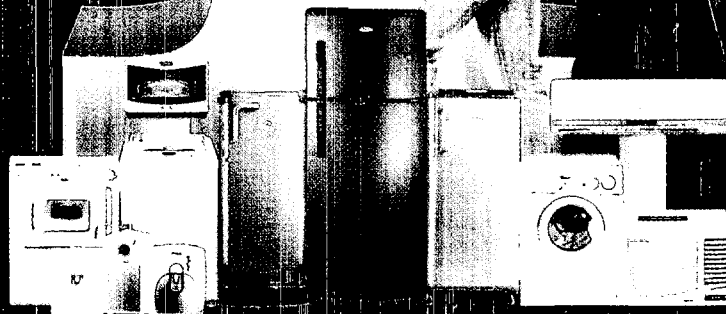




Reigning across the globe

17 2008



47<sup>th</sup> Annual Report  
Whirlpool of India Limited

**DIRECTORS:**

ROBERT LAWRENCE MINK (CHAIRMAN) (*Appointed as Chairman w.e.f. May 20, 2008*)

MARK HU (*Resigned w.e.f. February 29, 2008*)

ARVIND UPPAL (MANAGING DIRECTOR)

MAHESH KRISHNA (*Resigned w.e.f. July 25, 2008*)

VIKAS SINGHAL (*Appointed w.e.f. July 25, 2008*)

S. J. SCAEFF

ANAND BHATIA

**COMPANY SECRETARY:**

RAVI SABHARWAL

**BANKERS:**

Citibank

Standard Chartered Bank

ABN Amro Bank

HDFC Bank

Deutsche Bank

Bank of America

Punjab National Bank

**AUDITORS:**

S. R. Batliboi,

Chartered Accountant.

**COST AUDITOR:**

Ashok K. Agarwal,

Cost Accountant

 **reportjunction.com**

**STOCK EXCHANGE WHERE SHARES LISTED:**

Bombay Stock Exchange

**REGISTERED OFFICE:**

Plot No. A- 4, MIDC, Ranjangaon, Taluka- Shirur,

District- Pune, Maharashtra- 419 204.

**CORPORATE OFFICE:**

Plot No. 40, Sector- 44,

Gurgaon, Haryana- 122 002

**WORKS:**

Faridabad (Haryana)

Thirubhuvanai (Pondicherry)

Ranjangaon (Maharashtra)

**REGISTRAR & SHARE TRANSFER AGENT:**

Intime Spectrum Registry Ltd.

A-40, 2nd Floor

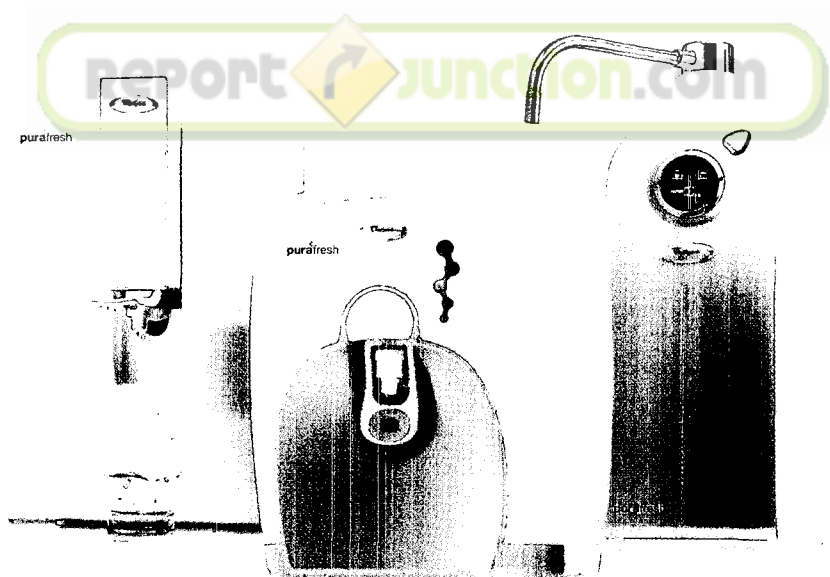
Naraina Industrial Area, Phase II

New Delhi-110 028

*2007-08* was marked as a year of phenomenal success and growth at Whirlpool of India. We now have an outstanding portfolio of sub-brands, strong innovations, skills and the talent to deliver sustainable growth, shareholder value and improved consumer life.



