



Reclamation, Fusion
Surfacing & Spraying Solutions

Ador Fontech Limited

**36th
ANNUAL
REPORT**

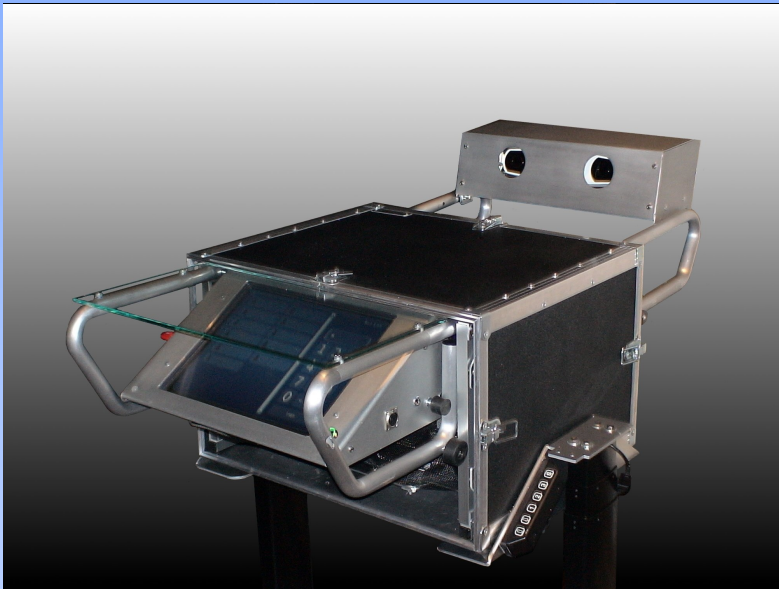
Towards Green Environment



*Life enhancement of
industrial components*

Welding Simulator

Beyond technology... Virtual reality in the welding industry!

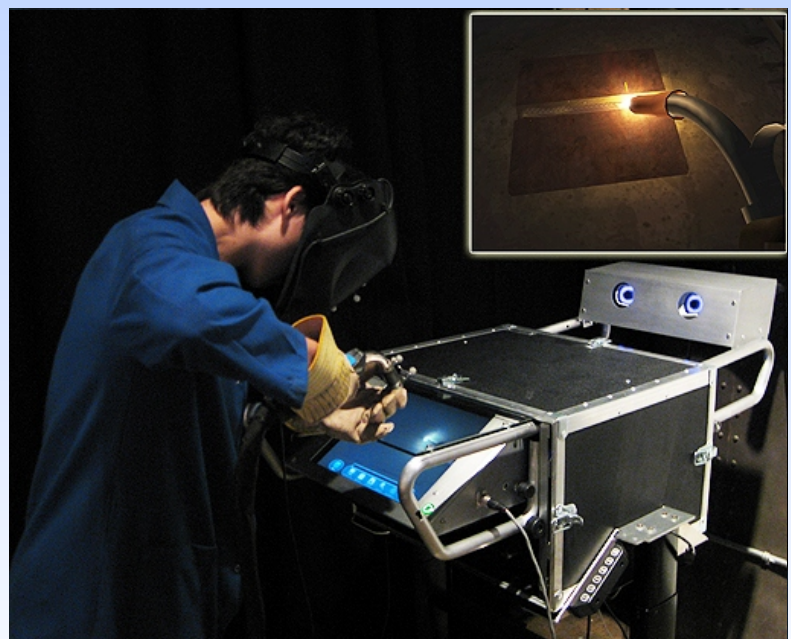


Equipment

- Adjustable platform
- 15" (38 cm) touch screen
- Motion tracking technology
- Welding mask with virtual reality components
- Universal adapters for real welding handles
- Portable and easy to set-up

Cost savings

- Estimated payback per unit of 6-12 months, based on savings in welding equipment, consumables, plate preparation and supervision
- Green friendly technology



