

Saint-Gobain Sekurit India Limited

NOTICE

NOTICE is hereby given that the Thirty-seventh Annual General Meeting of the Members of Saint-Gobain Sekurit India Limited will be held on Saturday, 31st July, 2010 at Hotel Kalasagar, P-4, MIDC, Kasarwadi, Mumbai-Pune Road, Near State Bank of India, Pune 411034 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 31st March, 2010.
2. To appoint a Director in place of Mr. M.G. Ramakrishna , who retires by rotation and being eligible, offers himself for re-appointment.
3. 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.

29th May, 2010

By Order of the Board

Registered Office :

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

Anant N. Bavare
Company Secretary

4. 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 Link Intime India Private Limited (previously known as Intime Spectrum Registry Limited).
5. Members are requested to immediately intimate the change, if any, in their registered address to the Link Intime India Private Limited.
6. 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.

ANNEXURE TO THE NOTICE

Note on the director seeking re-appointment as required under Clause 49 of the Listing Agreement, entered into with Stock exchange.

ITEM No. 2

M.G.Ramakrishna is 66 years old and has done his M.A. & LLB. from Bombay University. He is a veteran banker. He started his banking career with the State Bank of India & subsequently held top management positions in a foreign bank in India as well as in a new generation private sector bank. Presently he is a financial consultant & on the board of a couple of companies as an independent director. Mr. M. G. Ramakrishna does not hold any equity shares in Saint-Gobain Sekurit India Limited.

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. 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, 28th June, 2010 to Wednesday, 30th June, 2010 (both days inclusive).
3. 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.



DIRECTORS' REPORT

The Members,

Saint-Gobain Sekurit India Limited

Your Directors present the Thirty-seventh Annual Report of your Company along with the Audited Accounts for year ended 31st March, 2010.

Financial Highlights

(Rs. in Lacs)		
Particulars	For the year ended March 31, 2010	15-Months Ended December 31, 2009
Sales	9051.59	10341.55
Operating Profit / (Loss)	646.82	264.02
Interest and Financial Charges	(143.04)	(221.51)
Profit / (Loss) Before tax	503.78	42.51
Provision for Fringe Benefit Tax	—	11.11
Profit / (Loss) after Tax	503.78	31.40
Balance brought forward from Previous Year	(5180.44)	(5211.84)
Profit /(Loss) carried to Balance Sheet	(4676.66)	(5180.44)

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 31st March, 2010 and of the profit 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 increased by 9.4% on an annualized basis. The year started with the Indian Automotive market still under the impact of the global slowdown. But towards the later part of the year the market recovered significantly. All relevant segments, passenger vehicles, commercial vehicles and 3-wheelers, were positive.

For the past few years, the efforts taken by your Company in restructuring its operations, investments made towards modernisation of plants at Chakan and Bhosari, sustained focus on operational efficiencies have yielded results and your Company's operating profit increased from Rs. 264 lacs in the previous 15-month period to Rs. 647 lacs in the current 12-month period. Your company, in our view, is well positioned to serve the present and future demands of its target market.

Environment, Health & Safety:

Your Company is committed to ensure a clean and green pollution-free environment as well as a healthy and safe work place at all its plant locations. Environment, Health and Safety is accorded the highest priority within Saint-Gobain. Strict adherence to all regulatory requirements and guidelines is maintained at all times. Your Company's plants at Bhosari & Chakan are certified under ISO 14001 and OHSAS 18001.

Corporate Governance Report and Management Discussion & Analysis Report:

- As per Clause 49 of the Listing Agreement with the Mumbai Stock Exchange Limited, Corporate Governance Report and Management Discussion and Analysis Report are annexed and form part of the Directors' report. (Annexure A & C respectively)
- Certificate dated 29th May, 2010 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)

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 the 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 are made towards further improving efficiency.

As required by the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, the relevant

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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 were undertaken. A Memorandum of Settlement was signed between the Management and Workes' Union at Chakan plant on 28th May, 2010 for the period from 1st July, 2009 to 30th June, 2012.

The Directors are pleased to place on record their appreciation of the services rendered by the employees at all levels. As at March 31, 2010, there were 186 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).

Particulars of Employees:

There are no employees whose information is required to be given as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended.