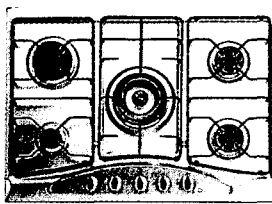
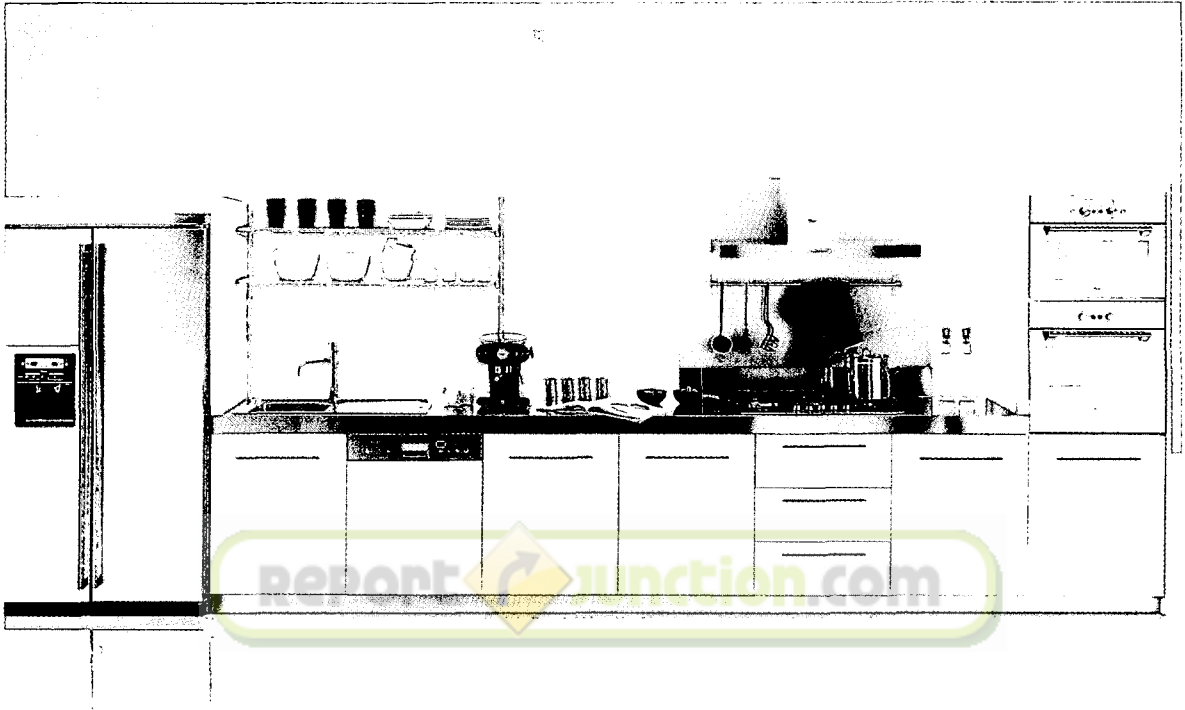
purafresh  
R.O. WATER PURIFIER



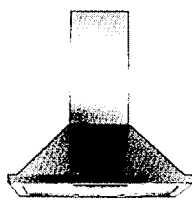
*W*hirlpool introduces Purafresh with 6<sup>th</sup> Sense Purify and Protect Technology. A revolutionary range of R.O. Water Purifiers that not only purifies water, but also protects its purity and freshness.



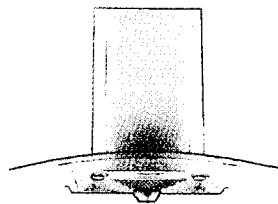
## Built-in Appliances



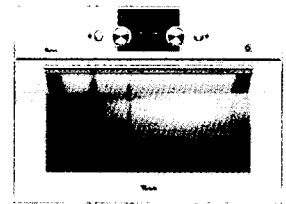
Built-in Hob



Built-in Hood



Built-in Hood



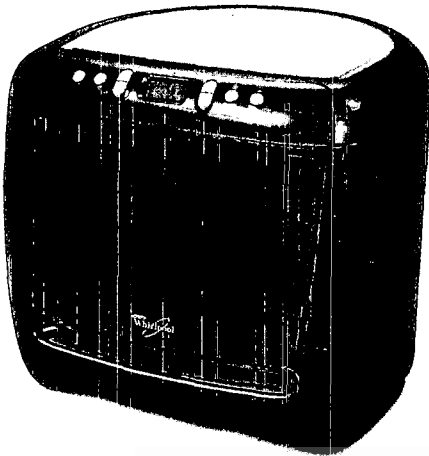
Built-in Oven

*The* 2008 kitchen collection from Whirlpool is a tribute to your contemporary and flawless lifestyle. Designed in Italy by acclaimed designers and master craftsmen, every element of these kitchens is a sublime blend of form and superior Whirlpool expertise, recognised and respected world over. Crafted to perfection and adorned with flair, style and charisma, this collection reflects refined sense of taste.

