

65th

**ANNUAL REPORT
2012 - 13**



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 and 14, III Stage

Peenya Industrial Estate

Bangalore - 560 058.

WEBSITE

www.adormultiproducts.com

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NOTICE

NOTICE is hereby given that the 65th Annual General Meeting of the Members of the Company will be held at 9.00 a.m on Friday, 19th July, 2013, at "Rohini Hall", Hotel Ajantha, 22-A, M.G. Road, Bangalore – 560 001 to transact the following business:

ORDINARY BUSINESS

1. Adoption of Accounts

To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss for the year ended on that date together with the report of the Directors and Auditors thereon.

2. Re-appointment of Mr. A T Malkani

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

3. Re-appointment of Ms. Aruna B Advani

To appoint a Director in place of Ms. Aruna B Advani, who retires by rotation and being eligible offers herself 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 31st March, 2014 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

For Ador Multiproducts Limited

Mumbai
26th April, 2013

DEEP A. LALVANI
Chairman

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 13th July, 2013 to 19th July, 2013 (both days inclusive).

c. Members are requested to intimate to the Company immediately, of any changes, 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 31st March, 2013 for the years 2005-06 to 2007-08 and 2009-10 aggregate to Rs.10,25,649/- (Rupees ten lakhs, twenty five thousand, six hundred and forty nine only).

Ador Multiproducts Limited**Brief profile of the Director seeking re-appointment**

Name	Mr. A T Malkani
Educational qualification(s)	B.A (Economics) MBA
Specific area of expertise	Marketing
Directorship in other companies	1. J B Advani and Company Private Limited 2. Ador Welding Limited 3. Ador Fontech Limited 4. Ador Green Energy Private Limited
Work experience	Industrialist
Number of shares held in the Company	Nil

Name	Ms. Aruna B. Advani
Educational qualification(s)	B.Sc (Hons.)
Work experience	Business Management and Strategic Financial Planning
Specific area of expertise	Finance
Directorship in other companies	1. Ador Welding Limited 2. J B Advani and Company Private Limited 3. Ador Green Energy Private Limited 4. Ador Welding Academy Private Limited 5. Metro Shoe Limited
Number of shares held in the Company	Nil

By order of the Board
For Ador Multiproducts Limited

Mumbai
26th April, 2013

DEEP A. LALVANI
Chairman

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DIRECTORS' REPORT

Your Directors are pleased to present the 65th Annual Report of your Company and the Audited Statement of Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS

(₹ in lacs)		
Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Revenue	1164	1139
Operating profit/(loss)	(38)	22
Interest	(6)	(3)
Depreciation and amortisation	(20)	(17)
Profit/(loss) before tax	(64)	2
Provision tax	19	2
Profit/(loss) after tax	(45)	4

DIVIDEND

The Directors do not recommend any dividend for the year ended 31st March, 2013.

OPERATIONS

In spite of best efforts, the performance of the Company in terms of revenue and profit had de-accelerated, both in personal care products and trading division. While in the short period, it may be difficult to have a quick turnaround, nonetheless efforts shall be made to realign work systems to ensure sustenance, with thrust to strive ahead in the current financial year.

Personal Products Division

The Company has strengthened its product development and customer base. In the year under review, it added three more customers to its product portfolio. Furthermore, development of new products such as healing cream, variants of body spray, hand sanitizers and hand wash (under own brand of Influence range) have been initiated. Unfortunately, slowdown in the export market coupled with adverse financial impact on the customers, have largely shrunk demand in comparison to earlier years.

Trading Division

Your company continues to hold a dominant share of trading in industrial products in South India. Economic scenario, stiff competition and liquidity crisis in the market have lead to huge decline in turnover and profitability.

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 products manufactured by the Company.

DIRECTORS

In accordance with the provisions of Article 49 of the Articles of Association of the Company, Mr.A T Malkani and Ms. Aruna B Advani Directors of the Company, retire by rotation at the forthcoming Annual General Meeting and being eligible seek re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

As required by Section 217(2A) 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.

STATUTORY AUDITORS

The Company's Statutory 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 practicing Company Secretary is annexed herewith.

PARTICULARS OF EMPLOYEES

No employee is drawing remuneration of more than Rs. 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.

