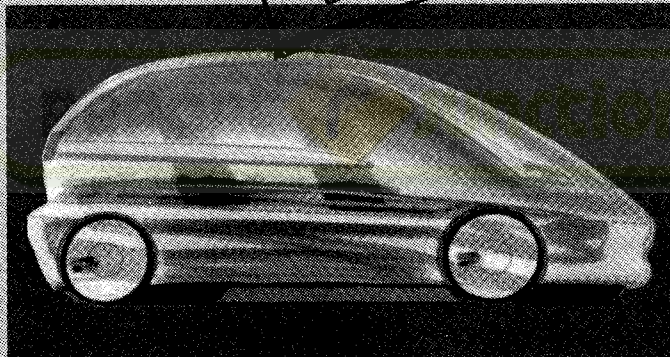


CERTIFIED TRUE COPY



# Saint-Gobain Sekurit India Limited

ANNUAL REPORT  
APR-DEC 2000





**28th Annual General Meeting  
on Saturday, 2nd June, 2001 at 12 Noon**

**At Hotel Panchshil  
TELCO Road, Chinchwad, Pune 411 019.**

**BOARD OF DIRECTORS**

**Mr. A. Y. MAHAJAN**

(Chairman)

**Mr. E. NUNES**

(Managing Director)

**Mr. J. ASCHENBROICH**

**Mr. P. BOUTIER**

**Mr. P. CHALLET**

(Alternate to Mr. P. Boutier)

**Mr. D. CHINDARKAR**

(Alternate to Mr. J. Fernandez)

**Mr. J. FERNANDEZ**

**Mr. W. LAMBERTZ**

**Mr. B. SANTHANAM**

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**COMPANY SECRETARY**

Mr. P. V. ACHARYA

**AUDITORS**

KALYANIWALLA & MISTRY  
CHARTERED ACCOUNTANTS

**BANKERS**

UNION BANK OF INDIA  
SOCIETE GENERALE  
ABN AMRO BANK NV

**REGISTERED OFFICE &  
BHOSARI WORKS**

T-94, M.I.D.C., BHOSARI INDUSTRIAL AREA  
PUNE 411 026. MAHARASHTRA

**CHAKAN WORKS**

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



## Saint-Gobain Sekurit India Limited

### NOTICE

Notice is hereby given that the Twenty Eighth Annual General Meeting of the Members of Saint-Gobain Sekurit India Ltd. will be held on Saturday, 2<sup>nd</sup> June, 2001 at Hotel Panchshil, TELCO Road, Chinchwad, Pune 411 019 at 12.00 Noon to transact the following business.

#### ORDINARY BUSINESS

1. To receive, consider and adopt Audited Balance Sheet as at 31<sup>st</sup> December, 2000 and Profit and Loss Account for the period ended on that date and the report of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. E. Nunes, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. J. Aschenbroich, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. W. Lambartz, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s Kalyaniwalla and Mistry, Chartered Accountants, who are eligible for appointment, as auditor of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

#### SPECIAL BUSINESS

6. To appoint a Director in place of Mr. P. Boutier, who holds office upto the date of this Annual General Meeting in terms of Section 262 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 Mr. Boutier for the office of a Director.
7. To consider, and if thought fit, to pass with or without modification(s) following resolution as an Ordinary Resolution.

**"RESOLVED THAT** pursuant to the provisions of Sections 198,269,309,310 and other applicable provisions, if any, of the Companies Act, 1956, the re-appointment of Mr. E. Nunes ( who fulfills the conditions specified in part I of Schedule XIII of the Companies Act, 1956 ) as Managing Director of the Company for a further period of 16 months w.e.f. 1<sup>st</sup> September, 2001 to 31<sup>st</sup> December, 2002, be and is hereby approved on such terms and conditions as submitted to this meeting with full liberty to the Board of Directors ( Board ) of the Company to decide and vary from time

to time, the said terms and conditions in such manner as may be agreed between the Board and Mr.E. Nunes upto the maximum remuneration in that behalf as specified in Section I of Part II of Schedule XIII of the said Act, and always provided that in case of loss or inadequacy of profits during any financial year comprised by the period of this appointment, the Managing Director shall be paid minimum remuneration by way of salary and perquisites as per the limits specified in Section II of Part II of Schedule XIII of the said Act, from time to time."

