. 6 is proposed for approval by the members of the company to borrow funds upto Rs. 75 Crores (Rupees Seventy Five Crores).

To secure such borrowings, the Company will have to mortgage/ charge/ hypothecate the assets and properties of the Company, both present and future, as may be required by any financial institutions, investment institutions, public sector banks, private sector banks, other bodies corporate and other lenders (hereinafter collectively referred to as "the Lending Agencies").

As the documents to be executed between the Company and the Lending Agencies may contain a power to take over the management of one or more undertakings of the Company in certain events, out of abundant caution, it may be advisable to obtain members' consent under Section 293(1)(a) of the Act, although the creation of the mortgages/charge/ hypothecations, etc. per se do not attract provisions of the aforesaid section.



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None of the Directors are concerned or interested in the above Resolutions.

Item No. 8

Mr. Nikhil U. Sanghavi has been rendering services to the Company since 01.07.2008 at a remuneration of Rs. 20,000/- per month.

Mr. Nikhil U. Sanghavi is an MS in Computer Science from the United States (U.S.). He has considerable experience in software development, besides his technical qualification. He is therefore, ideally suited to head the Company's Software Division also. In view of his expertise and technical qualification, the company proposes to appoint him as President (Software Division). Considering the present standards on the most conservative basis, the nature of services, his experience and technical qualification, the remuneration to him requires an upward revision. As per the provisions of the Companies Act, the members by a Special Resolution can approve remuneration not exceeding Rs. 50,000/- per month to a relative of a director without the permission from the Central Government. Accordingly this resolution gives power to the Board of Directors to fix his remuneration (inclusive of perquisites, if any) not exceeding Rs. 50,000/- per month.

The directors recommend resolution for approval by members.

The Chairman, Mr. Rajendra J. Sanghavi, Managing Director, Mr. Umesh J. Sanghavi and Executive Director, Mr. Tarak J. Sanghavi are interested in the above resolution as Mr. Nikhil U. Sanghavi is their relative.

Item No. 9

The company is exploring several options available to it for the purpose of expansion/diversification for considering the proposals under active considerations by the company, it will be prudent to have the specific object as stated in the relevant resolution be incorporated in the Memorandum of Associations as Clause No. 81 under the head "Other Objects".

The resolution is required to be approved by the members as a special resolution.

The Board comments the resolution for approval by the members in the interest of the Company. None of the directors are interested in the above resolution.

The memorandum and Articles of Association of the Company shall be open for inspection during the business hours from 11.00am to 4.00pm by shareholders.

Registered Office:

Dahanu, Dist. Thane – 401 602

Date : 31st July, 2009

By order of the Board of Directors

(Umesh J. Sanghavi)

Managing Director



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DIRECTORS' REPORT

To The Members of Nikhil Adhesives Limited

The Board of Directors is pleased to present the Twenty Third Annual Report together with the audited accounts for the year ended 31st March 2009.

Financial Results	(Rs. in 000's)	
	Financial Year 2008 - 2009	Financial Year 2007 - 2008
Gross Profit Before Depreciation and Tax	23709	35650
Less :- Depreciation	9830	9777
Profit Before Tax	13879	25873
Less :- <u>Provision for Taxation</u>		
Current Tax	4900	7251
Fringe Benefit Tax	475	500
Deferred Tax	(239)	1319
Tax Adjustment For Earlier Years	-	391
Profit After Tax	8743	16412
Add :- Balance Brought Forward	7369	3013
Profits Available For Distribution	16112	19425
<u>Appropriation</u>		
Proposed Dividend Including Dividend Tax	3645	4556
Transfer to General Reserve	4000	7500
Carried Forward to Balance Sheet	8467	7369
	16112	19425

DIVIDEND

The Board has pleasure in recommending a Dividend of 8% i.e. Re. 0.80 per equity share for the financial year ended 31st March 2009. The proposed dividend will absorb a sum of Rs. 36.45 lacs including tax on dividend.

TRANSFER TO RESERVES

Your Company proposes to transfer Rs. 40 lacs to the General Reserve and an amount of Rs. 84.67 lacs is proposed to be retained in the Profit & Loss Account.



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RESULT OF OPERATIONS

These have been unprecedented times for the global economy. The financial meltdown caused by several complex forces has resulted in most severe financial crisis since Great Depression. The Rupee was also extremely volatile and saw heavy depreciation against major Currencies.

Against this backdrop, the sales turnover (net of VAT / Sales Tax and Excise Duty) of your company has increased from Rs. 9417 lacs to Rs. 10258 lacs registering growth of 8.93%. Other income from operations for the year is Rs. 184 lacs as against Rs. 194 lacs for the previous year. The operating profit before depreciation and tax is Rs. 237.09 lacs compared to 356.50 lacs in the previous year registering 33.50% decline primarily due to Foreign Currency translation loss of Rs. 294.56 lacs. The profit after depreciation and tax is Rs. 87.43 lacs compared to Rs. 164 lacs for the previous year.

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

DIRECTORS

Mr. Tarak J. Sanghavi and Mr. M. M. Vora retire by rotation at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. Appropriate resolutions for their re-appointment are being placed before you for your approval at the ensuing Annual General Meeting. The brief resume of the aforesaid Directors, their Directorship in other Companies and other information has been detailed in the Corporate Governance Section of this report. Your directors recommend their re-appointment as Directors of your Company.

DEPOSITS

The Company has not accepted any Public Deposit within the meaning of Section 58A of the Companies Act 1956. Also there are no outstanding Public Deposits as at the Balance Sheet date.

INSURANCE

The Company's assets being buildings, plant & machinery and stocks have been adequately insured.

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

The particulars required under section 217(1) (e) of the companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are given in the Annexure to this report.



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PARTICULARS OF EMPLOYEES

None of the employees has been paid remuneration exceeding the amount specified under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975. Hence the disclosure requirement under the above section is not applicable.

AUDITORS

M/s D.V. Vakharia & Co., Chartered Accountants, the Statutory Auditors of the Company shall retire at the ensuing Annual General Meeting and being eligible, have offered themselves for reappointment.

COMPLIANCE CERTIFICATE

As required by Provision to section 383A of the Companies Act, 1956, a copy of the Compliance Certificate is attached to this report.

DIRECTORS' RESPONSIBILITY STATEMENT

As required by sub-section (2AA) of section 217 of the Companies Act, 1956, directors state that:-

- in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- they have selected such accounting policies and applied them consistently and made judgments 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;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

Your Company continues to comply with the requirements of the Listing Agreement entered into with the stock exchange where your Company's shares are listed. Pursuant to the Clause 49, your Company has laid down risk minimization procedures pertaining to key areas of your Company's operations and the same shall be reviewed periodically by the Board of Directors. Your Company has also adopted a Code of Conduct for its Board Members and Senior Management Personnel and the same has been posted on your Company's website. All the Directors and the Senior Management Personnel of your Company have affirmed compliance with the said Code of Conduct. The CEO/CFO certification signed by the Managing Director pursuant to clause 49(V) of the Listing Agreement was placed before the Board of Directors at their meeting. The Management Discussion and Analysis and a report on



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Corporate Governance are included as a part of the Directors' Report. A certificate from the auditors of the Company regarding compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed to this report.

EMPLOYEES RELATIONS

The relations with employees remained cordial during the year under review. Your Directors appreciate the efficient and devoted services rendered by the executives, staff members and the workers.

ACKNOWLEDGEMENT

Your Directors place on record their sincere thanks for support and co-operation received from Company's bankers, Bank of India, Standard Chartered Bank and Barclays Bank PLC. Your Directors also acknowledge with gratitude the co-operation received from various Government authorities and other agencies.

On Behalf of the Board of Directors

Place : Mumbai

Date : 30th June 2009.

R. J. Sanghavi

Chairman



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Annexure to the Directors Report

Information pursuant to the Companies (Disclosure of particulars in Report of the Board of Directors) Rules, 1988

1. Conservation of energy

The plant and machinery of the company include energy efficient machineries/equipments. Wherever necessary, energy conservation measures are being implemented and efforts to conserve and optimize the use of energy through improved operational methods will continue.

The details of energy consumption are given below.

Particulars	2008-2009	2007-2008
Electricity		
a) Purchased Units.	517982	643457
Total amount	2324969	2675201
Rate / Unit	4.49	4.16
b) Own generation.		
Coal	Nil	Nil
Furnace Oil	Nil	Nil
Qty. (Kgs)	22675	60060
Total Amount	666534	1199901
Rate/Unit	29.40	19.98
Diesel / LDO		
Qty. (Ltrs.)	126157	69990
Total amount	4520558	1897983
Rate / Unit	35.83	27.12
Consumption per unit of Production of Adhesives & Emulsions		
Electricity	35.50 Per Tonne	53.63 Per Tonne
Diesel / LDO	8.65 Per Tonne	5.83 Per Tonne
Furnace Oil.	1.55 Per Tonne	5.01 Per Tonne

2. Technology absorption

(a) Research & Development (R & D)

➤ Specific area in which R & D carried out by the Company

Research efforts are directed towards improvement of yield and new product development, particularly in the area of Paint Emulsions, Consumer and Bazaar products including improvement over packaging of the products.



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➤ **Benefits derived as a result of the above R & D**

Improvement in product quality, achieving cost effectiveness and increase in the market share.

➤ **Future Plan of Action**

To continue and enhance the R & D efforts described herein above.

➤ **Expenditure on R & D**

Capital expenditure- Nil

The revenue expenditure incurred on R & D is not capable of being segregated accurately.

(b) Technology absorption , adoption and innovation

The company has fully absorbed and commercialized the manufacturing process of different emulsion products acquired by it from time to time. The technology for manufacturing of new industrial products is being developed in-house.

