

**BOARD OF DIRECTORS:**

Mr.G.M.S. Narayanan	-	Whole Time Director
Mr.K. Vasudevan	-	Whole Time Director
Mr.V. Ganesh	-	Director

**REGISTERED OFFICE & WORKS:**

Plot No.111, SIDCO Industrial Estate,  
Kakallur, Thiruvallur District, Tamil Nadu.

**ADMINISTRATIVE OFFICE:**

3/240, Govindan Nagar, Palavakkam  
Chennai 600 041.

**BANKERS:**

KVB – Triplicane, Chennai – 600 005.  
IB, Abiramapuram, Chennai – 600 018  
Bank of India, Palavakkam, Chennai – 600 041.  
Bank of Baroda, ECST, Chennai – 600 001.

**AUDITORS:**

Vivekanandan Associates,  
Chartered Accountants,  
Ground Floor – Murugesu Naicker Office Complex  
81 Greaves Road, Chennai - 600 006.

**SHARE TRANSFER AGENTS:**

*Physical & Electronic:*  
Cameo Corporate Services Limited  
“Subramanian Building”  
No.1, Club House Road, Chennai 600 002.

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**NOTICE**

Notice is hereby given that the 18th Annual General Meeting of the company will be held on Friday the 30th September 2011 at 10.30 a.m at Sri Arjuna Mini Hall, #5, Panagal Street, Tiruvellore 602 001, Tamil Nadu to transact the following business.

**Ordinary Business**

1. To receive, consider and adopt the Audited Balance Sheet at 31st March 2011 and the Profit and Loss Account made upto that date together with the report of the Directors and Auditor thereon.

2. To appoint a Director in the place of Mr. K.Vasudevan, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint auditors to hold office until the conclusion of the next Annual General Meeting and to fix their remuneration. The retiring auditors, M/s. Vivekanandan Associates are eligible for reappointment.

By Order of the Board  
for **FISCHER CHEMIC LIMITED**

Place : Chennai  
Date : 30th August 2011

**G.M.S. NARAYANAN**  
Whole time Director

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Members are requested to bring their copies of the annual report to the meeting.
3. Members are requested to notify immediately any change in their address to the Company's registered office or to the Registrar and transfer agent.
4. The Register of Members and share transfer books of the company will remain closed from Friday 23rd September 2011 to Friday, 30th September 2011. (Both days inclusive).
5. Information pursuant to Clause 49 of the Listing Agreement for reappointment of Directors, retiring by rotation:

**Item no. 2**

Mr.K.Vasudevan, aged 54 years is a post graduate in Chemistry from Anna University, Chennai. He is a Promoter Director of the Company. He has worked in M/s. Glaxo Laboratories India Ltd. He has rich and varied experience in the manufacture and marketing of laboratory chemicals. He does not hold any other directorships.

**DIRECTORS REPORT TO THE SHAREHOLDERS**

Your Directors have pleasure in presenting to you the 18th Annual Report together with the Audited Accounts for the year ended 31st March 2011.

**a. FINANCIAL PERFORMANCE:**

Particulars	Year Ended	
	31st March 2011 (Rs.in Lakhs)	31st March 2010 (Rs.in Lakhs)
Profit (loss) before interest & Depreciation	(0.82)	(55.06)
Interest	1.99	2.60
Depreciation	30.61	30.48
Loss for the year	(31.18)	-
Loss brought forward from Previous year	(407.81)	(317.75)
Balance Loss:		
Carried forward	(438.99)	(407.81)

**b. DIVIDEND**

In view of the accumulated loss, the Board of Directors has decided not to recommend any dividend for the year 2010 - 2011.

**c. PERFORMANCE DURING THE YEAR 2010-2011**

During the financial year your company has posted a sales turnover of Rs.209.85 lakhs as against the sales turnover of Rs.141.65 lakhs in the previous year. Lab chemicals division continues to be highly competitive and in view of this, the company did not concentrate much in Laboratory chemicals and instead focused more in bulk customers. This has helped in increasing the sales turnover, better utilization of the facilities and management of funds and consequently improvement in profitability.

**d. REMEDIAL MEASURES**

The conscious effort by the company in changing the product mix, customer profile, and cost cutting exercise has brought the desired result in decreasing the loss and increase the turnover by 48%. Your company completed the ISO surveillance audit during the year and continues to follow the ISO 9001-2008 systems very effectively.