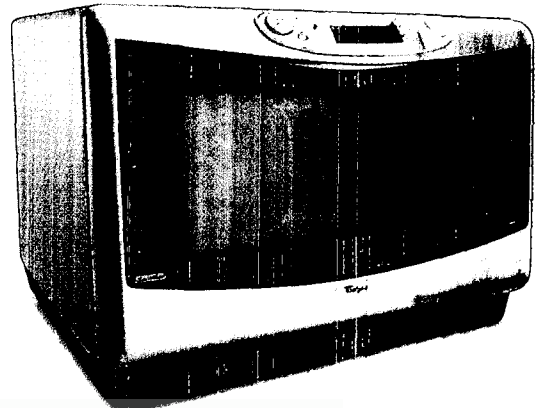
New Launches



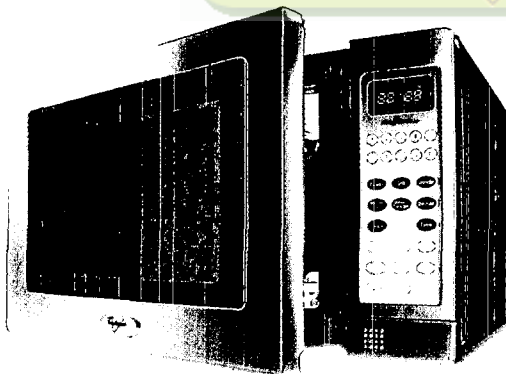
## Microwave Ovens



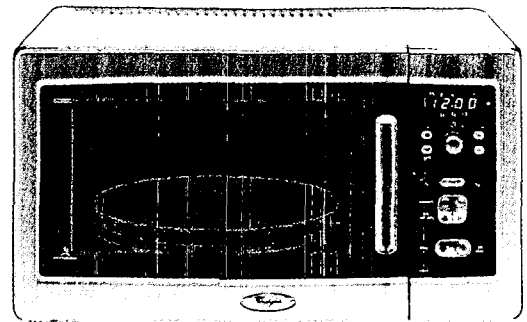
M.A.X



Jet Chef



30C

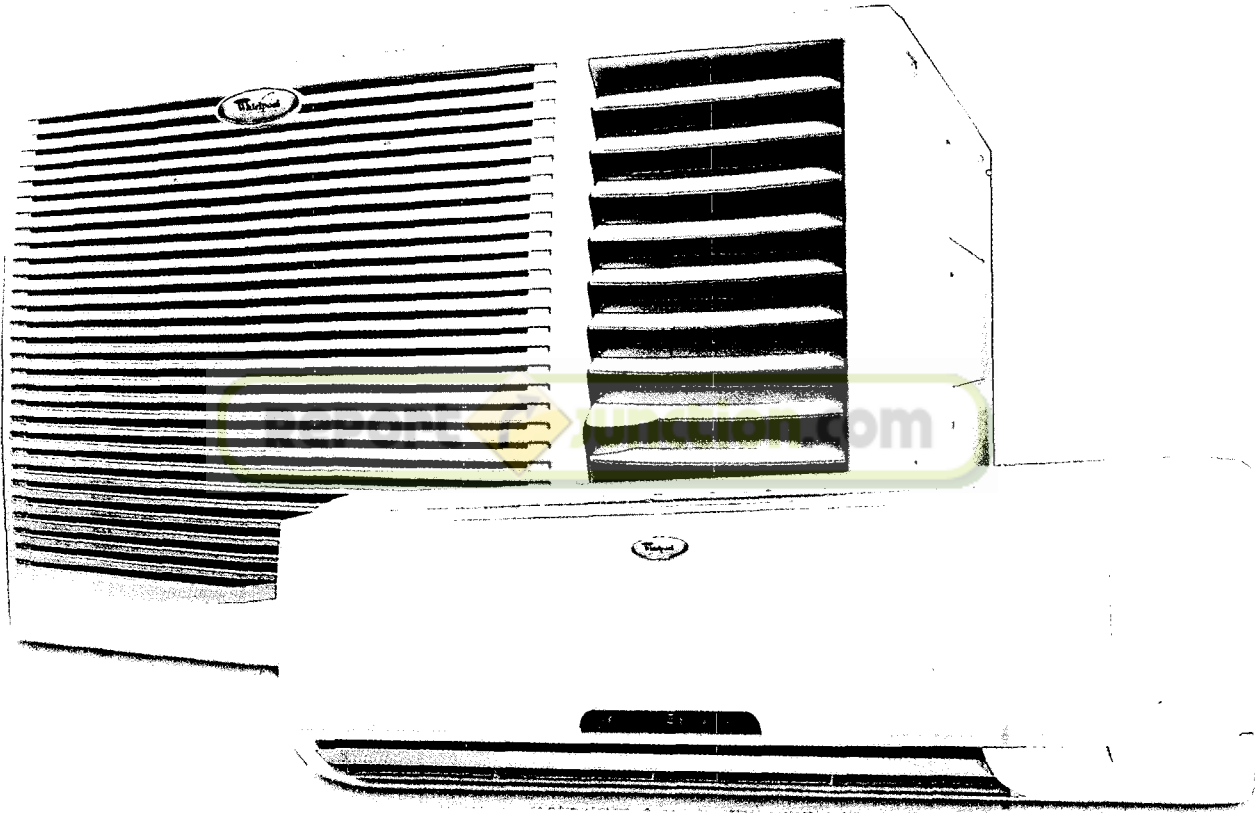


Vitesse

*I*ntroducing Whirlpool Microwave Ovens with 6<sup>th</sup> Sense Technology, which knows when the food is ready or needs to simmer for a few more minutes. It is equipped with a unique MicroTawa that allows the homemaker to make mouthwatering Indian dishes like kababs, uttapams, crisp dosas and paranthas.



mastermind



*T*his summer's smartest, energy efficient, most intelligent range of cooling solutions with a host of unique features. The Mastermind Series offers the best of technology, design and unbeatable build quality to meet cooling requirements at an unbelievable affordable cost.

## NOTICE

NOTICE IS HEREBY GIVEN THAT THE FORTY SEVENTH ANNUAL GENERAL MEETING OF WHIRLPOOL OF INDIA LTD. will be held at Yash Inn, P-11, 5 - Star- M.I.D.C. Ranjangaon, Pune - Ahmednagar Express Highway, Tal Shirur, Dist Pune-419 204 on Thursday the 18th day of September, 2008 at 11.30 a.m. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2008, the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Anand Bhatia, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Arvind Uppal, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on a remuneration to be fixed by the Board of Directors, in addition to the reimbursement of out of pocket expenses in connection with the audit of the Accounts of the Company for the year ending 31st March, 2009.

### SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

**RESOLVED THAT** pursuant to the provisions of section 198, 269, 309, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its approval and consent to the re-appointment of Mr. Arvind Uppal as the Managing Director of the Company for a period of three years with effect from 16th February, 2008 upon the terms and conditions as set out in the Explanatory Statement to the notice and