3. Foreign Exchange Earnings and Outgo

Please Refer Note No. 11 & 12 of Notes to Accounts for the details in respect of foreign exchange earnings and outgo.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

• **INDUSTRY STRUCTURE AND DEVELOPMENT**

The company is in the business of manufacturing water thinnable polymer emulsions at its two plants located at Dahanu and Silvassa. These emulsions have application in varied industries from Paints, Textiles, Packaging and even in the furniture industry. The products being eco friendly there is a general trend to shift to these water based emulsions. For instance in the paint segment, the demand for solvent based products is being gradually replaced by water thinnable binders.

The company also manufactures products which find application in the consumer segment and are sold through retail channel. Products like wood adhesives, sealants, screen printing adhesives, etc. are sold through retail outlets. Thus your company has a balanced product mix by virtue of its presence in both the industrial and consumer segment.

The Industry has both local and multinational players and with the duty structure now being quite reasonable the local players are also in a position to compete with the multinationals.

• **FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

MANUFACTURING DIVISION

During the year the production has increased from 11999 Tonnes to 14590 Tonnes in terms of volume registering the growth of 21.59%. In value terms the sales has increased from Rs. 4391 lacs to Rs. 5886 lacs registering growth of about 34.04%. The job work receipts have increased from Rs. 102.50 lacs to 107.87 lacs.



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TRADING DIVISION

In the trading segment, the sales have declined to Rs. 4416 lacs against previous year of Rs. 4991 lacs, decrease of about 11.52%. The volume growth registered an decrease of about 31%.

FOREIGN EXCHANGE FLUCTUATIONS

The Company's business is import centric and the volatility of Rupee against US Dollar has resulted into foreign currency translation loss of Rs. 294.56 lakhs. To minimise the risks of exchange losses, the company has decided to remain cautious during the current year as it is expected that the volatility of Rupee against Dollar will continue in the near future.

- **STRENGTH, OPPORTUNITIES, THREATS, RISKS, CONCERNS**

The ability to adapt to the changing economic scenario and be able to withstand the various pressures will determine the stability of any business. For the past one year our country has been affected due to world wide recession and added to this global phenomena, the vagaries of monsoon also determines as to how the overall economy will perform. Like many businesses, the polymer emulsion business has also been affected, but the company's policy of not being "dependent" on any one particular industry or segment for its products has paid off, as is evident by the performance for the year under consideration. In spite of economic slowdown, the company has shown growth in volumes, though margins were under pressure primarily due to volatile rupee movement against dollar. Threats persists, but your company has managed to withstand competition from local and even multinational companies and even sustained the fluctuations in the raw material prices. The company is fully aware of the need to diversify further so as to be able to withstand the threats from any quarter and keeping this in view company has started introducing its products in more areas.

The company is manufacturing water thinnable dispersions which are more eco friendly and with today's demands and emphasis being more on eco friendly products, the emulsion business has a bright future.

- **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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

- **HUMAN RESOURCES / INDUSTRIAL RELATIONS**

The industrial relations are cordial from inception till date. There were in all 100 employees including factory workers as on 31.03.2009.



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• OUTLOOK

The company is now well entrenched in the emulsion business and with the increased demands on production, the manufacturing capacities at both the plants viz. Dahanu and at Silvassa have been enhanced. The two plants having reached optimum levels of production, it has now become imperative to scout for one plant. This increase is due to the growing demands for polymer emulsions in various industries.

The company is working on establishing its products in more applications in textiles and also further consolidation in the paints and adhesives segments. The Government at the center having a clear majority this time it is expected to give more industrial friendly practices, which should also help our industry.

DISCLAIMER

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

COMPLIANCE CERTIFICATE

Registration No. of the Company: 11-41062.

Nominal Capital: 5,00,00,000/-.

To,
The Members,
Nikhil Adhesives Limited,

We have examined the registers, records, books and papers of NIKHIL ADHESIVES LIMITED (hereinafter referred to as 'the Company') as required to be maintained under the Companies Act, 1956 (hereinafter referred to as 'the Act') and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2009. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.



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2. The Company has duly filed all the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act, and the rules made there under.

3. The Company, being a public limited company, has the prescribed minimum paid up capital.

4. The Board of Directors duly met 7 (Seven) times respectively on 28th May 2008, 30th June 2008, 31st July 2008, 29th August 2008, 14th October 2008, 31st October 2008 and 31st January 2009 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. There were no circular resolutions passed during the financial year.

5. The Company closed its Register of Members during the financial year from 22nd September 2008 to 27th September 2008.

6. The annual general meeting for the financial year ended on 31st March, 2008 was held on 27th September, 2008 after giving due notice to the members of the Company and other concerned and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.

7. No Extra-Ordinary General Meeting was held during the financial year.

8. The Company has not advanced any loan to its directors and/or persons or firms or companies referred in the Section 295 of the Act.

9. The Company has duly complied with the provision of Section 297 of the Act in respect of contracts specified in that Section.

10. The company has made necessary entries in the register maintained under section 301 of the act.

11. The Company has obtained necessary approvals from the Board of Directors, Members pursuant to Section 314 of the Act.

12. The Company has not issued any duplicate share certificates during the financial year.

13. The Company:

(i) has delivered all the certificates on allotment of securities and on lodgment thereof for transfer /transmission or any other purpose in accordance with the provisions of the Act;



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(ii) has deposited the amount of dividend declared in a separate Bank Account on 29th September, 2008 which is five days from the date of declaration of dividend.

(iii) all the members within a period of 30 (Thirty) days from the date of declaration and that all unclaimed/unpaid dividend has been transferred to Unpaid Dividend Account of the Company with HDFC Bank on 30th October, 2008 .

(iv) was not required to transfer any amount to Investor Education and Protection Fund, since there were no amounts in unpaid dividend account and there was no application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years.

(v) has duly complied with the requirements of Section 217 of the Act.

14. The Board of Directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.

15. The Company has not appointed any Managing Director/Whole-time Director/Manager during the financial year.

16. The Company has not appointed any sole selling agents during the financial year.

17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.

18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.

19. The company has not issued any shares, debentures or other securities during the financial year.

20. The company has not bought back any shares during the financial year.

21. There was no redemption of preference shares or debentures during the financial year.

22. There was no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.

23. The company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.



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24. The amounts borrowed by the Company from others during the financial year ending 31st March, 2009 are within the borrowing limits of the Company and that necessary resolutions as per Section 293(1)(d) of the Act have been passed in duly convened extraordinary general meeting held on 24th September, 1993.

25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate.

26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.

27. The Company has altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny and complied with provisions of the Act.

28. The Company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.

29. The Company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.

30. The Company has altered its articles of association after obtaining approval of members in the general meeting held on 27th September, 2008 and the amendments to the articles of association have been duly registered with the Registrar of Companies.

31. As per the information and explanations given by officers of the Company, there was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year for offences under the Act.

32. The Company has not received any money as security from its employees during the financial year.

33. As per the information and explanations given by officers of the Company, the Company is required to make any contribution under the Provident Act and Company has made contribution to the Provident Fund upto date.

Place: Mumbai.

Dated: 30th June, 2009.

For Mahesh Khemka & Company

Mahesh Khemka

Proprietor

(C.P.No.2772)



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ANNEXURE A

REGISTERS AS MAINTAINED BY THE COMPANY:

STATUTORY REGISTERS:

1. Register of Members u/s 150.
2. Register of Directors u/s 303.
3. Register of Directors Shareholding u/s 307.
4. Minutes Book of meetings of the Board of Directors u/s 193.
5. Minutes Book of General Meetings of the members u/s 193.
6. Books of Accounts u/s 209.
7. Register of Particulars of Contracts in which Directors are interested u/s 301.

OTHER REGISTERS

1. Register of Transfers
2. Register of Charges

ANNEXURE B

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during/for the financial year ending 31st March, 2009.

Sr.No.	Form No./Return	Filed Under Section	For	Date of Filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid
1.	Form 20B	159	Filing of annual Return as on 27/08/2008	25/11/2008	Yes	N.A.
2.	Form 23AC/ACA	220	Filing of annual accounts for the year ended 31.03.2008	26/11/2008	No	Yes
3.	Form No.23	192	Filing of special resolutions passed at AGM	20/10/2008	Yes	N.A.
4.	Form No.8	125	Filing of particulars of charge	18/08/08	No	Yes

No forms or returns were filed with Regional Director, Central Government or other authorities during the financial year ended 31st March, 2009.



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REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance

Your Company firmly believes in and continues to practise good Corporate Governance. The Company's essential character is shaped by the very values of transparency, professionalism and accountability. The Company continuously endeavours to improve on these aspects on an ongoing basis. In order to achieve the objective, the Company is driven by the following guiding principles. :

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

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

Board of Directors

The Board of Directors of the Company comprise of Executive Chairman, Managing Director, Executive Director and Independent Directors. The Managing Director of the Company is responsible for day to day operations related issues and the overall business of the Company.

The Company has Six Directors.

