

63rd

**ANNUAL REPORT
2010 - 11**



ADOR MULTIPRODUCTS LIMITED

Ador Multiproducts Limited

BOARD OF DIRECTORS

DEEP A. LALVANI
Chairman

ARUNA B. ADVANI

N. MALKANI NAGPAL

ADITYA T. MALKANI

R.A. MIRCHANDANI

H.P. LEDWANI

AUDITORS

AMARNATH KAMATH & ASSOCIATES
Chartered Accountants
Bangalore.

REGISTRARS & SHARE TRANSFER AGENTS

CANBANK COMPUTER SERVICES LTD.,
J.P. Royale, 1st Floor
218, 2nd Main, Sampige Road
(Near 14th Cross), Malleswaram
Bangalore – 560 003.

REGISTERED & HEAD 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 63rd Annual General Meeting of the Members of the Company will be held at 3.00 p.m on Tuesday, 19th July, 2011, at PIA Bhavan, 1st Cross, 1st Stage, Peenya Industrial Estate, Bangalore – 560 058 to transact the following business:

ORDINARY BUSINESS

1. Adoption of Accounts

To receive, consider and adopt the audited Balance Sheet as at 31st March 2011 and the Profit and Loss Account for the year ended on that date together with the report of the Directors and the Auditors thereon.

2. Re-appointment of Ms. Aruna B. Advani

To appoint a Director in place of Ms. Aruna B. Advani who retires by rotation and being eligible offers herself for re-appointment.

3. Re-appointment of Mrs. N. Malkani Nagpal

To appoint a Director in place of Mrs. N. Malkani Nagpal who retires by rotation and being eligible offers herself for re-appointment.

4. Appointment of Statutory Auditors

To appoint M/s. Amarnath Kamath and Associates, Chartered Accountants, as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, at such remuneration as may be determined by the Board of Directors in consultation with the Auditors.

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

“RESOLVED THAT pursuant to Section 228 and other applicable provisions of the Companies Act, 1956, and amendments thereof, the accounts for the year ending March 31, 2012 of the manufacturing plants of the Company, be audited by the Company's Auditors or such other person or persons, other than the Company's Auditors and as are qualified for appointment as Auditors under Section 226 of the Companies Act, 1956, and that the Board of Directors be and is hereby authorised to decide and appoint such Branch/Unit Auditors in consultation with the Company's Auditors.”

By order of the Board

Bangalore
30th April, 2011

DEEP A. LALVANI
Chairman

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

NOTES

- a. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM SELF/HERSELF 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 the commencement of the meeting.
- b. The Register of Members and Share Transfer Books of the Company will remain closed from 13th July, 2011 to 19th July, 2011 (both days inclusive).
- c. Members are requested to intimate to the Company immediately, of any change, in their addresses.
- d. Members/Bodies Corporate/Proxies are requested to bring the attendance slip duly filled in for attending the meeting.
- e. 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.
- f. Amount of unclaimed dividend as at March 31, 2011 for the years 2003-04 to 2007 – 08 & 2009 – 10 aggregate to Rs.10,25,649/- (Rupees Ten Lakhs Twentyfive Thousand Six Hundred Fortynine only).

Brief profile of the Director seeking re-appointment

Name	Ms. Aruna B. Advani
Educational qualification(s)	B.Sc (Hons.)
Expertise	Business Management and Strategic Financial Planning
Directorship in other companies	1. Ador Welding Limited 2. J B Advani & Co. Pvt. Ltd. 3. Ador Powertron Limited 4. Ador Green Energy Pvt. Ltd. 5. Metro Shoe Limited
Number of shares held in the Company	Nil

Ador Multiproducts Limited

Name	Mrs. N. Malkani Nagpal
Educational qualification(s)	MBA
Expertise	Finance
Directorship in other companies	1. Ador Welding Limited 2. J B Advani & Co. Pvt. Ltd. 3. Ador Fontech Limited 4. Ador Green Energy Pvt. Ltd. 5. Piem Hotels Limited
Number of shares held in the Company	Nil

Bangalore
30th April, 2011

By order of the Board
DEEP A. LALVANI
Chairman

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item no. 5

The Company's manufacturing plants are situated at multiple locations. In view of the same, it is proposed to authorise the Board of Directors to appoint in consultation with the Company's Auditors such persons as are qualified for appointment as Branch Auditors, under Section 226 of the Companies Act, 1956, to audit the accounts for the year ending March 31, 2012 and to fix their remuneration.

