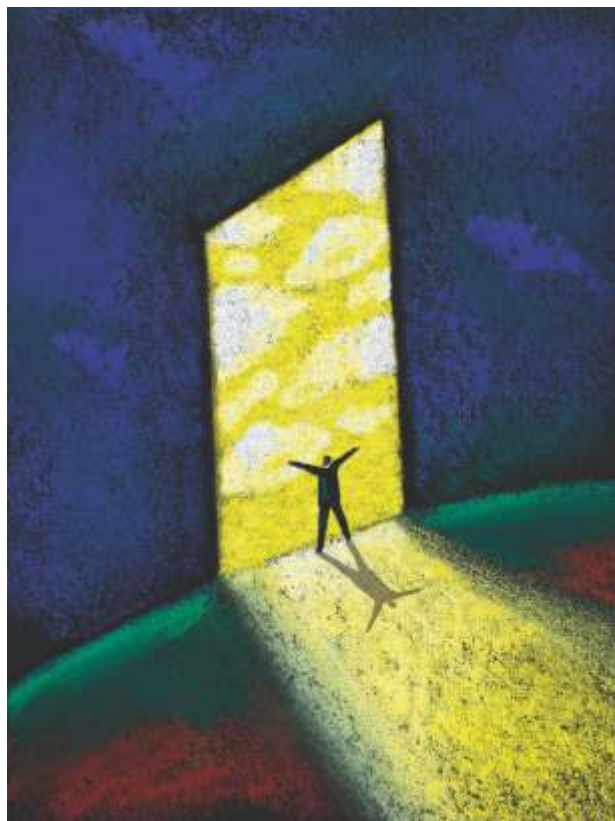


LAST MAN  
STANDING



FIRST MAN  
FORWARD

**ADITYA BIRLA**



**MONEY**

ANNUAL REPORT  
2011 - 2012

ADITYA BIRLA MONEY LIMITED

## LETTER FROM MANAGING DIRECTOR

Dear Shareholders,

The Financial year 2011 - 2012 was a roller-coaster year for the markets. It started on a high degree of optimism but ended sombre. Retail participation became subdued. Global economic environment also deteriorated rapidly during the course of the year with rising risk aversion due to the fear of EU sovereign debt crisis and falling consumer confidence due to overall economic fears. The domestic economic environment was also plagued by several issues of high inflation, rising interest rates, slowing economic growth and corporate earnings, widening of fiscal deficit, government policy inaction, rising NPA(s) in the financial system, ambiguity in capital flows, higher trade deficit and consequently higher dollar. All these global and domestic challenges resulted in a tough business environment to operate in.

We, at ABML, took this period as an opportunity to create synergy and formed a lean structure at the top to ensure effective span of control and reduce cost. We remained focused on client acquisition and increased the dealer base for capturing equity and commodity market growth. Our market share grew to 1.41% from 0.84% in retail equities and 0.49% from 0.27% in commodities. Specific focus on the derivatives market opportunity last year helped in expanding our product presence in this space.

We have tied-up with Allahabad Bank to offer broking services to their clients, providing us the opportunity to service the large customer base of the bank. We also entered into a strategic tie up with IDEA Mobile Commerce for exploring and providing mobile trading and other Investment services to their clients.

On product, risk and technology front, we developed a wide range of trader focused research and derivatives offerings and commenced robust central monitoring of trades and surveillance initiatives

We remain committed to establish a leadership position in the retail financial services space. Launch of "**Mobile Invest Pro**" was one of the steps in this direction.

ABML's consolidated income from operations was Rs.8,828.17 lakhs compared to Rs.11,428.28 lakhs in the previous year. But as it is rightly said - 'When the going gets tough, the tough gets going', in the same period ABML had its market share at an all time high in Retail Broking across segments.

As we go into the next financial year, we are confident that our service orientation, values, our expanded footprint and focus on new avenues and product offering will drive us to emerge as a leader in the financial services space.

