

**REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2012-13
(PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)**

The Company pursuant to Clause 49 of the listing agreement with the Stock Exchanges furnishes its report on the code on Corporate Governance.

1. Company's Philosophy on Code of Governance:

Your Company is fully committed to the principles of transparency, integrity and accountability in all spheres of its operations and has been practicing the principles of good corporate governance over the years. In keeping with this commitment, your Company has been upholding fair and ethical business and corporate practices and transparency in its dealings and continuously endeavors to review strengthen and upgrade its systems and procedures so as to bring in transparency and efficiency in its various business segments.

Your Board of Directors present the Corporate Governance Report for the year 2012-13 based on the disclosure requirements under Clause 49 of the Listing Agreement existing as on 31st March 2013.

2. Board of Directors:

The Board of Directors of the company is composed of committed persons with considerable experience in varied fields and comprises a majority of Non-Executive Directors. The Board is properly constituted as per Clause 49 of the Listing Agreement.

None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees across all the Companies in which he is a Director. Necessary Disclosures regarding Committee positions in other Public Companies as on March 31, 2013 have been made by the Directors.

During the financial year ended 31st March, 2013, 7 Meetings of the Board of Directors were held as on 16/04/2012, 30/07/2012, 10/08/2012, 30/10/2012, 14/02/2013, 11/03/2013 and 25/03/2013

Sr. No.	Name of Directors	Category of Directors	No. of Board Meeting attended during the year	Whether attended last AGM	Number of other Directorship	No of membership of Committees in other Public Ltd Companies
1	Mr. Sanjiv Joshi*	Executive Director	5	Yes	Nil	Nil
2	Mr. Ashish S. Pandare	Independent Director	7	Yes	1	2
3	Mr. Lalji R. Yadav	Independent Director	7	Yes	2	2
4	Mr. Mandar S. Palav	Independent Director	7	Yes	2	2

*Appointed w.e.f 10/08/2012

Notes:

1. Excludes alternate directorships and directorships in foreign companies and private companies which are neither a subsidiary nor a holding company of a public company.
2. Excludes Committees other than Audit Committee and Shareholders'/ Investors' Grievance Committee and Companies other than public limited companies.

The Board periodically reviews compliance reports of all the laws applicable to the Company and has put in place procedures to review steps to be taken by the Company to rectify instances of non-compliance, if any.

Particulars of Re-appointed Directors:

Mr. Lalji Ramraj Yadav who retires by rotation and being eligible for re- appointment have offered themselves for re- appointment.

Board Committees

The Board has constituted the following Committees of Directors:

(a) Audit Committee:**i. Terms of Reference**

The role and terms of reference of Audit Committee covers are as mentioned under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, besides other terms as may be referred by the Board of Directors.

ii. Composition

The Audit Committee comprised of Mr. Ashish S. Pandare Chairman, Mr. Lalji Ramraj Yadav and Mr. Mandar Palav as Members. The composition of the Board of Directors is in accordance with Clause 49 of the Listing Agreement.

During the 2012-13 under review 5 meetings of the Audit Committee were held on, 16/04/2012, 30/07/2012, 10/08/2012, 30/10/2012 and 14/02/2013.

The attendance of members is as follows:

Name	Category	Meetings during the year 2012-13	
		Held	Attended
Mr. Ashish S. Pandare - Chairman	Independent Director	5	5
Mr. Lalji Ramraj Yadav - Member	Independent Director	5	5
Mr. Mandar Palav - Member	Independent Director	5	5

A brief description of the terms of reference of the Audit Committee is as follows:

To review Internal Audit Reports, Statutory Auditors' Report on the financial statements, to generally interact with the Internal Auditors and Statutory Auditors, to review the adequacy of internal control systems, to select and establish accounting policies, to review financial statements before submission to the Board, to recommend the appointment and removal of external auditor and fixation of audit fees and other matters specified under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

b. Share Transfer & Shareholders' / Investors' Grievance Committee :**(i) Terms of references**