Sr. No.	Name of the Director	Status	No. of other Directorships	No. of other Committee Memberships	
				Chairman	Member
1)	Mr. R. J. Sanghavi	Executive Chairman, Promoter	Nil	Nil	Nil
2)	Mr. U. J. Sanghavi	Managing Director, Promoter	Nil	Nil	Nil
3)	Mr. T. J. Sanghavi	Executive Director, Promoter	Nil	Nil	Nil
4)	Mr. M. M. Vora	Non - Executive, Independent	Nil	One	One
5)	Mr. S. R. Sanghavi	Non - Executive, Independent	Nil	One	One
6)	Mr. H. S. Kamath	Non - Executive, Independent	Nil	Nil	One



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Board Meetings

During the year under review, seven Board Meetings were held. Details of attendance at the Board Meetings and Annual General Meeting for each of the Directors are given below:

Sr. No.	Name of the Director	No. of Board Meetings attended	Attendance At Annual General Meeting	Dates of Meetings
1.	Mr. R. J. Sanghavi	Seven	Attended	Annual General Meeting: <ul style="list-style-type: none">27th September, 2008 Board Meeting held on: <ul style="list-style-type: none">28th May, 200830th June, 200831st July, 200829th Aug, 200814th Oct, 200831st Oct, 200831st Jan, 2009
2.	Mr. U. J. Sanghavi	Seven	Attended	
3.	Mr. T. J. Sanghavi	Seven	Attended	
4.	Mr. M. M. Vora	Four	Attended	
5.	Mr. S. R. Sanghavi	One	Attended	
6.	Mr. H. S. Kamath	Three	Attended	

Information about Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting:

Name of the Director	T.J. Sanghavi	M.M. Vora
Date of Birth	02.10.1962	22.06.1939
Date of Appointment	Since Inception	03.02.2003
Status	Executive Director	Director
Qualification	B. Com	B. Com
Expertise in specific functional type	Commercial Management	Businessman
Directorship of Other Companies	None	None
Shareholding	112490	4166



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Audit Committee

The powers and terms of reference of the committee are as mentioned in clause 49 of Listing Agreement with the Bombay Stock Exchange Ltd.

Sr. No.	Name of the Director.	Status.	No. of Meetings held.	No. of Meetings attended.	Dates of Audit Committee Meetings.
1.	Mr. M. M. Vora (Chairman)	Non Executive / Independent	Four	Four	<ul style="list-style-type: none">• 30th June, 2008• 31st July, 2008• 31st October, 2008• 31st January, 2009
2.	Mr. S. R. Sanghavi (Member)	Non Executive / Independent	Four	One	
3.	Mr. H. S. Kamath (Member)	Non Executive / Independent	Four	Three	

Shareholders / Investors Grievance Committee

Non-Executive Director heading the Committee	Mr. Samaldas R Sangahvi
Compliance Officer	Mr. Yogendra Nakre
Number of shareholders complaints received so far	NIL
Number of complaints not solved to the satisfaction of Shareholders	NIL
Number of pending Complaints	NIL



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Remuneration to Directors

Remuneration has been paid to the Executive Directors in accordance with Schedule XIII of the Companies Act within the overall limits approved by the Members.

The remuneration details for the financial year 2008 - 09 is as follows

Name of the Directors	Status	Salary (Rs.)	Contribution to Provident Fund (Rs.)	Sitting Fees (Rs.)	Total (Rs.)	Contract Period (No. of years)
Mr. R. J. Sanghavi	Executive Chairman	5,88,000	70,560	-	6,58,560	5 years
Mr. U. J. Sanghavi	Managing Director	5,88,000	70,560	-	6,58,560	5 years
Mr. T. J. Sanghavi	Executive Director	5,88,000	70,560	-	6,58,560	5 years
Mr. M. M. Vora	Non-Executive/Independent	N.A	-	25,000	25,000	N.A.
Mr. S.R. Sanghavi	Non-Executive/Independent	N.A	-	-	-	N.A.
Mr. H. S. Kamath	Non-Executive/Independent	N.A	-	15,000	15,000	N.A.

Notice period for the Directors is as applicable to the senior employees of the Company. No severance fee is payable to the Directors on termination of employment. The Company does not have a scheme for stock options for the Directors or the employees.

Shareholding of the Non Executive Directors.

Name of the Director.	Nature of Directorship	No of Shares held	Percentage to the paid-up capital
Mr. M. M. Vora	Independent	4166	0.107
Mr. S. R. Sanghavi	Independent	NIL	NIL
Mr. H. S. Kamath	Independent	1000	0.026



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General Body Meetings

The last three Annual General Meetings of the Company were held at the registered office of the Company on 30th September, 2006 , 29th September, 2007 and 27th September, 2008 respectively. Five special resolutions were passed at Annual General Meeting held on 27th September, 2008.

Disclosures

- There were no transactions of material nature with its promoters, the Directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large.
- Related party disclosures as required under Accounting Standards 18 issued by the Institute of Chartered Accountants of India are made vide Note No.18 (A) & (B) in schedule P to the Annual Accounts.
- There were no instances of non-compliance nor have any penalties, strictures been imposed by Stock Exchange or SEBI or any other statutory authority during the last three years on any matter related to the capital markets.
- The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement. The Board would review implementation of the non-mandatory requirements of the Corporate Governance Code in due course of time.
- The Managing Director (CEO/CFO) has certified to the Board in accordance with Clause 49 (V) of the Listing Agreement pertaining to CEO/CFO certification for the Financial Year ended 31st March, 2009.
- The Company has a detailed Business Risk Management Process which is periodically reviewed by the Board of Directors for determining its effectiveness.
- The Company follows Accounting Standards prescribed by the Companies Accounting Standard Rules, 2006 and relevant provisions of the Companies Act, 1956 and in preparation of financial statements, the Company has not adopted a treatment different from that prescribed in the Accounting Standard(s).

DECLARATION BY THE CEO UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERANCE TO THE CODE OF CONDUCT.

In accordance with Clause 49 sub – clause I(D) of the Listing Agreement with the Stock Exchange, I hereby confirm that, all the Directors and the Senior Management Personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the Financial Year ended March 31, 2009.

For Nikhil Adhesives Limited

Umesh. J. Sanghavi

Managing Director

Date: 30th June, 2009.



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CEO/CFO CERTIFICATION

The Board of Directors,
Nikhil Adhesives Limited,
Mumbai.

Re: Financial Statements for the year 2008-09 Certification by CEO/CFO.

I, Umesh.J.Sanghavi, Managing Director (CEO/CFO) of **Nikhil Adhesives Limited**, on the basis of the review of the financial statements and the cash flow statement for the financial year ended March 31, 2009 and to the best of my knowledge and belief, hereby certify that:-

1. These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2009 which are fraudulent, illegal or violative of the Company's code of conduct.
4. I accept responsibility for establishing and maintaining internal controls; I have evaluated the effectiveness of the internal control systems of the Company and I have disclosed to the auditors and the Audit Committee those deficiencies, of which I am aware, in the design or operation of the internal control systems and that I have taken the required steps to rectify these deficiencies.
5. I 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 I have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems.

Umesh J Sanghavi
Managing Director

30th June, 2009



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Means of Communications

Quarterly / half yearly financial results of the Company are forwarded to the Bombay Stock Exchange Ltd. and also published in Free Press Journal (English Daily) and Navshakthi (Marathi Daily). The Company's website address is **www.nikhiladhesives.com**

General Shareholder Information

- | | | |
|-------|---|---|
| i) | Annual General Meeting Date, Time and Venue | : 26 th September, 2009, 11.00a.m. at
Shreeji Industrial Estate,
Vadkun, College Road, Dahanu,
Dist. Thane – 401 602. |
| ii) | Date of Book closure | : 21 st September, 2009 to 26 th September,
2009 (both days inclusive) |
| iii) | Date of Payment of Dividend | : 1st October, 2009 onwards |
| iv) | Financial Calendar (Tentative) | |
| | • Unaudited financial results for the quarter ending 30 th June, 2009 | : 4 th Week of July 2009 |
| | • Unaudited financial results for the quarter ending 30 th September, 2009 | : 4 th Week of October, 2009 |
| | • Unaudited financial results for the quarter ending 31 st December, 2009 | : 4 th Week of January 2010 |
| | • Audited financial results for the year ending 31 st March, 2010 | : 4 th Week of May / June 2010 |
| | • Annual General Meeting for the year ending 31 st March, 2010 | : August / September 2010 |
| v) | Listing on Stock Exchange | : Bombay Stock Exchange Limited. |
| vi) | Demat ISIN Number for NSDL & CDSL | : INE 926C01014 |
| vii) | Stock Code on Mumbai Stock Exchange | : 526159 |
| viii) | Grievance Redressal Division Email ID | : ynakre@nikhiladhesives.com |



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ix) High / Low share price during last financial year (month wise)

Month	BSE (Rs.)		SENSEX	
	High	Low	High	Low
April 2008	32.65	25.30	17,480.74	15,297.96
May 2008	30.00	26.30	17,735.70	16,196.02
June 2008	29.60	24.30	16,632.72	13,405.54
July 2008	27.80	24.05	15,130.09	12,514.02
August 2008	26.80	22.50	15,579.78	14,002.43
September 2008	28.25	23.80	15,107.01	12,153.55
October 2008	24.95	21.40	13,203.86	7,697.39
November 2008	22.85	17.55	10,945.41	8,316.39
December 2008	17.45	14.70	10,188.54	8,467.43
January 2009	17.50	12.40	10,469.72	8,631.60
February 2009	13.96	12.08	9,724.87	8,619.22
March 2009	12.78	11.03	10,127.09	8,047.17

x) Distribution Schedule of Number of shares as on 31.03.2009

	No. of Holders	%	No. of Shares	%
Up to 100	785	44.86	68721	1.76
101 to 200	377	21.54	73203	1.88
201 to 500	317	18.11	132757	3.41
501 to 1000	133	7.60	116929	3.00
1001 to 5000	74	4.23	164340	4.22
5001 to 10000	17	0.97	127270	3.27
10001 to 100000	37	2.12	1608310	41.30
100001 and above	10	0.57	1602770	41.16
TOTAL	1750	100	3894300	100



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xi) **DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2009**