Ador Fontech Limited

The Board of Directors

Mrs. N Malkani Nagpal Chairman
Mr. H P Ledwani Managing Director
Mr. A T Malkani
Mr. N Srinivasan
Mr. N S Marshall
Mr. Nayan B Pandya

Company Secretary

Ms. Geetha D

Management Team

Mr. H P Ledwani
Mr. M J Kurian
Mr. Muneesh Narain
Mr. P Vishwanathan
Mr. Rajesh V Joshi
Mr. S V Puntambekar
Mr. Melville Ferns
Mr. R Krishna Kumar

Registered and Corporate Office

Belview 7 Haudin Road Bangalore 560 042

Manufacturing Plant

1. S-60-61 MIDC Hingna Industrial Estate
Nagpur 440 016
2. No. 486 B-1 14th Cross 3rd Main 4th Phase
Peenya Industrial Estate Bangalore 560 058
3. A-288 6th Main 2nd Stage Peenya Industrial
Estate Bangalore 560 058

Registrar and Share Transfer Agent

Integrated Enterprises (India) Limited
(Formerly Alpha Systems Private Limited)
No. 30 Ramana Residency Sampige Road
Malleswaram Bangalore 560 003

Auditors

Amarnath Kamath and Associates
Chartered Accountants
Carewel House 6th Cross
Muniswamappa Layout Opp. Kemp Fort
Off HAL Airport Road Bangalore 560 017

Bankers

HDFC Bank Limited
The Bank of Nova Scotia

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General Business Profile

NOTICE

Notice is hereby given that the 36th Annual General Meeting of the Members of the Company will be held at Hotel Ajantha 22-A Mahatma Gandhi Road Bangalore 560 001 on Tuesday July 19, 2011 at 11:30 hours to transact the following business.

ORDINARY BUSINESS

1. Adoption of Accounts

To receive, consider and adopt the audited Balance Sheet as at March 31, 2011 and the Profit and Loss Account for the year ended on that date, together with the Report of the Directors and the Auditors thereon.

2. Declaration of Dividend

To declare dividend for the financial year ended March 31, 2011.

3. Reappointment of Mrs. N Malkani Nagpal

To appoint a Director in place of Mrs. N Malkani Nagpal, who retires by rotation and being eligible, offers herself for reappointment.

4. Reappointment of Mr. N S Marshall

To appoint a Director in place of Mr. N S Marshall, who retires by rotation and being eligible, offers himself for reappointment.

5. Appointment of Statutory Auditors

To appoint 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.

SPECIAL BUSINESS

6. Appointment of Mr. Nayan B Pandya

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT Mr. Nayan B Pandya, who was appointed as Additional Director of the Company and who holds office up to the date of the Annual General Meeting, pursuant to Section 260 of the Companies Act, 1956, and Article 123 of the Articles of Association of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation".

7. Appointment of Branch 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 Section 228 and other applicable provisions of the Companies Act, 1956, and amendments thereof, the accounts for the year ending March 31, 2012 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".

NOTES:

- a. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON BEHALF OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

Proxy form in order to be valid must be lodged at the Registered office of the Company, not later than forty eight hours before the commencement of the meeting.

Corporate Members are requested to send duly certified copy of the Board resolution, pursuant to Section 187 of the Companies Act, authorising the representative to attend and vote at the Annual General Meeting.