The Board recommends the resolution set out at item no. 5 for approval. No Director of the Company is concerned or interested in the said resolution.

Bangalore
30th April, 2011

By order of the Board
DEEP A. LALVANI
Chairman

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

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DIRECTORS' REPORT

Your Directors are pleased to present the 63rd Annual Report of your Company and the Audited Statement of Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS

(Rs. in lacs)

	Year ended 31.03.2011	Year ended 31.03.2010
Sales and Other Income (net of Excise Duty)	1,100.33	1,247.38
Profit before Interest, Depreciation and Tax	48.22	75.96
Less :Depreciation	15.10	13.51
Interest	0.93	2.24
Profit after Interest and Depreciation	32.19	60.21
Less: Provision for Current Tax	11.10	19.00
Deferred Tax	(1.18)	(0.95)
Taxation relates to earlier years	(0.15)	–
Net Profit for the year	22.42	42.16
Balance brought forward from previous year	62.13	48.28
	84.55	90.44
Appropriations:		
Proposed Dividend	–	24.28
Tax on above dividend distribution	–	4.03
Transfer to General Reserve	–	–
Balance carried Balance Sheet	84.55	62.13
	84.55	90.44

DIVIDEND

As resources have to be conserved for deployment in the business, Directors do not recommend any dividend for the year 31st March, 2011.

SHARE CAPITAL

In December 2009, the Company had issued 2,79,717 warrants to the Promoter Group in pursuance of resolution passed at the Extraordinary General Meeting of the Company. These warrants have been duly converted into Equity Shares within the stipulated period of eighteen months from the date of allotment

OPERATIONS

Personal Products Division

During the financial year 2010-2011, the Company developed its own range of personal care products and test marketed the same. The 'Influence' range of personal care products comprise body sprays, hand sanitizers, shampoo, body lotion, talcum powder and shower gel. The brand has received a good initial response and some initial orders have started coming in. The coming financial year brings with it a lot of promise in this niche segment. The company has also bagged exclusive marketing & distribution contracts with two leading British firms to market their premium products in India. This fills the space of the premium men's grooming products category and the bath category. The initial response has been positive and the company aims to build creditability in this high growth segment.

Trading Division

Having established itself as one of the largest distributors in the South, your Company is now expected to further penetrate the market in high growth segments. The Company is also planning to expand its reach geographically in the Tamil Nadu region which should bring in additional revenue.

The past year has been tough year for the trading division, margins have been squeezed and customers loyalty has diminished. The company is rejuvenating the team and policies to ensure we gain new customers and improve margins.

EMPLOYEES

Motivated employees are an asset to the Company. The quality of manpower and productivity is being continuously monitored and enhanced through training and development.

CONSERVATION OF ENERGY

Energy consumption by the Company is not significant. In spite, continuous efforts are made to improve the methods and techniques of application.

RESEARCH AND DEVELOPMENT

The Company has plans to spend on Research and Development during the current year. The Company has already invested a little bit in R & D and further plans to build on this platform. Demand for natural and paraben free products will be focus for the R & D this year.

FOREIGN EXCHANGE EARNINGS AND OUT GO

There were no foreign exchange earnings during the year, as the customers exported the products manufactured by the Company.

Ador Multiproducts Limited

DIRECTORS

In accordance with the provisions of Article 49 of the Articles of Association of the Company, Ms. Aruna B. Advani and Mrs. N. Malkani Nagpal - Directors of the Company, retire by rotation at the forthcoming Annual General Meeting and being eligible they seek re-appointment.