Yours Sincerely,



Sudhakar Ramasubramanian

# ADITYA BIRLA MONEY LIMITED

## BOARD OF DIRECTORS

Mr. Pankaj Razdan  
Mr. P. Sudhir Rao  
Mr. G. Vijayaraghavan  
Mr. Manoj Kedia  
Mr. Sudhakar Ramasubramanian - Managing Director

## KEY EXECUTIVES

Mr. Ravishankar Gopalan – Chief Operating Officer  
Mr. Saurabh Shukla – Chief Sales Officer  
Mr. Manoj Kumar Gandhi – Chief Financial Officer

## COMPANY SECRETARY

Mr. S. Balaji

## AUDITORS

M/s S. R. Batliboi & Co.  
Chartered Accountants, Mumbai

## BANKERS

HDFC Bank Limited – Anna Salai Branch, Chennai  
Bank of India – Anna Nagar Branch, Chennai  
State Bank of India – Thousand Lights Branch, Chennai  
Axis Bank Limited – Mylapore Branch, Chennai  
ICICI Bank Limited – Nugambakkam Branch, Chennai  
Standard Chartered Bank – Rajaji Salai Branch, Chennai

## REGISTERED OFFICE

Indian Rayon Compound  
Veraval - 362 266, Gujarat

## CORPORATE OFFICE

Ali Centre  
No. 53, Greams Road  
Chennai - 600 006.

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# MANAGEMENT'S DISCUSSION AND ANALYSIS

## MACRO ECONOMIC SCENARIO

### THE INDIAN ECONOMY & MARKETS

The Financial Year 2011-12 ('FY 11-12') witnessed a slow growth phase and market sentiments remained low. Most part of the year, inflation, low FII flows, sluggish industrial growth and high crude oil prices remained a concern. India GDP trended downwards towards the end of the year and the last quarter of FY 11-12 registered lowest growth in last 9 years at 5.3%. The overall growth for the year was 6.5% against the expectations of 6.9% growth. Rising current account deficit and fiscal deficit along with a weakening Rupee added to the worries and remained a dampener for the markets. Nifty ended down by 9.2% in FY 11-12, which was not an encouraging performance amongst the global and emerging markets. Gold, though remained a better performer and generated returns of almost 35% in rupee terms as we saw the Rupee weakening by almost 17% from INR 45 a dollar to touch INR 54.50 levels. The IIP number for the whole year was at 2.8%, and inflation moderated to 7%. The RBI has taken measures as part of the credit policy to put an end to its rate hike cycle and it supplied liquidity through CRR cuts and OMO (open market operations). In the last quarter of FY 11-12, market saw some momentum and the RBI stance of soft policy helped to make gains for some time. However, weak global developments and policy issues are not helping in revival of the market. We believe that the long term potential of Indian economy remains strong and we expect the current low growth and weak sentiments to remain for a while till the investment climate improves globally as well as in India.

### GLOBAL SCENARIO

The sovereign debt problems in Europe fueled much of the volatility that investors experienced during the year, as the worries for countries like Greece, Portugal, Ireland and Spain in repayment of their debt overshadowed the world economies and the contagion spread into more established countries like Italy and France as well. The year also saw political structure changing in the Euro-zone as Greece, Italy and Portugal saw new governments and leaders who were committed to pass measures and bills which would cut their fiscal deficit to the desired levels.

US Markets was one of the best performing markets in the world as it delivered positive returns and its rally was supported by strong economic rebound and growth. Its GDP grew by 1.7 % in 2011 and Q1 of 2012 grew by 1.9%. The Federal Bank also maintained its policy of low interest rates during the year and implemented measures to bring down long term rates thereby boosting the economy as a whole. At the same time, USD strengthened during the year and it continued to remain the reserve currency of the world. Crude and Oil prices however went up during the year to touch a multi year high of USD 130 per barrel. Prices remained above USD 100 for most of the year due to the tensions in the Middle East as most countries such as Egypt, Tunisia, Yemen and Libya faced regime changes and there were fears of supply disruptions. Overall commodities prices also witnessed buoyancy during the year and showed some sign of correction in early 2012 and Chinese economy showed signs of slow down. Chinese growth which was in double digits have fallen drastically to single digits due to weaker domestic and external demand as the global economy slowed down and investment and consumption both slowed as spending by the government reduced.

### INDUSTRY STRUCTURE AND DEVELOPMENTS

Higher interest rates and lackluster performance of the markets resulted into change in Investment pattern. Retail investor participation continued to decline substantially month after month.

The product mix in Cash & derivatives segment changed in favor of low yield to derivative product. In FY 11-12 F&O mix increased from 86% in FY 10-11 to 90% in FY 11-12 and hence the F&O segment saw majority of growth. In Cash segment both delivery & Intraday share saw decline from 4% to 2% &

## MANAGEMENT'S DISCUSSION AND ANALYSIS

10% to 7% respectively in FY 11-12 compared to FY 10-11. This continuing trend has negatively affected the industry margin and indicating more speculative activities rather than retail participation. Retail participation during FY 11-12 reduced to 51% compare to 56% in FY 10-11. The year also witnessed the lowest number of new DP account additions compared to last 7 years.