- b. The 'Register of Members' and 'Share Transfer Books' will remain closed from July 9, 2011 to July 19, 2011 (both days inclusive).
- c. Members are requested to notify changes, if any, in their address/bank mandate to their respective Depository Participants (DPs) in respect of electronic share account and to the Registrar and Share Transfer Agent - Integrated Enterprises (India) Limited - with all necessary details, in respect of physical share folios.
- d. Nomination facility is available as per the provisions of the Companies Act. Those who wish to avail themselves of this facility may send in their nomination forms (Form 2B) either to the Registrar or to the Company at its Registered office.
- e. Pursuant to the provisions of Section 205A of the Companies Act, 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 year(s).
Members are advised that in terms of Section 205C of the Companies Act, no claim shall lie with respect to unclaimed dividend, after it is transferred to the 'IEPF' (Investor Education and Protection Fund).
- f. Amount of unclaimed dividends as at March 31, 2011 for the years 2003-04 to 2009-10 aggregate to ₹ 39,46,410/- (Rupees thirty nine lakh forty six thousand four hundred and ten only).
- g. To ensure prompt remittance of dividends, we recommend the Shareholders to utilise the ECS scheme of the Reserve Bank of India. Kindly send photocopy of a cancelled cheque along with a request letter to the Registrar and Share Transfer Agent - Integrated Enterprises (India) Limited or to the Depository Participant - for shares held in physical and electronic form respectively.
- h. Members are requested to send all share transfer lodgements (physical mode) to the Registrar and Share Transfer Agent, Integrated Enterprises (India) Limited.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item no. 6

Mr. Nayan B Pandya was appointed as an Additional Director by the Board on April 29, 2011. Further, the Company has received notice along with requisite deposit from a Member under Section 257 of the Companies Act, 1956, proposing the appointment of Mr. Nayan B Pandya as a Director. 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. Nayan B Pandya, as it pertains to his appointment.

NOTICE

Item no. 7

The Company's manufacturing plants are situated at diverse locations. In view of the same, it is proposed to authorise 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 226 of the Companies Act, 1956, and amendments thereof, to audit the accounts, for the year ending March 31, 2012 and to fix their remuneration. The Board recommends the resolution set out at item no. 7 for approval. No Director of the Company is concerned or interested in the said resolution.

Brief profile of the Directors

1. Mrs. N Malkani Nagpal

Mrs. N Malkani Nagpal is a graduate in Commerce with a master's degree in Business Administration. She is an industrialist by profession and represents the second generation of promoter group in Ador Fontech Limited.

a. Specific area of expertise:

Finance

b. Directorship in Companies (other than Ador Fontech Limited):

(i) Public Limited Companies:

Ador Welding Limited

Ador Multiproducts Limited

Piem Hotels Limited

(ii) Private Limited Companies:

J B Advani and Company Private Limited

Ador Green Energy Private Limited

c. Member of Board Committees (other than Ador Fontech Limited): Three

d. Chairman of Board Committees (other than Ador Fontech Limited): Two

e. Number of shares held in the Company: 27350

2. Mr. N S Marshall

Mr. N S Marshall is a British national of Indian origin. He holds a master's degree in Business Administration.

a. Specific areas of expertise:

Production, Planning and Leadership

b. Directorship in Companies (other than Ador Fontech Limited):

(i) Public Limited Companies:

Simmonds Marshall Limited

(ii) Private Limited Companies:

J N Marshall Engineering Private Limited

Marshall Poultry Farm (India) Private Limited
Langford Estates Private Limited
S J Marshall Trading Company Private Limited
Powair Automation Equipments Private Limited
Jiji Marshall Trading Company Private Limited
J N Marshall Private Limited
Diamtools Private Limited
Desmet Ballestra India Private Limited

c. Member of Board Committees (Other than Ador Fontech Limited): Nil

d. Chairman of Board Committees (Other than Ador Fontech Limited): Nil

e. Number of shares held in the Company: 5000

3. Mr. Nayan B Pandya

Mr. Nayan B Pandya is an engineer by profession with vast experience in the field of welding automation as well as in the design, manufacture, supply and commissioning of cryogenic storage equipment.