Category	Number of Shares.	Percentage of Shareholding.
A. Promoter's holding		
1. Promoters		
- Indian promoters	21,33,600	54.788
- Foreign promoters		
2. Persons acting in concert		
Sub - total	21,33,600	54.788
B. Non-Promoters holding		
3. Institutional investors		
a. Mutual funds and UTI	900	0.023
b. Banks, financial institutions, insurance companies (central/ State Government institutions/ non- government institutions)		
c. FII(s)		
Sub - total	900	0.023
4. Others		
a. Private corporate bodies	2,62,573	6.742
b. Indian public	14,97,127	38.444
c. NRI's / OCBs	100	0.003
d. Clearing Members	-	-
Sub Total	17,59,800	45.189
Grand Total	38,94,300	100



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- xii) Registrars & Transfer Agents : M/s. Sharex (India) Pvt. Ltd.
Regd. Office :
17/B, Dena Bank Building, 2nd Floor,
Horniman Circle, Fort,
Mumbai - 400 001
Branch Office :
Unit No. 1, Luthra Ind. Premises,
Andheri Kurla Road, Safed Pool,
Andheri (East),
Mumbai - 400 072.
- xiii) Share Transfer Systems : Since the Company's shares are compulsorily traded in the demat segment on the BSE, bulk of the transfers take place in the electronic form. Share transfers in physical form are registered and returned within the stipulated time, if documents are clear in all respect. The Committee of Directors for Share Transfer meets frequently to approve transfer of shares.
- xiv) Dematerialization of shares and liquidity : Trading in equity shares of the Company is permitted only in dematerialized form.
Total No. of Shares dematerialized up to 31.03.2009 is 33,25,560 i.e. 85.39% of the total equity share capital of the Company.
- xv) Issue of any GDRs, ADRs etc. : The Company has not issued any GDRs, ADRs, Warrants or any Convertible Instruments.
- xvi) Plant locations : 1) Shreeji Industrial Estate
Vadkun, College Road, Dahanu,
Dist. Thane - 401 602.
2) Plot No. 7A & 7B, Govt Ind. Estate
Phase- I , Piparia , Silvassa.
- xvii) Registered Office Address : Shreeji Industrial Estate
Vadkun, College Road, Dahanu,
Dist. Thane - 401 602
- xviii) Address for Shareholder 's correspondence : M/s. Sharex (India) Pvt. Ltd.
Unit No. 1, Luthra Ind. Premises,
Andheri Kurla Road,
Safed Pool, Andheri (East),
Mumbai - 400 072.



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COMPLIANCE CERTIFICATE FROM AUDITORS OF THE COMPANY

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

We have examined the compliance of conditions of the Corporate Governance by **Nikhil Adhesives Limited** for the year ended on **31st March, 2009** as stipulated in Clause 49 of the Listing Agreement of the said Company with the Mumbai stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Clause. 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 based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

**For D.V.Vakharia & Co.
Chartered Accountants**

**(D. V. Vakharia)
Proprietor
Membership No.: 46115
Place: Mumbai
Date: 30th June, 2009.**



NIKHIL ADHESIVES LIMITED

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AUDITOR'S REPORT TO THE MEMBERS OF NIKHIL ADHESIVES LIMITED

- 1) We have audited the attached balance sheet of **Nikhil Adhesives Ltd.** as at **31st March, 2009**, the profit and loss account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.
- 3) As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4) Further to our comments in the Annexure referred to above, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - v) On the basis of written representations received from the directors, as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;



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- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) in the case of the balance sheet, of the state of affairs of the Company as at 31st March, 2009;
 - (b) in the case of the profit and loss account, of the **profit** for the year ended on that date; and
 - (c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For D. V. Vakharia & Co.
Chartered Accountants

(D. V. Vakharia)
Proprietor
Membership No. : 46115
Place : Mumbai
Date : 30th June, 2009



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**Annexure referred to in paragraph 3 of the Auditor's Report of even date
to the members of Nikhil Adhesives Limited
on the accounts for the year ended 31st March, 2009**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of major items of fixed assets.
- (b) During the year under consideration, physical verification of major items of fixed assets was carried out as per regular program of verification followed by the Company which in our opinion is reasonable, having regard to the size of the Company and the nature of fixed assets. No material discrepancies were noticed in respect of the assets physically verified during the year.
- (c) The Company has not disposed off substantial part of the fixed assets during the year.
- (ii) (a) The inventory (except the bonded stocks) has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and the same have been properly dealt with in the books of account.
- (iii) (a) The Company has during the year granted an unsecured loan to one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was Rs.1,45,86,884/- and the year end outstanding balance is Rs. NIL/-.
- (b) The rate of interest and other terms and conditions of the aforesaid loan are not prima facie prejudicial to the interest of the Company.



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- (c) The loan is repayable on demand basis and hence we cannot comment on the regularity of the repayment of the principal amount. The interest is recovered as stipulated.
- (iv) (a) The Company had taken unsecured loans from 4 (four) parties covered in the register maintained u/s. 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.1,48,51,547/- and the year-end balance of the said loan was Rs.1,48,51,547/-.
- (b) The rate of interest and other terms and conditions of the loans are *prima facie* not prejudicial to the interest of the Company.
- (c) The loan is repayable on demand after a specified period and as such does not carry any specific time schedule for repayment of the loan. Also, as per the agreed terms, the interest is credited as at the year end to the running account. Hence we are unable to comment on regularity of payment of interest amount.
- (v) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (vi) (a) According to the information and explanations given to us, we are of the opinion that the contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vii) The Company has not accepted any deposit from the public during the year under review. Consequently, the directives issued by the Reserve Bank of India and the provisions of section 58A and 58AA of the Act and the rules framed there under are not applicable.



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- (viii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (ix) We are informed by the management that the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of any of the products manufactured by the Company.
- (x) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income tax, custom duty, excise duty, service tax, cess and other material statutory dues with appropriate authorities.
- (b) According to the information and explanation given to us, there are no dues of sales tax / income tax / service tax / customs duty / wealth tax / excise duty / cess which have not been deposited on account of any dispute.
- (xi) The Company does not have accumulated losses as at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders during the year.
- (xiii) The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities. Hence, the question of maintenance of adequate documents and records in respect thereof does not arise.
- (xiv) The Company is neither a chit fund nor a *nidhi* / mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.



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- (xvi) The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvii) In our opinion, the term loans have been applied for the purpose for which they were obtained.
- (xviii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis have been used for long-term investment.
- (xix) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act.
- (xx) The Company has not issued debentures and hence the question of creation of securities in respect thereof does not arise.
- (xxi) The Company has not raised any money by way of public issue during the year.
- (xxii) No fraud on or by the Company has been noticed or reported during the course of our audit.

For D. V. Vakharia & Co.
Chartered Accountants

(D. V. Vakharia)
Proprietor
Membership No. : 46115
Place : Mumbai
Date : 30th June, 2009



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NIKHIL ADHESIVES LIMITED BALANCE SHEET AS AT 31ST MARCH, 2009

Particulars	Schedule	As At 31.03.2009 Rs.	As At 31.03.2008 Rs.
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	A	39,049,603	39,049,603
Reserves & Surplus	B	55,179,838	50,082,070
		94,229,441	89,131,673
LOAN FUNDS			
Secured Loans	C	169,585,464	126,409,565
Unsecured Loans	D	39,394,755	53,141,689
		208,980,219	179,551,254
Deferred Tax Liability (Net)		8,775,737	9,014,282
TOTAL		311,985,397	277,697,209
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	E	129,254,744	126,456,581
Less : Depreciation		50,741,576	40,912,004
Net Block		78,513,168	85,544,577
Capital Work in Progress		3,508,900	-
		82,022,068	85,544,577
INVESTMENTS	F	2,036,000	36,000
CURRENT ASSETS, LOANS & ADVANCES	G	405,551,166	400,654,703
LESS : CURRENT LIABILITIES & PROVISIONS	H	177,623,837	208,538,071
Net Current Assets		227,927,329	192,116,632
TOTAL		311,985,397	277,697,209
Significant Accounting Policies	O		
Notes Forming Part of The Accounts	P		

As per attached report of even date
For D.V. Vakharia & CO.
Chartered Accountants

(D. V. Vakharia)
Proprietor

Place : Mumbai
Date : 30th June 2009

For and on behalf of the Board

(U. J. Sanghavi)
Managing Director

(R. J. Sanghavi)
Chairman

(T. J. Sanghavi)
Executive Director

(M.M.Vora)
Director



NIKHIL ADHESIVES LIMITED

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NIKHIL ADHESIVES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 ST MARCH, 2009

Particulars	Schedule	For the Year Ended 31.03.2009 Rs.	For the Year Ended 31.03.2008 Rs.
INCOME			
Sales / Income from Operations	I	1,044,226,500	961,073,205
Other Income	J	2,403,104	3,956,670
TOTAL		1,046,629,604	965,029,875
EXPENDITURE			
Cost of Materials	K	885,784,647	840,098,342
Personnel Expenses	L	21,960,899	18,046,758
Operation Expenses	M	86,879,154	49,657,833
Finance Expenses	N	28,296,200	21,577,388
Depreciation/Amortisation		9,829,572	9,776,406
Total		1,032,750,472	939,156,727
Profit Before Taxation		13,879,132	25,873,148
Less : <u>Provision for Taxation</u>			
Current Tax		4,900,000	7,251,000
Deferred Tax		(238,545)	1,319,155
Fringe Benefit Tax		475,000	500,000
Tax Adjustments for earlier Year/s		-	390,755
		5,136,455	9,460,910
Net Profit for the year		8,742,677	16,412,238
Add : Balance brought forward		7,369,655	3,013,553
Profits available for appropriation		16,112,332	19,425,791
Proposed Dividend		3,115,440	3,894,300
Dividend Tax		529,469	661,836
Transferred to General Reserve		4,000,000	7,500,000
Balance carried to Balance Sheet		8,467,423	7,369,655
Earning per share (Refer note no. 13)		2.24	4.21
Significant Accounting Policies	O		
Notes Forming Part of The Accounts	P		