**e. FUTURE PROSPECTS**

Your Company's Products are accepted by leading organization. With a change in the product mix and customer profile your company is sure to increase the Turnover and profitability during the current year.

**f. DIRECTORS**

Mr. K. Vasudevan is retiring at this meeting by rotation

and being eligible, offer himself for reappointment and the Board of Directors recommend his reappointment.

**g. PARTICULARS OF EMPLOYEES**

During the year under review there was no employee in respect of whom information as per Section 217 (2A) of the Companies Act 1956 is required to be given in the Directors report.

**h. DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Act, 1956, Your Directors confirm that they had,

- i) Followed in the preparation of Annual Accounts, the applicable Accounting standards and given proper explanations relating to material departures, if any ;
- ii) Selected such accounting policies and applied them consistently and made 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 at the end of the financial year and of the profit of the Company for that period.
- iii) Taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities; and
- iv) Prepared the Annual Accounts on a going concern basis.

**i. CORPORATE SOCIAL RESPONSIBILITIES**

The Manufacturing process and plants of your company adhere with the standards laid down by various statutory / regulatory authorities for the protection of environment and workers safety. Your company has obtained ISO 9001- 2008 from M/s. TUV India Private Limited. The Certification is valid upto 2012.

**j. CORPORATE GOVERNANCE**

Your company recognizes the importance and need of good Corporate Governance as an important step in creating stakeholders confidence and for a healthy and stable Capital Market thereby enhancing the long term enterprise value. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion and Analysis Report and Corporate Governance Report along with Auditors' Certificate regarding Compliance of the conditions of Corporate Governance are given as part of this Annual Report (Annexure 'A', 'B').

**k. AUDITORS**

Vivekanandan Associates, Chartered Accountants, retire at this meeting and being eligible are proposed for reappointment. They also expressed their willingness to continue in office if reappointed, at the ensuing annual general meeting.

**l. COMPLIANCE CERTIFICATE**

In accordance with Section 383A of the Companies Act, 1956, and Companies (Certificate) Rules, 2001, the Company has obtained a certificate from M/s. Lakshmmi Subramanian & Associates, Chennai, Secretary in whole time practice and a copy of such certificate is enclosed separately.

**m. DEPOSITS**

The company has not accepted any fixed deposits from the public during the year under review.

**n. CONSERVATION OF ENERGY**

The Company has been continuously taking all possible measures to conserve energy. The Company's manufacturing process is not power intensive.

**Power Consumption**

Particulars	2010-11	2009-10
Unit Consumed	42197	62900
Amount (Rs.in Lakhs)	2.36	2.91
Rate per Unit	5.60	4.64

**o. RESEARCH & DEVELOPMENT**

R & D facilities are used in the areas of development and new grades of Laboratory chemicals, change in methods of manufacturing existing products and to increase the yield of the process. R & D facilities are being continuously used for upgrading the quality of end products as per the requirement of end users.

**p. FOREIGN EXCHANGE EARNINGS AND OUTGO**

The company has earned an amount of US \$ 1220

and the company has not incurred any foreign exchange expenses.

**q. DIRECTORS REPLY TO THE QUALIFICATIONS SPECIFIED IN AUDIT REPORT****4.f of the Auditors Report read with****Note No.7 of Annexure**

The Company had initiated the process to strengthen the audit system on a continuous basis during the current year.

**Note No. 12 of schedule 20**

The Company has already notified to all the suppliers for the confirmation regarding the status of micro, small, medium enterprises and the details of the same will be provided from the current year onwards.

**Note No. 16 of Schedule 20**

The Company has initiated reconciliation of accounts of sundry debtors and sundry creditors, unsecured loan, Loan and Advances, Deposits and Current Assets. The reconciliation is completed for major parties and for minor parties is under process.

**r. ACKNOWLEDGEMENT:**

The Board of Directors of the company would like to thank and wish to express the appreciation for the committed services by all the employees of the company. The Board placed on record their appreciation for the support and cooperation your company has been receiving from bankers, customers, distributors, suppliers. The Directors also wish to thank the shareholders, regulatory and government authorities for their support.

