

58<sup>th</sup>

ANNUAL REPORT

2005-06

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**ADOR MULTIPRODUCTS LIMITED**

## Ador Multiproducts Ltd

### BOARD OF DIRECTORS

ARUNA B. ADVANI  
*Chairman*

R. LALVANI  
*Managing Director*

RAJBIR T. MALKANI

N. SRINIVASAN

N. MALKANI NAGPAL

### AUDITORS

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

### REGISTRARS & SHARE TRANSFER AGENTS

INTIME SPECTRUM REGISTRY LTD.,  
658-57, 1st Floor, Laxmi Venkateshwara Arcade  
11th Main, 4th Block, Jayanagar  
Bangalore - 560 011.

### BANKERS

CANARA BANK  
UCO 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](http://www.adormultiproducts.com)

## Ador Multiproducts Limited

### NOTICE

#### To The Members

NOTICE is hereby given that the 58<sup>th</sup> Annual General Meeting of the members of Ador Multiproducts Limited will be held at 2.30 p.m on Monday, 26<sup>th</sup> June, 2006, "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 31<sup>st</sup> March 2006 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. Rajbir T. Malkani who retires by rotation and being eligible offers herself 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 :

To pass the following as an Ordinary Resolution.

*"RESOLVED THAT pursuant to Section 269, Schedule XIII and other applicable provisions of the companies Act, 1956, the Company hereby approves the re-appointment of Ms. R. Lalvani as Managing Director for a further period of five years with effect from 3<sup>rd</sup> September, 2006 on the terms and conditions more fully set out in the explanatory note annexed to this notice."*

*RESOLVED FURTHER that the Board of Directors be and are hereby authorized to take such steps and do all other acts, deeds and things as may be necessary or desirable to give effect to this resolution."*

By order of the Board

Bangalore  
27<sup>th</sup> April, 2006

**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 relative explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business set out is annexed hereto.
- c. The Register of Members and Share Transfer Books of the Company will remain closed from 20<sup>th</sup> June, 2006 to 26<sup>th</sup> June, 2006 (both days inclusive). If the dividend as recommended by the Directors is declared at the ensuing Annual General Meeting of the Shareholders of the Company, payment of such dividend will be made to those Shareholders whose names appear in the Register of Members of the Company on the date of the Annual General Meeting.
- d. Members are requested to intimate to the Company immediately of any change in their addresses.
- e. 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.
- f. Members/Bodies Corporate/Proxies are requested to bring the attendance slip duly filled in for attending the meeting.
- g. Members are requested to bring their copies of Annual Report to the meeting.

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173(2) OF THE COMPANIES ACT, 1956.

#### ITEM No. 6

The Board of Directors at their meeting held on 27<sup>th</sup> April, 2006 have approved the re-appointment of Ms. R. Lalvani as Managing Director of the Company as set out hereunder, subject to approval of the members in general meeting :

The main terms and conditions of the appointment are as under :

Tenure of re-appointment : 5 Years from 3<sup>rd</sup> September, 2006.

Salary : Ms. R. Lalvani has not been drawing any remuneration from the Company since May, 2004. No remuneration will be paid to her during her term of re-appointment.

Perquisites : The Company shall provide as hitherto before chauffeur driven car for Company's business. The Company shall provide Telephone and communication facilities at the residence of Ms. R. Lalvani, viz, Fax, E-mail, Internet for official purposes.

The agreement as proposed above will be entered into subject to such other approvals as may be necessary. The Draft agreement is available for inspection at the Registered Office of the Company on any working day during business hours.

None of the other Directors of the Company is in any way concerned or interested in the resolution.

By order of the Board

Bangalore  
27<sup>th</sup> April, 2006  
Registered Office:  
A-13 & 14, III Stage,  
Peenya Industrial Estate,  
Bangalore - 560 058.

**ARUNA B. ADVANI**  
Chairman

**58th Annual Report 2006****DIRECTORS' REPORT**

Your Directors present the 58<sup>th</sup> Annual Report of the Company and the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2006.

**FINANCIAL RESULTS**

(Rs. in lacs)

	Year ended 31.03.2006	Year ended 31.03.2005
Sales and Other Income (net excise duty)	1100.04	1070.40
Profit before Interest, Depreciation and Tax	54.43	32.33
Less: Depreciation	12.89	12.73
Interest	2.05	4.65
Profit after Interest and Depreciation	39.49	14.84
Less: Provision for Current Tax	10.00	2.00
Provision for Fringe Benefit Tax	2.50	-
Deferred Tax	10.46	10.76
Balance brought forward from previous year	28.14	26.06
Net Profit for the year	44.67	28.14
Appropriations:		
Proposed Dividend @ 10%	23.34	-
Tax on above dividend distribution	3.27	-
Transfer to General Reserve	5.52	-
Balance carried to Balance Sheet	12.54	28.14
	44.67	28.14

**DIVIDEND**

Taking into consideration the working results of the Company, your Directors recommend a Dividend at the rate of 10% for the year ended 31<sup>st</sup> March, 2006. The Distribution Tax on Dividend will be borne by the Company.