As per attached report of even date
For D. V. Vakharia & Co.
Chartered Accountants

(D. V. Vakharia)
Proprietor

Place : Mumbai
Date : 30th June 2009

For and on behalf of the Board

(U. J. Sanghavi)
Managing Director

(R. J. Sanghavi)
Chairman

(T. J. Sanghavi)
Executive Director

(M.M.Vora)
Director



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NIKHIL ADHESIVES LIMITED SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2009

Particulars	As At 31.03.2009 Rs.	As At 31.03.2008 Rs.
Schedule - A		
Share Capital		
<u>Authorised</u>		
49,50,000 (Previous year : 49,50,000) Equity Shares of Rs. 10/- each	49,500,000	49,500,000
50,000 8% Non Cumulative Redeemable Preference Shares of Rs.10/- each	500,000	500,000
TOTAL	50,000,000	50,000,000
<u>Issued, Subscribed & Paid up</u>		
38,94,300 (Previous year : 38,94,300) Equity Shares of Rs.10/- each fully paid up	38,943,000	38,943,000
Add : Forfeited Shares Account	106,603	106,603
TOTAL	39,049,603	39,049,603
Schedule - B		
Reserves & Surplus		
<u>Capital Redemption Reserve</u>		
Balance as per last year	400,000	400,000
<u>General Reserve</u>		
Balance as per last year	29,512,415	22,012,415
Add: Transfer From Profit & Loss Account	4,000,000	7,500,000
Closing Balance	33,512,415	29,512,415
<u>Securities Premium</u>		
Balance as per Last Year	12,800,000	12,800,000
Profit & Loss Account Balance	8,467,423	7,369,655
TOTAL	55,179,838	50,082,070



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NIKHIL ADHESIVES LIMITED SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2009

Particulars	As At 31.03.2009 Rs.	As At 31.03.2008 Rs.
Schedule - C		
Secured Loans		
From Bank of India		
Cash Credit Facility	102,236,823	65,123,082
Term Loan I	12,310,111	16,135,904
Term Loan II	421,304	3,150,083
Loan against Fixed Deposits	-	4,499,394
	114,968,238	88,908,463
From Barclays Bank		
Barclays Bank PLC	28,216,219	33,720,000
Barclays Bank PLC Term Loan	-	2,791,123
From Standard Chart A/c		
Cash Credit Facility	25,662,157	-
From Bank of India		
Vehicle Finance	738,850	989,979
TOTAL	169,585,464	126,409,565
Notes :		
1	The above working capital facilities and letters of credit facilities (inland / foreign) from the consortium banks viz. Bank of India, Barclays Bank 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 the above credit facilities are collaterally secured against equitable mortgage of factory blocks.	
2	The term loan facilities from the consortium banks are secured on <i>pari passu</i> basis against hypothecation of the plant & machineries & equitable mortgage of factory blocks subject to however the Bank of India having first charge over Plant & Machineries and Factory Building at Silvassa in respect of Term Loan II.	
3	All the credit facilities mentioned in note no.1 & 2 above are secured by personal guarantees of the promoter directors 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.	
4	The principal amounts of the vehicle loan installments due within one year from the date of balance sheet is Rs. 3,46,020/- (Previous Year Rs. 3,46,020). The loans are secured against hypothecation of the vehicles financed.	
Particulars	As At 31.03.2009 Rs.	As At 31.03.2008 Rs.
Schedule - D		
Unsecured Loans		
A. Short term Loans		
From Bank	-	29,292,745
From Directors	9,851,547	-
B. Other Loans		
From Companies	25,200,000	20,000,000
Sales Tax Deferral (Under Package Scheme of Incentives)	4,343,208	3,848,944
TOTAL	39,394,755	53,141,689

NIKHIL ADHESIVES LIMITED
SCHEDULES TO THE BALANCE SHEET AS AT 31 ST MARCH , 2009

SCHEDULE - E
FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As of 01.04.2008	Additions during the period	Sale/Return during the period	As At 31.03.2009	Written off till 31.03.2008	Adjustment	For the period	Written off till 31.03.2009	As At 31.03.2009	As At 31.03.2008
<u>Tangible Assets</u>										
Factory Land	1,873,012	257,732		2,130,744	-			-	2,130,744	1,873,012
Factory Buildings	20,779,061	281,917		21,060,978	3,084,641		697,525	3,782,166	17,278,812	17,694,420
Plant & Machinery	86,267,399	1,401,308		87,668,707	25,431,417		7,845,621	33,277,038	54,391,669	60,835,982
Computers	3,323,354	826,048		4,149,402	2,252,501		380,811	2,633,312	1,516,090	1,070,853
Vehicles	2,431,260	-		2,431,260	510,195		224,779	734,974	1,696,286	1,921,065
Furniture & Fixtures	2,214,479	31,157		2,245,636	606,809		139,260	746,069	1,499,567	1,607,670
<u>Intangible Assets</u>										
Goodwill	650,000			650,000	602,271		47,729	650,000	-	47,729
Technical Know How	3,075,000			3,075,000	2,781,470		293,530	3,075,000	-	293,530
Trademark	1,098,500			1,098,500	993,640		104,860	1,098,500	-	104,860
MDC Logo	3,500,000			3,500,000	3,500,000		-	3,500,000	-	-
No Compete Agreement	1,000,000			1,000,000	904,543		95,457	1,000,000	-	95,457
TOTAL	126,212,065	2,798,162	-	129,010,227	40,667,487	-	9,829,572	50,497,059	78,513,168	85,544,578
Capital Work in progress		3,508,900	-	3,508,900	-	-	-	-	3,508,900	-
GRAND TOTAL	126,212,065	6,307,062	-	132,519,127	40,667,487	-	9,829,572	50,497,059	82,022,068	85,544,578
PREVIOUS YEAR	(105,642,931)	(21,341,055)	(771,921)	(126,212,065)	(31,135,598)	(244,516)	(9,776,406)	(40,667,487)	(85,544,578)	(74,507,333)



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SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2009

Particulars	Nos.	Face Value	As At 31.03.2009 Rs.	As At 31.03.2008 Rs.
Schedule - F				
Investments (At Cost)				
(Long Term - Non Trade)				
Quoted				
Equity Shares of Bank of India	800	10	36,000	36,000
HDFC Top 200 Fund	12637	10	1,500,000	-
Kotak Opoortunities Growth	16402	10	500,000	-
TOTAL			2,036,000	36,000
Market Value of Quoted Investments			1,712,658	202,320



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NIKHIL ADHESIVES LIMITED SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2009

Particulars	As At 31.03.2009 Rs.	As At 31.03.2008 Rs.
Schedule - G		
Current Assets, Loans & Advances		
<u>Current Assets</u>		
Stock-in-trade (Taken and Certified by Managing Director) (Valued at lower of cost or net realisable value)		
Raw Materials	47,200,508	52,488,231
Packing Materials	2,433,310	2,449,254
Finished Goods	10,173,546	23,499,509
Fuels	279,595	176,764
Stores, Spares & Consumables	26,218	11,513
Stock of Unused Promotional Material	288,050	-
Trading Goods	66,829,186	26,504,019
Sub Total	127,230,413	105,129,290
<u>Sundry Debtors (Unsecured)</u>		
<u>Over Six Months</u>		
- Considered Good	3,979,373	3,898,138
- Considered Doubtful	-	-
-	3,979,373	3,898,138
Other Debts Considered Good	205,902,627	229,068,754
Sub Total	209,882,000	232,966,892
<u>Cash & Bank Balances</u>		
Cash on Hand	514,704	387,188
<u>Balance with Scheduled Banks</u>		
- In Current Accounts	4,329,294	6,859,574
- Term Deposits (Pledged with Bank against Loans and Letters of Credit facilities)	33,486,864	23,168,767
Sub Total	38,330,863	30,415,529
<u>Loans & Advances</u>		
(Unsecured & Considered Good)		
Advances Recoverable in Cash or in Kind or for Value to be Received	13,955,500	21,042,377
Central Excise Balance	13,043,003	8,324,095
Deposits	3,109,390	2,776,520
Sub Total	30,107,893	32,142,992
TOTAL	405,551,167	400,654,703



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NIKHIL ADHESIVES LIMITED SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2009

Particulars	As At 31.03.2009 Rs.	As At 31.03.2008 Rs.
Schedule - H		
Current Liabilities & Provisions		
<u>Current Liabilities</u>		
<u>Sundry Creditors</u>		
i) Total Outstanding Dues of Micro & Small Enterprises	-	965,301
ii) Total Outstanding Dues of Creditors other than Small Scale Industrial Undertaking(s)	160,933,543	185,284,287
	160,933,543	186,249,588
Security Deposit from Customers	929,085	1,024,448
Unclaimed Dividends	371,263	365,861
Other Liabilities	7,936,177	11,449,441
Sub Total	170,170,068	199,089,338
<u>Provisions</u>		
Provision for taxation (Net)	2,821,919	4,234,328
Proposed Dividend (including dividend tax)	3,644,909	4,556,136
Provision for Gratuity / Bonus	986,942	658,269
Sub Total	7,453,770	9,448,733
TOTAL	177,623,837	208,538,071



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NIKHIL ADHESIVES LIMITED SCHEDULES TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 ST MARCH, 2009