Mr. Pandya started his career in the late 1980s. He initially worked for Ador Welding Limited (Formerly Advani Oerlikon Limited) and later with Inox India Limited. In the mid 1990s, he decided to branch out on his own as an entrepreneur and is currently heading the Cryogas Equipment Group.

a. Specific area of expertise: Organisational development

b. Directorship in Companies (other than Ador Fontech Limited):

Private Limited Companies:

IWI Cryogenic Vaporization Systems (India) Private Limited

Ultra Pure Gases (India) Private Limited

Cryofin India Private Limited

Cryonorm – IWI Cryogenic Private Limited

Cryogas Equipment Private Limited

c. Member of Board Committees (Other than Ador Fontech Limited): Nil

d. Chairman of Board Committees (Other than Ador Fontech Limited): Nil

e. Number of shares held in the Company: Nil

Disclosure in terms of Clause 49 (IV)(G)(ia) of the Listing Agreement

There are no inter-se relationships between the Board Members.

By order of the Board
For Ador Fontech Limited

Place: Mumbai
Date : April 29, 2011

Geetha D
Company Secretary

Annual Certification by the Managing Director pursuant to Clause 49 (I)(D)(ii) of the Listing Agreement

As the Managing Director of Ador Fontech Limited and as required pursuant to Clause 49 (I)(D)(ii) of the Listing Agreement, I hereby declare and certify that all the Board Members and Senior Management personnel of Ador Fontech Limited have affirmed compliance with the Code of Conduct adopted by the Company for the financial year 2010-11.

For Ador Fontech Limited

Place: Mumbai
Date : April 29, 2011

H P Ledwani
Managing Director

DIRECTORS' REPORT

To the Members,

We are delighted to present the report on our business and operations for the year ended March 31, 2011.

1. FINANCIAL RESULTS

| (₹ in lakhs) | | |
|--------------------------------------|--------------|--------------|
| Details | 2010-11 | 2009-10 |
| Turnover | 15010 | 12012 |
| Operating profit | 2862 | 2095 |
| Interest | - | - |
| Depreciation | 159 | 144 |
| Profit before tax | 2703 | 1951 |
| Provision for taxation | 867 | 676 |
| Net profit for the year | 1836 | 1275 |
| Taxation relating to earlier years | | (10) |
| Profit b/f from the previous year | 490 | 315 |
| Amount available for appropriation | 2326 | 1580 |
| Appropriations | | |
| Transfer to General Reserve | 1000 | 600 |
| Proposed Dividend | 438 | 420 |
| Distribution tax thereon | 72 | 70 |
| Balance carried to the Balance Sheet | 816 | 490 |

The Company has posted highest ever increase in EBIDAT, PBT and PAT.

2. DIVIDEND

The Board of Directors are happy to recommend a dividend of ₹ 2.50/- (Rupees two and paise fifty only) per share on the paid up share capital of the Company for the financial year ended March 31, 2011.

3. BUSINESS OPERATIONS

a. Record performance

Ador Fontech Limited registered its highest ever value growth since inception and an all time high revenue of "Rupees one hundred and fifty crores" during the financial year 2010-11.

b. Subdivision of Equity Shares

The Company subdivided its equity shares from ₹ 10/- to ₹ 2/- per share which was duly approved by the Members through postal ballot and thereafter by the BSE (Bombay Stock Exchange Limited) and Depositories. This was to improve the liquidity of the Company's scrip and to make it affordable to the small investors.

c. Infrastructural Development

The impetus on life enhancement of industrial components makes it essential to facilitate necessary long terms infra-structural development, particularly to provide for changes in the scale of operation and the capital work-in-progress has been expended in this direction.

d. Growth with Pleasure

While the thrust is on enhancing manpower productivity, it is equivalently essential for employees to work under stress free environment. This would enable them to develop their capabilities and deliver improved results from time to time. Various training programmes, both technical and non-technical are organised which enable employees to face competition with a quiet confidence.

4. DIRECTORS' RESPONSIBILITY STATEMENT

In the preparation of the financial statements the Board of Directors of the Company has ensured 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 an on going concern basis.

