

60th

ANNUAL REPORT
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ADOR MULTIPRODUCTS LIMITED

Ador Multiproducts Ltd

BOARD OF DIRECTORS

ARUNA B. ADVANI
Chairman

N. SRINIVASAN

N. MALKANI NAGPAL

ADITYA T. MALKANI

DEEP A. LALVANI

AUDITORS

B.K. RAMADHYANI & CO.,
Chartered Accountants
Bangalore.

REGISTRARS & SHARE TRANSFER AGENTS

CANBANK COMPUTER SERVICES LTD.,
R & T Centre, Naveen Complex,
4th Floor, 14, M.G. Road,
Bangalore - 560 001.

BANKERS

CANARA BANK

CORPORATE OFFICE

Hamid Building,
191, Anna Salai,
Chennai - 600 006.

REGISTERED OFFICE

A-13 & 14, III Stage,
Peenya Industrial Estate, Bangalore - 560 058.

WEBSITE

www.adormultiproducts.com

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NOTICE

To The Members

NOTICE is hereby given that the 60th Annual General Meeting of the members of Ador Multiproducts Limited will be held at 3.00 p.m on Tuesday, 24th June, 2008, "Rohini Hall", Hotel Ajantha, 22-A, M.G. Road, Bangalore - 560 001 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2008 and the Profit & Loss Account for the year ended on that date together with the Directors' Report and the Auditors' Report thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mrs. N. Malkani Nagpal who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint Auditors in the place of the retiring auditors, for the current financial year and fix their remuneration.
5. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution.

"RESOLVED THAT the Board of Directors be and are hereby authorized to appoint any person qualified for appointment as Branch Auditor or Auditors of the Company under Section 226 of the Companies Act, 1956, to audit the Accounts of the Company's branch offices for the current financial year and fix their remuneration."

SPECIAL BUSINESS

6. To pass the following resolution as an ordinary resolution:

"RESOLVED THAT Mr. Aditya Tarachand Malkani, who was appointed as an Additional Director of the Company and who holds office until the date of the Annual General Meeting, pursuant to Section 260 of the Companies Act, 1956, and Article 45 of the Articles of Association of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

7. To pass the following resolution as an ordinary resolution:

"RESOLVED THAT Mr. Deep A Lalvani, who was appointed as an Additional Director of the Company and who holds office until the date of the Annual General Meeting, pursuant to Section 260 of the Companies Act, 1956, and Article 45 of the Articles of Association of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

8. To pass the following resolution as an ordinary resolution:

"RESOLVED THAT the equity shares of the company be delisted in Bangalore Stock Exchange Ltd."

By order of the Board

Bangalore
28th April, 2008

ARUNA B. ADVANI
Chairman

Registered Office:
A-13 & 14, III Stage
Peenya Industrial Estate
Bangalore - 560 058.

NOTES

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxy form must reach the Company's Registered Office not later than 48 hours before commencement of the meeting.
- The Register of Members and Share Transfer Books of the Company will remain closed from 18th June, 2008 to 24th June, 2008 (both days inclusive).
- Members are requested to intimate to the Company immediately of any change in their addresses.
- Members / Bodies Corporate / Proxies are requested to bring the attendance slip duly filled in for attending the meeting.
- Pursuant to the provisions of Section 205A of the Companies Act, 1956, the amount of dividend which remains unclaimed for a period of seven years from the date of declaration would be transferred to the 'Investor Education and Protection Fund'. As such, shareholders who have not encashed their dividend warrants are requested to write to the Company for claiming outstanding dividends, if any, in respect of the previous years.
- Members are requested to bring their copies of Annual Report to the meeting.

By order of the Board

Bangalore
28th April, 2008

ARUNA B. ADVANI
Chairman

Registered Office:
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Peenya Industrial Estate
Bangalore - 560 058.

EXPLANATORY NOTES UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM No. 6

Mr. Aditya Tarachand Malkani was appointed as Additional Director by the Board of Directors on 20th July, 2007. Names of Companies in which he is a Director are given below:

Sl. No.	Name of the Company	Board position held
1.	Ador Welding Limited	Director
2.	Ador Fortech Limited	Director
3.	J.B.Advani & Co. Pvt. Ltd.	Whole time Director

The Company has received notice with requisite deposit from a Member under Section 257 of the Companies Act, 1956, proposing the appointment of Mr. Aditya Tarachand Malkani as a Director of the Company. Hence, the resolution is placed before the shareholders for approval.

Ador Multiproducts Limited

The Board recommends the resolution set out at item no. 6 for approval.

No Director of the Company is concerned or interested in the said resolution except Mr. Aditya Tarachand Malkani, as it pertains to his appointment.

