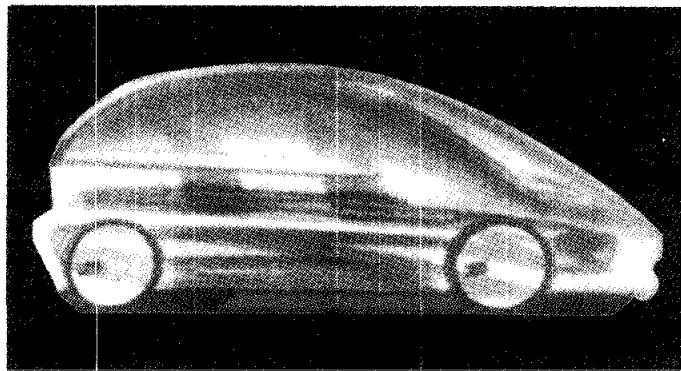


# **Saint-Gobain Sekurit India Limited**

**ANNUAL REPORT  
2001**



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



**29th Annual General Meeting  
on Monday, 24th June, 2002 at 11.30 AM**

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

### **BOARD OF DIRECTORS**

**Mr. A. Y. MAHAJAN**

(Chairman)

**Mr. DANIEL PHILIBERT**

(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. FERNADEZ**

**Mr. W. LAMBERTZ**

**Mr. B. SANTHANAM**

### **COMPANY SECRETARY**

Mr. RAMAKANT SHEMBEKAR

### **AUDITORS**

KALYANIWALLA & MISTRY  
CHARTERED ACCOUNTANTS

### **BANKERS**

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

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## NOTICE

**NOTICE** is hereby given that the Twenty Ninth Annual General Meeting of the Members of Saint-Gobain Sekurit India Limited will be held on Monday, 24<sup>th</sup> June, 2002 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 Audited Balance Sheet and Profit and Loss Account of the Company for the year ended 31<sup>st</sup> December, 2001.
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 a Director in place of Mr. J. Fernandez, 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 the Auditors of the Company, 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.

### SPECIAL BUSINESS

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

**"RESOLVED THAT** Mr. Daniel Philibert be appointed as a Director of the Company liable to retire by rotation.

**FURTHER RESOLVED THAT** subject to the approval of Central Government required under Part I of paragraph (e) of Schedule XIII of the Companies Act, 1956, read with sections 198, 269, 309 and other applicable provisions of the Companies Act, 1956, Mr. Daniel Philibert be and is hereby appointed as a Managing Director of the Company for a period of two years with effect from 27<sup>th</sup> February, 2002 to 26<sup>th</sup> February, 2004, on such terms and conditions as mentioned in the Abstract pursuant to Section 302, which was sent to all the members of the Company;

**FURTHER RESOLVED THAT** the Board of Directors of the Company (Board) be and is hereby authorised to decide and vary from time to time, the said terms and conditions of employment of Mr. Daniel Philibert in such manner as may be

agreed between the Board and Mr. Daniel Philibert, but subject to the limits set out in Section II of Part II of Schedule XIII as amended from time to time."

By Order of the Board

Date: 27<sup>th</sup> April 2002  
Mumbai

**Ramakant Shembekar**  
Company Secretary

### 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 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.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 28<sup>th</sup> May, 2002 to Wednesday, 29<sup>th</sup> May, 2002 (both days inclusive).
3. Explanatory Statement, pursuant to Section 173 (2) of the Companies Act, 1956 in respect of resolution set out under Item No.6 above, is annexed hereto.
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, in their registered address to the Company.

## ANNEXURE TO THE NOTICE

Notes on Directors seeking appointment/re-appointment, as required under Clause 49 of the Listing Agreement, entered into with the Stock Exchanges

### ITEM NO. 2

Mr. A. Y. Mahajan is 49 years old. He holds a Master Degree in Economics from the University of Bombay and a Master Degree in Business Administration from Cornell University (USA). Mr. Mahajan joined the Board in 1995 and is the Chairman of the Company. Mr. Mahajan is the Managing Director of Grindwell Norton Ltd. and the General Delegate of Saint-Gobain for India, Sri Lanka and Bangladesh.

### ITEM NO. 3

Mr. B. Santhanam is 46 years old. He holds a Bachelor Degree in Technology from IIT, Chennai, and a Post Graduate Diploma in Business Administration from the Indian Institute of Management, Ahmedabad. Mr. Santhanam joined the Board in 1997 and is the Managing Director of Saint-Gobain Glass India Ltd.