5. DIRECTORS

Mrs. N Malkani Nagpal and Mr. N S Marshall retire at the ensuing Annual General Meeting and being eligible seek reappointment.

Mr. Nayan B Pandya was appointed as an Additional Director on April 29, 2011. The Company has received his nomination for appointment as a Director and the same is being placed before the Members for approval.

Mr. Sanjeet Thadani resigned during the financial year and the Board places on record their appreciation for his valuable contribution during his tenure as a Director of the Company.

6. CORPORATE GOVERNANCE

The Corporate Governance Report and Certificate obtained from the Auditors of the Company are attached to this report.

7. AUDITORS

M/s. Amarnath Kamath and Associates, the Statutory Auditors of the Company retire at the conclusion of the Annual General Meeting and being eligible offer themselves for reappointment. The Branch Auditors will be appointed in consultation with the Statutory Auditors.

8. FIXED DEPOSITS

The Company has not accepted fixed deposits and as such no amount was outstanding as on the date of Balance sheet.

9. ISO CERTIFICATION

The Organisation is ISO 9001:2008 certified and the same is due for renewal during 2011-12. Being quality conscious, the Company will undertake recertification process.

10. PARTICIPATION IN EXHIBITIONS/AWARDS

The Company has during the year successfully participated in the 'Naval Dockyard Technical Exhibition' and various other 'Welding Seminars' which together showcased the Company's proven capabilities.

11. EMPLOYEES

The industrial relations with the employees of the Company continue to be harmonious, cordial and peaceful.

Further, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, this report and accounts are being sent to the Shareholders of the Company excluding the statement of particulars of Employees under Section 217 (2A) of the Companies Act, 1956. Any Shareholder interested in obtaining a copy of the said statement may write to the Registered Office of the Company.

12. PARTICULARS OF DISCLOSURE

The information required under the Companies Act, 1956, and the amendments thereof is enclosed.

DIRECTORS' REPORT

13. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company contributes to charitable endeavour in terms of providing medical relief, education, distribution of food items etc. to the under privileged.

14. ACKNOWLEDGEMENTS

The Board of Directors thank the Shareholders, Authorised Dealers, Channel Partners, Overseas and Inland Business Associates, Bankers and the various Government agencies for their continued patronage and support. Further, wish to place on record our appreciation for the dedication and commitment of employees at all levels, which has continued to be a major strength.

On behalf of the Board
For **Ador Fontech Limited**

N Malkani Nagpal
Chairman

Place: Mumbai

Date : April 29, 2011

Annexure to the Directors' Report Under Section 217 (1) (E) of the Companies Act, 1956

Additional information in terms of notification no. 1029 dated 31.12.1998 by the Department of Company affairs.

Conservation of energy:

Not given as the Company is not covered under the list of specified industries. However, efforts to conserve and optimise the use of energy through improved operational methods and other means will continue.

Research and Development (R and D):

- Specific areas in which R and D has been carried out:
Efforts are being made to develop special purpose flux cored wires and electrodes to further improve the product range.
- Benefits derived as a result of the above R and D:
 - Conservation of basic raw materials coupled with low cost and longer life.
 - Improvement in product quality.
- Future plan of action:
To make further progress on areas enunciated in item nos. 1 and 2 above.
- Expenditure on R and D:
 - Capital : Nil
 - Recurring : As of now, it is being maintained as an ongoing part of production activities and a separate head of account is not maintained.
 - Total : Not applicable
 - Total R and D expenditure as a percentage of total turnover : Not applicable

Technology absorption and innovation:

- Efforts in brief made towards technology absorption and innovation:
Locally available raw materials are utilised to gain maximum advantage.
- Benefits derived as a result of the above efforts:
 - Product improvement
 - Reduced cost of final products
 - Comparable quality and performance with products produced using imported materials
- Details of technology imported during the last five years reckoned from the beginning of the financial year:
 - Technology imported: Nil

