



ADOR MULTIPRODUCTS LIMITED

BOARD OF DIRECTORS

ARUNA B. ADVANI
Chairman

R.A. LALVANI
Managing Director

RAJBIR T. MALKANI

SUKUMAR R. KIRLOSKAR

N. SRINIVASAN

N. MALKANI NAGPAL

AUDITORS

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

**REGISTRARS & SHARE
TRANSFER AGENTS**

KIRLOSKAR COMPUTER SERVICES LTD.,
5570, Malleswaram West,
Bangalore - 560 055.

BANKERS

CANARA BANK
UCO BANK
VIJAYA BANK

CORPORATE OFFICE

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

REGISTERED OFFICE

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

54th Annual Report 2002

NOTICE

To the Members

NOTICE is hereby given that the 54th Annual General Meeting of the members of Ador Multiproducts Limited will be held at PIA Bhavan, 1st Cross, 1st Stage, Peenya Industrial Estate, Bangalore - 560 058 at 10.30 a.m on Friday, the 27th September, 2002 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2002 and the Profit & Loss Account for the year ended on that date together with the Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in place of Mrs. Rajbir T. Malkani who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint a Director in place of Mr. N. Srinivasan who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint the 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 authorised 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 consider and if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, Articles of Association of the Company be altered in the following manner:

- (I) After Article 2(e) the following new Articles be inserted to be numbered as 2(ea), (eb), (ec) & (ed).
 - (ea) **Beneficial Owner:** 'Beneficial Owner' means the beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.
 - (eb) **Bye-laws:** 'By Laws' means bye-laws made by Depository under Section 26 of the Depositories Act, 1996.
 - (ec) **Depositories Act:** 'Depositories Act'

means the Depositories Act, 1996 , and any statutory modification or re-enactment thereof for the time being in force.

(ed) **Depository:** 'Depository' means a Company formed and registered under the Companies Act, 1956('the Act') and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992.

- (II) The following new Article 35A be inserted after the present Article 35.

35A Nomination of Shares

The provisions contained in Section 109A and 109B of the Companies Act, 1956 shall apply in relation to Nomination and Transmission of Shares or Debentures respectively and any Statutory modification or amendment made therein shall have effect and apply accordingly.

- (III) The following new **Article 8A** under the heading "**DEMATERIALIZATION OF SECURITIES**" be inserted after the present Article 8.

8A. DEMATERIALIZATION OF SECURITIES

- (i) Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialized form, the Company shall enter into an agreement with the depository to enable the investor to dematerialize the securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act, 1996.

"Options to receive security certificate or hold securities with depository"

- (ii) Every person subscribing to securities offered by the Company shall have the option to receive the security certificates or hold securities with a depository. Where a person opts to hold a security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of such information the depository shall enter in its record the name of the allottee as the beneficial owner of that security.

Securities in Depositories to be in fungible form

- (iii) All securities held by a depository shall be dematerialized and shall be in a fungible form, Nothing contained in Section 153, 153A, 153B, 187B, 187C, and 372 of the Act shall apply to a deposited in respect of the securities held by it on behalf of the beneficial owners.

Rights of depositories and beneficial owners

- (iv) (a) Notwithstanding anything to the contrary contained in the Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of

Ador Multiproducts Limited

ownership of security on behalf of the beneficial owner.

- (b) Save as otherwise provided in (a) above, the depository as a registered owner shall not have any voting rights or any other rights in respect of securities held by it.
- (c) Every person holding equity share capital of the Company and whose name is entered as beneficial owner in the records of the depository shall be deemed to be member of the Company. The beneficial owner shall be entitled to all rights and benefits and be subjected to all the liabilities in respect of the securities held by a depository.

Depository to furnish information

- (v) Every depository shall furnish to the Company information about the transfer of securities in the name of beneficial owners at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.

Option to opt out in respect of any security.

- (vi) Subject to the provisions of Section 8 of the Depositories Act, 1996, if a beneficial owner seeks to opt out of a Depository in respect of any security, the beneficial owner shall inform the depository accordingly.

The depository shall on receipt of information as above make appropriate entries in its records and shall inform the Company.

The Company shall, within thirty (30) days of the receipt of the intimation from the depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

Section 83 and 108 of the Act not to apply

- (vii) Notwithstanding anything to the contrary contained in the Articles:

- (a) Section 83 of the ACT shall not apply to the shares held with a depository.
- (b) Section 108 of the Act shall not apply to transfer of security effected by the transferor and the transferee both of whom are entered as beneficial owner in the records of the depository.

