

55th

ANNUAL REPORT

2002-03



ADOR MULTIPRODUCTS LIMITED

Ador Multiproducts Ltd

BOARD OF DIRECTORS

ARUNAB. 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

INTIME SPECTRUM REGISTRY LTD.,

Geetha Mansion, 40/2, K.G. Road

Bangalore - 560 009

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

Ador Multiproducts Limited**NOTICE**

To the Members

NOTICE is hereby given that the 55th 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 Thursday, 25th September, 2003 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2003 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. N.Malkani Nagpal who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint a Director in place of Mr. Sukumar R. Kirloskar 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".

By order of the Board

Bangalore
27th May, 2003

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 19th September, 2003 to 25th September, 2003 (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
27th May, 2003

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 55th Annual Report of the Company and the Audited Statement of Accounts for the year ended 31st March, 2003.

FINANCIAL RESULTS

(Rs. in lacs)

	Year ended 31.03.2003	Year ended 31.03.2002
Sales and Other Income	547.91	604.52
Profit before Interest, Depreciation and Tax	(2.68)	(4.35)
Less: Depreciation	11.57	10.86
Interest	4.72	11.66
Profit (Loss) after Interest and Depreciation	(18.97)	(26.87)
Deferred Tax Asset	4.65	3.90
Balance brought forward from previous year	11.72	34.69
Less: Withdrawn from General Reserve	2.60	-
Balance carried forward	-	11.72

DIVIDEND

In view of the loss sustained during the year, your Directors are unable to recommend any dividend for the year ended 31st March, 2003.

OPERATIONS

Personal Products Division: -

FMCG products witnessed a decline in market demand due to degrowth in Talc consumption, Recession in other industries, Cheaper imports and Competition from the Small Scale Industries.

Ayurvedic Products Production diminished due to the decision of the Customer to change the Packing Design by the end of the year.

Trial Batch Production of Alcoholic Ayurvedic Products commenced by the end of the year.

Pondicherry Operations commenced during the year with the production of WIPRO's Talc Production.

Your Company at the behest of some product development has commenced the production of own formulation in Shampoo, Lotions and has tied up supplies for Hotel segment.

Trading Division :-

The Operations in Trading Division have shown better results in the Year. The economical controls in operations have shown the better profit in Trading Division.

By controlling the expenses and effective controls on stocks led to better profits in the Trading Division as compared to the previous year.

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 Customers exported the products manufactured by the Company. There was no foreign Exchange spent for imports.

DIRECTORS

In accordance with the provisions of the Article 49 of the Articles of Association of the Company, Mrs.N. Malkani Nagpal and Mr. Sukumar R. Kirloskar 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.Ramadhyani & 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.

Referring to the Audit remarks in regard to disputed liabilities, resources and apparent shortfall in the market value of investment, the relevant financial notes are self explanatory and the Directors are of the view that taking into consideration of all the relevant facts and circumstances no provision is presently considered necessary.

PARTICULARS OF EMPLOYEES

No employee is drawing the remuneration 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 members and look forward to their continued co-operation.

For and on behalf of the Board

Bangalore
27th May, 2003

ARUNA B. ADVANI
Chairman

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AUDITOR'S REPORT

We have audited the attached Balance Sheet of Ador Multiproducts Limited as at 31st March 2003 and also the Profit and Loss Account and 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.

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.

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 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 appears from our examination of those books
3. The report on the audits of the Chennai, Coimbatore and Pondicherry branches not visited by us but audited by branch auditors have been forwarded to us and have been appropriately dealt with while preparing this report.
4. 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.
5. 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;

6. On the basis of written representations received from directors, as on 31st March 2003 and taken on record by the board of directors, we report that none of the directors are disqualified as on 31st March 2003 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
7. We have relied on the representation of the management that the amount referred to in notes 2(b) and 2(c) of schedule N of Rs. 26.29 lakhs are good of recovery and that no provision is required for disputed liabilities of Rs. 43.10 lakhs referred to in note (a) of schedule N. In view of uncertainties involved, we are unable to express any opinion.
8. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information as required by the Companies Act, 1956, in the manner so required and subject to para 7 above, 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 31.3.2003; and
 - b. In the case of the profit and loss account, of the loss for the year ended on that date.
 - c. In the case of cash flow statement, of the cash flow for the year ended on that date.

for **B.K.RAMADHYANI & CO**

Chartered Accountants

Bangalore
28th May, 2003

C.R.KRISHNA
Partner

ANNEXURE TO THE AUDITORS' REPORT

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

1. The company has maintained proper records to show full particulars including quantitative details and situation of fixed assets. A majority of assets have been verified during the year, which is considered adequate. We have been informed that no material discrepancies were observed on such verification between book records and inventory.

Ador Multiproducts Limited

2. None of the Fixed assets of the company have been revalued during the year.
3. Stocks of raw materials, stores, trading goods and finished goods other than those lying with third parties have been physically verified by the management during the year under review. In our opinion, the frequency of verification is reasonable.
4. The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of the business.
5. The discrepancies observed on physical verification of stock compared to the book records were not material. However, physical inventory has been adopted and valued at the factory at Bangalore in respect of raw materials and packing materials pending reconciliation with book records. Under the circumstances, we are unable to comment on discrepancies to that extent, if any.
6. In our opinion, the valuation of the above mentioned stocks is fair and proper, in accordance with the normally accepted accounting principles and is on the same basis as in the previous year.
7. To the best of our knowledge, the company has not granted/taken any loans to/from Companies. Firms or other parties listed in the Registers maintained under Section 301 of the Companies Act, 1956. As informed to us, there are no loans from/to companies under the same management as defined in section 370(1-B) of the Income Tax Act, 1961.
8. Interest free advances have been given to the employees and the same are being generally repaid as stipulated.
9. In our opinion, there are adequate internal control procedures operating in the company for the purchase of stores, raw materials, plant and machinery, equipment and other assets and sale of goods commensurate with the size of the company and the nature of its business.
10. The terms and conditions on which purchase of goods and materials have been made in pursuance of contracts or arrangement entered in the register maintained under Section 301 of the Companies Act and aggregating to Rs.50,000/- or more in respect of a party is considered reasonable on the basis of explanations given to us that the company is an accredited dealer of the said party and that supplies have been made to the company on terms and conditions as applicable to other accredited dealers. There are no sale of goods to such parties, during the year.
11. The company on the basis of technical opinion has determined that there are no unserviceable / damaged raw materials, stores, finished goods and trading goods and hence no provision is made for the same.
12. The company has not accepted any deposits from public.
13. The company has an internal audit system commensurate with the size of the company and nature of its business.
14. The company has been generally regular in making over Provident Fund and Employees State Insurance dues to the appropriate authorities.
15. In our opinion, the company has maintained reasonable records for the sale and disposal of realisable scraps. The company has no by products.
16. There are no undisputed amounts payable in respect of Income-tax, Wealth tax, Customs duty and excise, which were outstanding as at 31st March 2003, for a period of more than six months from the date they became payable.
17. The Central Government has prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for the products manufactured by the company. The company has made and maintained the prescribed records. However, a detailed examination of these records has not been made by us.
18. No personal expenses of employees and directors which have been charged to revenue have come to our notice other than those payable under contractual obligations and/or in accordance with the generally accepted business practices.
19. The company is not a Sick Industrial Company within the meaning of Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985.

for **B.K.RAMADHYANI & CO**
Chartered Accountants

Bangalore
28th May, 2003

C.R.KRISHNA
Partner