By Order of the Board

Date : 30<sup>th</sup> April, 2001  
Place : Mumbai

**P.V.ACHARYA**  
Company Secretary

#### NOTES

1. Explanatory Statement, pursuant to Section 173 (2) of the Companies Act, 1956 in respect of resolution set out under item no.6 & 7 above, is annexed.
2. **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 THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 1<sup>st</sup> May, 2001 to Saturday, 5<sup>th</sup> May, 2001 (both days inclusive).
4. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries to the Company Secretary, so as to reach at least seven days before the date of the meeting, so that the information required may be made available at the meeting.
5. 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 Company.
6. Members are requested to immediately intimate the change, if any, of their registered address to the Company.



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

### ITEM NO.6

Mr. P. Boutier was appointed a Director of the Company effective from 30<sup>th</sup> April, 2001 in place of Mr. F. Russac and he holds office till the conclusion of this Annual General Meeting.

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 signifying his intention of proposing Mr. P. Boutier as a candidate for the office of a Director.

Mr. P. Boutier is the Managing Director of Saint-Gobain Sekurit – France. He is Electrical Engineer from a reputed University in U. S. A. and he is working with Saint-Gobain since 1974.

The Board of Directors recommend the appointment of Mr. P. Boutier as a Director of the Company.

Except Mr. P. Boutier, no other Director of the Company is concerned or interested in this resolution.

### ITEM NO.7

Mr. E. Nunes was appointed as the Wholetime Director of the Company from 1<sup>st</sup> September, 1999 to 31<sup>st</sup> August, 2001 and as per the terms and conditions mentioned in the explanatory statement and the notice of the Annual General Meetings held on 25<sup>th</sup> September, 1999. Mr. E. Nunes was subsequently, re-designated as the Managing Director of the Company on the same terms and conditions and the Members had approved it at the Annual General Meeting held on 30<sup>th</sup> September, 2000.

The Board of Directors of the Company ( Board ), at its Meeting held on 30<sup>th</sup> April, 2001 has re-appointed Mr. E. Nunes as the Managing Director of the Company, subject to your approval, for a further period of 16 months commencing from 1<sup>st</sup> September, 2001 to 31<sup>st</sup> Decmber, 2002 on the terms and conditions as stated in the abstract pursuant to section 302 of the Companies Act, 1956 attached herewith.

Except Mr. E. Nunes, no other Director of the Company is concerned or interested in this resolution.

The Board recommends the re-appointment of Mr. E. Nunes as the Managing Director of the Company and payment of remuneration to him.

A copy of the resolution passed at the Annual General Meeting of the Company held on 25<sup>th</sup> September, 1999 and 30<sup>th</sup> September, 2000 is available for inspection to the Members at the Registered Office of the Company between 10.00 a.m. to 11.30 a.m. on all working days ( except Thursdays and Public Holidays ) upto the date of this Annual General Meeting.

By Order of the Board

Date : 30<sup>th</sup> April, 2001  
Place : Mumbai

**P.V.ACHARYA**  
Company Secretary



## Saint-Gobain Sekurit India Limited

### DIRECTORS' REPORT

The Members,  
Saint-Gobain Sekurit India Limited.

The Directors present the Twenty Eighth Annual Report together with the audited accounts of the Company for the nine months ended 31<sup>st</sup> December, 2000.