Directors:

As per the provisions of the Companies Act, 1956 and Articles of Association, Mr. M.G. Ramakrishna retires by rotation and being eligible offers himself for reappointment.

Auditors:

M/s Price Waterhouse, Chartered Accountants, Auditors of the Company, retire at the conclusion of 37th 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.

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 of 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

Date : 29th May, 2010
Place : Mumbai



ANNEXURE 'A' TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2010

REPORT ON CORPORATE GOVERNANCE

(As required under Clause 49 of the Listing Agreement 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 Corporate Governance. It strives to monitor and ensure compliance with all applicable Laws and Regulations. It has always been SGSIL's philosophy on the code of Corporate Governance, to ensure that adequate control systems are devised and implemented and are put in place to enable optimum returns to the stakeholders. SGSIL has always held itself to high standards of accountability, auditing, disclosure and reporting. These standards continue to define your Company's Corporate Governance philosophy of transparency and accountability, built on strong systems and procedures. The Compliance Report

of the Company vis-à-vis the Stock Exchange Listing Agreement is presented below.

2. BOARD OF DIRECTORS

The present strength of the Board is Four Directors. The Board comprises of one Executive Director and Three Non-Executive Directors. Out of the Three Non-Executive Directors, two are Independent Directors.

During the year 2009-2010, five Board meetings were held. The dates on which the said meetings were held are as follows:-

25 th May, 2009	30 th June, 2009
29 th July, 2009	28 th October, 2009
25 th January, 2010	

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 19th September, 2009	No. of Directorships held as on 30th March, 2010 in other Public Companies (excluding Foreign Companies)	No. of Committee positions held as on 30th March, 2010 in Companies (Including SGSIL)*
Mr. A. Y. Mahajan	Chairman-Non-Executive	05	Yes	08	**05
Dr. Sreeram Srinivasan	Managing Director	05	Yes	Nil	02
Mr. M.G. Ramakrishna	Non-Executive (Independent)	05	Yes	02	***02
Mr. Padmanabha Shetty	Non-Executive (Independent)	05	Yes	01	02

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

** Mr. A.Y. Mahajan is a Chairman of 2 Committees.

*** Mr. M.G. Ramakrishna is a Chairman of 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 Committee 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.

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During the year 2009-2010, five Audit Committee meetings were held. The dates on which the said meetings were held are as follows:-

25 th May, 2009	30 th June, 2009
29 th July, 2009	28 th October, 2009
25 th January, 2010	

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	05

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, are as under:

- 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.
- 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.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - 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.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgement by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- 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.
- Discussion with internal auditors, any significant findings and follow up there on.
- 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.
- 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.
- 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.
- 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. During the year 2009-10, there was no need to hold meeting of the Remuneration Committee.

5. REMUNERATION OF DIRECTORS

- Dr. Sreeram Srinivasan, Managing Director is not drawing any remuneration.
- The details of sitting fees paid for the year 2009-2010 are given below:

Non-Executive Directors	Sitting Fees (Rs.)
Mr. M.G. Ramakrishna	1,00,000/-
Mr. Padmanabha Shetty	1,00,000/-

(C) Criteria of making payment to Non-Executive Directors:

The nominee of Compagnie de Saint-Gobain (CSG), the ultimate holding company are not paid any sitting fees. Mr. A.Y. Mahajan is nominee of CSG.

(D) Pecuniary relationship or transaction of Non-Executive Directors vis-à-vis the Company:

Apart from receiving Director's sitting fees, the Non-Executive Independent Directors of the Company do not have any pecuniary relationship or transaction with the Company.

(E) Equity shareholding of the Non-Executive Directors in the Company as on 31st March, 2010:

Name of the Non-Executive Director	No. of Shares held
Mr. A. Y. Mahajan	Nil
Mr. M.G. Ramakrishna	Nil
Mr. Padmanabha Shetty	Nil

6. INVESTORS / SHAREHOLDERS GRIEVANCE COMMITTEE

The Company's Investors/ Shareholders Grievance Committee comprises of Mr. A. Y. Mahajan – Chairman of the Committee and Dr. Sreeram Srinivasan. The Committee met twice during the year ended 31st March, 2010 on 25th May, 2009 and 28th October, 2009. The Company had NIL transfers pending at the year ended 31st March, 2010.