**OPERATIONS****Personal Products Division:-**

There has been steady increase in production at Pondicherry Plant. Not only were new customers added, but also large volumes were produced. Moreover, productivity was also increased by optimizing utilization of plant capacity and human resources.

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 very bright for the consumption of Shampoos, Oils, Creams and Lotions. Company expect to encash present scenario and look forward for better revenues in coming days.

**Trading Division:**

Overall economic growth and heavy investments in infrastructure segment and automobiles has improved our business prospects with better profit. We expect a very healthy growth in our Trading Division. Further to augment better business prospects, we had better control management to bring down the inventory and outstanding resulting in the better working of the division.

**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. Rabin T. Malkani, Director of the company, retire by rotation at the forthcoming Annual General Meeting and being eligible offer herself 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 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.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.

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

**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  
27th April, 2006

**ARUNA B. ADVANI**  
Chairman

**Ador Multiproducts Limited****AUDITOR'S REPORT**

1. We have audited the attached Balance Sheet of Ador Multiproducts Limited, Bangalore as at 31<sup>st</sup> March 2006, 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 report on the audits of the Chennai, Coimbatore and Pondicherry branches/units not visited by us but audited by branch auditors have been forwarded to us and have been appropriately 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 with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- f. On the basis of written representations received from the directors, as on 31<sup>st</sup> March 2006 and taken on record by the board of directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2006 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) of Schedule M of Rs. 14.96 lakhs is 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 31.3.2006;
  - 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  
**Shyam Ramadhyani**  
Partner  
Membership No.200/19522

B.K.Ramadhyani & Co.,  
Chartered Accountants  
4B, Chitrapur Bhavan  
8<sup>th</sup> Main, 15<sup>th</sup> Cross  
Malleswaram  
Bangalore - 560 055  
24th May, 2006

## 58th Annual Report 2006

### 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.
- 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 the rules made there under are not applicable. The Company Law Board has not passed any order.
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 records relating to labour and other items of cost maintained by the Company pursuant to the rules made by the Central Government for the 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 same to ensure their accuracy or completeness. Further, the priced materials ledger was being compiled, when we concluded our audit.
9. a. The company has been generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, customs duty, cess and other statutory dues applicable to it.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31.3.2006 for a period of more than six months from the date they became payable.
- c. According to the information and explanations given to us, there are no dues of income tax, wealth tax, excise duty and cess, which have not been deposited on account of any dispute. The Company has informed us that the sales tax demand at Delhi Rs. 17.95 lakhs and the customs duty demand in respect of materials



**Ador Multiproducts Limited**

lying in bonded ware house of Rs. 12.66 lakhs and referred to in paragraph 9c of the annexure to our report dated 19<sup>th</sup> May, 2005 to the members of the Company are very old, not subsisting and not being pursued.

10. In our opinion, the accumulated losses of the Company are not more than fifty percent of its net worth. The Company has not incurred cash losses during the financial year covered by our audit and the previous year.

11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a bank. There are no loans from financial institutions or debentures.

12. 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 fund or a nidhi/mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

15. The Company has not given guarantees for loans taken by others from banks or financial institutions.

16. There are no term loans taken by the Company and hence clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.

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. No long-term funds have been used to finance short-term assets except permanent working capital.

18. According to the information and explanations given to us, the Company has not made any issue of capital during the year and hence the provision of clause 4(xviii) regarding preferential allotment is not applicable.

19. According to the information and explanations given to us, there are no debentures issued by the company and hence provisions of clause 4(xix) regarding creation of securities are not applicable.

20. There was no issue of capital, debenture, etc during the year and hence provision of paragraph 4(xx) regarding end use of money is not applicable.

21. According to the information and explanations given to us, no fraud on or by the company during the year has been noticed or reported during the course of our audit.

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

**Shyam Ramadhyani**  
Partner

Membership No.200/19522

B.K.Ramadhyani & Co.,  
Chartered Accountants  
4B, Chitrapur Bhavan  
8<sup>th</sup> main, 15<sup>th</sup> Cross  
Malleswaram  
Bangalore - 560 055  
24th May, 2006