By Order of the Board  
for FISCHER CHEMIC LIMITED

Place : Chennai

Date : 30th August 2011

**G.M.S. NARAYANAN K. VASUDEVAN**

Whole time Director Whole time Director

**ANNEXURE A TO DIRECTORS REPORT****REPORT ON CORPORATE GOVERNANCE****1. Company's Philosophy on Code of Governance:**

Fischer Chemic Ltd. is committed to good Corporate Governance. The core objective is "enhancement of the long term shareholders value while at the same time protecting the interests of individual shareholders". Fischer Chemic's code of Corporate Governance has been drafted in compliance with the code of Corporate Governance as amended by the Securities and Exchange Board of India (SEBI).

**2. BOARD OF DIRECTORS:**

The Board of Directors of Fischer Chemic Limited has the right mixture of Directors during the year. Two Non Independent Executive Directors Mr.R.Venkatachalam and Mr.V.Balakrishna have resigned from the Board and the company is in the process of appointing independent Directors to replace them.

During the financial year 2010-2011, Nine (9) meetings were held viz., from 1st April 2010 to 31st March 2011 on the following dates: 24.04.2010, 30.04.2010, 05.05.2010, 05.06.2010, 30.07.2010, 30.08.2010, 27.10.2010, 30.10.2010 and 29.01.2011. The Annual General Meeting was held on 30th September 2011.

The composition and membership on other Boards, Committees of Directors and attendance of Directors at the Board of Directors Meetings held during the Financial Year 2010-2011 and the last AGM held on 30.09.2010 is given below.

**Composition, Attendance of each director at the Board Meetings and at the Last AGM and the number of other directorship, committee memberships are set out below:-**

Name of the Director	Category	Attendance Particulars		Number of Directorships in other Public companies and Committee Members/Chairmanships			
		Board Meeting	Last AGM (Yes/No)	Last EGM (Yes/No)	Other Directorships	Committee Member ships (other than Fischer Chemic)	Committee Chairman ships (other than Fischer Chemic)
Shri.G.M.S.Naryanan	Whole-Time Director – Executive	9	Yes	Yes	-	-	-
Shri.K.Vasudevan	Whole-Time Director – Executive	9	Yes	Yes	-	-	-
Shri. V.Ganesh	Non-Executive Independent	9	Yes	Yes	-	-	-

**3. BOARD COMMITTEES:****A. Audit Committee:**

Role and Terms of Reference:

The role and terms of reference of the Audit Committee cover the area mentioned under Clause 49 of the Listing agreement besides other terms as may be referred from time to time by the Board of Directors of the Company. The broad terms of reference of the audit committee were to review the following issues:

- Oversee company's financial reporting process and disclosures of its financial statements are correct, sufficient and credible.
- Recommend appointment and removal of statutory auditors, fixation of audit fee and also approve payment of other service.
- Review the adequacy of internal control system with the Management, Statutory auditors and Internal auditors.
- Review the Company's financial and risk management policies.

Composition:-

The Board committee will be reconstituted on appointment of independent directors during the year.

**B. Remuneration Committee:**

The Remuneration Committee will be reconstituted on appointment of independent directors during the year and there was no increase in the remuneration to the executive directors during the year.

**Terms of reference:**

The terms of reference of the Remuneration Committee are as per the guidelines set out in the Listing Agreement with the stock exchanges that include determination of the Company's policy on specific remuneration packages for Directors.

**Remuneration Policy:**

The remuneration of the Executive Directors is recommended by the Remuneration Committee, based on criteria such as industry benchmarks, the Company's performance vis-à-vis the industry and responsibilities shouldered. The Company pays remuneration by way of salary and perquisites to its Executive Directors.

The Non-executive Directors are not paid any remuneration. Further the company has not entered into any pecuniary relationship or transactions with the Non-executive directors.