#### Financial Results

( Rs.in lacs )

	For the Nine months ended 31st December, 2000	For the Year ended 31st March, 2000
Sales	<b>2762.65</b>	3662.45
( Loss ) before Financial Charges, Depreciation and Amortisation	<b>(130.93)</b>	(337.88)
Financial Charges	<b>160.86</b>	344.48
Depreciation and Amortisation	<b>215.47</b>	218.66
( Loss ) before Tax	<b>(507.26)</b>	(901.02)
Provision for Tax	—	—
( Loss ) after Tax	<b>(507.26)</b>	(901.02)
Prior Year Adjustments/ Extraordinary Items	<b>(3.80)</b>	(130.65)
Loss after Prior Year Adjustments/Extraordinary Items	<b>(511.06)</b>	(1031.67)
Balance brought forward from Previous Year	<b>(3401.74)</b>	(2370.07)
(Loss) carried to Balance Sheet	<b>(3912.80)</b>	(3401.74)

#### Responsibility Statement

Your Directors confirm that :

- in the preparation of accounts, the applicable accounting standards have been followed along with proper explanations relating to material departure where applicable;
- 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, 2000 and of the loss of the Company for that period;

iii) 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 ;

iv) the accounts have been prepared on a going concern basis.

#### Operations

The revival of automobile industry witnessed last year turned out to be short-lived and the automobile sector witnessed a drop in the overall demand. Despite this the annualised turnover of your Company showed a marginal increase as compared to the previous year. This was achieved primarily due to increased volumes from the laminated safety glass plant. Due to the drop in market demand the prices came under pressure and showed a declining trend, on the other hand the raw material prices registered an increase. The Company continued to incur operating losses during the period under review, though at a lower level as compared to the last year. The Company continues its efforts to improve operating efficiencies and widen its product offerings.

#### Projects

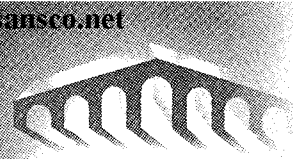
The production on the horizontal bending furnace is stabilised and new products are being developed step by step. A new furnace at Chakan to manufacture bigger size windscreens and one at Bhosari to manufacture backlites are being installed. With these investments the Company expects to cater to the needs of all its customers to supply full sets for automobiles by May 2001.

#### Potentially Sick Industrial Company

As you are aware , your Company has been incurring losses for the past several years. The accumulated losses as at 31<sup>st</sup> December, 2000 at Rs. 3912.80 lacs have exceeded 50% of the peak net worth during the immediately preceding four financial years. Thus, your Company continues to be a "Potentially Sick Industrial 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 net worth is attached.

#### Corporate Governance

In compliance with the Corporate Governance guidelines issued by the Pune and Mumbai Stock Exchange, your Board of Directors has constituted an Audit Committee comprising of Mr. A. Y. Mahajan, Mr. P. Challet and Mr. D. Chindarkar. Mr. D. Chindarkar has been elected as the Chairman of the Committee. Further a Shareholders/ Investors Grievance Committee has been constituted comprising of Mr. A. Y. Mahajan and Mr. D. Chindarkar. Mr. A. Y. Mahajan has been elected as the Chairman of the committee.



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

Your Company is committed to ensure a green and pollution free environment as well as a clean and safe workplace at both the plants.

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

## Employee Relations

Your Directors record their appreciation for the contribution made by the employees at all levels. A new wage agreement with the Workers Union at Chakan was signed during the period .

## Particulars of Employees

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies ( Particulars of Employees ) Rules, 1975, as amended regarding employees is not enclosed as none of the employees were covered by the provisions of this section.

## Directors

In accordance with the provisions of the Companies Act, 1956, and the Articles of Association of the Company Mr. E. Nunes, Mr. J. Aschenbroich and Mr. W. Lambartz retire by rotation and are eligible for re-appointment .

Mr. F. Russac has resigned as Director of your Company. The Board of Directors place on record its sincere appreciation of the services rendered by Mr. F. Russac during his tenure.

Mr. Philippe Boutier was appointed as a Director of the Company in place of Mr. F. Russac . He will hold office upto the date of forthcoming Annual General Meeting and will be eligible for re-appointment. 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 Mr. Philippe Boutier as a Director.

