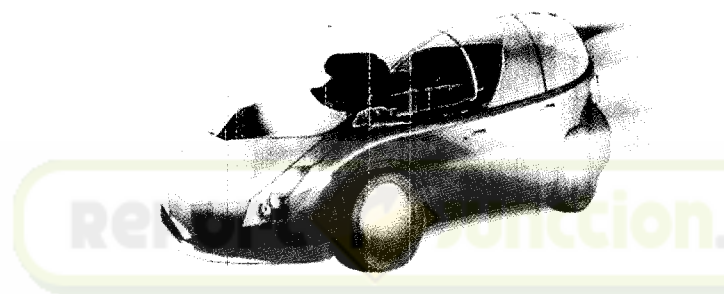


# Saint-Gobain Sekurit India Limited



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**SAINT-GOBAIN**  
**SEKURIT**

# Saint-Gobain Sekurit India Limited

## BOARD OF DIRECTORS

**MR. A.Y. MAHAJAN** (Chairman)

**MR. DANIEL PHILIBERT**

(Managing Director upto 31<sup>st</sup> December, 2007)

**MR. B. SANTHANAM**

**MR. M.G. RAMAKRISHNA**

**MR. PADMANABHA SHETTY**

**DR. SREERAM SRINIVASAN**

(Managing Director w.e.f. 27<sup>th</sup> February, 2008)

## COMPANY SECRETARY

**MR. ANANT N. BAVARE** (w.e.f. 11<sup>th</sup> February, 2008)

## AUDITORS

PRICE WATERHOUSE & CO.  
CHARTERED ACCOUNTANTS

## BANKERS

BNP PARIBAS  
ABN AMRO BANK NV

## REGISTERED OFFICE & BHOSARI WORKS

T-94, M.I.D.C., BHOSARI INDUSTRIAL AREA,  
PUNE - 411 026. MAHARASHTRA.  
TEL. : 020-27120047 FAX : 020-27120777

## CHAKAN WORKS

PLOT NO.621, VILLAGE KURULI,  
PUNE - NASHIK ROAD,  
CHAKAN, PUNE - 410 501. MAHARASHTRA

## REGISTRARS & TRANSFER AGENTS

INTIME SPECTRUM REGISTRY LTD.  
C-13, PANNALAL SILK MILLS COMPOUND,  
L.B.S. MARG, BHANDUP (W), MUMBAI-400 078.

## 35TH ANNUAL GENERAL MEETING

ON SATURDAY, 26TH JULY, 2008 AT 11.30 A.M.  
AT HOTEL PANCHSHIL, TELCO ROAD,  
CHINCHWAD, PUNE - 411 019.

## CONTENTS

Notice .....	1
Directors' Report .....	4
Report on Corporate Governance .....	7
Auditors' Certificate on ..... Corporate Governance	12
Management Discussion ..... and Analysis Report	13
Report of the Auditors .....	16
Balance Sheet .....	18
Profit & Loss Account .....	19
Schedules Forming ..... Part of the Accounts	20
Cash Flow Statement .....	38

# Saint-Gobain Sekurit India Limited

## NOTICE

**NOTICE** is hereby given that the Thirty-Fifth Annual General Meeting of the Members of Saint-Gobain Sekurit India Limited will be held on Saturday, 26<sup>th</sup> July, 2008, at Hotel Panchshil, TELCO Road, Chinchwad, Pune - 411 019 at 11.30 a.m., to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report, the Auditors' Report and the Audited Balance Sheet and Profit and Loss Account together with Schedules and Cash Flow Statement of the Company for the year ended 31<sup>st</sup> December, 2007.
2. To appoint a Director in place of Mr. A.Y. Mahajan, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. B. Santhanam, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Price Waterhouse, Chartered Accountants as Auditors of the Company, eligible for appointment to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

26<sup>th</sup> February, 2013 on such terms and conditions, as mentioned in the Explanatory Statement attached to this Notice.