7. GENERAL BODY MEETINGS

Details of the last three Annual General Meetings of the Company:

Particulars	Date	Timing	Venue
34 th AGM	9 th June, 2007	11.30 a.m.	Hotel Panchshill. Telco Road, Chinchwad, Pune 411 019
35 th AGM	26 th July, 2008	11.30 a.m.	Same as above
36 th AGM	19 th Sept., 2009	11.30 a.m.	Hotel Kalasagar, P-14, MIDC, Kasarwadi, Mumbai-Pune Road, Near State Bank of India, Pune 411 034

8. DISCLOSURES

a) Related party transactions

Besides the transactions reported in Note No.9 of Schedule 19 there are no other related party transactions with the promoters, directors and management that had potential conflict with the interest of the Company at large.

b) Compliances by the Company

The Company has not complied with the provisions of Clause 40(A) of the Listing Agreement in respect of minimum Public Shareholding in the Company.

9. MEANS OF COMMUNICATION

Half Yearly Report Whether Half-yearly report sent to each household of Shareholders – No. The results of the Company are published in the Newspapers and displayed on EDIFAR site of SEBI.

Quarterly results

In which newspapers the financial results are normally published

(i) Financial Express – Mumbai Edition

(ii) Loksatta – Pune Edition

Email Id for Investors Grievances:

sekurit.investors@saint-gobain.com

Whether it also displays the official news releases; and the presentations made to Institutional Investors and Analysts: No.

Whether Management Discussion and Analysis is a part of annual report or not : Yes

Saint-Gobain Sekurit India Limited

10. GENERAL SHAREHOLDERS' INFORMATION

AGM : 37th Annual General Meeting

Date : 31st July, 2010

Time : 11.30 a.m.

Venue : Hotel Kalasagar P-4, MIDC, Kasarwadi,
Mumbai-Pune Road, Near State Bank of India,
Pune 411034.

Financial Calendar for 2010-11	Date(s)
(i) First Quarter Results	July, 2010
(ii) Second Quarter and Half-yearly Results	October, 2010
(iii) Third Quarter Results	January, 2011
(iv) Results for the year ending 31 st March, 2011	May, 2011

Date of Book Closure

Monday, 28th June, 2010 to Wednesday, 30th June, 2010
(both days inclusive)

Date of Payment of Dividend

Not Applicable

Listing on Stock Exchange

The Bombay Stock Exchange Limited
The Annual listing fees of Bombay Stock Exchange Limited
have been paid for the financial year 2010-2011.

BSE-Stock Code

Physical - 515043

ISIN No for NSDL & CDSL

INE068B01017

Market Price Data: High, Low during each month in the last financial year

Please see Annexure '1'

Performance in comparison to BSE Sensex, (broad based index) Please see Annexure '1'

Registrars and Transfer Agents

Link Intime India Private Limited (formerly known as Intime Spectrum Registry Limited) C-13, Pannalal Silk Mills Compound L.B.S. Marg, Bhandup (West) Mumbai 400 078
Tel : 022- 25963838

Share Transfer System

All transfers are processed by R & T Agent and approved by the Share Transfer Committee of Directors.

Distribution of Shareholding and Shareholding Pattern as on 31st March, 2010.

Please see Annexure '2'

Dematerialisation of Shares and liquidity

12.84% of the Paid-up capital has been dematerialised as on 31st March, 2010. However 85.77% of the paid-up capital held by the Promoters has not been dematerialised.

Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

Not issued

Plant Locations

- 1) Bhosari, Pune, Maharashtra
- 2) Chakan, Pune, Maharashtra

Promoters

I a) Foreign Promoter Saint-Gobain Sekurit, S.A.,
France

b) Indian Promoter Saint-Gobain Glass India Limited

II Other Saint-Gobain Group Companies

- a) Saint-Gobain Glass, France
- b) Saint-Gobain Seva, France
- c) Grindwell Norton Limited
- d) Saint-Gobain Sekurit (Thailand) Co. Limited, Thailand
- e) Saint-Gobain Seva Engineering India Limited, India
- f) Hankuk Sekurit Limited, Korea
- g) Saint-Gobain Sekurit Deutschland GmbH & Co. KG, Germany
- h) Saint-Gobain Hanglass Clfg Qingdao Glass Co. Ltd., China
- i) Saint-Gobain Sekurit Italia, Italy
- j) Saint-Gobain Hanglass Sekurit, Shanghai