Particulars	For the Year Ended 31.03.2009 Rs.	For the Year Ended 31.03.2008 Rs.
Schedule - I		
Sales / Income from operations		
Sales (Net of VAT/ Sales Tax)	1,114,356,153	1,023,743,423
Less : Excise Duty	88,602,709	82,060,246
Sales (Net of VAT/ Sales Tax & Excise Duty)	1,025,753,444	941,683,177
Labour Charges Income	10,787,340	10,205,460
Commission Income	2,411,631	1,190,615
Service Charges Income (Net)	3,237,095	238,940
Software Development Income	2,036,990	-
Foreign Currency Translation Gains (Net)	-	7,755,013
TOTAL	1,044,226,500	961,073,205
Schedule - J		
Other Income		
Interest Income (TDS Rs.124859/- Previous Year Rs.13,234/-)	601,610	59,745
Dividend Income	5,752	1,200
Miscellaneous Income	1,795,742	3,895,725
TOTAL	2,403,104	3,956,670
Schedule - K		
Cost of Materials		
Raw Materials Consumed	434,735,346	329,466,075
Packing Materials Consumed	35,066,685	29,851,184
Cost of Raw/Packing Materials Resale	18,056,413	3,223,885
Sub Total	487,858,444	362,541,144
Increase /(Decrease) in Stock of Finished Goods		
Opening Stock	23,499,509	22,078,904
Closing Stock	(10,173,546)	(23,499,509)
Sub Total	13,325,963	(1,420,605)
Increase /(Decrease) in Excise Duty on Finished Goods Stock		
On Opening Stock	(2,559,993)	(3,135,967)
On Closing Stock	177,070	2,559,993
Sub Total	(2,382,923)	(575,974)
Cost of Trading Goods Sold		
Opening Stock	26,504,019	38,607,145
Add : Purchases	427,308,330	467,450,651
	453,812,349	506,057,796
Less : Closing Stock	66,829,186	26,504,019
Sub Total	386,983,163	479,553,777
TOTAL	885,784,647	840,098,342
Schedule - L		
Personnel Expenses		
Salaries, Wages, Bonus, Gratuity etc.	18,208,349	14,773,148
Directors' Remuneration	1,764,000	1,764,000
Staff Welfare	861,180	863,374
Contribution to Provident Fund, etc.	1,127,370	646,236
TOTAL	21,960,899	18,046,758



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NIKHIL ADHESIVES LIMITED SCHEDULES TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 ST MARCH, 2009

Particulars	For the Year Ended 31.03.2009 Rs.	For the Year Ended 31.03.2008 Rs.
Schedule - M		
Operation Expenses		
Stores Consumed	1,728,547	1,238,465
Power & Fuel	7,411,099	5,816,695
Labour Charges	1,065,358	4,452,356
Rent	4,437,678	3,040,774
Repairs & Maintenance		
Plant & Machinery	815,622	497,756
Buildings	95,107	196,526
Others	326,000	285,509
Sub Total	1,236,729	979,791
Printing & Stationery	613,251	470,898
Insurance	535,874	600,923
Storage Charges Expenses (Net)	326,872	365,976
Rates & Taxes	180,551	65,075
Postage & Telephone	1,767,957	1,817,647
Conveyance & Vehicle Expenses	2,377,250	2,657,650
Service Charges	1,743,396	1,992,963
Legal & Professional Fees	1,563,884	1,252,626
Foreign Currency Translation Loss(Net)	29,456,020	-
Travelling Expenses	2,708,939	2,779,574
Advertising and Sales Promotion Expenses	725,404	586,607
Transportation, Octroi & Coolie Charges	20,613,135	14,880,567
Brokerage and Commission	1,430,035	1,441,345
Bad Debts	150,234	315,887
Loss on Sale of Assets	-	214,565
Discounts /Rebates (Net)	4,906,044	2,584,256
Directors' Sitting Fees	40,000	60,000
Miscellaneous Expenses	1,860,897	2,043,193
TOTAL	86,879,154	49,657,833
Schedule - N		
Finance Expenses		
Bank Interest on Term Loans	2,437,037	3,197,058
Bank Interest on Other Credit Facilities	18,864,151	12,486,478
Cash Discounts	322,186	640,684
Bank Charges	4,998,503	2,344,924
Bills / Letters of Credit Discounting Charges	3,322,098	4,225,653
Other Interest	446,601	472,902
	30,390,576	23,367,699
Less :		
Interest Received (Gross)	2,094,376	1,790,311
(TDS Rs.6,98,820/- Previous Year Rs.3,95,688/-)		
TOTAL	28,296,200	21,577,388



NIKHIL ADHESIVES LIMITED

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WOOD ADHESIVE SINCE 1971

NIKHIL ADHESIVES LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009

Schedule – O

Significant Accounting Policies

1. Basis of Accounting

Financial statements are prepared on historical cost basis and as per accrual system of accounting.

2. Tangible Fixed Assets and Depreciation

- Fixed Assets are stated at cost less depreciation. The cost of fixed assets include purchase price, transportation, duties, taxes and other attributable expenses, but excludes Cenvat/VAT/Service Tax Credits, if any, available.
- Depreciation is provided as per rates prescribed in schedule XIV of the Companies Act, 1956 on Straight Line Method. In respect of assets acquired/ disposed off during the year, prorata depreciation is provided from/till the date of acquisition/ disposal.

3. Intangible Assets and Amortisation

Intangible assets are recognized and stated in financial statements in accordance with AS – 26 "Intangible Assets" and are amortised on a straight line basis over a period of useful economic life or a period of ten years whichever is less, except when it is clearly established that the useful economic life of the asset is exceeding the period of ten years- in which case it is amortised over its useful economic life with adequate disclosure in accordance with AS – 26 "Intangible Assets". The assets acquired during the year are amortised on pro-rata basis.

4. Inventories

Inventories are valued at lower of cost (Net of VAT Credits) or net realisable value. The Cost is ascertained on First In First Out (FIFO) basis.

5. Investments

Long term investments are stated at cost. Current Investments are stated at lower of cost and fair market value.

6. Sales and Services

- Sales are accounted net of excise duty and VAT/sales tax collected from customers.
- Sales include goods sold on High Seas / Bond Transfer basis.
- Income from services are accounted net of service tax collected from customers.



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7. Excise Duty and Indirect Taxes

Excise Duty, VAT/Sales Tax and Service Tax collected from customers are credited to respective collection accounts. The Cenvat/VAT/Service Tax set off available is reduced from the cost of related materials or the expenses, and is adjusted against the Excise Duty or the Service Tax or the VAT liability, as per set off rules under the relevant statutes.

8. Sales Tax Deferment

Deferred sales tax liability under the Incentive Scheme of the Government is accounted for at its discounted present value as at the Balance Sheet date, calculated by applying the appropriate discount factor. The difference between the face value and the discounted value is credited to the profit and loss account in the year/(s) in which the deferment benefit is availed. In the subsequent years the Profit and Loss Account is debited by an appropriate amount such that the accumulation in Sales Tax Deferral Account is equal to the amount of deferred sales tax liability falling due from time to time.

9. Research and Development expenditure

Capital expenditure incurred for acquiring tangible fixed assets for the purpose of research & development is capitalised as fixed asset. Revenue expenditure on research and development is charged as expense in the year in which it is incurred under the respective heads of account.

10. Foreign Currency Transactions

- Foreign Currency transactions are generally recorded on the basis of exchange rate prevailing on the transaction date.
- Foreign Currency assets and liabilities, if any, as on the Balance Sheet date are restated in the accounts on the basis of exchange rate prevailing at the close of the year.
- The Foreign Currency translation gains/losses are recognised in the profit and loss account.

11. Employees Retirement Benefits

(a) 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 profit and loss account.

(b) 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.



NIKHIL ADHESIVES LIMITED

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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 profit and loss account

(c) Compensated Leave

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

12. Impairment of Assets

The Carrying amount of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

13. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving a substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Financial Statements. Contingent Assets are neither recognised nor disclosed in the Financial Statements.



NIKHIL ADHESIVES LIMITED

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WOOD ADHESIVE SINCE 1971

NIKHIL ADHESIVES LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009

Schedule - P

Notes Forming Part of The Accounts :

1. Previous year's figures have been regrouped and / or rearranged wherever necessary to make them comparable with current year's figures.
2. The accounts of the Sundry Debtors and Creditors who have not responded to the Company's request for confirmation of balances, are subject to reconciliation, if any, required.
3. Particulars of Intangible Assets pursuant to AS - 26 'Intangible Assets'.

Particulars of Intangible Assets	Amortisation Period	Amortisation method	Gross Value of Acquisition	Accumulated Amortisation till date
Acquired Assets				
Goodwill-Old	*	*	1,50,000	1,50,000
Goodwill-New	5 Years	Straight Line Method	5,00,000	5,00,000
Technical Knowhow	5 Years	Straight Line Method	30,75,000	30,75,000
TradeMark	5 Years	Straight Line Method	10,98,500	10,98,500
Licence to use Logo Design	3 Years	Straight Line Method	35,00,000	35,00,000
No Compete Agreement	5 Years	Straight Line Method	10,00,000	10,00,000

* Written off fully in the financial year ended 31.03.2004 pursuant to Paragraph 99 of the aforesaid Accounting Standard.



