

67th

**ANNUAL REPORT
2014 - 15**



ADOR MULTIPRODUCTS LIMITED

Ador Multiproducts Limited

CORPORATE INFORMATION

| | |
|---|---|
| BOARD OF DIRECTORS | DEEP A. LALVANI <i>Chairman & Managing Director</i> |
| | NINOTCHKA MALKANI NAGPAL <i>Director</i> |
| | NAVROZE S. MARSHALL <i>Independent Director</i> |
| | GAURAV LALWANI <i>Independent Director</i> |
| MANAGEMENT TEAM | VENUGOPAL C.K. <i>Chief Operating Officer</i> |
| | SHIVENDRA PARASHAR <i>General Manager</i> |
| COMPANY SECRETARY | SRIEE ANEETHA.M |
| STATUTORY AUDITORS | AMARNATH KAMATH AND ASSOCIATES Firm Reg.No. 000099S Chartered Accountants, Bangalore. |
| REGISTRAR AND SHARE TRANSFER AGENT | CANKBANK COMPUTER SERVICES LIMITED CIN:U85110KA1994PLC016174 J.P.Royale, 1st Floor, 218, 2 nd Main, Sampige Road, [Near 14 th Cross], Malleswaram, Bangalore – 560 003. |
| CORPORATE OFFICE | Ador Multiproducts Limited CIN L85110KA1948PLC000545 A-13 & 14, III Stage, Bangalore 560 058. Email: amplblr@yahoo.co.in |

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NOTICE

NOTICE is hereby given that the 67th Annual General Meeting of the Members of the Company will be held at 9.00 am on Wednesday, 26th August 2015, 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 2015 and the Statement of Profit and Loss for the year ended on that date together with the report of the Board of Directors and Auditors thereon.

2. Re-appointment of Mrs. N. Malkani Nagpal

To appoint Mrs. N. Malkani Nagpal [DIN:00031985] who retires by rotation and being eligible offers herself for re-appointment.

3. Appointment of Statutory Auditors

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED that, pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s.Amarnath Kamath and Associates, Chartered Accountants [Firm registration No.000099S], be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting [AGM] till the conclusion of the Seventieth AGM of the Company to be held in the year 2018 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket, travelling expenses, as may be mutually agreed between the Board of Directors of the Company and the Auditors".

SPECIAL BUSINESS

4. Appointment of Branch Auditors

To consider and if thought fit, to pass, with or without modifications(s), the following resolution as an Ordinary Resolution.

"RESOLVED that pursuant to section(s) 143, 139 and other applicable provisions of the Companies Act, 2013, read with Rules made there under, the accounts for the year ending March 31, 2016 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 141 of the Companies Act, 2013 and that the Board of Directors be and are hereby authorised to decide & appoint such Branch/Unit Auditors in consultation with the Company's Auditors and fix their remuneration and terms & conditions".

5. Appointment of Mr. Gaurav Lalvani, Director as an Independent Director of the Company.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED that pursuant to the provisions of sections 149,150,152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Mr. Gaurav Lalvani [DIN:06928792], Director of the Company, who has submitted necessary forms as per Companies Act, 2013 and is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for the period of five years and is not liable to retire by rotation".

6. Appointment of Mrs. N.Malkani Nagpal, Additional Director as Promoter Director of the Company.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED that pursuant to the provisions of sections 149 & 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 framed there under, as amended from time to time, Mrs. N.Malkani Nagpal [DIN:00031985], Director of the Company, who has submitted necessary forms as per Companies Act 2013 and is eligible for appointment, be and is hereby appointed as an Promoter Director of the Company and is liable to retire by rotation".