ITEM No. 7

Mr. Deep A Lalvani was appointed as Additional Director by the Board of Directors on 30th July, 2007. Names of Companies in which he is a Director are given below :

Sl. No.	Name of the Company	Board position held
1.	Ador Welding Limited	Addl. Director
2.	Ador Fontech Limited	Addl. Director
3.	J.B.Advani & Co. Pvt. Ltd.	Whole time Director

The Company has received notice with requisite deposit from a Member under Section 257 of the Companies Act, 1956, proposing the appointment of Mr. Deep A Lalvani as a Director of the Company. Hence, the resolution is placed before the shareholders for approval.

The Board recommends the resolution set out at item no.7 for approval.

No Director of the Company is concerned or interested in the said resolution except Mr. Deep A Lalvani, as it pertains to his appointment.

ITEM No. 8

Presently the Company's equity shares are listed on the Mumbai Stock Exchange Limited.

With the wide and extensive networking of the BSE the investors have access to online dealings in the Company's Equity Shares across the country. Moreover, the Company's Ordinary Shares are one of the scrips which Securities and Exchange Board of India (hereinafter referred to as "SEBI") has specified for settlement only in demat form by all investors.

Therefore, the Board of Directors, at its meeting held on 28th April, 2008 has decided to apply for the voluntary delisting of the Company's Ordinary Shares from the said Stock Exchange in view of absence of any significant dealing in shares through the exchange.

The proposed delisting in the interest of the Company and the Board recommends the Resolution for acceptance by the Members.

Except to the extent of individual shareholding none of the Directors of the Company are interested in the resolution.

Brief profile of the Directors

i)

Name	Mrs. N. Malkani Nagpal
Educational qualification(s)	MBA
Work Experience	J.B.A. Printing Inks Pvt. Ltd., 1993 to 1995 (various position) Ador Welding Ltd., 1995 to 1997 (various position) Ador Finance Ltd., 1998 to 2002 (various position) Ador Technopak Ltd., 2002 to 2005 (various position) J.B Advani & Co. Pvt. Ltd., 2005 to till date - Whole-time Director & currently Chairperson
Specific area of expertise	Finance
Number of shares held in the Company	Nil

ii)

Name	Mr. Deep A. Lalvani
Educational qualification(s)	MBA
Work Experience	Lagham Capital, London as 'Associate', DHL Europe Strategy as 'Consultant', Ador Welding Ltd., as 'Management Trainee' and as 'Director'.
Specific area of expertise	Strategy and Marketing
Number of shares held in the Company	12,328

iii)

Name	Mr. Aditya Tarachand Malkani
Educational qualification(s)	B.A (Economics); MBA
Work Experience	J B Advani & Co. Pvt. Ltd., as 'Management Trainee', Ador Welding Ltd., as 'Manager', International Marketing and as 'Director'.
Specific area of expertise	Marketing
Number of shares held in the Company	Nil

By order of the Board

Bangalore
28th April, 2008

ARUNA B. ADVANI
Chairman

Registered Office:
A-13 & 14, III Stage
Peenya Industrial Estate
Bangalore - 560 058.

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DIRECTORS' REPORT

Your Directors present the 60th Annual Report of the Company and the Audited Statement of Accounts for the year ended 31st March, 2008.

FINANCIAL RESULTS

(Rs. in lacs)

	Year ended 31.03.2008	Year ended 31.03.2007
Sales and Other Income (net Excise Duty)	1088.72	1029.31
Profit before Interest, Depreciation and Tax	57.39	60.23
Less: Depreciation	13.21	13.63
Interest	0.75	1.19
Profit after Interest and Depreciation	43.43	45.41
Less: Provision for Current Tax	16.75	17.30
Provision for Fringe Benefit Tax	1.95	2.86
Deferred Tax	(2.37)	(0.59)
Balance brought forward from previous year	11.07	12.54
Net Profit for the year	38.17	38.38
Appropriations:		
Proposed Dividend @ 10%	23.34	23.34
Tax on above dividend distribution	3.97	3.97
Transfer to General Reserve	-	-
Balance carried to Balance Sheet	10.86	11.07
	38.17	38.38

DIVIDEND

Taking into consideration the working results of the Company, your Directors recommend a Dividend at the rate of 10% for the year ended 31st March, 2008 which is the same as last year's dividend.

OPERATIONS

Personal Products Division :

There is a boom in retail sector business helped by high purchasing power available with the younger generation more and more people are using Personal Care products. Prospects looks bright for the Consumption of Shampoo, Lotions, Creams etc. Company expect to encash present opportunity and improve revenues in coming days.

Trading Division :

Overall economic growth and heavy investments in infrastructure segment and automobiles have improved our business. We expect steady / healthy growth in our Trading Division. Better control over inventory and receivables on a continuing process would ensure economy in expenditure and better operation results.

CONSERVATION OF ENERGY

Optimum use of energy through continuous improving methodology has been adhered to. However, the consumption of energy by the Company is insignificant.

RESEARCH AND DEVELOPMENT

The Company has not incurred any expenditure towards Research and Development during the year.