FURTHER RESOLVED THAT the Board of Directors be and are hereby authorised to review and / or revise the terms, conditions, remuneration including minimum remuneration, perquisites, commission and other benefits being given or to be given to Dr. Sreeram Srinivasan in line / conformity with any amendment to the relevant provisions of the Companies Act and / or Rules and Regulations made there under and / or the guidelines as may be announced by the appropriate authorities from time to time and in accordance with the limits specified in Schedule XIII of the Companies Act, 1956 or any amendment thereto as may be agreed between the Board of Directors and Dr. Sreeram Srinivasan."

26<sup>th</sup> May, 2008

By Order of the Board

### Registered Office :

T-94, M.I.D.C.,  
Bhosari Industrial Area,  
Pune - 411 026

**Anant N. Bavare**  
Company Secretary

### SPECIAL BUSINESS

5. Appointment of Dr. Johannes Cordes as Director:  
To appoint a Director in place of Dr. Johannes Cordes who holds office upto the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 read with Article 120 of the Articles of Association of the Company and being eligible, offers himself for appointment and in respect of whom the Company has received a notice in writing from a member proposing the candidature of Dr. Johannes Cordes for the office of a Director.
6. Appointment of Dr. Sreeram Srinivasan as a Managing Director :  
To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the appointment of Dr. Sreeram Srinivasan as a Managing Director of the Company for a period of 5 years commencing from 27<sup>th</sup> February, 2008 and ending on

### NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT (48) HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and Share Transfer Books of the Company will be closed from Monday, 16<sup>th</sup> June, 2008 to Wednesday, 18<sup>th</sup> June 2008 (both days inclusive).
3. The relative Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956 in respect of business set out under item nos.5 & 6 above, are annexed hereto.
4. All documents referred to in the Notice and Explanatory Statement are open for inspection to the members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days upto the date of the 35<sup>th</sup> Annual General Meeting.

## ANNEXURE TO THE NOTICE

**Details of Directors seeking reappointment at the Thirty-Fifth Annual General Meeting**  
(Pursuant to Clause 49 of the Listing Agreement)

<b>Name of the Director</b>	<b>Dr. Johannes Cordes</b>	<b>A.Y. Mahajan</b>	<b>B. Santhanam</b>	<b>Dr. Sreeram Srinivasan</b>
Date of birth	07.07.1951	03.01.1953	02.03.1957	01.09.1962
Date of appointment	27.02.2008	08.06.1995	20.08.1997	24.07.2006
Expertise in specific functional areas	Wide experience in production, engineering, sales and Research & Development	Wide business experience across variety of industries	Wide experience in various functions such as Information Technology, Operations, Marketing etc. Also has played a critical role in setting up world class float glass plant.	Company Executive B. Tech., M.S., PhD.
Qualifications	Diploma in Phys and Dr. Ing.	Masters Degree in Economics from the University of Mumbai and a Masters Degree in Business Administration from Cornell University (USA)	Bachelor Degree in Technology from IIT, Chennai and a Post Graduate Diploma in Management from The Indian Institute of Management, Ahmedabad.	Nil
Directorship in other Indian Companies as on 26 <sup>th</sup> May, 2008	Nil	<ol style="list-style-type: none"> <li>Grindwell Norton Limited</li> <li>Saint-Gobain Glass India Limited</li> <li>Saint-Gobain Weber (India) Limited</li> <li>SEPR Refractories India Ltd.</li> <li>Saint-Gobain Crystals &amp; Detectors India Limited</li> <li>L.M. Van Moppes Diamond Tools (India) Private Limited</li> <li>Saint-Gobain Seva Engineering India Limited</li> <li>Saint-Gobain India Foundation (section 25 Company)</li> <li>India Gypsum Limited</li> <li>Unichem Laboratories Limited</li> <li>BPB Holdings India Private Limited</li> </ol>	Saint-Gobain Glass India Limited	Nil
Membership of Committees in other Indian Companies as on 26 <sup>th</sup> May, 2008	Nil	<ol style="list-style-type: none"> <li>Saint-Gobain Glass India Limited <ol style="list-style-type: none"> <li>Audit Committee (Chairman)</li> </ol> </li> <li>Saint-Gobain Sekurit India Limited <ol style="list-style-type: none"> <li>Shareholders'/ Investors Grievance Committee (Chairman)</li> </ol> </li> </ol>	Saint-Gobain Glass India Ltd. Audit Committee.	Nil
Equity Shareholding in Saint-Gobain Sekurit India Limited.	Nil	Nil	Nil	