The market volume data is as under

Period	Average Daily Turnover in Rs. Crores (Cash)	Average Daily Turnover in Rs. Crores (Derivatives)	Average Daily Turnover in Rs. Crores
<b>Apr'11 - Jun'11</b>	<b>14,082</b>	<b>120,478</b>	<b>134,560</b>
Apr'10 - Jun'10	17,801	92,425	110,226
<b>Jul'11 - Sep'11</b>	<b>13,724</b>	<b>132,760</b>	<b>146,484</b>
Jul'10 - Sep'10	19,019	102,277	121,296
<b>Oct'11 - Dec'11</b>	<b>12,121</b>	<b>130,198</b>	<b>142,319</b>
Oct'10 - Dec'10	21,049	129,601	150,650
<b>Jan'12 - Mar'12</b>	<b>16,584</b>	<b>129,115</b>	<b>145,699</b>
Jan'11 - Mar'11	16,057	139,789	155,846

Source [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com)

The Commodity markets saw increase in volume by 55% over last financial year in line with the trends of Global Commodity markets. The average daily volumes on Commodity Exchanges went up from Rs.43,197 Crores in FY 10-11 to Rs.67,016 Crores in FY 11-12.

### FINANCIAL PERFORMANCE AND REVIEW OF OPERATIONS

Your Company continued to focus on retail investor segment, cost reduction and improvement in market share. The Company's market share grew to 1.41% from 0.84% in retail equities and 0.49% from 0.27% in commodities. Specific focus on the derivatives market opportunity last year helped in expanding our product presence in this space. The Company also launched mobile trading platform and entered into a strategic alliance with Allahabad Bank to offer broking services to their clients.

The Equity Markets in FY 11-12 however saw lower volumes and thus impacting revenues. Your Company recorded an Income from Operations of Rs.8,828.17 Lakhs for the year under review, on a consolidated basis. The total consolidated income for the year under review stood at Rs.9,723.56 Lakhs, down by Rs.2,678.69 Lakhs as compared to the previous year of Rs.12,402.25 Lakhs. The Consolidated Net Loss for the year stood at Rs.1,783.38 Lakhs as compared to Rs.843.75 Lakhs in the previous year.

Revenues from equity broking during the year fell by 28.36% YoY to Rs.5,169.25 Lakhs due to decrease in trading volumes in line with the market trends. However, Commodities business recorded good growth for the year under review, due to increase in the volumes in Commodity Market, with revenues posted at Rs.1,987.24 lakhs, which was higher than the previous year's revenues of Rs.1,302.84 Lakhs, an increase of 52.53%.

### OUTLOOK

After the year of rising inflation, slowing down economy, rising trade balance deficit as well as increasing commodity prices will have its pressure on Indian economy. Policy reform and clearance of several pending bills will help in boosting the confidence back in India and attracting FII flows back in country.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

RBI's full stop on rate increase and easing inflation should ease some pressure but it may not lead to an immediate growth in market volumes and significant change in economic scenario.

Global scenario will have its own role, Europe situation and US economy will play significant role. The central bank has taken measures and the reduced repo rate could possibly fuel investments in key sectors which may lead to growth. However, the performance of emerging markets particularly of China would have to be seen closely. Retail participation will be a key factor for increasing market volumes. The overall policy on reforms and global economic scenario continues to be challenging. The recent downgrading of India's sovereign rating by S&P may dampen the market sentiments. The short term scenario will see the market remain weak and retail investors are likely to stay away from the market until conditions improve. Corporate earnings and FII participation however could be the crucial factor for the revival of the capital market.

We continue to believe in the potential of Indian Capital Market given its lower penetration and rising India's income level and remain a focused player. We believe that we would be able to benefit and grow from the emerging opportunities in the financial services space. The Company has focused on the 6 pillars of business - *Brand, Product, Distribution, Operations, Service and People* - in a sustained manner. The Company augmented its research and product offerings to match the best in the industry. The initiative has helped the Company to move from being an 'execution only' to a 'value added' player in the market place. Technology is going to be our major differentiator in new client acquisition. The benefits of these initiatives are already visible and the Company would be in a position to build on the strong foundations. Further, the Company will continue to emphasis on expanding its business through a cost-effective business partner-based model and overall cost optimization initiatives.

