

# 61<sup>st</sup>

## ANNUAL REPORT

2008 - 09

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### ADOR MULTIPRODUCTS LIMITED

## **Ador Multiproducts Limited**

### **BOARD OF DIRECTORS**

ARUNA B. ADVANI

Chairman

N. MALKANI NAGPAL

DEEP A. LALVANI

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, 1<sup>st</sup> Floor

218, 2<sup>nd</sup> Main, Sampige Road

(Near 14<sup>th</sup> Cross), Malleswaram

Bangalore – 560 003.

### **REGISTERED & HEAD OFFICE**

A-13 & 14, III Stage,

Peenya Industrial Estate, Bangalore - 560 058.

### **WEBSITE**

[www.adormultiproducts.com](http://www.adormultiproducts.com)

**61st Annual Report 2009****NOTICE**

To The Members

NOTICE is hereby given that the 61<sup>st</sup> Annual General Meeting of the members of the company will be held at 3.00 p.m on Thursday, 16<sup>th</sup> July, 2009, "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 2009 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 Mr. Deep A. Lalvani who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors in the place of the retiring auditors, for the current financial year and fix their remuneration.
4. 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 authorized 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**

5. To pass the following resolution as an ordinary resolution :

"RESOLVED that Mr. H.P. Ledwani, who was appointed as Additional Director of the Company and who holds office until the date of the Annual General Meeting, pursuant to Section 260 of the Companies Act, 1956, and Article 45 of the Articles of Association of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation".

6. To pass the following resolution as an ordinary resolution :

"RESOLVED that Mr. R.A. Mirchandani, who was appointed as Additional Director of the Company and who holds office until the date of the Annual General Meeting, pursuant to Section 260 of the Companies Act, 1956, and Article 45 of the Articles of Association of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation".

By order of the Board

**ARUNA B. ADVANI**  
Chairman

Bangalore  
29th April, 2009

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 10<sup>th</sup> July 2009 to 16<sup>th</sup> July 2009 (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. Members are requested to bring their copies of Annual Report to the meeting.

Details of unclaimed dividend :

Year	Amount
2005-06	2,45,267
2006-07	2,28,473
2007-08	2,32,551

By order of the Board

Bangalore  
29th April, 2009

**ARUNA B. ADVANI**  
Chairman

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## Ador Multiproducts Limited

**EXPLANATORY NOTES UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM No. 5**

Mr. H.P. Ledwani was appointed as Additional Director by the Board of Directors held on 18<sup>th</sup> October, 2008. Names of Companies in which he is a Director are given below :

Sl. No.	Name of the Company	Board position held
1.	Ador Fontech Limited	Managing Director.

The Company has received notice with requisite deposit from a Member under Section 257 of the Companies Act, 1956, proposing the appointment of Mr. H.P. Ledwani as a Director of the Company. Hence, the resolution is placed before the shareholders for approval.

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 except Mr. H.P. Ledwani, as it pertains to his appointment.

**ITEM No. 6**

Mr. R.A. Mirchandani was appointed as Additional Director by the Board of Directors held on 29<sup>th</sup> April, 2009. Names of Companies in which he is a Director are given below :

Sl. No.	Name of the Company	Board position held
1.	Ador Welding Limited	Director
2.	J.B. Advani & Co. P. Ltd.	Director

The Company has received notice with requisite deposit from a Member under Section 257 of the Companies Act, 1956, proposing the appointment of Mr. R.A. Mirchandani as a Director of the Company. Hence, the resolution is placed before the shareholders for approval.

The Board recommends the resolution set out at item no. 6 for approval.

No Director of the Company is concerned or interested in the said resolution except Mr. R.A. Mirchandani, as it pertains to his appointment.