- Year of import: Not applicable
- Has technology been fully absorbed : Not applicable
- If not fully absorbed areas where this has not taken place. Give reasons for the same and explain future plan of action, if any: Not applicable

- Foreign exchange earnings and outgoings: As reported in serial numbers 3, 4 and 6 "Notes forming part of Accounts" Schedule - L.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development

While both fabrication and repair welding cater to the core sector industry, innovation in the welding sector per se is not radical. This not only applies to India, but the world over. The rationale is that man has from time immemorial used metals and metallic properties have been duly researched. The variants are convenience of the power source with reduction in the weight of the equipment, ease for a welder to handle, input-output power load, cost etc. that provide options to the end-users to make a selective choice for effective purchase. Nonetheless, the concept of 'Green Environment' would largely determine the health impact of the welders to subscribe to protective systems like fume extraction and other safety devices. This would go a long way to establish welding as a sophisticated field of activity in years to come.

Opportunities

Opportunities are plenty, but in so far as repair welding is concerned a combination of factors like technical feasibility, financial viability, risk and reward parameters determine the choice to undertake a particular activity or project.

Threats

Threats emanate from (i) Overseas organisations setting up business ventures in India (ii) Unorganised sector (iii) Overlap between fabrication and repair services.

Risks and Concerns

Business itself has an underlying effect of risk. Further new projects and assignments in the repair and refurbishment sector, consistently pose challenges for perfect execution of jobs. The PDCA cycle (Plan, Do, Check and Act) will have to be scrupulously followed given the background of a strong technical expertise.

Further, competition is always here to stay with an underlying effect both on the quantity and price band. The sustenance of revenue and profits over a long period of time will be a challenging task irrespective of evincing operational controls.

Current Year Outlook

With most economies out of slowdown, current year outlook looks reasonably well poised.

Human Resources

Manpower is the most essential factor in the growth of any organisation particularly so, in repair welding where skill levels assume high importance. The corollary is scant attraction of talented employees in this field unlike the IT sector. It therefore becomes essential to provide support to develop and retain best of talents through continual training (both technical and non technical). The need is also to blend professional work systems with humane approach.

General

There were 248 employees on the muster roll of the Company as on March 31, 2011.

REPORT ON CORPORATE GOVERNANCE

Good governance is an integral part of corporate management. It is a process of building positive relationship with various stakeholders and involves conducting business in a fair and transparent manner. It also implies that the management must be empowered to drive the enterprise forward without undue restraint and operate within the framework of applicable laws.

The detailed report on Corporate Governance as per guidelines prescribed by SEBI and incorporated in clause 49 of the Listing Agreement is as follows:

1. Company's philosophy on the code of corporate governance

The Company is committed to a system of good corporate governance. It firmly believes and consistently practices good business principles by increasing transparency and accountability to its stakeholders, maximising shareholders' value and working towards a motivated work force with updated knowledge.

2. Board of Directors

2.1 Composition:

| Name of the Director | Category of Directorship |
|-----------------------|-------------------------------|
| Mrs. N Malkani Nagpal | Promoter |
| Mr. A T Malkani | Promoter |
| Mr. H P Ledwani | Executive |
| Mr. N Srinivasan | Non-Executive and Independent |
| Mr. N S Marshall | Non-Executive and Independent |
| Mr. Nayan B Pandya | Non-Executive and Independent |

2.2 During the year 2010-11, four Board meetings were held on April 29, 2010; July 30, 2010; October 22, 2010 and January 22, 2011.