The details of the remuneration paid/payable to the Directors during the Financial Year 2010-2011 are as under:

Name of the Director	Salary & Perquisites (Rs.)	Sitting Fees (Rs.)	No. of shares held
Shri.G.M.S.Naryanan	3,90,000	-	243276
Shri.K.Vasudevan.	3,90,000	-	263676
Shri. V.Ganesh	-	Nil	Nil
Total	7,80,000	Nil	506952

**C. Shareholders Committee:**

**Composition:-** The Shareholders Committee comprises of:

- Mr. G. M. S. Narayanan, Member
- Mr. K. Vasudevan, Chairman of the Committee
- Mr. V.Ganesh, Member

The terms of reference of this committee are as under:-

The shareholders committee specifically looks into redressing of shareholder's and investor's complaints such as transfer of shares, non-receipt of shares, non-receipt of declared dividend and to ensure expeditious share transfers.

Meeting and Attendance of the committee:-

The said Committee met 13 times during the year 2010-2011. Mr. K. Vasudevan, Director is the Compliance officer.

During the Financial Year 2010-2011, No investor complaints were received from the shareholders. There are no complaints pending as on date of this report. There were no share transfers pending registration as at 31st March 2011.

In case of any investor complaint, shareholders are requested to address the same to fischerchemic@gmail.com

#### 4. GENERAL BODY MEETINGS:

The particulars of Annual General Meetings held during the last three years are as under:

Year	Date and Time	Venue
2007-2008	30th December 2008	Sri Arjuna Mini Hall, #5, at 10.30 a.m. Panagal Street, Thiruvallur 602001
2008-2009	29th September 2009	Sri Arjuna Mini Hall, #5, at 10.30 a.m. Panagal Street, Thiruvallur -602001
2009-2010	30th September 2010	Sri Arjuna Mini Hall, #5, at 10.30 a.m. Panagal Street, Thiruvallur -602001

The particulars of Extra Ordinary General Meetings held during the Financial year 2010-2011 is under:

Date: 28<sup>th</sup> March 2011

Venue: Plot No.111, SIDCO Industrial Estate, Kakallur, Thiruvallur District, Tamil Nadu.

- I) Special Resolution Passed in the AGM's and EGM's passed during the last 3 years:- No special resolutions were passed during the last three annual general meetings.
- II) Postal Ballots:  
No resolutions were passed through Postal Ballot during the financial year under review.

#### 5. DISCLOSURES:

- a. Related Party Transactions: The Company has not entered into any transactions of a material nature with the Promoters, the Directors or the Management, their subsidiaries or relatives, etc, that may have potential conflict with the interests of the Company. The necessary disclosures regarding the transactions are given in the Notes to the Accounts.

- b. No penalty / stricture was imposed on company by the stock exchanges, SEBI or any other authority or any matter related to capital market during the year.
- c. Disclosure on accounting treatment: No differential treatment from the Accounting standard was followed in the preparation of the financial statements.
- d. The company does not have a Whistle Blower Policy and no employee has been denied access to approach the audit committee to report any serious concerns.
- e. No money has been raised through Public / right / Preferential issue during the year.

#### 6. MEANS OF COMMUNICATION:

The financial results are published in newspapers.

#### 7. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report forms a part of the Directors Report. (Given in Annexure B)

#### 8. GENERAL SHAREHOLDERS INFORMATION:

- (i) **Date of Annual General Meeting** : 30th September 2011  
Time : 10.30 a.m.  
Venue : Sri Arjuna Mini Hall, #5, Panagal Street, Thiruvallur -602001
- (ii) **Financial Calendar** :  
Results for the quarter ending June 30, 2011 : Last week of July 2011  
Results for the quarter ending September 30, 2011 : Last week of October 2011  
Results for the quarter ending December 31, 2011 : Last week of January 2012  
Results for the quarter ending March 31, 2012 : Last week of April 2012  
Annual General Meeting : By 3rd/4th week of September 2012
- (iii) **Book-Closure Dates** : 23<sup>rd</sup> September 2011 to 30th September 2011 (Both days inclusive)
- (iv) **Dividend Payment Date** : No Dividend recommended for the year 2010-11
- (v) **Listing on the Stock Exchanges** : The Equity shares of the Stock Exchanges Company are listed in the Bombay, Madras and Coimbatore stock exchanges.
- (vi) **Stock Code** : Bombay Stock Exchange - 524743

- (vii) **Stock Market Data** : Bombay Stock Exchange: High and Low quotations of the Company's shares during the period 1st April 2010 to 31st March 2011:

Month	Share Prices (Rs.)	
	High	Low
April 2010	-	-
May 2010	-	-
June 2010	-	-
July 2010	-	-
August 2010	-	-
September 2010	21.00	14.69
October 2010	16.20	15.40
November 2010	16.15	10.95
December 2010	10.41	9.40
January 2011	9.00	9.00
February 2011	8.60	8.56
March 2011	-	-

**Note :** The trading of the equity shares of the company have been suspended from the Bombay Stock Exchange since September 20, 2006. The Company had done the formalities for reinstatement and the trading has been resumed from September 2010.