Mumbai
30th April, 2015

Registered Office:
CIN: L85110KA1948PLC000545
A-13 & 14, III Stage,
Peenya Industrial Estate
Bangalore - 560 058.
email : amplblr@yahoo.co.in

By order of the Board
SRIEE ANEETHA.M
Company Secretary

NOTES

1. 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.
2. The Proxy form must reach the Company's Registered Office not later than 48 hours before the Commencement of the Meeting. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. The Company is pleased to provide e-Voting facility to its Members of the Company to enable them to cast their votes electronically on the items mentioned in the notice. A separate communication / Notice is being sent to Members whose names appear on the Register of

Ador Multiproducts Limited

Members as on 19th August 2015, to enable them to cast their votes through e-Voting. We encourage your participation and expect your support in this green initiative. To receive communications from the Company in electronic form, please register your e-mail address with DP/ RTA. Members may also note that the Annual Report 2015 of the 67th AGM will be available on the Company's website www.adormultiproducts.com

4. The Explanatory Statement pursuant to section 102 (1) of the Companies Act, 2013 in respect of the special business to be transacted at the AGM is annexed hereto.
5. Members are requested to intimate any changes, if any, in their Registered Addresses and advise to inform/register their email IDs to the Share Transfer Agents of the Company at the following Address:

M/s.Canbank Computer Services Limited,
No.218 J P Royale, 1st Floor, 2nd Main,
Sampige Road, Near 14th Cross,
Malleshwaram, Bangalore 560 003.
6. The Register of Members and Share Transfer Books of the Company will remain closed from 15th August 2015 to 26th August 2015 [both days inclusive].
7. Members / Bodies Corporate / Proxies are requested to bring the attendance slip duly filled and signed for attending the Meeting.
8. Pursuant to the provisions of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of declaration is required to be transferred to the 'Investor Education and Protection Fund' (IEPF). 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.
9. Amount of unclaimed dividend as at March 31, 2015 for the years 2007–08 and 2009–10 aggregate to Rs.5,57,338/- (Rupees Five Lakhs, Fifty Seven Thousand, Three Hundred and Thirty eight only).

VOTING THROUGH ELECTONIC MEANS

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies [Management and Administration] Rules, 2014, the Company is pleased to provide its Members facility to exercise their right to vote at the 67th Annual General Meeting [AGM] by electronic means and the business to be transacted through e-voting services provided by National Securities Depository Limited [NSDL].

Instructions for E-Voting:

1. **In case a Member receives an email from NSDL [for Members whose email ids are registered with the Company/Depository Participant(s)]:**
 - a. Open email and open PDF file 'Ador Multiproducts – e-voting.pdf' with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN. Please note that the password is an initial password.

- b. Launch the internet browser and type the URL <https://www.evoting.nsdl.com>.
 - c. Click on Shareholder-Login.
 - d. Input User ID, Password and Click Login.
 - e. Password change menu appears. Change the password/PIN with a new password of your choice with minimum 8 digits/characters or combination thereof. Please note down the new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - f. Home page of e-voting opens. Click on e-voting – Active voting cycles.
 - g. Select "EVEN" of Ador Multiproducts Limited.
 - h. Now you are ready for e-voting as 'Cast Vote' page opens.
 - i. Cast your vote by selecting the appropriate option and click on 'Submit' and also 'Confirm' when prompted.
 - j. Upon confirmation, the message 'Vote cast successfully' will be displayed.
 - k. Once you have voted on the resolutions, you will not be allowed to modify your vote.
 - l. Institutional shareholders (Corporate/FIs/FIIs/Trust/Mutual Funds/Banks, etc.) are required to send scanned (PDF/JPEG format) of the relevant Board resolution/ Authority letter, etc. together with attested specimen signature of duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser through e-mail 'gthirupal@gmail.com' with a copy marked to 'evoting@nsdl.co.in'.
2. **In case a Member receives physical copy of the Notice to the AGM [for Member(s) whose email ids are not registered with the Company/Depository Participant(s) or who have requested for physical copy]:**
 - a. Kindly refer User ID and Password provided in the enclosed Ballot Form **EVEN (E Voting Event Number) USER ID PASSWORD/PIN**.
 - b. Please follow all steps from SI No. (b) to SI No.(i) of point no. 1 above, to cast vote.
 - c. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
 - d. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - e. **The e-voting period commences from 23.08.2015 (9.00 am) and ends on 25.08.2015 (5.00 pm).** During this period, the Shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date - August 19, 2015, may cast their vote electronically. Once the vote on a resolution is cast by the Shareholder(s), it shall not be allowed to change subsequently.
 - f. The voting rights of the Shareholder(s) shall be in proportion to their shares reckoned on the paid-up equity

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share capital of the Company as on the cut off date – August 19, 2015.