During the year Mr. K. Prasad resigned as an Alternate Director to Mr. J. Fernandez. In his place, Mr. Deepak Chindarkar was appointed as an Alternate Director to Mr. J. Fernandez. Mr. Patrice Challet was appointed as an Alternate Director to Mr. Philippe Boutier.

## Auditors

M/s Kalyaniwalla & Mistry, Chartered Accountants, Auditors of your Company, retire at the conclusion of 28th Annual General Meeting. The retiring Auditors are eligible for re-appointment. You are requested to appoint Auditors for the current year and to fix their remuneration.

Qualifications in the Auditors' Report have been adequately dealt with in the Notes forming part of the Accounts.

## Acknowledgements

Your Directors wish to place on record their sincere appreciation for the support of dealers bankers and shareholders.

On behalf of the Board of Directors

Date : 30<sup>th</sup> April, 2001  
Place : Mumbai

**A. Y. MAHAJAN**  
Chairman



## Saint-Gobain Sekurit India Limited

### ANNEXURE 'A' TO THE DIRECTORS' REPORT 2000

Information pursuant to the Companies ( Disclosure of Particulars in the Report of the Board of Directors ) Rules, 1988.

#### Conservation of Energy

The Company is continuously adopting energy conservation measures to improve energy efficiency of the processes and reduce wastages.

#### Particulars with respect to Conservation of Energy as per Form A

	For the period ended 31.12.2000	For the year ended 31.03.2000
Electricity Purchase from MSEB Units (KWH)	8123372	10718535
Total Amount (Rs.)	38513021	46223622
Rate / Unit (Rs.)	4.74	4.45
Consumption per unit of production Rs. Per Glass	43.62	37.38

#### Technology Absorption, Adaptation and Innovations

Your Company is continuously working closely with Saint - Gobain Sekurit S. A. France to improve the existing processes and technologies in order to meet the requirements of automobile market in India. Further, in-house development work is in progress to reduce rejections and improve yields.

#### Future Action Plan

Continuous development of the tempered and laminated automobile glasses to cater to the demands of the existing and new automobile manufacturers in India.

#### Expenditure on Research & Development

	(Rs. in Lacs)
i. Capital	Nil
ii. Recurring	5.28
iii. Total Expenditure	5.28
iv. Total R & D Expenditure as a percentage of Total Turnover	0.19%

#### Foreign Exchange Earnings and Outgo

Total earnings in foreign exchange during 2000 was Rs. 6.04 lacs and the total outflow was Rs. 451.06 Lacs. Details are given in Schedule 16.

### DIRECTORS' REPORT ON EROSION OF 50% PEAK NET WORTH

To the Members,  
Saint-Gobain Sekurit India Limited.

The Directors hereby report that your Company has incurred a loss after prior period adjustments and extra ordinary items of Rs. 511.06 lacs for the period of nine months under consideration and the aggregate accumulated loss of Rs. 3912.80 lacs exceeds 50% of the peak net worth of the Company during the immediately preceding four financial years. Hence your Company continues to be a "Potentially Sick Industrial Company" as laid down in Section 23 of the Sick Industrial Companies ( Special Provisions ) Act, 1985.

#### Erosion in Net Worth

Your Company continued to incur Operating Losses during the period due to sluggish demand in the automobile sector, decline in the selling prices due to severe competitive pressure in the market forces, increase in the prices of inputs notably glass and power and increase in overheads.

#### Restructuring Programme

1. Two new furnaces, one at Chakan and one at Bhosari are being installed. With these investments the Company expects to cater to the needs of customers for supply of full sets of automotive glasses.
2. Marketing efforts are channelled to yield better/higher realisations.
3. The Company continues to lay emphasis to improve its cost position.
4. Specific efforts are being made for better manpower utilisation.

In view of above measures being taken your Directors are confident of improving the profitability of your Company.

On behalf of the Board of Directors

Date : 30<sup>th</sup> April, 2001  
Place : Mumbai

**A. Y. MAHAJAN**  
Chairman