NIKHIL ADHESIVES LIMITED

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Particulars	31.03.2009 Amount(Rs.)		31.03.2008 Amount(Rs.)	
	4 (a) Contingent Liabilities	NIL		NIL
(b) Estimated amount of contracts remaining to be executed on capital account - not provided for.	NIL		NIL	
5 Details of Principal items of raw materials consumed.	Qty.(Kgs.)	Amount(Rs.)	Qty.(Kgs.)	Amount(Rs.)
Vinyl Acetate Monomer	1,987,281	104,709,710	2,354,512	129,221,567
Butyl Acrylate Monomer	1,806,255	135,352,067	1,032,971	76,136,631
Other Chemicals		194,673,569		124,107,877
TOTAL		434,735,346		329,466,075
6 Break-up of value of consumption of raw materials	%	Amount(Rs.)	%	Amount(Rs.)
Imported	75	324,568,317	85	281,458,239
Indigeneous	25	110,167,029	15	48,007,836
TOTAL	100	434,735,346	100	329,466,075
7 Break up of value of stores consumed	%	Amount(Rs.)	%	Amount(Rs.)
Imported	-	-	-	-
Indigeneous	100	1,728,547	100	1,238,465
TOTAL	100	1,728,547	100	1,238,465
8 Value of imports calculated on C.I.F. basis				
Materials (for Manufacturing & Trading)		455,469,340		363,178,137
TOTAL		455,469,340		363,178,137
* Due to nature of the business, segregation of CIF value between manufacturing & trading segment is not practicable				
9 Details of managerial remuneration				
Salaries to Managing Director		588,000		588,000
Salaries to Whole Time Directors		1,176,000		1,176,000
Contribution to Provident Fund, etc		211,680		-
Perquisites		-		-
TOTAL		1,975,680		1,764,000
10 Details of Auditors Remuneration (Excluding service tax)				
Audit Fees		150,000		150,000
Tax Audit Fees		50,000		50,000
TOTAL		200,000		200,000
11 Foreign Currency Expenditure				
- Travelling		22,497		22,157
12 Foreign Currency Earnings				
- FOB value of exports		2,399,642		3,147,700
- Software Development Income		2,036,990		-
- Commission Income		2,411,631		-
TOTAL		6,848,263		3,147,700
13 Earning per share is calculated as under				
Net Profit after Tax		8,742,677		16,412,238
Weighted average number of equity shares(Basic and Diluted)		3,894,300		3,894,300
Face Value of Equity Shares(in Rs.)		10		10
Basic and Diluted Earning per share(in Rs.)		2.24		4.21



NIKHIL ADHESIVES LIMITED

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NIKHIL ADHESIVES LIMITED

14) Quantitative Details of Turnover, Purchases and Production of Finished Goods for the year ended 31st March, 2009.

Particulars	Units	Opening Stock		Purchases		Production *	Sales		Closing Stock	
		Qty	Amount	Qty	Value	Qty.	Qty	Amount	Qty	Amount
Adhesives & Emulsions	Kgs.	475,357	23,499,509	-	-	11,892,648	12,076,185	585,881,607	291,820	10,233,896
		(455,853)	(22,078,904)	-	-	(9,447,393)	(9,427,889)	(439,102,518)	(475,357)	(23,499,509)
Other Chemicals	Kgs.	284,230	26,504,019	5,519,552	427,308,330	-	4,854,725	417,422,619	949,057	66,768,834
		(489,983)	(38,607,145)	(6,846,015)	(467,450,647)	-	(7,051,768)	(499,072,962)	(284,230)	(26,504,019)
Sale of Raw / Packing Materials etc.								22,449,218		
								(3,507,697)		
Total			50,003,528		427,308,330			1,025,753,444		77,002,730
Previous Year			(60,686,049)		(467,450,647)			(941,683,177)		(50,003,528)

* Excluding production of 2696835kg.(Previous Year 2551365kg.) on job work basis.

Notes :

- 1) Since the licensing requirement does not apply to the Company, Licensed Capacity is not stated.
- 2) Installed capacity for manufacture of Adhesives & Emulsions as on the balance sheet date is 17,000 tonnes per annum [Previous Year 17,000 tonnes per annum].
Being a technical matter, the installed capacity as certified by the management is relied upon by the Auditors.

15 Pursuant to Accounting Standard "Accounting for Taxes on Income" (AS - 22) issued by the Institute of Chartered Accountants of India, the Company has recorded Deferred Tax adjustments in respect of various items as follows:

Components of Deferred Tax	Deferred Tax	Deferred Tax	Balance
	Balance as on 31.03.2008	Arising / Reversing during the year	as on 31.03.2009
<u>Deferred Tax Liabilities</u>			
Depreciation on fixed assets	7,289,643	41,172	7,330,815
Deferred Sales Tax liability accounted in Books of Accounts on discounted present value basis which is considered for taxation purpose for tax value	1,948,384	(168,000)	1,780,384
<u>Deferred Tax Assets</u>			
Expenses incurred during the year allowable as deduction in income tax in subsequent years	(223,745)	(111,717)	(335,462)
Net Deferred Tax Liabilities / (Assets)	9,014,282	(238,545)	8,775,737



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16 Retirement Benefit - Gratuity

The following disclosures are made in accordance with As 15(Revised) pertaining to Defined Benefit Plans : 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.

Profit and Loss account

Net employee benefit expenses (recognised in employee cost) Schedule No 10

Particulars	Year ended 31.03.2009
Current service cost	157,799
Interest on defined benefit obligation	65,285
Net actuarial losses/(gains) recognised in the year	105,589
Past service cost	-
Total included in "employee benefit expenses"	328,673

Balance Sheet

Details of provision for gratuity

Particulars	As At 31.03.2009
Discounted Present value of accrued gratuity liability as at the year end determined as per Actuarial valuation (Schedule No 7)	986,942
Amount in balance Sheet	986,942

Changes in the present value of the defined benefit obligation are as follows:

Particulars	Year ended 31.03.2009
Liability at the beginning of the year	658,269
Interest cost	65,285
Current Service Cost	157,799
Past service cost (non vested benefit)	-
Past service cost (vested benefit)	-
Benefits paid	-
Actuarial (gain)/losses	105,589
Liability at the end of the year	986,942

Principal actuarial assumptions as at the balance sheet date:

Discount rate	8%
Salary escalation	5%
Employees attrition rate	2%



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NIKHIL ADHESIVES LIMITED

17 (a) Information about Business Segments for the year ended 31st March, 2009

Particulars	Manufacturing of Adhesives & Emulsions	Trading in Chemicals	Total Rupees
Revenue			
Sales/Income From Operations	599,382,392	444,844,108	1,044,226,500
Inter-Segment Sales	-	-	-
Commission Income			2,403,104
Total Revenue	599,382,392	444,844,108	1,046,629,604
Result			
Segment Result	38,259,134	12,212,748	50,471,882
Unallocated Corporate Expenses(net)			8,296,550
Operating Profit			42,175,332
Interest Expense(net)			28,296,200
Income Taxes(including deferred tax)			5,136,455
Profit From Ordinary Activities			8,742,677
Extraordinary Items			-
Net Profit			8,742,677
Other Informations			
Segment Assets	266,375,310	221,197,929	487,573,238
Unallocated Corporate Assets			2,036,000
Total Assets			489,609,238
Segment Liabilities	86,874,749	88,625,468	175,500,217
Unallocated Corporate Liabilities			219,879,580
Total Liabilities			395,379,797
Add: Share Capital And Reserves			94,229,441
Total Capital & Liabilities			489,609,238
Capital Expenditure	2,026,454	771,710	
Work in Progress	3,508,900	-	
Depreciation	9,458,799	370,773	
Non Cash Expenses Other Than Depreciation	-	-	

Notes :

- 1) The Information stated above is in conformity with Accounting Standard 17 "Segment Reporting" issued by The Institute of Chartered Accountants of India.
- 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 No. 17(b)



NIKHIL ADHESIVES LIMITED

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NIKHIL ADHESIVES LIMITED

17 (b) Information about Business Segments for the year ended 31st March, 2008

Particulars	Manufacturing of Adhesives & Emulsions	Trading in Chemicals	Total Rupees
Revenue			
Sales/Income From Operations	453,506,970	507,566,235	961,073,205
Inter-Segment Sales	-	-	-
Foreign Currency Translation Gains (Net)			7,755,013
Miscellaneous Income			3,956,670
Total Revenue	453,506,970	507,566,235	968,828,218
Result			
Segment Result	34,811,576	19,205,893	54,017,469
Unallocated Corporate Expenses(net)			6,566,933
Operating Profit			47,450,536
Interest Expense(net)			21,577,388
Income Taxes(including deferred tax)			9,460,910
Profit From Ordinary Activities			16,412,238
Extraordinary Items			-
Net Profit			16,412,238
Other Informations			
Segment Assets	244,093,729	242,105,552	486,199,281
Unallocated Corporate Assets			36,077
Total Assets			486,235,358
Segment Liabilities	88,827,050	124,406,961	213,234,012
Unallocated Corporate Liabilities			183,869,595
Total Liabilities			397,103,607
Add: Share Capital And Reserves			89,131,751
Total Capital & Liabilities			486,235,358
Capital Expenditure	19,742,976	1,598,080	
Depreciation	9,430,265	346,141	
Non Cash Expenses Other Than Depreciation	-	-	

Notes :

- 1) The Information stated above is in conformity with Accounting Standard 17 "Segment Reporting" issued by The Institute of Chartered Accountants of India.
- 2) The Business Segment is the Primary Segment of the Company and there is no geographical segment having differing risk and returns.



NIKHIL ADHESIVES LIMITED

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18. Related Party Disclosures.

The following details give the information pursuant to accounting standard -18 "related party disclosures" issued by the institute of chartered accountants of India.

Name of the Related Parties and nature of Relationship

Name	Nature of Relationship
List of Related Parties	
Umesh J. Sanghvi	Promoter Directors and Key Management Personnel (KMP)
Rajendra J. Sanghvi	" " " "
Tarak J. Sanghvi	" " " "
Ashok J. Sanghvi	Promoter and Relative of Directors
Anita U. Sanghvi	Relative of Director
Mrunalini R. Sanghvi	Relative of Director
Nikhil U. Sanghvi	Relative of Director
Vasant Polymers & Chemicals Pvt. Ltd.	A Company Significantly Influenced by relatives of KMP.