Agencies, Banks, Employees, Shareholders and look forward to their continued support.

For and on behalf of the Board

DIRECTORS RESPONSIBILITY STATEMENT

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

Bangalore
30th April, 2011

DEEP A LALVANI
Chairman

- a. The applicable accounting standards have been followed.
- b. The accounting policies are reasonable, prudent and are consistently followed to give a true and fair view of the state of affairs of the Company.
- c. Proper and sufficient care has been taken for maintenance of adequate accounting records, for safeguarding the assets of the Company and for preventing/detecting fraud and other irregularities.
- d. The annual accounts have been prepared on an ongoing concern basis.

AUDITORS

The Company's Auditors M/s. Amarnath Kamath & Associates, Chartered Accountants, Bangalore, retire and are eligible for re-appointment. Members are also requested to authorise the Board of Directors in consultation with Company's statutory auditors to appoint Branch Auditors for the current year to audit the accounts of the Company's Branch Offices and fix their remuneration.

SECRETARIAL COMPLIANCE CERTIFICATE

As per Sec. 383A of the Companies Act, 1956 the Secretarial Compliance Certificate obtained from Practising Company Secretary is annexed herewith.

PARTICULARS OF EMPLOYEES

No employee is drawing remuneration of more than Rs. 2,00,000/- (Rupees two lakhs only) per month, requiring disclosure under Section 217(2A) of the Companies Act, 1956 read with the 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

AUDITORS' REPORT

TO THE SHAREHOLDERS OF ADOR MULTIPRODUCTS LIMITED

We have audited the attached Balance sheet of ADOR MULTIPRODUCTS LIMITED as at March 31, 2011 and also the Profit and loss account and the Cash flow statement of the Company 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.

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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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.

Further to our comments in the Annexure referred to above, we report that:

1. 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;
2. In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches/units of the Company not visited by us. The Auditor's Reports of those branches/units have been forwarded to us and have been appropriately dealt with;
3. 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 with the audited returns from the branches/units;
4. In our opinion and to the best of our information and according to explanations given to us, 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;

5. On the basis of a review of the written representations received from the Directors of the Company as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on March 31, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956, and
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon 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 March 31, 2011;
 - (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 AMARNATH KAMATH AND ASSOCIATES [FRN000099S]
Chartered Accountants

Amarnath Kamath
Partner
Membership No. 13124

Bangalore.
April 30, 2011

ANNEXURE TO AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) A substantial portion of the fixed assets have been physically verified by the management during the year. According to the information and explanations given to us, there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. We are informed that no material discrepancies were noticed on such verification.
 - (c) Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern status of the Company.
2. (a) We are informed that inventories have been physically verified by the management during the year and also at the end of the year. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, 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) In our opinion and according to the information and explanations given to us, 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 have been properly dealt with in the books of account.
3. The Company has not taken/or granted any loans, secured or unsecured from/to Companies, firms and other parties listed 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 purchase of inventory, fixed assets and for sale of goods and services. During the course of our audit, no major weaknesses have been noticed in the internal controls systems.
5. (a) According to the information and explanations given to us, we are of the opinion that transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956, have been so entered.
 - (b) According to the information and explanation provided to us, there were transactions, exceeding value of Rupees five lakhs during the period, made in pursuance of such contracts entered in the register maintained under section 301 of the Companies Act, 1956. We are of the opinion that the transactions have been made at prices which are reasonable with regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly, in our opinion, the provisions of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under, are not applicable.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We are broadly reviewed the cost records maintained by the Company pursuant to section 209(1)(d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the same to ensure their accuracy or completeness.
9. According to the records, information and explanations, provided to us, (a) the Company is generally regular in depositing with appropriate authorities undisputed amounts including Provident fund, Investor education and protection fund, Employees' state insurance, Income tax, Sales tax, Wealth tax, Custom duty, Excise duty, cess, service tax and other statutory dues applicable to it and (b) no undisputed amounts payable were outstanding as at March 31, 2011 for a period of more than six months from the date they became payable to the appropriate authority.
10. The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.