By order of the Board

Bangalore
30th July, 2002

ARUNA B. ADVANI
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 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.
- b. The Register of Members and Share Transfer Books of the Company will remain closed from 25th September, 2002 to 27th September, 2002 (both days inclusive).
- c. Members are requested to intimate to the Company immediately of any change in their addresses.
- d. Members desiring any information as regards accounts are requested to write to the Company at least 7 days before the date of meeting so as to enable the Company to keep the information ready.
- e. Members/Bodies Corporate/Proxies are requested to bring the attendance slip duly filled in for attending the meeting.
- f. Members are requested to bring their copies of Annual Report to the meeting.

By order of the Board

Bangalore
30th July, 2002

ARUNA B. ADVANI
Chairman

Registered Office:

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ANNEXURE TO THE NOTICE**Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956:****ITEM NO: 6**

As per the listing agreement entered with Stock Exchanges the Company has to provide option to shareholders to convert their physical shares into electronic mode. Consequent to the passing of the Depositories Act, 1996, certain provisions of Companies Act, 1956 were introduced recognizing the beneficial owners of shares in dematerialized form with Depository as members of the Company and vesting them all rights and powers as shareholders of the Company. In view of these provisions the Company's Articles require to be amended to include the new provisions as stated in the proposed resolution.

The Board of Directors recommends above Resolution for approval of the Members.

None of the Directors are interested in this resolution.

54th Annual Report 2002**DIRECTORS' REPORT**

Your Directors present the 54th Annual Report of the Company and the Audited Statement of Accounts for the year ended 31st March, 2002.

FINANCIAL RESULTS

	(Rs. in lacs)	
	Year ended 31.03.2002	Year ended 31.03.2001
Sales and Other Income	604.52	895.65
Profit before Interest, Depreciation and Tax	(4.35)	5.23
Less : Depreciation	10.86	10.72
Interest	11.66	9.33
Profit/ (Loss) after Interest and Depreciation	(26.87)	(14.82)
Provision for Taxation	-	-
Profit/(Loss) after Taxation	(26.87)	(14.82)
Deferred Tax Asset	3.90	-
Balance brought forward from previous year	34.69	49.51
Balance carried forward	11.72	34.69

DIVIDEND

In view of the loss sustained during the year, your Directors are unable to recommend any dividend for the year ended 31st March, 2002.

OPERATIONS

Personal Products Division :-

The trend in the Personal Care Industry showed a clear trend towards growth in the Natural and Herbal Products consumption. There was Phenomenal growth in the Ayurvedic Products manufactured by the Company. The production of the Ayurvedic Concept commenced in the second half of the year and production of the range of these products increased towards the end of the year.

Following the decline in Talc consumption in the market the facilities were shifted to Pondicherry to provide additional space for specialized products which provide better margin.

Market Trends showed decrease in usage of the After Shave lotion resulting in the lower quantum of production in the Alcohol Products. Despite tough competition Company has been able to secure order for the production of the aftershave lotion for Sara Lee TTK Ltd. Products.

There was substantial growth in the production of the Baby Products during the year under review.

Trading Division :-

Recession in the Engineering continued in this year leading to lower turnover.

CONSERVATION OF ENERGY

Optimum use of energy through improved methods has continued. However, the consumption of energy by the Company is insignificant.

RESEARCH AND DEVELOPMENT

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

FOREIGN EXCHANGE EARNINGS AND OUT GO

There was no Foreign Exchange earnings during the year. The Company incurred Foreign Exchange outflow to the equivalent of Rs. 0.73 lacs towards the import of Raw Materials and Packing Materials for manufacturing Toiletries.

DIRECTORS

In accordance with the provisions of the Article 49 of the Articles of Association of the Company, Mrs.Rajbir T.Malkani and Mr. N.Srinivasan Directors, 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:-

- 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 loss 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 safe guarding 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.

Ador Multiproducts Limited**AUDITORS**

The Company's Auditors M/s. B.K.Ramadhani & Co., Chartered Accountants, Bangalore, retire and are eligible for re-appointment. 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 remarks of the auditors in their report the relevant financial notes in the opinion of the Directors are self explanatory; sales tax, customs duty *under appeal and the civil court cases are being followed and based on the outcome of the decisions, necessary adjustments, if any, will be made in the accounts in the future which contingency, based on counsel's opinion may not arise.* Recovery through legal action of the dues from the ex-employee is expected; likewise recovery of the overdues from customers are being made through court proceedings and any amount which would become ultimately irrecoverable will be absorbed in the year of

determination. As regards employees state insurance a demand of Rs. 10,373/- is not payable based on a legal decision and hence disputed.

PARTICULARS OF EMPLOYEES

No employee is drawing the remuneration more than Rs. 2 lacs per month prescribed U/S 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 members and look forward to their continued co-operation.

For and on behalf of the Board

Bangalore
30th July, 2002

ARUNA B. ADVANI
Chairman

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