as also set out in detail in the draft agreement submitted to this meeting and for identification signed by a Director thereof, is hereby specifically sanctioned with authority to the Board of Directors to alter, vary, modify, change, substitute, consolidate, delete and/ or revise all or any of the terms and conditions including as to remuneration, designation of the said appointment in any manner and from time to time, as the Board may in its absolute discretion decide.

**RESOLVED FURTHER** that the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, agreements, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any committee of directors to give effect to the aforesaid resolution.

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

**RESOLVED THAT** pursuant to the provisions of section 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its approval and consent to the payment of enhanced remuneration to Mr. Mahesh Krishna as the Whole time Director of the Company with effect from 1st April, 2008 as set out in the Explanatory Statement and as also set out in detail in the draft agreement submitted to this meeting and for identification signed by a Director thereof, is hereby specifically sanctioned with authority to the Board of Directors to alter, vary, modify, change, substitute, consolidate, delete and/ or revise all or any of the terms and conditions including as to remuneration, designation of the said appointment in any manner and from time to time, as the Board may in its absolute discretion decide.

**RESOLVED FURTHER THAT** all other terms and conditions of Mr. Mahesh Krishna as approved by the shareholders at the 46th Annual General Meeting of the Company held on 28th September, 2007 shall remain in force.

**RESOLVED FURTHER** that the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, agreements, instruments and writings as may

be required and to delegate all or any of its powers herein conferred to any committee of directors to give effect to the aforesaid resolution.