- g. Mr.Thirupal Gorige, Practicing Company Secretary (FCS Membership#6680 and CP#6424) having office at No.87, 2nd Floor, 21st Cross, 7th Main, N.S.Palya, BTM 2nd Stage, Bangalore 560 076, Company Secretary(ies) in practice have been appointed as the Scrutiniser(s) to scrutinise the e-voting process in a fair and transparent manner.
- h. The Scrutiniser(s) shall form the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company, make a Scrutiniser's Report of the votes cast in favour or against and submit it to the Chairman of the Company.

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Members and e-voting User Manual available at the download section of <https://www.evoting.nsdl.com> or contact NSDL – Tel: (022) 24994600.

Copies of Annual Report 2014–15 including Notice to the 67th Annual General Meeting are being sent by electronic mode to all the Members whose e-mail addresses are registered with the Company/Depository Participant(s), unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail addresses or if e-mail sent bounces back, physical copies of the Annual Report are being sent by the permitted mode.

Explanatory Statement

[Pursuant to section 102 of the Companies Act, 2013]

Item No.4:

The Company's manufacturing plants are situated at diverse locations. In view of the same, it is proposed to authorize the Board of Directors to appoint, in consultation with the Company's Auditors, such persons as are qualified for appointment as Branch Auditors under Section 141 of the Companies Act, 2013, and amendments thereof, to audit the accounts, for the year ending March 31, 2016 and to fix their remuneration.

The Board recommends the resolution set out at item no.4 for approval.

No Director of the Company is concerned or interested in the said resolution.

Item No.5:

The Company had, pursuant to provisions of Clause 49 of the Listing Agreements, appoint Mr. Gaurav Lalwani, Director, as Independent Director of the Company.

Pursuant to the provisions of Section 149 of the Act, which came in to effect from April 1, 2014 every listed public company is required to have at least one-third of the total number of director as Independent director, who are not liable to retire by rotation.

Mr. Gaurav Lalwani is a national of Indian origin. He holds a Masters in Commerce, Bachelors in Commerce and Economics, with a Diploma in Advertising, Marketing & Sales Promotion. He was appointed as an Director by the Board

of Directors on 20th October, 2014, In the opinion of the Board, Mr. Gaurav Lalwani fulfills the conditions specified in the Chapter XI section 160 of the Companies Act 2013 and proposes his appointment as an Independent Director of the Company. Name of Companies in which he is a Director are given below:

| Sl.No. | Name of the Company | Board Position held |
|--------|---------------------|---------------------|
| 1 | Ador Welding Ltd | Director |

In compliance with the provisions of section 149 read with Schedule IV of the Act. The Board recommends the resolution set out at Item No.5 the appointment of Independent Director and is now being placed before the Members for their approval.

None of the Directors or Key Managerial Personnel [KMP] or relatives of directors and KMP is concerned or interested in the Resolutions at Item No.5 of the accompanying Notice.

Item No.6:

Mrs. N .Malkani Nagpal was appointed as women Director by the Board of Directors on 30th March 2015, through Board resolution. She is from family of Promoter group and holds degree in Master of Business Administration. In the opinion of the Board, Mrs. N.Malkani Nagpal, holding directorship in group companies, proposes her appointment as Promoter Director of the Company and is liable to retire by rotation. Name of Companies in which she is a Director are given below:

Brief profile of the Director:

| | |
|--------------------------------------|--|
| Name | Mrs. N. Malkani Nagpal |
| Educational qualification(s) | MBA |
| Specific area of expertise | Finance |
| Directorship in other companies | Ador Welding Limited J B Advani & Co. Pvt. Ltd. Ador Fontech Limited Ador Green Energy Private Limited Piem Hotels Limited |
| Work experience | Experience in Admin |
| Number of shares held in the Company | 500 |

In compliance with the provisions of section 149 of Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 of the Act, The Board recommends the resolution set out at Item No.6 the appointment of Director and is now being placed before the Members for their approval.

None of the Directors or Key Managerial Personnel [KMP] or relatives of directors and KMP is concerned or interested in the Resolutions at Item No.6 of the accompanying Notice.