2.3 Attendance at the Board Meetings and last Annual General Meeting, Number of Directorships in other Companies and Memberships in Committees across various Companies:

| Name of the Director | Financial Year 2010-2011 Attendance At | | As on March 31, 2011 | | |
|-----------------------|--|--|----------------------|---------------------|-----|
| | Board Meetings | Annual General Meeting held on 26.07.2010 | Number | Other Directorships | |
| | | | | Committee Positions | |
| Mrs. N Malkani Nagpal | Four | Present | Five | Three | Two |
| Mr. A T Malkani | Four | Present | Four | Two | - |
| Mr. H P Ledwani | Four | Present | One | - | - |
| Mr. N Srinivasan | Two | Absent | Ten | Five | - |
| Mr. N S Marshall | Four | Present | Ten | - | - |
| Mr. Sanjeet Thadani* | One | Absent | Two | - | - |
| Mr. Nayan B Pandya** | - | - | Five | - | - |

Directorship includes private limited companies and alternate Directorship.

*Till 22.10.2010

**Since 29.04.2011

3. Audit Committee

Broad terms of reference of the Audit Committee include

- To review the Company's financial reporting process and its financial statements.
- To review the efficacy of internal control mechanism and monitor risk management policies adopted by the Company.

- To review reports furnished by the Internal and Statutory Auditors and ensure that suitable follow up action is taken.
- To examine accounting, taxation and disclosure aspects as stipulated under various legislations.
- Recommend appointment/reappointment of Auditors and solicit professional guidance and support, wherever required.

3.1 Composition and attendance:

| Name of the Director | Attendance during 2010-11 |
|-----------------------|---------------------------|
| Mrs. N Malkani Nagpal | Four |
| Mr. N S Marshall | Four |
| Mr. Sanjeet Thadani* | One |
| Mr. Nayan B Pandya** | - |

Mr. N Srinivasan and Mr. H P Ledwani are permanent invitees to the Audit committee meetings.

*Till 22.10.2010

**Since 29.04.2011

3.2 During the year 2010-11, four Audit Committee meetings were held on April 29, 2010; July 30, 2010; October 22, 2010 and January 22, 2011.

3.3 The Minutes of each of the Audit Committee Meeting are placed before the Board and discussed at the Board meetings.

4. Remuneration Committee

The Remuneration Committee recommends compensation payable to the Executive and Non-Executive Directors of the Company and the same is thereafter decided by the Board and subsequently approved by the Shareholders.

4.1 Remuneration to the Executive Director

The remuneration of the Whole-time/Executive Director/ Managing Director including annual increments is decided based on criteria such as industry benchmarks, the Company's performance and the track record of the Whole-time/Executive Director etc. It is subject to the approval of Shareholders at the Annual General Meeting.

4.2 Remuneration to the Non-Executive Directors

Details of Sitting fees:

| Meeting | Amount (in ₹) |
|--|---------------|
| Board | 8,000 |
| Audit Committee | 5,000 |
| Shareholders'/Investor Grievance Committee | 4,000 |

4.3 Sitting fees paid during 2010-11:

| Directors | Amount (in ₹) |
|-----------------------|---------------|
| Mrs. N Malkani Nagpal | 68,000 |
| Mr. A T Malkani | 32,000 |
| Mr. N Srinivasan | 26,000 |
| Mr. N S Marshall | 52,000 |
| Mr. Sanjeet Thadani | 17,000 |
| Total | 1,95,000 |

5. Shareholders /investors' Grievance Committee

The Shareholders/Investors' Grievance Committee of the Board looks in to the redressal of Investors' complaints like non-receipt of

REPORT ON CORPORATE GOVERNANCE

annual report, dividend payments etc. and matters related to share transfers/transmission, issue of duplicate share certificates, dematerialisation/re-materialisation of shares, and other allied transactions. The Committee has delegated powers to the Executives of the Company, to facilitate ease in operation and quick response.

5.1 Composition and attendance:

| Name of the Director | Attendance during 2010-11 |
|-----------------------|---------------------------|
| Mrs. N Malkani Nagpal | Four |
| Mr. H P Ledwani | Four |
| Mr. Sanjeet Thadani* | One |
| Mr. Nayan B Pandya** | - |

* Till 22.10.2010

**Since 29.04.2011

5.2 During the year 2010-11, four Shareholders' Committee meetings were held on April 29, 2010; July 30, 2010; October 22, 2010 and January 22, 2011.