### ITEM NO. 4

Mr. J. Fernandez is 37 years old. He is an economist and joined the Board in the year 2000. He is Finance and Purchase Manager of Saint-Gobain Sekurit International.

### ITEM NO. 6

Mr. Daniel Philibert is 53 years old. He is a Chemical Engineer from Institut de Chemie et Physique Industrielles de Lyon. He Joined Saint-Gobain Group in 1974. He was General Manager of Sekurit Saint-Gobain Vehicules Industriels from July 1995 to August 2000. In his previous assignment, he worked as Technical Manager of Saint-Gobain Sekurit France in charge of Engineering and Environment.

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

### ITEM NO. 6

Mr. Daniel Philibert was appointed as an Additional Director on 31<sup>st</sup> January, 2002 pursuant to Section 260 of the Companies Act, 1956. He holds office upto the date of the forthcoming Annual General Meeting of the Company. Notice in writing u/s 257 of the Companies Act, 1956, alongwith a deposit of Rs. 500/- has been received from a Member of the Company signifying his intention of proposing Mr. Daniel

Philibert as a candidate for the office of Director.

The Board of Directors of the Company, at its subsequent meeting held on 27 February, 2002, has appointed Mr. Daniel Philibert as the Managing Director of the Company for a period of two years effective from 27 February, 2002 to 26<sup>th</sup> February, 2004, subject to the approval of Central Government and the Members of the Company.

The terms and conditions of the appointment and the remuneration payable to Mr. Daniel Philibert as set out in the Abstract pursuant to Section 302 was sent to all the Members of the Company, and is now submitted for the approval of Members.

Mr. Daniel Philibert is 53 years old. He is a Chemical Engineer from Institut de Chemie et Physique Industrielles de Lyon. He Joined Saint-Gobain Group in 1974. In his previous assignment, he worked as Technical Manager of Saint-Gobain Sekurit France in charge of Engineering and Environment. The Board strongly recommends this resolution for your approval.

Mr. Daniel Philibert is concerned or interested in this Resolution.

The draft agreement between the Company and Mr. Daniel Philibert is open for inspection by the Members, at the Registered Office of the Company, between 11.00 a.m. and 1.00 p.m. on all working days except Thursdays and Public Holidays upto the date of this Annual General Meeting.

The information required to be given to the members of the Company as per provisions of Schedule XIII (Part II, Section II) of the Companies Act, 1956 is annexed separately.

By Order of the Board

Date : 27<sup>th</sup> April 2002  
Mumbai

**Ramakant Shembekar**  
Company Secretary

## Saint-Gobain Sekurit India Limited

The information required to be given to the members of the company as per provisions of Schedule XIII (Part II, Section II) of the Companies Act, 1956

### I. General Information

1.	Nature of Industry	Automobile Glass Manufacturer
2.	Date of Commencement of Commercial Production	13 <sup>th</sup> Day of November, 1973
3.	Financial performance on given indicators	Sales - Rs. 41,53.45 lacs Net Loss after Tax - Rs. (10,53.47) lacs
4.	Export Performance and Net foreign Exchange collaborations	No Exports, Net Importer
5.	Foreign Investment of Collaborators, if any	85.77 % of Capital held by Saint-Gobain Sekurit France.

### II. Information about the Appointee

1.	Background Details	Mr. Daniel Philibert aged 53 years, is a Chemical Engineer from Institut de Chemie et Physique Industrielles de Lyon. He Joined Saint-Gobain Group in 1974. In his previous assignment, he worked as Technical Manager of Saint-Gobain Sekurit France in charge of Engineering and Environment.
2.	Past Remuneration	First Appointment by the Company
3.	Recognition or Awards	N. A.
4.	Job Profile & his Suitability	Mr Philibert has 28 years of experience in Automotive glass manufacture. He has served in various capacities in different Saint-Gobain Companies. His leadership is essential for your Company's speedy turnaround and future growth.
5.	Remuneration Proposed	Rs 2,05,300/- per month
6.	Comparative Remuneration Profile with respect to Industry, size of the Company, Profile of the position and person	Rs 5,10,000/- per month
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	None

### III. Other Information

1.	Reasons for loss or inadequate profits	Sluggish demand, increase in the cost of raw material and consumables coupled with pressure on prices, low yields and high cost strategic imports to meet customer needs have resulted in your Company incurring a loss.
2.	Steps taken or Proposed	The Company has made significant modifications in the manufacturing process so as to improve yields. The Company is also making necessary investments to enable it to manufacture complex glasses and there by reduce imports. Marketing efforts are being focused to increase the sale of laminated products particularly in the replacement market, through a series of activities which involves educating users about the safety aspects of the glass.
3.	Expected Increase in productivity and profits in measurable terms	By the year 2005, Sales are expected to double and the operations are to break even at the level of Operating Profit.