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**RESOLVED THAT** Mr. Vikas Singhal, who was appointed as an Additional Director of the Company on 25th July, 2008 and whose term expires under section 260 of the Companies Act, 1956 at this Annual General Meeting and in respect of whom, Company has received notice from a member under section 257 of the said Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company subject to retirement by rotation.

8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

**RESOLVED THAT** pursuant to the provisions of section 198, 269, 309, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its approval and consent to the appointment of Mr. Vikas Singhal as the Whole Time Director of the Company for a period of three years with effect from 25th July, 2008 upon the terms and conditions as set out in the Explanatory Statement to the notice and as also set out in detail in the draft agreement submitted to this meeting and for identification signed by a Director thereof, is hereby specifically sanctioned with authority to the Board of Directors to alter, vary, modify, change, substitute, consolidate, delete and/ or revise all or any of the terms and conditions including as to remuneration, designation of the said appointment in any manner and from time to time, as the Board may in its absolute discretion decide.

**RESOLVED FURTHER** that the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, agreements, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any committee of directors to give effect to the aforesaid resolutions.

By Order of the Board

Place : Gurgaon

Ravi Sabharwal

Date : 25th July, 2008

Company Secretary

### NOTES:

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- b) The instrument appointing proxy to be valid shall be deposited with the Company at its registered office at least 48 hours before the time fixed for the meeting.
- c) Members/proxies should bring the attendance slip duly filled in for attending the meeting.
- d) Register of Members will remain closed from 11th September, 2008 to 18th September, 2008 (Both days inclusive).
- e) Members holding shares in physical form may appoint a nominee by filing Form 2B with the company in their own interest. Members holding shares in demat form may get their nomination recorded with their respective Depository Participant.
- f) Documents referred in the proposed resolutions are available for inspection at the registered office of the company during working hours.
- g) Shareholders are requested to address all correspondence relating to their shareholding to the Company's Registrars and Share Transfer Agents, Intime Spectrum Registry Ltd. at the following address:-



M/s Intime Spectrum Registry Ltd.,  
A-40, 2nd Floor, Naraina Industrial Area, Phase II,  
New Delhi 110 028  
Tele. No. 91-11-41410- 592, 593, 594  
Fax No. 91-11-41410 591  
Email: delhi@intimespectrum.com

The shareholders requiring information on accounts are requested to send their queries to the Company well in advance.

#### ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

As required by Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out the material facts relating to the special business under item No. 5 & 6 of the accompanying Notice dated 25th July, 2008.

#### Item No. 5

Mr. Arvind Uppal has been appointed as Managing Director of the Company w.e.f. 16th February, 2005 for a period of three years.

Mr. Arvind Uppal, is a B.Tech from IIT Delhi and is a post graduate in Management from the Faculty of Management Studies, Delhi. He has over 20 years of experience in business development, International marketing and General management. Prior to joining Whirlpool he was with Nestle in India and overseas.

The Board considers that it would be in the interest of the Company to re-appoint Mr. Arvind Uppal as the Managing Director of the Company.

The terms of his appointment as approved by the Remuneration Committee are as under:

1. Period of Appointment Three years, w.e.f. 16th February, 2008
2. Remuneration Remuneration payable to Mr. Arvind Uppal w.e.f. 16th February, 2008 as under:
 

|                     |                           |
|---------------------|---------------------------|
| <b>I. Salary</b>    |                           |
| Particulars         | Annual Remuneration (Rs.) |
| Basic Salary        | 40,00,000                 |
| <b>TOTAL SALARY</b> | <b>40,00,000</b>          |
- II. Perquisites**
  - ❖ Company car with driver, and tele-fax at residence, both for official as well as personal use.
  - ❖ Membership of one Club.
  - ❖ Reimbursement of Medical Expenses for self & family.
  - ❖ Life and Medical Insurance as per policy of the Company.
- III. Retiral Benefits**
  - ❖ Contribution to Provident fund and Superannuation fund to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.
  - ❖ Gratuity payable at the rate of half a month's salary for each completed year of service.
  - ❖ Privilege leave as per Company Rules.