By order of the Board

Mumbai
30th April, 2015

SRIEE ANEETHA.M
Company Secretary

DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2014-2015

To,
The Members,

Your Directors are pleased to present the 67th Annual Report of your Company and the Audited Statement of Accounts for the year ended 31st March, 2015.

FINANCIAL HIGHLIGHTS:

During the year under review, performance of your company as under :

| Particulars | ₹ in lacs | |
|-------------------------------|--------------------------|--------------------------|
| | Year ended 31.03.2015 | Year ended 31.03.2014 |
| Revenue | 822 | 997 |
| Operating Profit / (loss) | (137) | (124) |
| Interest | (17) | (8) |
| Depreciation and amortisation | (15) | (23) |
| Profit/(loss) before tax | (105) | (155) |
| Provision tax | 34 | 49 |
| Profit/(loss) after tax | (71) | (106) |

STATE OF COMPANY AFFAIRS AND FUTURE OUTLOOK:

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 re-align work systems to ensure sustenance, with thrust to strive ahead in the current financial years.

Your Company's initiatives in the area of sustainability, vision and its growth path into the future, leveraging its corporate strategy of creating multiple drivers of growth is slowing bearing fruit. The order booking for the current year is encouraging when viewed against the backdrop of the extremely challenging business context in which it was achieved, namely, the continued economic slowdown, steep increase in taxes/duties, gestation costs relating to the new FMCG businesses and other investments. One of the sectors that has been affected in the past years is FMCG, which is the fourth largest sector in the Indian economy. Overall, the FMCG sector is witnessing a slowdown, depreciating rupee has escalated raw material prices and this, in twirl, has led the FMCG companies to make their endeavor to balance both.

Your company has recently acquired an alcohol license at its plant in Pondicherry as well and has invested in doubling capacity of alcohol based products. This is to meet the growing demand of hand sanitizers, perfumes and other alcohol based products.

PERSONAL PRODUCTS DIVISION

Your Company's Personal Care Products business, continued to gain consumer franchise during the year aided

by a slew of new products launches in the Hand Sanitizers, Hand Wash, Skin Care, Face Wash, etc. The business continues to leverage the umbrella brands, namely, "Himalaya Drug Company", "Bdel", "Apollo Pharmacy Company", "Spar" etc., segments and is focused on addressing various consumer benefits with the introduction of new variants. Buoyed by increasing consumer franchise for your Company's brands, it is expected that the accelerated growth of the Brand businesses will be sustained in the years ahead. Your Company will continue to rapidly scale-up product partnerships, invest in manufacturing and distribution infrastructure to support larger scale in view of the growing demand for their products and maximize the benefits of clients synergy. Apart from expanding the Company's existing in-house domain solution capabilities, specific development continued to enhance and strengthen its nexus globally.

Going forward, the Company will continue to review and reinforce its strategies and action plans to rapidly scale up its global footprint. It has build contracts with international clients and that should bear fruit in the coming year.

TRADING DIVISION

Your company faced a challenging year in trading of industrial products. The economic scenario, slowdown in infrastructure projects, stiff competition and liquidity crisis in the market has lead to a huge decline in turnover and profitability.

DIVIDEND:

The Directors do not recommend any dividend for the year ended 31st March, 2015.

CHANGES IN SHARE CAPITAL:

The Company on 09th July 2014, had approval from Shareholders to allot 2,50,000 convertible Preferential warrants to the Promoter Group in pursuance to passing of Resolutions by Postal Ballot. Subsequently, the Company had allotted first tranche of 1,24,500 Equity shares by conversion of Preferential warrants to Promoter JB Advani and Company Pvt Ltd. The Share Capital had increased from 26,14,178 to 27,38,678.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return, in format MGT-9, for the Financial Year 2014-15 has been enclosed with this report.