## DIRECTORS' REPORT

The Members,  
Saint-Gobain Sekurit India Limited

Your Directors present the Twenty Ninth Report of your Company alongwith the Audited accounts for the year ended 31<sup>st</sup> December, 2001.

### Financial Highlights

	(Rs. Lacs)	
	<b>For the Year Ended 31<sup>st</sup> December, 2001</b>	<b>For the Nine Months Ended 31<sup>st</sup> December, 2000</b>
Sales	<b>41,53.45</b>	27,62.65
(Loss) before Financial Charges, Depreciation and Amortisation	<b>(4,49.57)</b>	(1,30.93)
Financial Charges	<b>2,13.51</b>	1,60.86
Depreciation & Amortisation	<b>3,90.39</b>	2,15.47
(Loss) before Tax	<b>(10,53.47)</b>	(5,07.26)
Provision for Tax	--	--
(Loss) after Tax	<b>(10,53.47)</b>	(5,07.26)
Prior Year adjustments / Extraordinary Items	--	(3.80)
(Loss) for the Year/Period	<b>(10,53.47)</b>	(5,11.06)
Balance brought forward from Previous Period/ Year	<b>(39,12.80)</b>	(34,01.74)
(Loss) carried to Balance Sheet	<b>49,66.27</b>	39,12.80

### 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, 2001 and of the loss of the Company for that year;
- proper and sufficient care has been taken for 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

The demand as compared to previous period showed some signs of improvement but only in the second half of the year. The prices continued to be under severe pressure while the cost of raw materials witnessed an increase. The Laminated Plant continued to have higher volumes. However, due to the production of complex glasses, the yields were severely affected. Shortage of raw materials from domestic suppliers led to imports at a higher cost. Your Company is gearing up to improve yields on complex products, and will continue its efforts to improve operating efficiencies and widen its product offering. During the year your Company's plants at Bhosari and Chakan were certified under ISO 9002.

### Outlook for the Future

With the Auto sector showing some signs of revival, your Company is hopeful that the demand would be buoyant. Specific actions are planned for the improvement of price realisation, yields, productivity along with marketing initiatives. These actions are likely to improve your Company's results.

### Corporate Governance

- Report on Corporate Governance as required under clause 49 of the Listing Agreements entered into with Stock Exchanges is Annexed hereto (Annexure A)
- Certificate dated 27<sup>th</sup> February, 2002 of the Auditors of your Company, regarding the compliance of the conditions of the Corporate Governance as stipulated in clause 49 of the Listing Agreement with the Stock Exchanges, is enclosed. (Annexure C)
- Management Discussion and Analysis Report : Management Discussion and Analysis Report is annexed; (Annexure D).

### 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, 2001 at Rs. 49,66.27 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 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. (Annexure E)

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

Your Company is committed to ensure a green and pollution free environment as well as clean and safe workplace at all plant locations and work sites.

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 F) and forms part of this Report.

## **Employee Relations**

Your Directors place on record their appreciation for the contribution made by the employees at all levels.

## **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 B) and forms part of this report.

## **Directors**

Mr. E. Nunes, Managing Director of the Company resigned with effect from 31<sup>st</sup> January, 2002. The Board hereby places on record its appreciation for the valuable services rendered to the Company by Mr. E. Nunes during his tenure as the Managing Director of the Company.

Mr. Daniel Philibert was appointed as an Additional Director on 31<sup>st</sup> January, 2002 and at the subsequent Board Meeting dated 27<sup>th</sup> February, 2002, he was further appointed as the Managing Director of the Company for a period of two years with effect from 27<sup>th</sup> February, 2002 to 26<sup>th</sup> February, 2004 on terms and conditions as mentioned in the Abstract pursuant to Section 302 sent to all the Members of the Company. The appointment of Mr. Daniel Philibert as an Additional Director and his subsequent appointment as the Managing Director is submitted to the Members for ratification.