### OPPORTUNITIES AND THREAT

After China, India is the only country to register handsome growth YoY, though GDP growth has slowed down in past couple of years. The under penetrated Indian securities market provide ample opportunity for growth. The economic slowdown and delay in policy rollout poses great challenges and thus puts pressure on cost and expansion plans, while the long term potential remain strong.

The regulatory scenario remained dynamic with regulators continuing to remain focus on improving investor level measures for increased transparency, service standards and orderly development of securities market. SEBI notified KYC Registration Agency (KRA) regulations bringing uniformity in Know Your Customer (KYC) process across all SEBI registered intermediaries, thus simplifying the account opening procedure. The Securities Market regulator also implemented centralized web based complaints redress system (SCORES), which would enable investors to lodge and track the status of redressal of their complaints from anywhere. The Stock Exchanges have also undertaken initiatives like sending of sms and e-mail alerts directly by them to the clients for their trade undertaken and setting up of investor service centre in new locations (Tier - 2 cities) to enhance access and reach to investors. Clearly, the message is on to increase Customer centricity focus in the industry as a whole. Your company is well aware of various regulatory change and has put in place appropriate process and strategies to align itself completely with all regulatory changes.

However, the subdued participation in equities, lower volume, increased cost of operation poses challenges, which Industry as a whole is going through and your company is also not immune to such shifts. Due to change in product structure mix and reducing yield because of fragmented nature of the industry, your company also see pressure on margins. This, combined with the rising infrastructure and cost of operations, inflation and changes in industry structure and environment and delay in new policy rollouts is likely to continue to put pressure on brokerages. Your Company is conscious of the same and it is focusing on increasing its overall market share through its focus on target segment and use of technology to become a cost efficient player in the market. Company's focus is on client acquisition including online channel and providing an efficient trading tools to its clients. The overall strategic focus is on to creating product and service differentiators across all segments.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## RISK AND CONCERNS

The Company's nature of business is susceptible to various kinds of risks. The Company encounters market risk, credit risk and operational risks in its daily business operations. The Company has framed a comprehensive risk management manual which inter-alia lays down detailed process and policies in the various facets of risk management function. The risk management framework operate both at the company as well as the Group level thus providing complete oversight to various risk management practices and process.

## INTERNAL CONTROL AND ADEQUACY

The Company has adequate internal control systems appropriate for the business process having regard to efficiency of operations - both systems, finance and for compliance with applicable laws. The controls are reviewed periodically and strengthened in view of changed processes, systems and regulations. In addition, the Company goes through periodic internal audits both through it's internal team and external auditors, which includes branch and franchisee audits, broking and operations controls and all the audit reports are tabled at the Audit Committee meetings. Key issues are specifically brought to the attention of the Audit Committee and deliberated in detail along with the action plan. A time frame for resolution of all issues is drawn up and monitored for implementation and closure and update is provided to the Audit Committee. The Company also follows a quarterly internal control self assessment certification process for it's branches.

## HUMAN RESOURCES

One of the key pillars of the Company's business is *people*. The Company's HR policies and practices are built on Aditya Birla Group (ABG) core values of *Integrity, Passion, Speed, Commitment and Seamlessness*. The Company's focus is on recruitment of good talent, and retention is posing both a challenge and an opportunity for HR. The Company is hopeful and confident of achieving the same to be able to deliver results and value for our shareholders. As on March 31, 2012, the total employees on the Company's rolls stood at 930.

## CAUTIONARY NOTE

*Statements in this Report, describing the Company's objectives, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events. These statements are subject to certain risks and uncertainties. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The actual results may be different from those expressed or implied since the Company's operations are affected by many external and internal factors, which are beyond the control of the management. Hence the Company assumes no responsibility in respect of forward-looking statements that may be amended or modified in future on the basis of subsequent developments, information or events.*

# DIRECTORS' REPORT TO THE MEMBERS

Dear Shareholders,

Your Board of Directors present the 16<sup>th</sup> Annual Report, along with the audited annual standalone and consolidated accounts of Aditya Birla Money Limited ("the Company") for the year ended March 31, 2012.