B) Details of related party transaction during the year ended 31.3.2009

Amount in Rupees

Particulars	Promoter Directors & Key Management Personnel	Relatives of Promoter Directors & Key Management Personnel	Companies / Enterprises that are significantly influenced by the Directors and/or their Relatives	Total
Remuneration paid	1,975,680	1,073,400	-	3,049,080
Loans Received	9,851,547	-	14,359,525	24,211,072
Interest Received	-	-	556,610	556,610
Service charges paid	-	-	1,570,227	1,570,227
Rent Paid	-	-	240,000	240,000
Purchases	-	-	14,170,010	14,170,010
Outstanding Credit/(Debit) Balance	9,851,547	-	5,000,000	14,851,547

19. The Company has not received any intimation from 'suppliers' regarding their status under the Micro, Small and Medium Enterprise Development Act, 2006 and hence disclosure requirements in this regard as per Schedule VI of the Companies Act, 1956 could not be provided.



NIKHIL ADHESIVES LIMITED

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20. Balance Sheet abstract and Company's general business profile pursuant to part IV of Schedule VI of the Companies Act, 1956.

(Rupees in '000 s)

		Rs.
I	Registration Details :	
	Registration No.	41062
	State Code	11
	Balance Sheet Date	31.03.2009
II.	Capital raised during the year :	
	Public Issue	N . A .
	Rights Issue	N . A .
	Bonus Issue	N . A .
	Private Placement	N . A .
III.	Position of Mobilisation and Deployment of funds :	
	Total Liabilities	311,985
	Total Assets	311,985
	Sources of Funds :	
	Paid -up Capital	39,050
	Reserves & Surplus	55,179
	Secured Loans	169,585
	Unsecured Loans	39,395
	Deferred Tax Liability (Net)	8,776
		311,985
	Application of Funds :	
	Net Fixed Assets	82,022
	Investments	2,036
	Net Current Assets	227,927
Accumulated Losses	-	
	311,985	

Contd...



NIKHIL ADHESIVES LIMITED

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IV.	Performance of the Company	Rs.
	Turnover	1,046,630
	Total Expenditure	1,032,750
	Profit Before Tax	13,879
	Profit After Tax	8,743
	Earning per Share in Rupees (Face Value Rs. 10/-)	2.24
	Dividend Rate %	8%
V.	Generic Names of three Principal Products / Services of Company (as per monetary terms)	
I)	Item Code No (ITC Code) Product Description	29159000 Vinyl Acetate Monomer
ii)	Item Code No (ITC Code) Product Description	29160000 Butyl Acrylate Monomer
iii)	Item Code No (ITC Code) Product Description	39051000 Co-polymer & Homo Polymer Emulsion

'SIGNATURE TO SCHEDULES "A" To "P"

As per attached report of even date
For D.V. Vakharia & CO.
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

(D. V. Vakharia)
Proprietor

(U. J. Sanghavi)
Managing Director

(T. J. Sanghavi)
Executive Director

Place : Mumbai
Date :30th June,2009

(R. J. Sanghavi)
Chairman

(M.M.Vora)
Director



NIKHIL ADHESIVES LIMITED

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NIKHIL ADHESIVES LTD CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009

	For the Year 2008-2009 Rs.	For the Year 2007-2008 Rs.
A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax and extraordinary items	13,879,132	25,873,148
Adjustments for :		
Depreciation	9,829,572	9,776,406
Dividend Income	(5,752)	(1,200)
Interest Income	(601,610)	(59,745)
Interest & Other Financial Expenses	28,296,200	21,577,388
Exchange Loss / (Gain) On Foreign Currency Loans	-	(74,298)
Provision for SalesTax Deferral	494,264	462,270
Loss On Sale Of Car	-	214,565
Other Non Operating Income	(1,795,742)	(2,514,891)
Operating Profit before Working Capital Changes	50,096,064	55,253,643
Adjustments for :		
Trade and Other Receivables	25,264,014	(102,232,812)
Inventories	(22,101,123)	(20,321,360)
Trade Payables	(28,569,925)	68,406,862
Provision for Gratuity	328,673	149,197
Cash Generated from Operations	25,017,703	1,255,530
Direct Taxes Paid	(6,787,409)	(9,271,258)
NET CASH FLOW FROM OPERATING ACTIVITIES	18,230,294	(8,015,728)
B) CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Investments	(2,000,000)	(200,000)
Purchase of Fixed Assets	(6,661,811)	(30,660,140)
Sale of Fixed Asset	-	312,840
Sale of Investment	-	539,248
Dividend Income	5,752	1,200
Interest Received	601,610	59,745
Gain On Foreign Curre	1,795,742	2,375,643
NET CASH FLOW FROM INVESTING ACTIVITIES	(6,258,707)	(27,571,464)
C) CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Borrowings	68,919,541	141,906,222
Repayment of Borrowings	(39,984,839)	(77,931,426)
Interest Paid	(28,440,222)	(21,923,110)
Dividend paid (including dividend tax)	(4,550,734)	(4,549,784)
NET CASH FLOW FROM FINANCING ACTIVITIES	(4,056,254)	37,501,902
Net Increase/(Decrease) in Cash And Cash Equivalents	7,915,333	1,914,710
Cash and Cash equivalentants at Commencement	30,415,529	28,500,819
Cash and Cash equivalentants as at year end	38,330,862	30,415,529

Note :

Cash and cash equivalentants as at the year end include Bank Fixed Deposits of Rs. 3,34,86,864/- (Previous Year : Rs.2,31,68,767/-) pledged with the bank against Letters of Credit and/or credit facilities.

This cashflow statement also complies with requirement of clause 32 of Listing Agreement.

As per attached report of even date
For D.V. Vakharia & CO.
Chartered Accountants

For and on behalf of the Board

(D. V. Vakharia)
Proprietor

(U. J. Sanghavi)
Managing Director

(T. J. Sanghavi)
Executive Director

Place : Mumbai
Date :30th June,2009

(R.J.Sanghavi)
Chairman

(M.M. Vora)
Director



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ATTENDANCE SLIP

NIKHIL ADHESIVES LIMITED

Registered Office : Shreeji Industrial Estate, Vadkun, College Road,
Dahanu, Dist. Thane - 401 602.

I certify that I am a registered shareholder / proxy for the registered shareholder
of the Company.

I hereby record my presence at the Twenty Third Annual General Meeting of the Company
at Shreeji Industrial Estate, Vadkun, College Road, Dahanu, Dist. Thane - 401 602.
on Saturday 26th September, 2009 at 11.00 am.

Member's / Proxy's Name (in Block Letter) _____

Member's Proxy's Signature _____

Note :

Please fill in this attendance slip and hand it over at the ENTRANCE.

ATTENDANCE SLIP

NIKHIL ADHESIVES LIMITED

Registered Office : Shreeji Industrial Estate, Vadkun, College Road,
Dahanu, Dist. Thane - 401 602.

I/We _____ of _____

being a member / members of the above mentioned Company, hereby appoint
Mr/Mrs/Ms. _____ of _____
or failing him/her Mr/Mrs/Ms. _____
of _____ as my / our proxy to attend and vote for me / us on my/our
behalf at the Twenty Third Annual General Meeting of the Company at Shreeji
Industrial Estate, Vadkun, College Road, Dahanu, Dist. Thane - 401 602
on Saturday 26th September, 2009 at 11.00 am.
_____ day of September, 2009

Signature _____

Please
Affix
Re.1
Revenue
Stamp

Note:

1. A Proxy need not be a member of the Company
2. The Proxy form duly stamped with a revenue stamp of Re.1 and executed by the member should reach the Company's Registered Office at least 48 hours before the time of the meeting.

REGD. OFFICE

Shreeji Estate, Vadkun, College Road, Dahanu, Maharashtra.
Tel. : 02528 - 224463 / 223107

PLANT - 1

Shreeji Estate, Vadkun, College Road,
Dahanu, Maharashtra.
Tel. : 02528 - 224463 / 223107

PLANT - 2

7 - Government Industrial Estate,
Post - Pipria, Silvassa.
Tel. : 0260 - 2640 045

Sales / Adm. Office :

A, 501 / 502, Mathuria Apt., Above Bank of India SSI Branch,
Near Vishal Hall, Sir M. V. Road, Andheri (East), Mumbai 400 069.
Tel. : 2683 5864, 3260 1620 Fax : 91-22-2684 0854
Email : bala@nikhiladhesives.com Website : www.nikhiladhesives.com

Trading Office

A-405, Mathuria Apt., Above Bank of India SSI Branch,
Near Vishal Hall, Sir M. V. Road, Andheri (East), Mumbai 400 069.

OUR BRANCHES

AHMEDABAD

12 - Shreeji Warehousing Estate,
Near Hotel Ashopalav,
Narol - Sarkhej Road,
Narol, Ahmedabad.
Tel. : 079 - 3293 84 78

NEW DELHI

M - 5, Harsha House,
Karpura Commercial Complex,
New Delhi - 110 015.
Tel. : 011 - 4153 95 33

CHENNAI

East Coast Chambers,
'C' Mezzanine Floor,
92 - G. N. Chetty,
T. Nagar, Chennai - 600 017.
Tel. : 044 - 3091 37 16

UTTAR PRADESH

Plot No - 6,
Punjab Oil Expeller Compound,
Meerut Road,
Ghaziabad - 201 003. U. P.
Tel. : 0120 - 325 93 65

KOLKATA

96 - L, S. P. Mukherjee Road,
Kolkata - 700026.
Tel. : 033 - 3292 16 64

JAIPUR

S. B. 4, Vasudev Marg,
Shubhash Nagar,
Jaipur - 302007.
Tel. : 0141 - 313 70 70



Formerly Emulsion Business of Mafatalal Dyes & Chemicals Ltd.

if undelivered please return to :

Nikhil Adhesives Ltd.

A- 501 / 502, Mathuria Apt., Sir M. V. Road, Andheri (E), Mumbai - 400 069.