#### Other terms

3. Mr. Arvind Uppal shall have such powers, duties and responsibilities as may be determined by the Board of Directors of the Company from time to time.
4. Mr. Arvind Uppal shall not at any time either during or after the termination of his employment disclose to any person, whomsoever, any information relating to the Company or its customers or any trade secrets of which he may become possessed of while acting as Managing Director unless such disclosure is in the interest of the Company.
5. Mr. Arvind Uppal shall not at any time within two years after the termination of his employment either directly or indirectly carry on or be engaged, concerned or interested in the manufacture of White Goods except with the consent in writing of the Board of

#### Directors of the Company.

The remuneration payable to Mr. Arvind Uppal was discussed and approved by the Remuneration Committee in its meeting held on 20th May, 2008. The salary, allowances and perquisites as above shall not exceed in aggregate, the limits specified in Schedule XIII of the Companies, Act 1956 and that the remuneration as described hereinabove shall be considered as minimum remuneration payable to him in case of no profits or inadequacy of profits in terms of section 198(4) of the said Act.

No Director other than Mr. Arvind Uppal is in any way concerned or interested in the proposed Resolution.

The Directors recommend this resolution for the approval of shareholders.

This explanation together with the accompanying Notice is, and should be treated as an abstract of the terms of appointment of Mr. Arvind Uppal pursuant to the provisions of section 302 of the Companies Act, 1956.

#### Item No. 6

Mr. Mahesh Krishna has been appointed as Whole time Director of the Company w.e.f. 27th October, 2006.

Mr. Mahesh Krishna is a mechanical engineer. He has over 20 years of experience with TVS Whirlpool & subsequently with Whirlpool of India Limited. He is not a Director of any other Company.

The Board has reviewed Mr. Mahesh Krishna's compensation package as the Whole Time Director of the Company and revised his remuneration w.e.f. April 1, 2008 as recommended by the Remuneration Committee as under:

|              |   |
|--------------|---|
| Remuneration | Remuneration payable to Mr. Mahesh Krishna w.e.f. 1st April, 2008 as under: |
|--------------|---|

- |   |   |  |                           |  |           |  |           |  |           |
|---|---|--|---------------------------|--|-----------|--|-----------|--|-----------|
| <ol style="list-style-type: none"> <li><b>I. Salary</b></li> <li>Particulars</li> <li>Basic Salary</li> <li>Allowances</li> <li>Total Salary</li> </ol> | <table border="0"> <tr> <td></td> <td>Annual Remuneration (Rs.)</td> </tr> <tr> <td></td> <td>14,19,096</td> </tr> <tr> <td></td> <td>45,79,836</td> </tr> <tr> <td></td> <td>59,98,932</td> </tr> </table> |  | Annual Remuneration (Rs.) |  | 14,19,096 |  | 45,79,836 |  | 59,98,932 |
|   | Annual Remuneration (Rs.)   |  |                           |  |           |  |           |  |           |
|   | 14,19,096   |  |                           |  |           |  |           |  |           |
|   | 45,79,836   |  |                           |  |           |  |           |  |           |
|   | 59,98,932   |  |                           |  |           |  |           |  |           |
- II. Perquisites**
    - ❖ Company car with driver, and tele-fax at residence, both for official as well as personal use.
    - ❖ Membership of one Club.
    - ❖ Reimbursement of Medical Expenses for self & family.
    - ❖ Life and Medical Insurance as per policy of the Company.
    - ❖ Leave Travel Facility.
    - ❖ Unfurnished accommodation or House Rent Allowance in lieu thereof restricted to 45% of Basic Salary.
    - ❖ PMP Bonus as per Company policy.
  - III. Retiral Benefits**
    - ❖ Contribution to Provident fund and Superannuation fund to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961
    - ❖ Gratuity payable at the rate of half a month's salary for each completed year of service.
    - ❖ Privilege leave as per Company Rules

The Board may at its absolute discretion revise the remuneration every year subject to a maximum increase of 25% of last salary drawn.

No Director other than Mr. Mahesh Krishna is in any way concerned or interested in the proposed Resolution.

The Directors recommend this resolution for the approval of shareholders.

Note: Mr. Mahesh Krishna has resigned as a Director of the company w.e.f. July 25th, 2008.

This explanation together with the accompanying Notice is, and should be treated as an abstract of the terms of appointment of Mr. Mahesh Krishna pursuant to the provisions of section 302 of the Companies Act, 1956.



## Whirlpool of India Limited

### Item No. 7 & 8

The Board of Directors appointed Mr. Vikas Singhal, as an additional director w.e.f. 25th July, 2008, pursuant to the provisions of Article 107 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956. Mr. Vikas Singhal holds office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member under section 257 of the Companies Act, 1956, signifying his intention to propose at this Annual General Meeting the appointment of Mr. Vikas Singhal as a Director of the Company.