FOREIGN EXCHANGE EARNINGS AND OUT GO

There was no Foreign Exchange earnings during the year. The Customers independently exported the products manufactured by the Company.

DIRECTORS

In accordance with the provisions of the Article 49 of the Articles of Association of the Company, Mrs. N. Malkani Nagpal, Director of the company, retires by rotation at the forthcoming Annual General Meeting and being eligible offer herself for re-appointment.

Mr. Aditya T Malkani was co-opted as an Additional Director of the Company by the Board with effect from 20th July, 2007 and holds the office upto the date of the forthcoming Annual General Meeting. The Company has received a notice in writing from a member proposing his candidature to the office of Director of the Company.

Mr. Deep A Lalvani was co-opted as an Additional Director of the Company by the Board with effect from 30th July, 2007 and holds the office upto the date of the forthcoming Annual General Meeting. The Company has received a notice in writing from a member proposing his candidature to the office of Director of the Company.

DIRECTORS RESPONSIBILITY STATEMENT: -

As required by Section 217(2AA) of the Companies Act, 1956, your Directors confirm that: -

- In the preparation of the annual accounts, the applicable accounting standards have been followed;
- They have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that year;
- They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 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.

AUDITORS

The Company's Auditors M/s. B.K.Ramadhyan & Co., Chartered Accountants, Bangalore, retires and has expressed their non-availability for re-appointment. Hence, it is proposed to appoint M/s. Amarnath Kamath & Associates, as statutory Auditors of the Company. Members are also requested to authorise the Board of Directors to appoint Branch Auditors for the current year to audit the accounts of the Company's Branch Offices and fix their remuneration.

With regard to the auditors remarks in para 9 of the report, the relevant financial notes are self explanatory.

Ador Multiproducts Limited**PARTICULARS OF EMPLOYEES**

No employee is drawing the remuneration of more than Rs. 2 lacs per month requiring disclosure under section 217(2A) of the Companies Act, 1956 (Particulars of Employees) Rules, 1975.

ACKNOWLEDGEMENT

Your Directors wish to acknowledge and place on record their appreciation for the excellent co-operation and support extended by the Customers, Suppliers, Government Agencies, Banks, Employees of the Company and Shareholders and look forward to their continued co-operation.

For and on behalf of the Board

Bangalore
28th April, 2008

ARUNA B. ADVANI
Chairman

AUDITOR'S REPORT

1. We have audited the attached Balance Sheet of Ador Multiproducts Limited, Bangalore as at 31st March 2008, 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 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 for 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:
 - a. 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;
 - b. In our opinion, the Company has kept proper books of account as required by law so far as appears from our examination of those books.
 - c. The reports on the audit of the Chennai branch and Pondicherry unit not visited by us but audited by branch auditors have been forwarded to us and have been duly dealt with while preparing this report.
 - d. The Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account and the audited returns received from the branches referred to in paragraph 4(c) above.
 - e. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply in all material aspects with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. However, Provision for Leave Encashment is provided on actual basis, without reckoning short and long term benefits and hence is not in consonance with AS 15. Reference is drawn to Accounting Policy as per Schedule - N.

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- f. On the basis of written representations received from the directors, as on 31st March 2008 and taken on record by the board of directors, we report that none of the directors are disqualified as on 31st March 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- g. *We have relied on the representations of the management that no provision is required for disputed liability of Rs. 12 lakhs referred to in note 1 (a) of schedule M and that the amount referred to in note 2(b) & 2(c) of Schedule M of Rs. 19.27 lakhs are good of recovery. In view of uncertainties involved and inadequate information, we are unable to form any opinion.*
- h. 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 subject to para (g) above, give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i. In the case of the balance sheet, of the state of affairs of the Company as at 31.3.2008;
 - ii. In the case of the profit and loss account, of the profit for the year ended on that date and
 - iii. In the case of cash flow statement, of the cash flows for the year ended on that date

For B. K. Ramadhyani & Co.,
Chartered Accountants

R. Satyanarayana Murthi
Partner

Membership No. 200/24248

B.K.Ramadhyani & Co.,
Chartered Accountants
4B, Chitrapur Bhavan
8th Main, 15th Cross
Malleswaram
Bangalore - 560 055
30th April, 2008

ANNEXURE TO AUDITORS' REPORT

(AS REFERRED TO IN PARA 1 OF OUR REPORT TO THE MEMBERS ADOR MULTIPRODUCTS LIMITED, BANGALORE)

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. Depreciation has not been allocated to individuals assets.
- b. All the assets have not been physically verified by the management during the year but there is a program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- c. During the year, there has been no significant sale/disposal of fixed assets.
2. a. The inventory was 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.
3. The company has not taken/granted any loans from/to companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. 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 purchases of inventory, fixed assets and with regard to sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. a. According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from public. Accordingly, in our opinion, the provisions of Section 58A and 58AA of the Companies Act, 1956 and