Compliance Officer:

Mr. Anant N. Bavare
Company Secretary
T-94, M.I.D.C., Bhosari Industrial Area,
Pune - 411 026. Maharashtra
Telefax : (020) 66311600

Annexure '1'

Market Price Data – SGSIL & Sensex :- High- Low

Period	High (Rs.)	Low (Rs.)	Sensex High (Rs.)	Sensex Low (Rs.)
April-09	16.90	10.28	11492.10	9546.29
May-09	20.22	12.80	14930.54	11621.30
June-09	22.85	16.85	15600.30	14016.95
July-09	20.25	14.50	15732.81	13219.99
August-09	25.85	18.50	16002.46	14684.45
September-09	25.25	20.50	17142.52	15356.72
October-09	23.05	18.75	17493.17	15805.20
November-09	21.50	18.05	17290.48	15330.56
December-09	22.40	19.45	17530.94	16577.78
January-10	27.70	20.00	17790.33	15982.06
February-10	24.00	19.00	16669.25	15651.99
March-10	23.95	20.10	17793.01	16438.45

Annexure '2'

The Distribution of Shareholding as on 31.03.2010

No. of Equity Shares held	No. of Holders	% of Total Holders	No. of Shares	% of Total Shares
1-500	13109	77.00	2819971	3.10
501-1000	2045	12.01	1734018	1.90
1001-2000	916	5.38	1429027	1.57
2001-3000	337	1.98	876910	0.96
3001-4000	137	0.81	495055	0.54
4001-5000	148	0.87	704504	0.77
5001-10000	188	1.10	1427372	1.57
10001 and above	144	0.85	81618843	89.59
Grand Total	17024	100	91105700	100.00
No. of Shareholders in Physical Mode	3965	23.28	79,377,570	87.12
No. of Shareholders in Electronic Mode	13059	76.72	11,728,130	12.88

Shareholding Pattern as on 31.03.2010

Category	No. of Shareholders	No. of Shares	%
Promoter :			
Foreign	01	55813526	61.26
Local	01	22325410	24.50
Banks	05	15400	0.01
Mutual Funds/Trusts	02	4300	0.00
Non Resident Indians	78	114137	0.20
Domestic Companies	384	1673635	1.83
Resident Individuals	16553	11159292	12.20
Total	17877	91105700	100.00

Saint-Gobain Sekurit India Limited

11. OTHER INFORMATION:

A. CEO/CFO Certification:

Pursuant to the provisions of Sub-clause V of Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited, the Managing Director (CEO) and the Head-Finance (CFO) have issued a Certificate to the Board of Directors for the financial year ended 31st March, 2010.

B. Risk Management Framework:

The Company has laid down the broad framework of risk identification, assessment, mitigation and review.

C. Code of Conduct:

The Company has laid down a Code of Conduct for all its Board Members and Senior Management Personnel of the Company.

12. DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING COMPLIANCE WITH CODE OF CONDUCT :

In accordance with Clause 49 I (D) of the Listing Agreement with the Bombay Stock Exchange Limited, I hereby confirm that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for the year ended 31st March, 2010.

For SAINT-GOBAIN SEKURIT INDIA LIMITED

**DR. SREERAM SRINIVASAN
MANAGING DIRECTOR**

Date : 29th May, 2010

B. Non-mandatory requirements have not been adopted.

ANNEXURE 'B' TO THE DIRECTORS' REPORT, FOR THE YEAR ENDED 31ST MARCH, 2010.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF
SAINT-GOBAIN SEKURIT INDIA LIMITED

We have examined the compliance of conditions of Corporate Governance by Saint-Gobain Sekurit India Limited (the Company) for the year ended on March 31, 2010 as stipulated in Clause 49 of the Listing Agreement of the Company with Bombay Stock Exchange Limited.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement except to the extent of non-compliance of Clause 40-A of the said agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of