Mr. Vikas Singhal has been appointed as Whole time Director of the Company w.e.f. 25th July, 2008.

Mr. Vikas Singhal has over 17 years of rich and diverse experience, working with some of the top notch global organisations. He began his career as a graduate trainee with Carrier Aircon, the global leader in Refrigeration & Air Conditioning. Subsequently he has been with Delphi Automotives, Owens Brockway and Pirmal Enterprises in various leadership positions. Previous to joining Whirlpool, he served as V.P. Manufacturing and Technology - Piramal Enterprises- Glass Division. Ranging from manufacturing operations to supply Chain, Project Management, New Business Development, Vikas has dealt with a broad Continuum of business facets. He holds a B.Tech degree in Industrial Engineering from IIT Roorkee and a PGDBM from XLRI Jamshedpur. He has been in Whirlpool for 3 years. He is not a Director in any other Company.

The Board considers that it would be in the interest of the Company to appoint Mr. Vikas Singhal as the Whole time Director of the Company.

The terms of his appointment as approved by the Remuneration Committee are as under:

|                          |  |
|--------------------------|--|
| 1. Period of Appointment | Three years, w.e.f. 25th July, 2008  |
| 2. Remuneration          | Remuneration payable to Mr. Vikas Singhal w.e.f. 25th July, 2008 as under: |
| <b>I. Salary</b>         |  |
| Particulars              | Annual Remuneration (Rs.)  |
| Basic Salary             | 14,39,808  |
| Allowances               | 36,94,572  |
| <b>TOTAL SALARY</b>      | <b>51,34,380</b>   |

### II. Perquisites

- ❖ Company car with driver, and tele-fax at residence, both for official as well as personal use.
- ❖ Membership of one Club.

- ❖ Reimbursement of Medical Expenses for self & family.
- ❖ Life and Medical Insurance as per policy of the Company.
- ❖ Leave Travel Facility.
- ❖ Unfurnished accommodation or House Rent Allowance in lieu thereof restricted to 50% of Basic Salary.
- ❖ PMP Bonus as per Company Policy.

### III. Retiral Benefits

- ❖ Contribution to Provident fund and Superannuation fund to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.
- ❖ Gratuity payable at the rate of half a month's salary for each completed year of service.
- ❖ Privilege leave as per Company Rules.

### IV. The Board may at its absolute discretion revise the remuneration every year subject to a maximum increase of 25% of last salary drawn.

### Other terms

3. Mr. Vikas Singhal shall have such powers, duties and responsibilities as may be determined by the Board of Directors of the Company from time to time.
4. Mr. Vikas Singhal shall not at any time either during or after the termination of his employment disclose to any person, whomsoever, any information relating to the Company or its customers or any trade secrets of which he may become possessed of while acting as Whole time Director unless such disclosure is in the interest of the Company.
5. Mr. Vikas Singhal shall not at any time within two years after the termination of his employment either directly or indirectly carry on or be engaged, concerned or interested in the manufacture of White Goods except with the consent in writing of the Board of Directors of the Company.

The remuneration payable to Mr. Vikas Singhal was discussed and approved by the Remuneration Committee in its meeting held on 25th July 2008.

No Director other than Mr. Vikas Singhal is in any way concerned or interested in the proposed Resolution.

The Directors recommend this resolution for the approval of shareholders.

This explanation together with the accompanying Notice is, and should be treated as an abstract of the terms of appointment of Mr. Vikas Singhal pursuant to the provisions of section 302 of the Companies Act, 1956.

## CORPORATE GOVERNANCE

### 1. THE COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate governance is about commitment to values and ethical business conduct. It is about how an organization is managed. This includes its corporate and other structures, its culture, policies and the manner in which it deals with various stakeholders. Accordingly, timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the company is an important part of corporate governance. This improves public understanding of the structure, activities and policies of the organization. Consequently, the organization is able to attract investors, and enhance the trust and confidence of the stakeholders.

Integrity, fairness and transparency across the organization are the mantra for Whirlpool. Whirlpool emphasizes its commitment to a strong value system and corporate governance practices, by making this an integral part of the induction of every employee. Whirlpool believes in implementing the philosophy of corporate governance in letter and spirit.