# Saint-Gobain Sekurit India Limited

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

### Item No. 5

Dr. Johannes Cordes was appointed as an Additional Director of the Company on 27<sup>th</sup> February, 2008. In terms of provisions of Section 260 of the Companies Act, 1956, read with Article 120 of the Articles of Association of the Company, Dr. Johannes Cordes holds office up to the date of the forthcoming Annual General Meeting. Dr. Johannes Cordes's brief resume has been given in the annexure to the notice.

Notice in writing u/s 257 of the Companies Act, 1956 along with a deposit of Rs.500/- has been received from a member of the Company proposing the candidature of Dr. Johannes Cordes for the office of Director.

Except Dr. Cordes, no other Director is concerned or interested in this Resolution.

Your Directors recommend this Ordinary Resolution for your approval.

### Item No. 6

Dr. Sreeram Srinivasan was appointed as an Executive Director of the Company on 24<sup>th</sup> July, 2006 which was approved by the shareholders at their meeting held on 9<sup>th</sup> June, 2007.

Board at its meeting held on 27<sup>th</sup> February, 2008 has appointed Dr. Sreeram Srinivasan as a Managing Director of the Company for a period of two years commencing from 27<sup>th</sup> February, 2008 and ending on 26<sup>th</sup> February, 2010, subject to the approval of the Members at the forthcoming Annual General Meeting. Further, Board at its meeting held on 26<sup>th</sup> May, 2008 has amended the tenure of Dr. Sreeram Srinivasan as a Managing Director from 2 years to 5 years w.e.f. 27<sup>th</sup> February, 2008.

Following are the terms and conditions of appointment of Dr. Sreeram Srinivasan as a Managing Director :

#### 1. Nature of Duties :

Dr. Sreeram Srinivasan as a Managing Director shall be responsible for overall business of the Company.

#### 2. Tenure :

Five years commencing from 27<sup>th</sup> February, 2008 and ending on 26<sup>th</sup> February, 2013.

#### 3. Remuneration :

Dr. Sreeram Srinivasan shall be entitled to Nil remuneration.

Except Dr. Sreeram Srinivasan, no other Director is concerned or interested in this Resolution.

Your Directors recommend this Special Resolution for your approval.

26<sup>th</sup> May, 2008

By Order of the Board

#### Registered Office :

T-94, M.I.D.C.,  
Bhosari Industrial Area,  
Pune - 411 026

**Anant N. Bavare**  
Company Secretary

### REQUEST TO THE SHAREHOLDERS

1. Copies of the Annual Report will not be distributed at the Annual General Meeting. You are therefore, requested to bring copy of the Annual Report to the Meeting.
2. Members desirous of seeking any information concerning the accounts and operations of the Company are requested to address their queries to the Company Secretary, at the Registered Office at least Ten days in advance of the meeting, so that the information, to the extent practicable, can be made available at the meeting.
3. Members holding shares in the same set of names under different Ledger Folios are requested to apply for consolidation of the Folios along with relevant share certificates to the Intime Spectrum Registry Limited (ISRL).
4. Members are requested to immediately intimate the change, if any, in their registered address to the ISRL.