- a) To scrutinize and approve registration of transfer of shares / debentures / warrants issued / to be issued by the company.
- b) To exercise all power conferred on the Board of Directors under Article 43 of the Article of Association.
- c) To decide all questions and matters that may arise in regard to transmission of shares / debentures / warrants issued / to be issued by the Company.
- d) To approve and issue duplicate shares / debentures / warrants certificates in lieu of those reported lost,
- e) To refer to the Board and any proposal of refusal of registration of transfer of shares / debentures / warrants for their consideration.
- f) To look into shareholders and investors complaints like transfer of shares, non-receipt of declared dividends, etc., and
- g) To delegate all or any of its power of Officers / Authorized Signatories of the Company.

(ii) Composition

The Share Transfer & Shareholders' / Investors' Grievance Committee met 5 times during the 2012-13 respectively on 16/04/2012, 30/07/2012, 10/08/2012, 30/10/2012 and 14/02/2013 The attendance of the members is as follows:

Name	Category	Meetings during the year 2012-13	
		Held	Attended
Mr. Lalji Yadav - Chairman	Independent Director	5	5
Mr. Ashish Pandare - Member	Independent Director	5	5
Mr. Mandar Palav - Member	Independent Director	5	5

The constitution and terms of reference of the Share Transfer & Shareholders'/ Investors' Grievance Committee is in agreement with the guidelines prescribed under Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

This committee (i) approves and monitors transfers, transmission, splitting and consolidation of securities and issue of duplicate Certificates by the Company; (ii) looks into various issues relating to shareholders, including the redressed of shareholders' and investors' complaints like transfer of shares, non-receipt of Balance Sheet, dividend etc.; and (iii) carries out the functions envisaged under the Code of Conduct for Prevention of Insider Trading adopted in terms of Regulation 12(1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992.

1. General Body Meetings:

(a) Location and time where last three Annual General Meetings were held:

Financial Year	Date	Time	Location
2011-2012	29/09/2012	11.00 a.m.	23, Sarvopari Mall, Opp. Utsav Party plot, Sola Road, Ahmedabad-380063.
2010-2011	23/09/2011	11.00 a.m.	Parking Plot, Indrapuri Apartments, Ellisbridge, Ahmadabad 380 006.
2009-2010	30/09/2010	11.00 a.m.	Parking Plot, Indrapuri Apartments, Ellisbridge, Ahmadabad 380 006.

(a) Whether Special Resolutions were put through postal ballot last year : No

(b) Are votes proposed to be conducted through postal ballot this year : No

2. Other disclosures:

(a) Related Party Transactions

Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large:

None of the transactions with any of the related parties were in conflict with the interest of the Company at large.

(b) Disclosure of Accounting Treatment

In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

(c) Disclosures on Risk Management

During the year under review, a detailed exercise on Business Risk Management was carried out covering the entire spectrum of business operations and the Board has been informed about the risk assessment and minimization procedures as required under Clause 49 of the Listing Agreement. The Company has framed the Risk Assessment and Minimization- Procedure which will be periodically reviewed by the Board.

(d) Code of Conduct

The Board of Directors has not adopted the Code of Ethics and Business Principles for the Non-executive Directors as also for the employees including Executive Director.

- (e) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

None

REMUNERATION OF DIRECTORSDetails of remuneration paid to Directors

None of Directors have been paid during the year.

3. General Shareholder information:

- (a) **AGM Date, Time and Venue:** Annual General Meeting will be held on Friday, 20th September, 2013, at 03.30 P.M. at Cultural Centre Hall, BCA Charitable Trust, Nr. Chandra Nagar Bus Stand, Narayn Nagar Road, Paldi, Ahmedabad – 380 007.
- (b) **Financial Year:** The Financial Year is from 1st April 2013 to 31st March 2014.
Tentative Schedule

Unaudited Results for quarter ending June 30, 2013	: End of July 2013
Unaudited Results for quarter ending September 30, 2013	: End of October 2013
Unaudited Results for quarter ending December 31, 2013	: End of January 2014
Audited Results for year ending March 31, 2014	: End of July 2014
AGM for year ending March 31, 2014	: End of September 2014

- (c) **Book Closure period:** Friday 13th September, 2013 to Friday 20th September, 2013 (both days inclusive).
- (d) **Dividend payment:** The Company has not declared any dividend.
- (e) Stock Exchanges where securities are listed.
The Company's securities are listed at Bombay Stock Exchange Limited.