In accordance with the provisions of the Companies Act, 1956 Mr. A. Y. Mahajan, Mr. B. Santhanam and Mr. J. Fernandez retire by rotation and being eligible offer themselves for re - appointment as Directors of your Company.

## **Dematerialisation**

As members are aware, your Company's shares are now tradable compulsorily in electronic form and

your Company's Registrar & Transfer Agents for electronic Folios have established connectivity with both the depositories, i.e. National Securities Depository Ltd. and Central Depository Services (India) Ltd. Your Company has also made arrangements for simultaneous dematerialisation of share certificates lodged for transfer. In view of the numerous advantages offered by the Depository system, members are encouraged to avail of the facility of dematerialisation of the Company's shares on either of the Depositories as aforesaid.

## **Auditors**

M/s. Kalyaniwalla & Mistry, Chartered Accountants, Auditors of your Company, retire on the conclusion of 29<sup>th</sup> Annual General Meeting. You are requested to appoint Auditors for the current financial year and to fix their remuneration. The retiring Auditors, M/s. Kalyaniwalla & Mistry, Chartered Accountants are eligible for re-appointment.

## **Acknowledgements**

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

On behalf of the Board of Directors,

Date : 27<sup>th</sup> April, 2002  
Mumbai

**A. Y. MAHAJAN**  
**CHAIRMAN**

## ANNEXURE 'A' TO THE DIRECTORS' REPORT, FOR THE YEAR ENDED 31st DECEMBER, 2001.

### Report on Corporate Governance

(As required under Clause 49 of the Listing Agreements entered into with the Stock Exchanges)

#### A. MANDATORY REQUIREMENTS

##### 1. CORPORATE GOVERNANCE AT SAINT-GOBAIN SEKURIT INDIA LTD.(SGSI)

SGSI, a member of the 'Saint-Gobain' group, is committed to the highest standards of Corporate Governance, and strives to monitor and ensure compliance with Laws and Regulations. SGSI's philosophy on the code of Corporate Governance has always been, to ensure that adequate control systems are devised and implemented and are in place to enable optimum returns to the stakeholders. SGSI 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. Your Company had already voluntarily complied with most of the requirements on suggested information to be placed in the Board Meetings. 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 nine Directors including two Alternate Directors. The Board comprises of one Executive Director and eight Non-Executive Directors.

Five Board Meetings were held in the financial year 2001. The dates on which the said meetings were held are as follows:-

24 <sup>th</sup> February	31 <sup>st</sup> March	30 <sup>th</sup> April
31 <sup>st</sup> July	31 <sup>st</sup> October	

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

Name of the Director	Category of Directorship	No. of Board Meetings attended	Attendance at the last AGM	No. of other Indian Companies in which Director	No. of Committees (other than SGSI) in which a Member
Mr. A. Y. Mahajan	Chairman Non-Executive	5	Yes	7	4
Mr. J. Aschenbroich	Non-Executive Director	Nil	No	1	Nil
Mr. P. Boutier	Non-Executive Director	Nil	No	Nil	Nil
Mr. P. Challet	Non-Executive Director	Nil	No	Nil	Nil
Mr. D. Chindarkar (a)	Non-Executive Director	3	Yes	1	Nil
Mr. J. Fernandez	Non-Executive Director	NIL	No	Nil	Nil
Mr. W. Lambertz	Non-Executive Director	NIL	No	Nil	Nil
Mr. B. Santhanam	Non-Executive Director	NIL	No	1	1
Mr. E. Nunes (b)	Managing Director	5	Yes	Nil	Nil
Mr. D. Philibert (c)	Managing Director	Nil	No	Nil	Nil
Mr. F. Russac (d)	Non-Executive Director	NIL	No	Nil	Nil
Mr. Krishna Prasad (d)	Non-Executive Director	3	No	1	Nil

(a) Appointed as an Alternate Director to Mr. J. Fernandez with effect from 30<sup>th</sup> April, 2001.

(b) Resigned as Managing Director with effect from 31<sup>st</sup> January, 2002.

(c) Appointed as an Additional Director with effect from 31<sup>st</sup> January, 2002 and as a Managing Director with effect from 27<sup>th</sup> February, 2002.

(d) Resigned with effect from 30<sup>th</sup> April, 2001.