- (viii) **Registrar and Share Transfer Agents :**  
M/s.Cameo Corporate Services Limited.  
"Subramanian Buildings"  
1, Club House Road, Chennai- 600 002

- (ix) **Share Transfer System:**  
Presently the share transfer documents which are received by the Company are processed, approved and kept ready for despatch within 15 days from the date of the receipt.

- (x) **Distribution of Shareholding as on 31.3.2011:**

Range	No. of share-holders	% to total	Share/Debenture Amount (Rs.)	% to total
10 – 5000	8654	93.0837	11935480	34.6961
5001-10000	337	3.6248	2669000	7.7587
10001-20000	174	1.81715	2704000	7.8604
20001-30000	62	0.6668	1576000	4.5813
30001-40000	16	0.1720	572000	1.6627
40001-50000	20	0.2151	954000	2.7732
50001-100000	16	0.1720	1102000	3.2034
100001 & above	18	0.1936	12888520	37.4637
Total	9347	100	34400000	100

- (xi) **Shareholding Pattern as on 31.3.2011:**

Category	No. of Shares Held	Percentage of Share holding
<b>A. PROMOTER HOLDING</b>		
1. Promoters		
Indian Promoters	506952	14.73%
Foreign Promoters	Nil	Nil
2. Persons acting in concert	Nil	Nil
Sub-Total	506952	14.74%
<b>B. Non-Promoters Holding</b>		
3. Institutional Investors		
a. Mutual Funds and UTI	3300	0.10%
b.Banks, financial Institutions, Insurance Companies (central/state Govt.Institutions/ Non-government Institutions)	Nil	Nil
c. FIIs	Nil	Nil
Sub-Total	3300	0.10%
4. a. Private Corporate Bodies	125738	3.66%
b. Indian Public	2798610	81.36%
c. Clearing Member	300	0.01%
d. Hindu Undivided Family	5100	0.15%
Sub-Total	2929748	85.17%
Total Public Holding	2933048	85.26%
Grand Total	3440000	100.000%

- (xii) **Dematerialisation of shares :** The equity shares of the company have been admitted for dematerialization with CDSL. The ISIN No. of the Company is INE771F01017. 8.94% of the Company's paid up Equity share capital has been dematerialized upto March 31, 2011.

- (xiii) **Registered Office and Works:**  
Plot No. 111, SIDCO Industrial Estate,  
Kakallur, Thiruvallur District,  
Tamil Nadu

- (xiv) **Address for Correspondence:**  
Fischer Chemic Limited,  
3/240, Govindan Nagar,  
Palavakkam,  
Chennai 600 041

- (xv) **E-Mail ID of Investor Grievance redressal cell :**  
fischerchemic@gmail.com

**9. NON-MANDATORY REQUIREMENTS:**

- a. Chairman of the Board: The Company maintains the office of the Chairman at its Corporate Office and also reimburses the expenses incurred in performance of duties.
- b. On appointment of new independent Directors the remuneration committee will be reconstituted.
- c. Shareholder Rights: The financial results are published in newspapers.
- d. Audit qualifications: The Company is moving towards a regime of unqualified financial statements.
- e. Training of Board members: Periodical meetings are held with skilled consultancy agencies for the Board members to appraise them in recent developments and existing laws and practices.

f. Mechanism of evaluating Non-executive directors: Same as above.

g. Whistle Blower Policy: As mentioned earlier, the Company does not have a Whistle blower policy.