ADI RASAYAN LIMITED**STOCK MARKET DATA:**

Your Company has paid the annual listing fees to the BSE for the financial year 2012-13. Month wise data is mentioned below:

Month	Open	High	Low	Close	No. of Shares	No. of Trades	Total Turnover	Deliverable Quantity	% Deli. Qty to Traded Qty	* Spread	
										H-L	C-O
Sep 12	5.38	8.70	5.38	8.70	1,100	11	7,611	1,100	100	3.32	3.32
Oct 12	9.13	9.13	9.13	9.13	2,200	7	20,086	2,200	100	0.00	0.00
Nov 12	9.13	9.13	9.13	9.13	600	1	5,478	600	100	0.00	0.00
Jan 13	9.58	14.12	9.58	14.12	2,300	12	27,531	2,300	100	4.54	4.54
Feb 13	14.82	16.29	13.42	14.66	14,700	15	2,07,109	14,700	100	2.87	-0.16

(f) **Scrip code:** 531592 - Bombay Stock Exchange Limited

(g) **Registrar and Transfer Agent :** SYSTEM SUPPORT SERVICES
209, Shivai Industrial Estate,
89, Andheri Kurla Road,
Saki Naka, Andheri E, Mumbai – 400 072.
Tel: 022 -28500835 Fax: 022-28501438
Email : sysss72@yahoo.com

(h) **Share transfer system with number of shares transferred:**
Share transfers in physical form are registered and returned within a period of 15 days from the date of receipt, in case documents are complete in all respects. The Share Transfer & Shareholders' / Investors' Grievance Committee meets at least every fortnight.

(i) **Dematerialization of shares and liquidity:** Yes

(j) **Outstanding GDRs/ Warrants, Convertible Bonds, conversion date and its impact on equity.** Nil

(k) **Distribution of Shareholding and Shareholding Pattern as on 31st March, 2013.**

(i) **Distribution of Shareholding as on 31st March, 2013:**

No. of Shares	No. of Shareholders	% of holding
001 to 500	1034	54.825
0501 to 1000	688	36.479
1001 to 2000	30	1.591
2001 to 3000	14	0.742
3001 to 4000	8	0.424
4001 to 5000	6	0.318
5001 to 10000	28	1.485
10001 & Above	78	4.136
TOTAL	1886	100.00

(ii) Shareholding pattern as at 31st March, 2013:

No. of Shares held	% to Total Shares	
Promoter Group*	780300	11.97
Mutual Funds and UTI	00	0.00
Banks & Financial institutions & Insurance Companies etc.	00	0.00
Corporate Bodies	5200	0.08
General Public	5734200	87.95
NRIs/ OCBs	00	0.00
TOTAL	6519700	100.00

(l) Address for correspondence:

The Company's Registered Office is situated at:
23, Sarvopari Mall, Opp. Utsav Party plot,
Sola Road, Ahmedabad-380063.

Non-Mandatory Requirements:

The Company is not yet implementing the non-mandatory requirements under Clause 49 of the Listing Agreement. However, adoption of other non-mandatory requirements under Clause 49 of the Listing Agreement is being reviewed by the Board from time to time.

WHISTLE BLOWER POLICY

Clause 49 of the Listing Agreement between listed companies and the Stock Exchanges, inter-alia, provides, a non-mandatory requirement, for all listed companies to establish a mechanism called "Whistle Blower Policy" for employees to report to the management instances of unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects employees wishing to raise a concern about serious irregularities within the Company. The policy neither releases employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

The Executive Director of the Company has the right to amend or modify this Policy in whole or in part, at any time without assigning any reason, whatsoever.

For and on behalf of Board of Directors

Place: Ahmedabad
Date: 5th August 2013

Sd/-
Director

Sd/-
Director