## DIRECTORS' REPORT

The Members,

### Saint-Gobain Sekurit India Limited

Your Directors present the Thirty-fifth Annual Report of your Company along with the Audited Accounts for the year ended 31<sup>st</sup> December, 2007.

#### Financial Highlights:

	(Rs. in 000)	
Particulars	Year Ended December 31, 2007	Year Ended December 31, 2006
Sales	<b>769,192</b>	806,508
Operating Profit / (Loss)	<b>16,432</b>	(43,707)
Interest and Financial Charges	<b>(16,641)</b>	(5,982)
Profit / (Loss) before		
Exceptional Item and Tax	<b>(209)</b>	(49,689)
Exceptional Item (Voluntary Separation Scheme expenditure)	-	49,802
Profit / (Loss) Before tax	<b>(209)</b>	(99,491)
Deferred Tax	-	(4,972)
Provision for Fringe Benefit Tax	<b>910</b>	(1,329)
Profit / (Loss) after Tax	<b>(1120)</b>	(105,792)
Balance brought forward from Previous Year	<b>(519,410)</b>	(413,618)
Profit /(Loss) carried to Balance Sheet	<b>(521,184)</b>	(519,410)

#### Responsibility Statement

Your Directors confirm that

- in the preparation of annual accounts, the applicable accounting standards have been followed;
- appropriate accounting policies have been selected and applied consistently and judgements and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> December, 2007 and of the loss of the Company for that year;

- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis.

#### Operations

During the year under review, your Company's sales marginally decreased by 4%. The Indian Automotive market showed a growth in the year 2007. However, in the later part of the year, there was a slow down owing to higher interest rates and the rising oil prices. While the external environment had its share of ups and down, your Company continued to work towards achieving the stated near term objectives which were to rationalise and restructure the operations and address certain market segments. After a successful voluntary separation scheme which was implemented at the end of 2006, in 2007, the focus was on realigning the operations in both the plants. Improvement of plant efficiencies was a key area. As a result, there has been an improvement in your Company's profitability in the current year as compared to the previous year. While most of the planned restructuring activities have been completed, there are a few which are expected to conclude by the end of June 2008. During the year, further investments have been made in both the plants, that would not only help in increasing productivity but also improve the quality of the products. Increase in finance charges is mainly on account of the interest on the term loan contracted for the on-going investments. With all these measures, your company would be better equipped to serve the ever demanding automotive market in the years to come.

#### Outlook for the Future

After surging ahead with an impressive growth rate of more than 15%, the latter half of 2007 witnessed a slow down in the market. Rising interest rates and increase in oil prices have had an impact on the rate of growth. This slowdown has not deterred any of the Auto majors in their expansion plans and is seen as a temporary phenomenon. At the same time, there is a relentless pressure to deliver quality products at low costs. Your company will continue to focus on improving quality and on increasing productivity and the operating yields on the products. However, it would be a challenge to cope up with increase in the input costs (like glass, PVB, energy etc) which would have a direct bearing on the profits of the company.

#### Environment, Health & Safety

Environment, Health and Safety are accorded the highest priority within Saint-Gobain. The Company is conscious of its

# Saint-Gobain Sekurit India Limited

responsibility towards creating, maintaining and ensuring a safe and clean environment. Strict adherence to all regulatory requirements and guidelines is maintained at all times. Your Company was re-certified under ISO 14001. This re-certification is in recognition of the sustained efforts of your Company in improving the Environment, Health and Safety at all its work sites. During the year, the Company has started process of monitoring of personal air sampling and heat stress at both the plants.