## 1. Financial Performance Summary

The highlights of the financial results of the Company on a standalone and on a consolidated basis are as follows:

(Rs. in Crore)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2012	Year ended March 31, 2011	Year ended March 31, 2012	Year ended March 31, 2011
Income from Operations	<b>67.41</b>	98.90	<b>88.28</b>	114.28
Other Income	<b>4.98</b>	8.22	<b>8.95</b>	9.74
Expenditure	<b>77.46</b>	100.65	<b>102.61</b>	115.67
Profit before Interest, Depreciation and Taxation	<b>(5.07)</b>	6.47	<b>(5.38)</b>	8.35
Less : Interest	<b>5.62</b>	4.77	<b>5.60</b>	4.80
Profit before Depreciation and Taxation	<b>(10.69)</b>	1.70	<b>(10.98)</b>	3.55
Less : Depreciation	<b>7.80</b>	7.16	<b>8.28</b>	7.50
Less: Exceptional items	<b>—</b>	8.15	<b>—</b>	8.15
Profit / (Loss) before Taxation	<b>(18.49)</b>	(13.61)	<b>(19.26)</b>	(12.10)
Less : Provision for tax including deferred tax	<b>(1.20)</b>	(4.15)	<b>(1.43)</b>	(3.66)
Profit / (Loss) after Tax	<b>(17.29)</b>	(9.46)	<b>(17.83)</b>	(8.44)
Profit brought forward from previous year	<b>12.63</b>	22.09	<b>16.18</b>	24.62
Balance carried to Balance Sheet	<b>(4.66)</b>	12.63	<b>(1.65)</b>	16.18

## 2. Business Performance

On a Standalone basis, the Company's total income stood at Rs.72.39 Crore compared to Rs.107.12 Crore during the previous year. The Income from Operations was Rs.67.41 Crore compared to Rs. 98.90 Crore during the previous year. The Loss before depreciation and taxation was down to Rs.10.69 Crore compared to a profit of Rs.1.70 Crore in the previous year. Interest cost was Rs.5.62 Crore as compared to Rs. 4.77 Crore in the previous year. The Company also witnessed decrease in trading volumes in line with the market trends and thus impacting the revenues. As a result, the Company posted a Net Loss of Rs.17.29 Crore as compared to Rs.9.46 Crore in the previous year. On a Consolidated basis, the Company's consolidated Income from Operations was Rs.88.28 Crore, compared to Rs. 114.28 Crore in the previous year. The Consolidated Net Loss (before Tax) was Rs.19.26 Crore compared to Rs. 12.10 Crore in the previous year.

## 3. Reserves

Reserves & Surplus of the Company as on March 31, 2012 stood at Rs.34.63 Crore. During the year, no amount is proposed to be transferred to Reserves.

## 4. Dividend

In view of accumulated losses, your Directors do not recommend any dividend for the year under review.

## 5. Credit Rating

During the year, CRISIL Limited re-affirmed A1+ rating for the short term debt programme.



## DIRECTORS' REPORT TO THE MEMBERS

### 6. Share Capital

The Authorised Share Capital of the Company is Rs.25 Crore. The Paid up Capital, Issued and Subscribed Capital of the Company was Rs.13.54 Crore as on March 31, 2012 consisting of 55,400,000 Equity shares of Re.1/- each and 800,000 8% Redeemable Non Convertible Non Cumulative Preference Shares of Rs.100/- each. There was no capital infusion during the year under review.

### 7. Management Discussion and Analysis

The Management Discussion and Analysis Report forming part of Directors' Report for the year under review forms part of Annual Report. The report provides strategic direction and more detailed analysis on performance of the individual businesses and their outlook.

### 8. Corporate Governance

Your Directors reaffirm their commitment to the corporate governance standards to the extent they are applicable to the Company. A detailed Corporate Governance Report forms part of this Annual Report.

### 9. Subsidiary

The Company has a wholly owned subsidiary viz. Aditya Birla Commodities Broking Limited ("ABCBL"), which is engaged in the business of commodity broking. ABCBL has become a material non-listed subsidiary company on the basis of consolidated turnover for the accounting year ended March 31, 2012 pursuant to Clause 49 of the listing agreement. Relevant disclosure in this regard also forms part of the Corporate Governance Report.

ABCBL continues to perform well in commodity trading. ABCBL posted total Income of Rs.24.97 Crore compared to Rs.16.90 Crore during previous year. The Net Loss was at Rs.0.54 Crore compared to a Net Profit of Rs.1.02 Crore in the previous year. The increase in total income during the year is attributed to increase in brokerage income due to higher volumes in commodity trading during the year, as compared to the previous year. The company had a Net Loss in the current year due to higher operating cost during the year.