Whirlpool's philosophy on Corporate Governance is based on the foundation of enduring Values. Over the years, our core Values

have not changed, even though we have constantly rearticulated them to make them relevant to changing times. These Values guide us in all our transactions and relations. That is the Spirit of Whirlpool and we also call it the Spirit of Winning. On to Leadership. sustainable and profitable achieved with the mantra of One Team .. One Dream. We try to stretch and achieve that which seems beyond our grasp. It envisages attainment of the highest levels of transparency, accountability and equity in all facets of its operations and its interaction with its stakeholders including Shareholders, Employees, Lenders and the Government.

### 2. BOARD OF DIRECTORS

#### Composition

The Board of Directors of the Company comprises of Executive, Non-Executive and Independent Directors. The Chairman is a Non-Executive Director. In all, there are 5 Directors including 2 Independent Directors. As on March 31, 2008, the composition of the Board of Directors of the Company meets the stipulated requirements of clause 49 of the Listing Agreement of the Bombay Stock Exchange Ltd. Memberships of the Directors on other boards/committees are given here under:

| Name of the Directors | Category                             | No. of Directorships and Committee Memberships/ Chairmanships |                       |                        |
|-----------------------|--------------------------------------|---|-----------------------|------------------------|
|                       |                                      | Other Directorships   | Committee Memberships | Committee Chairmanship |
| Mark Hu *             | Non-Executive Director & Chairman    | -   | -                     | -                      |
| Arvind Uppal          | Managing Director                    | -   | -                     | -                      |
| Robert Lawrence Mink  | Non-Executive Director               | -   | -                     | -                      |
| Mahesh Krishna        | Executive Director                   | -   | -                     | -                      |
| S.J. Scarff           | Non-Executive & Independent Director | 1   | 2                     | -                      |
| Anand Bhatia          | Non-Executive & Independent Director | 4   | 1                     | -                      |

#### Note:

\* Mr. Mark Hu has resigned as Non Executive Director & Chairman w.e.f. February 29, 2008.

Mr. Anand Bhatia is the Chairman of Audit Committee, Remuneration Committee and Investor Grievance Committee.

Mr. Mahesh Krishna is the Chairman of New Share Certificate Committee.

Mr. Ravi Sabharwal, Company Secretary is the Chairman of Share Transfer Committee.

#### Attendance & Meeting

The Attendance of the Directors in the Board Meetings and at the AGM held during the year is given as under:

| Name of the Directors | Category                             | No. of Board Meetings Attended | Whether Attended the AGM |
|-----------------------|--------------------------------------|--------------------------------|--------------------------|
| Mark Hu *             | Non-Executive Director & Chairman    | 1                              | Yes                      |
| Arvind Uppal          | Managing Director                    | 5                              | Yes                      |
| Robert Lawrence Mink  | Non-Executive Director               | 2                              | No                       |
| S.J. Scarff           | Non-Executive & Independent Director | 5                              | Yes                      |
| Anand Bhatia          | Non-Executive & Independent Director | 5                              | Yes                      |
| Mahesh Krishna        | Whole Time Director                  | 4                              | No                       |

\* Resigned on 29th February, 2008.

During the year ended March 31, 2008 five meetings of the Board of Directors were held on the following dates:

(i) May 14, 2007 (ii) July 30, 2007 (iii) September 28, 2007 (iv) October 26, 2007 (v) January 30, 2008.

The Annual General Meeting (AGM) was held on September 28, 2007.

### 3. COMMITTEES OF THE BOARD

#### (i) Audit Committee

The functioning and terms of reference of the audit committee including the role, powers and duties, quorum for meeting and frequency of meetings, have been devised keeping in view the requirements of section 292A of the Companies Act, 1956 and the listing Agreement with the Bombay Stock Exchange Ltd.

The Company has a multi disciplinary Internal Audit Team which submits its report directly to the Audit Committee on a quarterly basis. The Chairman of the Audit Committee attended the last Annual General Meeting held on September 28, 2007 to answer shareholders queries.

The Audit Committee is responsible for

- Effective supervision of the financial reporting process, ensuring financial, accounting and operating controls and compliance with established policies and procedures.

- Evaluating the adequacy of internal controls and its effectiveness.

- Reviewing the financial results of the Company for each quarter/ year before the same are placed at the Board meeting for approval.

- Providing an avenue for effective communication between the Internal Audit, the Statutory Auditors and the Board of Directors.

#### Composition and Attendance

| Name of the Directors  | No. of Meetings Attended |
|------------------------|--------------------------|
| Anand Bhatia, Chairman | 4                        |
| S.J. Scarff, Member    | 4                        |
| Mark Hu, Member *      | --                       |

\* Resigned on 29th February, 2008