## Corporate Governance Report and Management Discussion & Analysis Report

- a) As per Clause 49 of the Listing Agreement with the Mumbai Stock Exchange Limited, Corporate Governance Report is annexed hereto. (Annexure A)
- b) Certificate dated 26<sup>th</sup> May 2008 of M/s. V. N. Deodhar & Co., Company Secretaries, regarding the compliance of the conditions of the Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange, is enclosed. (Annexure B)
- c) Management discussion and analysis report is annexed hereto. (Annexure C)

## Energy Conservation, Technology Absorption, Foreign Exchange Earnings & Outgo

The Company is focused on energy conservation, as a key component of its overall strategy for remaining competitive. The Company ensures that the scarce energy resources are utilised in a most productive manner. The consumption of energy is closely monitored at all the manufacturing units. Regular studies are conducted to analyse quantitative energy consumption pattern, variances are rigorously scrutinised and accordingly continuous efforts were made towards further improving efficiency. Following major successful energy conservation efforts were made during the year:

1. Installation of Y-Ducting for reduction in energy consumption of Tempering furnace.
2. Monitoring of Furnace power consumption.
3. Reduction in energy consumption in lighting.
4. Optimisation of operations to utilise the maximum incentives offered by MSEB.

As required by the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, the relevant information pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo as required in the prescribed format is annexed (Annexure D) and forms part of this Report.

## Employee Relations

The Company continues to place significant importance on its human resources and enjoys cordial and peaceful relations

at all levels. During the year, various initiatives for employee involvement and efficiency improvement continued. During the year the company signed a three year wage settlement with its union at Chakan, Pune. The Directors are pleased to place on record their appreciation of the services rendered by the employees at all levels. As at the year- end, there were 176 employees.

## Fixed Deposits

The Company has not accepted any Fixed Deposits from the public under Section 58A of the Companies Act, 1956.

## Insurance

The Company's assets and insurable interests continue to be adequately insured against the risk of fire, riot and earthquake among other perils.

## Listing

The Equity Shares of the Company are currently listed on The Bombay Stock Exchange Limited (BSE). Members may recall that certain irregularities were noticed in the database of physical share certificates of the Company. Your Company, in consultation with the Bombay Stock Exchange Limited, has taken appropriate steps. All future actions will be taken in consultation with the Bombay Stock Exchange Limited.

## Particulars of Employees

Information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, is annexed (Annexure E) and forms part of this report.

## Directors

Mr. Daniel Philibert was re-appointed as a Managing Director for a further period from 27<sup>th</sup> July, 2006 to 31<sup>st</sup> December, 2007. On his repatriation to Europe to take up another assignment within the Saint-Gobain Group, Mr. Philibert ceased to be the Managing Director on 31<sup>st</sup> December, 2007. The Board places on record its sincere appreciation for the valuable contribution made by him during his tenure.

Dr. Sreeram Srinivasan, Executive Director was appointed as a Managing Director of the Company with effect from 27<sup>th</sup> February, 2008 for a period of 5 years, subject to the approval of the members at the forthcoming Annual General Meeting.

As per the provisions of the Companies Act, 1956 and Articles of Association, Mr. A.Y. Mahajan and Mr. B. Santhanam retire by rotation and being eligible offers themselves for re- appointment as Directors of your Company.

Dr. Johannes Cordes was appointed as an Additional Director with effect from 27<sup>th</sup> February, 2008. Dr. Cordes holds office



up to the date of forthcoming Annual General Meeting of the Company. As required under Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member proposing the candidature of Dr. Cordes for the office of a Director.

### Auditors

M/s Price Waterhouse, Chartered Accountants, Auditors of the Company, retire at the conclusion of 35<sup>th</sup> Annual General Meeting of the Company and have expressed their willingness to continue as Auditors of the Company. M/s. Price Waterhouse, Chartered Accountants, have conveyed that, if appointed, they would be eligible to act as Auditors of the Company.

You are requested to appoint Auditors for the current financial year and fix their remuneration.

