

64th

ANNUAL REPORT
2011 - 12



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 AND ASSOCIATES
Chartered Accountants
Bangalore.

REGISTRAR AND SHARE TRANSFER AGENT

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

CORPORATE OFFICE

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

WEBSITE

www.adormultiproducts.com

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NOTICE

NOTICE is hereby given that the 64th Annual General Meeting of the Members of the Company will be held at 3.00 p.m on Tuesday, 17th July, 2012 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 2012 and the statement of Profit and Loss for the year ended on that date together with the report of the Directors and the Auditors thereon.

2. **Re-appointment of Mr. H.P. Ledwani**

To appoint a Director in place of Mr. H.P. Ledwani who retires by rotation and being eligible offers himself for re-appointment.

3. **Re-appointment of Mr. R.A. Mirchandani**

To appoint a Director in place of Mr. R.A. Mirchandani who retires by rotation and being eligible offers himself for re-appointment.

4. **Appointment of Statutory Auditors**

To appoint the retiring auditors, 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, 2013 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
27th April, 2012

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 HIMSELF/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 11th July, 2012 to 17th July, 2012 (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, 2012 for the years 2005 – 06 to 2007 – 08 & 2009 – 10 aggregate to Rs. 10,25,649/- (Rupees ten lakhs twenty five thousand six hundred and forty nine only).

Brief profile of the Director's seeking re-appointment.

Name	Mr. H.P. Ledwani
Educational qualification(s)	B.Sc (Hons.) DAM (Mumbai), DTMM
Work Experience	Started career with Ador Welding Limited and moved on to Ador Fontech Limited and has hands-on experience in Marketing, Sales, Finance and Operations.
Specific area of expertise	Welding, Marketing and Finance
Directorship in other companies	Ador Fontech Limited
Number of shares held in the Company	Nil

Name	Mr. R.A. Mirchandani
Educational qualification(s)	B.Com; MBA
Work Experience	Industrialist and represents the promoter group. To gain experience worked with M/s. Origin Energy as 'Manager'
Specific area of expertise	Operational Management
Directorship in other companies	1. Ador Welding Limited 2. J B Advani and Company Private Limited
Number of shares held in the Company	Nil

Bangalore
27th April, 2012

By order of the Board
DEEP A. LALVANI
Chairman

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DIRECTORS' REPORT

Your Directors are pleased to present the 64th Annual Report and the performance of the Company for the year ended 31st March, 2012.

FINANCIAL RESULTS

(₹ in lacs)

	Year ended 31.03.2012	Year ended 31.03.2011
Sales and Other Income (net Excise Duty)	1097.66	1100.33
Profit before Interest, Depreciation and Tax	20.67	48.22
Less: Depreciation and Amortisation	14.88	15.10
Interest	3.71	0.93
Profit after Interest and Depreciation	2.08	32.19
Less: Provision for Tax	0.39	11.10
Deferred Tax	(1.53)	(1.18)
Taxation of earlier years	(0.39)	(0.15)
Profit for the year	3.61	22.42
Balance of earlier year's	84.55	62.13
	88.16	84.55

DIVIDEND

In view of the marginal profit, your Directors do not recommend any dividend for the year ended 31st March, 2012.

OPERATIONS

Personal Products Division

During the financial year under review, the Company entered in to agreements with two organisations – 'SPAR HYPERMARKET' and 'ANGLO FRECH DRUGS COMPANY' – for manufacture of their branded personal care products.

The Company also developed certain new range of personal care products and test marketed the same, which has been well received in the market.

Further, the 'Influence' range of personal care products comprising body sprays, hand sanitizers, shampoos, body lotion, talcum powder and shower gel have received good response and initial orders are being received.

Trading Division

Having established itself as one of the largest distributors in South India, your Company is positioned for high growth market segments in other regions. The Company has been appointed as distributor of Grindwell Norton Limited. This gives leverage in addition to other complimentary products of the welding industry.

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.

FOREIGN EXCHANGE EARNINGS AND OUTGO

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

DIRECTORS

In accordance with the provisions of Article 49 of the Articles of Association of the Company, Mr. H.P. Ledwani and Mr. R.A. Mirchandani - Directors of the Company, retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT

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

- The applicable accounting standards have been followed.
- 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.
- 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.
- The annual accounts have been prepared on a going concern basis.

AUDITORS

The Company's Auditors M/s. Amarnath Kamath and Associates, Chartered Accountants, Bangalore, retire and are eligible for re-appointment. Further, the 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.

SECRETARIAL COMPLIANCE CERTIFICATE

As per Section 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 ₹ 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 the support extended by Group Companies, Customers, Suppliers, Government Agencies, Banks, Employees and Shareholders during the year.

For and on behalf of the Board

Bangalore
27th April, 2012

DEEP A. LALVANI
Chairman

AUDITORS' REPORT

**TO THE SHAREHOLDERS
OF ADOR MULTIPRODUCTS LIMITED**

We have audited the attached Balance sheet of ADOR MULTIPRODUCTS LIMITED as at March 31, 2012 and also the Statement of Profit and loss 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, Statement of Profit and loss 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, Statement of Profit and loss 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, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012 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, 2012;
 - (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**
Chartered Accountants
[Firm Registration No. 000099S]

Amarnath Kamath
Partner
Membership No. 13124

Bangalore.
April 28, 2012

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ANNEXURE TO THE 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) The Company did not dispose any fixed assets during the year and hence the going concern status of the Company was not affected.
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 control 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 the value of rupees five lakhs during the year, 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.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under 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 records.
9. According to the records, information and explanations, provided to us, 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 no undisputed amounts payable were outstanding as at March 31, 2012 for a period of more than six months from the date they became payable.
10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered under audit and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, the Company has not defaulted in repayment of dues to any financial institution or bank. The Company did not have any outstanding debentures or any outstanding loans from financial institutions during the year.

Ador Multiproducts Limited

12. Based on our examination and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit/nidhi/mutual benefit fund/society and therefore provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. On the basis of the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Company had not availed term loans from banks and financial institutions.
17. According to the information and explanations given to us and on an overall examination of the Balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
18. The Company had made preferential allotment of shares warrants to parties covered in the register maintained under Section 301 of the Companies Act, 1956. The same was made in conformity with the guidelines issued by the Securities and Exchange Board of India relating to such preferential allotment and on that basis, were not prejudicial to the interest of the Company. During the year last tranche of warrants were converted into equity shares at the pre-determined rate as per SEBI guidelines.
19. The Company did not have outstanding debentures during the year.
20. The Company has not raised any money by way of public issue during the year.

21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **AMARNATH KAMATH AND ASSOCIATES**
Chartered Accountants
[Firm Registration No. 000099S]

Amarnath Kamath
Partner
Membership No. 13124

Bangalore.
April 28, 2012