On behalf of the Board
For Ador Multiproducts Limited

Mumbai
26th April, 2013

DEEP A. LALVANI
Chairman

AUDITORS' REPORT

**TO THE SHAREHOLDERS OF ADOR
MULTIPRODUCTS LIMITED**

Report on the Financial Statements

1. We have audited the accompanying financial statements of ADOR MULTIPRODUCTS LIMITED which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section(3C) of Section 211 of the 'Companies Act, 1956 of India' (the "Act"). This responsibility includes design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by 'The Institute of Chartered Accountants of India'. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including assessment of risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditors considered internal control relevant to the Company's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the

accompanying financial statements, along with notes thereon, give the information required by the Act 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 31st March, 2013;
- (b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date, and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act (hereinafter referred to as the 'Order') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, 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 purpose of our audit;
 - (b) 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;
 - (c) 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;
 - (d) In our opinion, 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 Act;
 - (e) On the basis of written representations received from the Directors of the Company as on 31st March, 2013, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2013, from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For Amarnath Kamath and Associates

Chartered Accountants

[Firm registration no. 000099S]

Amarnath Kamath

Partner

[Membership no. 13124]

Bangalore
30th April, 2013

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ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 7 of our report of even date)

As required by **The Companies (Auditor's Report) Order, 2003** as amended by **The Companies (Auditor's Report) (Amendment) Order, 2004** and on the basis of such examination of the books and records of the Company as we considered appropriate and on the basis of information and explanations given to us during the course of our audit, we report that, in our opinion:

- 1) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. These fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification and the same have been properly dealt with in the books of account. Substantial parts of fixed assets have not been disposed off during the year, so as to affect the going concern;
- 2) (a) The inventories have been physically verified by the management during the year. In our opinion the frequency of verification is reasonable.
(b) The procedures for 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 has maintained proper records of inventory. The discrepancies noticed on verification between physical stocks and book records were not material.
- 3) The Company has not granted/ taken loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedure commensurate with the size of the Company and the nature of its business, for purchase of inventory, fixed assets and with regard to sale of goods. During the course of our audit, no major weakness have been noticed in the internal controls;
- 5) (a) According to information and explanations given to us, the particulars of all contracts and arrangements referred to in Section 301 of the Act, have been entered in the register required to be maintained under that section.
(b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of rupees five lakhs with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 6) The Company has not accepted any deposits from the public during the year.
- 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 accounts maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Act 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 information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' state insurance, Income-tax, Customs duty, Excise duty, Service tax, Cess and any other material statutory dues have been generally regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us, there are no undisputed amounts payable in respect of Income-tax, Sales tax, Customs Duty, Excise duty, Service tax and Cess which were outstanding at the year end for a period of more than six months from the date they became payable. According to the information and explanations given to us, there are no dues outstanding of Sales tax, Income-tax, Customs duty, Wealth tax and Cess on account of any dispute as at the year end.
- 10) The Company has no accumulated losses at the end of the financial year and it has incurred cash loss in the financial year under this report. The Company has not incurred cash loss in the immediately preceding financial year.
- 11) Based on our audit procedures and as per the information and explanation provided to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks or to any financial institutions. The Company does not have any outstanding debentures or any outstanding loans from financial institutions during the year.
- 12) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities during the year.
- 13) In our opinion, and according to the information and explanation given to us, the Company is not chit fund/ nidhi/mutual benefit fund/societies and therefore provisions of clause (viii) of paragraph 4 (iii) of the Order are not applicable;
- 14) In our opinion, and according to the information and explanation given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments.

- 15) According to the information and explanation 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, we report that no funds raised on short term basis have been used for long term investment.
- 18) The Company has not made preferential allotment of share warrants to parties covered in the Register maintained under section 301 of the Companies Act, 1956.
- 19) The Company did not have any outstanding debentures during the year.
- 20) The Company has not made any public issues of its equity during the year and therefore the question of disclosing the end use of money does not arise.
- 21) According to the information and explanation given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For Amarnath Kamath and Associates

Chartered Accountants

[Firm registration no. 000099S]

Amarnath Kamath

Partner

Bangalore
30th April, 2013

[Membership no. 13124]