**Brief profile of the Directors**

(i)

Name	Mr. Deep A Lalvani
Educational qualification(s)	MBA
Work Experience	Lagham Capital, London as 'Associate', DHL Europe Strategy as 'Consultant', Ador Welding Limited as 'Management Trainee' and as 'Director'.
Specific area of expertise	Strategy and Marketing
Number of shares held in the Company	29,958

(ii)

Name	Mr. H.P. Ledwani
Educational qualification(s)	B.Sc (Hons); DAM (Mumbai), DTMM
Work Experience	Ador Welding Ltd.
Specific area of expertise	Welding, Marketing and Finance
Number of shares held in the Company	NIL

(iii)

Name	Mr. R.A. Mirchandani
Educational qualification(s)	B.Com; MBA
Work Experience	Origin Energy as 'Manager' (South East asia)
Specific area of expertise	Operational Management
Number of shares held in the Company	Nil

By order of the Board

Bangalore  
29th April, 2009

**ARUNA B. ADVANI**  
Chairman

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

## 61st Annual Report 2009

### DIRECTORS' REPORT

Your Directors present the 61<sup>st</sup> Annual Report of your Company and the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2009.

### FINANCIAL RESULTS

(Rs. in lacs)

	Yearended 31.03.2009	Yearended 31.03.2008
Sales and Other Income (net Excise Duty)	1042.54	1088.72
Profit before Interest, Depreciation and Tax	69.85	57.39
Less: Depreciation	13.21	13.21
Interest	2.01	0.75
Profit after Interest and Depreciation	54.63	43.43
Less: Provision for Current Tax	19.00	16.75
Provision for Fringe Benefit Tax	1.58	1.95
Deferred Tax	(3.37)	(2.37)
Balance brought forward from previous year	10.86	11.07
Net Profit for the year	48.28	38.17
Appropriations:		
Proposed Dividend	-	23.34
Tax on above dividend distribution	-	3.97
Transfer to General Reserve	-	-
Balance carried Balance Sheet	48.28	10.86
	48.28	38.17

### DIVIDEND

As resources have to be conserved for deployment in the business, Directors do not recommend any dividend for the year ended 31st March 2009.

### OPERATIONS

#### Personal Products Division: -

The interest in International brands in the Indian market has also opened up opportunities for manufacturing. Prospects with local players, retailers and international brands look bright. Your company has initiated to serve the hotel industry segment which holds opportunity for growth.

Pondicherry unit is able to meet the demand requirement of South India as well as certain export quantity.

#### 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. Barring, the slowdown in a few sectors like automotive, your Company is expected to show increased business in other areas. The Company is also planning to expand its reach geographically in the Tamil Nadu region which should bring in additional revenue

### 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 plans to spend on Research and Development during the current year.

### FOREIGN EXCHANGE EARNINGS AND OUT GO

There was no Foreign Exchange earnings during the year since the customers exported the products manufactured by the Company in their names.

### DIRECTORS

In accordance with the provisions of the Article 49 of the Articles of Association of the Company, Mr. Deep A. Lalvani, Director of the company, retires by rotation at the forthcoming Annual General Meeting and being eligible offer himself for re-appointment.

Mr. H.P. Ledwani was co-opted as Additional Director of the Company by the Board with effect from 18<sup>th</sup> October, 2008 and holds the office upto the date of the forthcoming Annual General Meeting. The Company has received a notice in writing from a member proposing his candidature to the office of Director of the Company.

Mr. R.A. Mirchandani was co-opted as Additional Director of the Company by the Board with effect from 29<sup>th</sup> April, 2009 and holds the office upto the date of the forthcoming Annual General Meeting. The Company has received a notice in writing from a member proposing his candidature to the office of Director of the Company.

### 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. Amarnath Kamath & Associates., 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.

## Ador Multiproducts Limited

### 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, Group Companies, Government Agencies, Banks, Employees of the Company and Shareholders and look forward to their continued support.

For and on behalf of the Board

Bangalore  
29th April, 2009

**ARUNA B. ADVANI**  
Chairman

### AUDITOR'S REPORT

#### TO THE SHAREHOLDERS OF ADOR MULTIPRODUCTS LIMITED

We have audited the attached Balance sheet of ADOR MULTIPRODUCTS LIMITED as at March 31, 2009 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, 2009 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on March 31, 2009 from being appointed as a Director

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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, 2009;
  - (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

**Amarnath Kamath**  
Partner

Membership No. 13124

Bangalore.  
April 30, 2009

## 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