V.N.DEODHAR & CO
Name : Vinayak Deodhar
Membership No. FCS 1880
CP No. 898

Place : Mumbai
Date : 29th May, 2010



ANNEXURE 'C' TO THE DIRECTORS' REPORT FOR THE 15 MONTHS ENDED 31ST MARCH, 2010:

Management Discussion and Analysis Report

(Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange)

General Review:

Saint-Gobain Sekurit India Ltd. (SGSIL) is a subsidiary of Saint-Gobain Sekurit S. A. France, which is a part of Compagnie de Saint-Gobain, a translational Group with its headquarters in Paris and with sales of Euros 37.8 billion for the year 2009. Saint-Gobain's business fall into five broad sectors of activity: Construction Products, Flat Glass, Packaging, Building Distribution and High Performance Materials. SGSIL's business is a part of Glass sector. SGSIL is in the business of processing of glasses to cater to the Automobile sector.

A brief outline and a review of Company's business are provided below:

1. Automotive Segment:

(i) Products and Plants:

Automotive Glasses are glasses fitted in the body of any automobile. Typically, these glasses are either Laminated or Tempered. Normally all windshields are Laminated and the other glasses (Doorlites, Backlites, Sidelites etc.) are Tempered. SGSIL has two plants one at Bhosari and the other at Chakan, near Pune. Both these plants were surveyed for ISO 14001:2004 and recertified and upgraded to OHSAS 18001. The Laminated Glasses are manufactured in Chakan while the Tempered Glasses are produced in Bhosari.

(ii) Industry:

Broadly, there are two types of market avenues – Automobile manufacturers and the Replacement Market. There is only one major player, other than SGSIL catering to the needs of Automobile manufacturers. There are however quite a few small players in the Replacement market.

(iii) Broad Characteristics of the Business:

- High Entry Barrier in the form of High Capital Investment.
- Complete dependency on the Auto sector.
- Key success factors are quality, cost, capability to supply in full car sets to Automobile manufacturer and proximity to customers.

Development, Outlook, Risks and Concerns:

During the year 2009-10, the market was greatly helped by the stimulus packages announced by the Government and staged a recovery. Further, a significant positive sentiment in the markets in the second half of the year was noted with both commercial vehicles & 3-wheeler segments doing well. The passenger vehicle market grew in the year 2009-10 at 28% over 2008-09. The commercial vehicles market also grew in the year 2009-10 at 36% over 2008-09. The 3-wheeler market grew by 24.6% in the year 2009-10 over 2008-09. The focus on gaining new business has helped the company grow the business during the year. Your company also sought price corrections from the Market for offsetting to some extent the raw material prices increases. The outlook on the Indian automotive market for 2010-11 continues to be positive and your company will make use of these opportunities to grow its businesses.

The risk environment has been evolving rapidly, as advancing technological and social developments bring forth new or hitherto dormant risks associated with such phenomena as hazardous materials, pollution, electronic data and exposure to legal and political liability. The Company has an obligation to be fully aware of the state of the art in risk management and to prevent losses and unnecessary expenditures. As stated in the last year's Management Discussion and Analysis Report, the Company has rationalised and restructured its operations in order to meet the new challenges in the market place.

Overall Performance:

During the year under review, your company's sales increased by 9.4% on an annualized basis. The year started with mixed sentiments in the Indian Automotive market under the cloud of the global slowdown. But thanks to timely stimulus packages announced by the Indian Government, the market recovered significantly.

For the past few years, the efforts taken by your company in restructuring its operations, investments made towards modernisation of plants at Chakan and Bhosari, and sustained focus on operational efficiencies, productivity and quality had started yielding results. Your company has improved its operating profit from Rs. 263 lacs in the previous 15-month period to Rs.647 lacs in the current 12-month period. Your company is today well positioned to serve the present and future demands of its target market.

Internal Control Systems:

Your Company has an effective internal control environment. The internal checks and control mechanism is in place, which ensures adequate checks and balances. Your Company has a strong audit framework. The Audit Committee meets every quarter to review compliance with internal controls, accounting standards, policies and approve quarterly financial results etc. Group Internal Auditors conduct periodic Internal Audits. Further, during the year, Internal Auditors (external agency)