NUMBER OF BOARD MEETINGS

During the Financial Year 2014-15, 7 meetings of the Board of Directors of the Company were held.

| Sl. No. | Date | Place | Time |
|---------|------------|---------------------|----------|
| 1 | 17.05.2014 | Ador House- Mumbai | 12.00 pm |
| 2 | 18.07.2014 | Ador House- Mumbai | 12.00 pm |
| 3 | 29.07.2014 | Ador House - Mumbai | 2.00 pm |
| 4 | 11.11.2014 | Ador House - Mumbai | 2.00 pm |
| 5 | 03.02.2015 | Ador House - Mumbai | 4.30 pm |
| 6 | 30.03.2015 | Ador House - Mumbai | 12.00 pm |
| 7 | 31.03.2015 | Ador House - Mumbai | 1.30 pm |

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RELATED PARTY TRANSACTIONS

The particulars of contracts or arrangements are transactions at arms length basis with related parties referred to in Section 188(1) of the Companies Act 2013 for the Financial Year 2014-15.

| Sl. No. | Particulars | JB Advani & Co (in Rs.) | Ador Welding Ltd (in Rs.) |
|---------|---------------------------------------|----------------------------|------------------------------|
| 1 | Advance towards preferential warrants | 25,71,938 | — |
| 2 | Purchase of traded Goods | — | 65,49,551 |
| 3 | Re-imbursment of Expenses | — | 1,60,122 |
| 4 | Royalty Payment | — | 22,257 |
| 5 | Interest received on deposit | — | 8,400 |
| 6 | Sale of Mfg/ traded goods | — | 36,046 |

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 OUT GO

There were no foreign exchange earnings during the year, as the customers exported the products manufactured by the Company.

DIRECTORS

In accordance with the provisions of Article 49 of the Articles of Association of the Company, Mrs. N. Malkani Nagpal, Director 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 134(5) of the Companies Act, 2013, your Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the accounting policies are reasonable and applied them consistently and made judgments and estimates that are rational 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 and loss of the company for that period;
- Proper and sufficient care has been taken for maintenance of adequate accounting records in

accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- the Annual Accounts have been prepared on a going concern basis;
- the Company had laid down internal financial controls to be followed and that such internal financial controls are adequate and were operating effectively.
- the proper system is maintained to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATUTORY AUDITORS

The Company's 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 AUDIT REPORT

As per Section 204(1) of the Companies Act, 2013 the Secretarial Audit Report 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 134 of the Companies Act, 2013 read with the Particulars of Employees Rules, 1975.

ACKNOWLEDGEMENT

Your Directors wish to acknowledge the support extended by the, Customers, Suppliers, Group Companies Government Agencies, Banks, Employees and Shareholders and during the year.

For and on behalf of the Board

Mumbai
30th April, 2015

DEEP A LALVANI
Chairman

AUDITORS' REPORT**TO THE SHAREHOLDERS
OF ADOR MULTIPRODUCTS LIMITED****Report on the Financial Statements:**

We have audited the accompanying financial statements of Ador Multiproducts Limited ('the Company'), which comprise the Balance sheet as at March 31, 2015, the Statement of Profit and loss and the Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in sub-section 5 of Section 134 of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements,

whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements 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, of the state of affairs of the Company as at March 31, 2015 and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and 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, 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;
 - c. The Balance sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of the written representations received from the Directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and

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f. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:

- (i) The Company has no pending litigations as per the information furnished to us ;
- (ii) The Company has not entered into any derivative transactions as per the information furnished to us
- (iii) There have been no delays in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For AMARNATH KAMATH AND ASSOCIATES

Chartered Accountants
Firm Reg. No.: 000099S

Amarnath Kamath
Partner

Membership No. 13124

Bangalore.

4th May, 2015

ANNEXURE TO AUDITORS' REPORT

1. (Annexure to the Independent Auditors' Report

[Referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2015]

- 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.
- 2) a) We are informed that inventories, except goods in transit, 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 physical stocks and book records were not material and have been properly dealt with in the books of account

- 3) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted loans to companies, firms or other parties listed in the register maintained under Section 189 of the Act.
- 4) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
- 5) The Company has not accepted any deposits from the public in accordance with the provisions of Section 73 to Section 76 of the Act and the rules framed there under.
- 6) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the activities by the Company.
- 7) (a) 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, Sales tax, Service tax, Excise duty, Value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income tax, Sales tax, Service tax, Excise duty, Value added tax, cess and other material statutory dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no material dues of Income tax, Sales tax, Service tax, Value added tax, Excise duty and cess, which have not been deposited with the appropriate authorities on account of any dispute.
- (c) According to the information and explanations given to us, there are no cases in the Company's books, where amounts which were required to be transferred to the Investor Education and Protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under;