### The Statutory Auditors have made the following observations in their Audit Report for the year ended 31<sup>st</sup> December, 2007 :

- A. Clause 5 (f) of the Auditors Report states that *"The Company has entered into contracts amounting to Rs. 207,454/- with a Private Limited Company in which director of the Company is interested as director. These contracts are subject to the approval of Central Government. (Refer note 3 of Schedule 19) "*

In response to the above your Company states that during the year, Company has made purchases of diamond tools from a Private Limited Company in which one of the directors is interested. The purchase was made in the normal course of business at prevailing market prices, but on credit terms. Your Company is in the process of making necessary application to the Central Government for approval.

- B. Clause 1 (b) of Annexure to the Auditors report states that *"The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. Procedures in respect of physical verification of fixed assets need to be strengthened."*

In response to the above your Company states that, the company is reviewing the adequacy of the existing procedure of verification of fixed assets and is in the process of strengthening the procedure in a manner to ensure proper documentation as well as increasing the coverage of fixed assets verification in a year.

- C. Clause 4 of Annexure to the Auditors Report states that *"In our opinion and according to the information and explanations given to us, having regard to the explanations that most of the items are of a special nature for which alternative sources do not exist for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services; control systems relating to monitoring of debtors in relation to receipting and adjustment of breakages claims needs to be strengthened."*

Further, on the basis of our examination of the books and records of the Company carried out in accordance with the auditing standards generally accepted in India, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedures."

In response to the above your Company states that, your Company has reviewed the complete process of claims management and also the debtor's management. Your Company is in the process of putting in place the systems in a manner that would ensure timely resolution of the claims of breakages and reconcile the accounts of customers in a reasonable time.

### Potentially Sick Industrial Company

The accumulated losses as at 31<sup>st</sup> December, 2007 at Rs. 5211.84 lacs have exceeded 50% of the peak net worth during the immediately preceding four financial years. Thus, your Company has become a "Potentially Sick Company" as laid down in Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985. A separate report of the Directors on the erosion of the net worth is annexed hereto (Annexure F)

### Acknowledgements

Your Directors wish to place on record their sincere appreciation for the continuous support and co-operation received from customers, dealers, suppliers, financial institutions and others. Your Directors also wish to place on record their deep sense of appreciation for the committed services by employees. Your Directors also acknowledge with gratitude the encouragement and support extended by our valued shareholders.

On behalf of the Board of Directors,

A.Y. MAHAJAN  
Chairman

DR. SREERAM SRINIVASAN  
Managing Director

Place : Mumbai  
Date : 26<sup>th</sup> May, 2008



# Saint-Gobain Sekurit India Limited

## ANNEXURE 'A' TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2007

### REPORT ON CORPORATE GOVERNANCE

(As required under Clause 49 of the Listing Agreements entered into with Bombay Stock Exchange Limited)

#### A. MANDATORY REQUIREMENTS

##### 1. CORPORATE GOVERNANCE AT SAINT-GOBAIN SEKURIT INDIA LIMITED (SGSIL)

Saint-Gobain Sekurit India Limited (SGSIL) is a member of the translational 'Saint-Gobain' group and is committed to the highest standards of a fair, ethical & transparent governance practices and strives to monitor and ensure compliance with all applicable Laws and Regulations. The Compliance Report of the Company vis-à-vis the Stock Exchange Listing Agreement is presented below.

##### 2. BOARD OF DIRECTORS

Mr. Daniel Philibert ceased to be a Managing Director on 31<sup>st</sup> December, 2007. The Board at its meeting held on 27<sup>th</sup> February, 2008 appointed Dr. Sreeram Srinivasan, Executive Director, as a Managing Director for a period of 2 years w.e.f. 27<sup>th</sup> February, 2008. Further, the Board

at its meeting held on 26<sup>th</sup> May, 2008 amended the tenure of Dr. Sreeram Srinivasan as a Managing Director from 2 years to 5 years w.e.f. 27<sup>th</sup> February, 2008. The Board at its meeting held on 26<sup>th</sup> May, 2008 also appointed Dr. Johannes Cordes as an Additional Director w.e.f. 27<sup>th</sup> February, 2008. Dr. Cordes will hold office upto the date of the forthcoming Annual General Meeting of the Company.