The Consolidated financial statements pursuant to clause 41 of the Listing Agreement and prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accounts of India forms part of the Annual Report. In terms of general exemption granted by the Ministry of Corporate Affairs vide its circular no. Circular No.2/2011 dated February 8, 2011 and in compliance with the conditions enlisted therein, the reports and annual accounts of the subsidiary company for the financial year ended March 31, 2012 have not been attached to the Balance Sheet of the Company. As required under the circular, statutory information pertaining to the subsidiary company forms part of the Annual Report. Further, the annual accounts and other related information of the subsidiary company are available to you and the shareholders of subsidiary company at any point of time. Any shareholder / investor of the holding company or subsidiary company desirous of obtaining a copy of the said documents may send request in writing to the Company at the Registered Office. The annual accounts of subsidiary company shall also be kept for inspection at the Registered Office of the Company and of the subsidiary company.

### 10. Public Deposits

The Company has not accepted or renewed any deposit as covered under Section 58A of the Act read with the Companies (Acceptance of Deposit) Rules, 1975, as amended, from the public, during the year under review.

### 11. Particulars as per Section 217 of the Companies Act, 1956

The information relating to the conservation of Energy and Technology Absorption required under Section 217(1)(e) of the Companies Act, 1956 ("the Act"), are not applicable to the Company due to the very nature of the industry in which it operates. During the year under review, there were no foreign exchange earnings (previous year Nil) and outgo (previous year Nil), respectively. In accordance with the provisions of Section 217(2A) read with the Companies (Particulars of Employees) Rules 1975, the names and other particulars of employees are to be set out in the Directors' Report as an addendum thereto. However, in terms of the provisions of Section

## DIRECTORS' REPORT TO THE MEMBERS

219(1)(b)(iv) of the Companies Act, 1956, the Report and accounts, as therein set out, are being sent to all the members of the company excluding the information about the employees. Any member, who is interested in obtaining such particulars about employees, may write to the Company at the Registered Office of the Company.

### 12. Directors

As on March 31, 2012, your Board of Directors comprises of 5 Directors including 2 Independent Directors. In accordance with the provisions of Section 255 and 256 of the Companies Act, 1956, Mr.P.Sudhir Rao, retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment.

The Company has received requisite disclosures and undertakings from all the Directors in compliance with the provisions of the Companies Act, 1956 and other applicable statutes.

### 13. Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956 ("the Act"), your Directors confirm that, to the best of their knowledge and belief:

- in the preparation of the annual accounts, the applicable standards have been followed alongwith proper explanation relating to material departures, if any;
- appropriate accounting policies have been selected and applied consistently and such judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 and of the profit of the Company for the year ended on that date;
- proper and sufficient care has been taken for the 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 fraud and other irregularities;
- the attached Statement of Accounts for the period ended March 31, 2012 have been prepared on a "going concern basis";
- proper systems are in place to ensure compliance of all laws applicable to the Company; and
- all related party transactions are disclosed in notes to accounts at Note 34 in terms of Accounting Standard 18.

### 14. Auditors and Auditors' Report

M/s. S.R. Batliboi & Co., Chartered Accountants, Mumbai, (Registration No. 301003E), hold office as the Statutory Auditors of the Company upto the ensuing AGM and have offered themselves for re-appointment. A certificate from them has been received to the effect that their re-appointment as Statutory Auditors of the Company, if made, would be within the limits prescribed under Section 224(1B) of the Act. The Auditors have further certified that they have subjected themselves for the peer review process of the Institute of Chartered Accountants of India (ICAI) and they hold a valid certificate issued by the "Peer Review Board" of ICAI. The Board proposes the re-appointment of M/s. S.R. Batliboi & Co., Chartered Accountants, Mumbai as the Statutory Auditors of the Company, on the recommendation of the Audit Committee. The observations, if any, made by the Auditors of the Company in their report read with relevant notes to the Accounts are self-explanatory and, therefore do not call for any further comments.

### 15. Appreciation

Your Directors wish to place their sincere appreciation for the valuable advice, guidance and support provided by the regulators and statutory authorities from time to time. Your Directors express their gratitude to the clients, bankers and all business associates for their continuous support and patronage to the Company. Your Directors take this opportunity to recognize and place on record their deep sense of appreciation for the exemplary commitment and contribution made by employees at all levels. Your involvement as Shareholders is greatly valued. Your Directors look forward to your continuing support.

For and on behalf of the Board

Pankaj Razdan  
Director

Sudhakar Ramasubramanian  
Managing Director

Place : Chennai  
Date : May 3, 2012