**DECLARATION**

I, G. M. S. Narayanan, Whole-Time Director of the company, hereby declare that the Board of Directors has laid down a code of conduct for its Board members and senior Management of the company and Board members have affirmed compliance with the said code of conduct. The code of conduct is posted on the website of our company at [www.fischerchemic.com](http://www.fischerchemic.com).

for Fischer Chemic Limited

Place : Chennai

G.M.S.Narayanan

Date : 30th August 2011

Whole-Time Director

**ANNEXURE B TO DIRECTORS REPORT****MANAGEMENT DISCUSSION ANALYSIS REPORT:****i) Industry Structure and Developments:**

**Profile :** The Company is manufacturing laboratory chemicals under the brand name "FISCHER" and the brand is known to customers for more than two decades. Company has elaborate manufacturing facility near Chennai in the state of Tamil Nadu, India.

**Product Range :** Our product range varies from laboratory reagent grade which are normally used in any laboratory for estimate, to highly specialized grade like HPLC grade solvents.

**Production :** Production of various grades of laboratory chemicals is done through GMP using custom made machineries like glass lined/rubber line/SS reactors, distillation assemblies – glass/stainless steel and finished products are packed under controlled conditions.

**Quality Control :** Fischer Chemic Limited gives much importance to the end product quality which is well reflected in the Company's growth as well as increased customer preference for the Company's Products. All Products are tested as per international standards using state of the art quality control instruments like UV Spectrophotometer, GC, HPLC, etc. which are ISO certified instruments. Company also has got good wet analysis laboratory for volumetric and gravimetric work. People engaged in the activity of certifying the end quality of our products are so dedicated ensuring the right quality to our customers.

**Distribution :** Company has got a well established net work of distributors who are also supplementing our effort to give effective service to our customer. Company has also entered

into rate contract with premier institutions/ industries across the country.

**Speciality Chemicals :** The Company has created new facility for manufacturing custom made molecules for Research purpose. The Company is also engaged in Contract manufacturing of complex Organic molecules, intermediates under CRAM model.

**ii) Opportunities and Threats :** The facility created by the company are being put to use for manufacturing Specialty Chemicals, Contract Manufacturing of complex organic molecules, intermediates and Laboratory Chemicals and Reagents. The Companies Products are also being exported to Prestigious Countries like US, Sri Lanka, Middle East etc., In view of the varied Customer Profile / Product Profile the company is sure to come out from the recession being experienced by the user industries.

**iii) Segment - wise or Product - wise performance**

The company has a well diversified and balanced sales performance in the various divisions: Laboratory chemicals 76% Specialty Chemicals, contract manufacturing and custom synthesis 24%.

**iv) Outlook :**

**The Company is experiencing severe recession due to slump in demand faced by the user industries. The Company has resorted to severe cut in production, manpower, and are effectively tackling the situation.**

**v) Risks and concerns:**

The Cost of Raw Materials, Packing Materials, and Consumables, used by the company are increasing continuously, due to steep increase in Raw Material price, cost of various inorganic metals, Consumables. Due to severe



competition the company is unable to pass on the increased cost to the customers, resulting in reduced profitability. However the company is managing by means of tight control on cost and inventories, cash flow etc.

**vi) Internal Control systems and their adequacy**

For the type of operation, the company has effective internal control system in all areas of operation.

**vii) Discussion on financial performance with respect to operational performance:**

The company has clocked a turnover of Rs.209.85 lakhs during the year and made a loss of Rs.(0.82) lakhs before

interest and Depreciation. The increase in turnover and reduction in loss is achieved by better fund management, concentrating bulk customers, Contract Manufacturing.

**viii) Material Development in Human Resources / Industrial Relations Front, including number of People employed.**

During the year the company changed the customer profile and hence reduced marketing strength to the minimum. The company has also reduced the unutilized technical manpower and made efforts to retain the important technical personnel. The Industrial relationship has been very cordial throughout the year.

**ANNEXURE C TO DIRECTORS REPORT**

**WHOLE TIME DIRECTORS CERTIFICATION**

Dear Sirs,

In connection with the Audited Financial Results for the Financial Year ended 31<sup>st</sup> March, 2011, we G.M.S.Narayanan, Whole Time Director and K.Vasudevan, Whole Time Director certify that

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the Company during the year which is fraudulent, illegal or violative of the Company's code of conduct.

- (c) we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to the financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.

- (d) We have indicated to the auditors and the audit committee significant changes in internal control over financial reporting during the year;

significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**G.M.S. NARAYANAN**  
Whole time Director

**K. VASUDEVAN**  
Whole time Director