The present strength of the Board is six Directors. The Board comprises of one Executive Director and five Non-Executive Directors. Out of the five Non-Executive Directors, two are independent directors.

During the year 2007, Six Board meetings were held. The dates on which the said meetings were held are as follows:-

7 <sup>th</sup> February	26 <sup>th</sup> March	27 <sup>th</sup> April
9 <sup>th</sup> June	26 <sup>th</sup> July	29 <sup>th</sup> October

Details of attendance of each Director at the Board Meetings, the last AGM, Directorships held by them in other Indian Companies and Committee memberships are as follows:

Name of the Director	Category of Directorship	No. of Board Meetings attended	Attendance at the last AGM held on 9 <sup>th</sup> June 2007	No. of Directorships held as on 26 <sup>th</sup> May, 2008 in other public companies (excluding foreign companies)	No. of Committee positions held as on 26 <sup>th</sup> May, 2008 in Companies (Including SGSIL)*
Mr. A. Y. Mahajan	Chairman-Non-Executive	06	Yes	08	**02
Mr. Daniel Philibert	Managing Director (up to 31 <sup>st</sup> December, 2007)	02	Yes	Nil	Nil
Dr. Sreeram Srinivasan	Executive Director upto 26 <sup>th</sup> February, 2008. Appointed as a Managing Director with effect from 27 <sup>th</sup> February, 2008.	04	Yes	Nil	02
Mr. B. Santhanam	Non-Executive	Nil	No	01	01
Mr. M.G. Ramakrishna	Non-Executive (Independent)	05	No	02	***03
Mr. Padmanabha Shetty	Non-Executive (Independent)	06	Yes	Nil	01
Dr. Johannes Cordes	Non-Executive (Appointed as an Additional Director with effect from 27 <sup>th</sup> February, 2008)	-	No	Nil	Nil

\* Committee positions include positions held in Audit Committee and Shareholders/Investors Grievance Committee.

\*\* Mr. A.Y. Mahajan is a Chairman in 2 Committees.

\*\*\* Mr. M.G. Ramakrishna is a Chairman in 1 Committee.

### 3. AUDIT COMMITTEE

The Companies Act, 1956 and the Listing Agreement with Bombay Stock Exchange Limited provide for constitution of Audit Committee. The terms of reference of the Audit Committee are wide enough to cover the matters specified for Audit Committees under the Listing Agreement as well as under the provisions of the Companies Act, 1956. The Audit Committee comprises of Mr. M.G. Ramakrishna, Chairman of the Committee, Mr. Padmanabha Shetty and Dr. Sreeram Srinivasan. The Head Finance and the Statutory Auditors are invitees to the Meeting. The Company Secretary acts as the Secretary of the Committee.

Audit Committee held five meetings during the year 2007. The attendance of each Member of the Committee is given below:

Name of Director	No. of Meetings attended
Mr. M.G. Ramakrishna	05
Mr. Padmanabha Shetty	05
Dr. Sreeram Srinivasan	04

The terms of reference of the Audit Committee are in consonance with the Clause 49 of the Listing Agreement as well as Section 292 A of the Companies Act, 1956, and are as under:

1. Oversee the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgement by management.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors, any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Minutes of the Audit Committee meetings are circulated to the members of the Board, discussed and taken note of.

### 4. REMUNERATION COMMITTEE

The Remuneration Committee comprises of Mr. M.G. Ramakrishna, Chairman of the Committee, Mr. Padmanabha Shetty and Mr. A.Y. Mahajan. The terms of reference of Remuneration Committee is to recommend/ review the remuneration package of the Managing Director/ Executive Directors, based on the performance and defined criteria. The remuneration policy is directed towards rewarding performance based on review of achievements on a periodical basis.