5.3 The Minutes of each of the Shareholders /Investors' Grievance Committee Meeting are placed before the Board and discussed at the Board Meetings.

5.4 Compliance officer

The Board has designated Ms. Geetha D, Company Secretary as the Compliance officer.

5.5 Transfer Committee meetings

Sixteen transfer committee meetings were held during the year 2010-11.

5.6 Statement of Directors shareholding as on March 31, 2011:

| Name of the Director | Shareholding (in nos.) |
|-----------------------|------------------------|
| Mrs. N Malkani Nagpal | 27350 |
| Mr. AT Malkani | 291835 |
| Mr. H P Ledwani | 36025 |
| Mr. N Srinivasan | 1000 |
| Mr. N S Marshall | 5000 |
| Mr. Nayan B Pandya | - |

5.7 Details of Shareholders' complaints received/replied and pending share transfers are given below

The total number of complaints received and replied to the satisfaction of the shareholders during the year 2010-11 were four.

There were no outstanding complaints as on March 31, 2011.

There are no pending share transfers in physical as well as in demat category. All the requests received up to March 31, 2011 have been processed.

6. General Body Meetings

6.1 Location and time where the last three Annual General Meetings were held:

| Financial Year | Date | Location | Time (hrs.) |
|----------------|----------|-----------------------|-------------|
| 2009-10 | 26.07.10 | Hotel Ajantha, B'lore | 11.30 |
| 2008-09 | 16.07.09 | Hotel Ajantha, B'lore | 11.30 |
| 2007-08 | 24.06.08 | Hotel Ajantha, B'lore | 11.30 |

6.2 Dividend History:

(₹ in lakhs)

| Financial year | Dividend percent | Dividend outflow | Dividend tax outflow | Total amount |
|----------------|------------------------|------------------|----------------------|--------------|
| 2009-10 | One hundred and twenty | 420 | 70 | 490 |
| 2008-09 | Fifty | 175 | 30 | 205 |
| 2007-08 | Fifty | 175 | 30 | 205 |
| 2006-07 | Fifty | 175 | 30 | 205 |
| 2005-06 | Forty | 140 | 20 | 160 |
| 2004-05 | Thirty five | 123 | 17 | 140 |
| 2003-04 | Twenty five | 88 | 11 | 99 |

7. Disclosures

7.1 Materially significant related party transactions

During the year 2010-11, there were no materially significant related party transactions with the Promoters, Directors or the Management, their subsidiaries or relatives etc. that had a potential conflict with the interest of the Company at large.

7.2 Details of non compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any Authority on any matter relating to capital markets during the last three years

The Company has complied with various rules and regulations prescribed by the Stock Exchange, Securities and Exchange Board of India or any other Statutory Authority relating to capital markets during the last three years. No penalty or strictures have been imposed by them on the Company.

7.3 Affirmation

To the best of our knowledge, the Company has complied with all mandatory requirements pertaining to Corporate Governance.

8. Prevention of Insider Trading

The Company has adopted measures for prevention of Insider Trading. The same prohibits purchase/sale of shares of the Company by Insiders while in possession of unpublished price sensitive information.

9. Means of Communication

| Particulars | Details |
|--|---|
| Newspaper in which quarterly and half yearly results are normally published | English: Financial Express Business Standard Kannada: Sanjay Vani Suryodhaya |
| Website, where results or official news are displayed | www.adorfon.com |
| Presentations made to institutional investors or to analysts | Whenever required |
| Whether Management Discussion and Analysis Report is a part of Annual Report | Yes |

10. General Shareholders' Information

● Annual General Meeting

Date July 19, 2011
Time 11:30 hours
Venue Hotel Ajantha 22-A M G Road
Bangalore 560 001