

# Saint-Gobain Sekurit India Limited

## NOTICE

**NOTICE** is hereby given that the Thirty-eighth Annual General Meeting of the Members of Saint-Gobain Sekurit India Limited will be held on Saturday, 30<sup>th</sup> July, 2011 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 31<sup>st</sup> March, 2011.
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 M/s. Price Waterhouse, Delhi (Registration No.012754N) Chartered Accountants as 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, in place of M/s. Price Waterhouse, Bangalore (Registration No.007568S) Chartered Accountants, who are the retiring auditors and have expressed their inability to continue as Auditors of the Company.

18<sup>th</sup> May, 2011

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

Mr. A. Y. Mahajan is 58 years old. He has wide business experience across variety of industries. He holds a Masters Degree in Economics from the University of Mumbai and a Masters Degree in Business Administration from Cornell University (USA). He serves on the Boards of various Companies. Mr. A. Y. Mahajan 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, 18<sup>th</sup> July, 2011 to Wednesday 20<sup>th</sup> July, 2011 (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-eighth Annual Report of your Company along with the Audited Accounts for the year ended 31<sup>st</sup> March, 2011.

### Financial Highlights

Particulars	(Rs. in Lacs)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
Sales	10372.95	9051.59
Operating Profit / (Loss)	1064.79	646.82
Interest and Financial Charges	(40.62)	(143.04)
Profit / (Loss) Before tax	1024.17	503.78
Provision for Tax	(23.61)	—
Profit / (Loss) after Tax	1000.56	503.78
Balance brought forward from Previous Year	(4676.66)	(5180.44)
Profit /(Loss) carried to Balance Sheet	(3676.10)	(4676.66)

### 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> March, 2011 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 13%. The recovery witnessed in the latter part of 2009-10 strengthened in 2010-11. All relevant segments of the market - commercial vehicles, passenger vehicles and 3 wheelers saw strong growth.

During the past few years, your Company has taken a number of important initiatives. The plants at Bhosari and Chakan were modernised. The operations of your Company were restructured and rationalised. There was sustained focus on operational efficiencies. Thanks to these efforts, your Company's operating profit has increased steadily; in the year under review, operating profit at Rs.1065 lacs was nearly 65% higher than the previous year.

### Environment, Health & Safety:

Environment, Health and Safety are accorded the highest priority within Saint-Gobain. The Company is conscious of its responsibility towards creating, maintaining and ensuring a safe and clean environment. Strict adherence to all regulatory requirements and guidelines is maintained at all times. Your Company's plants were recertified under ISO 14001 and OHSAS 18001.

### Corporate Governance Report and Management Discussion & Analysis Report:

- As per Clause 49 of the Listing Agreement with the Bombay 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 18<sup>th</sup> May, 2011 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 information pertaining to conservation of energy, technology

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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 places significant importance on its human resources and enjoys cordial and peaceful relations at all sites and at all levels. During the year, various initiatives for employee involvement and efficiency improvement were undertaken.

The Directors are pleased to place on record their appreciation of the hard work and dedication of all its employees. As at March 31, 2011, there were 179 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). The Company has received a proposal from Saint-Gobain Glass India Limited, Promoter of the Company on 18<sup>th</sup> May, 2011 for voluntary delisting of the equity shares of the Company from the BSE. The Board of Directors of the Company, at its meeting held on 18<sup>th</sup> May, 2011, have approved and recommended the same to the shareholders for approval by way of a Postal Ballot in accordance with Section 192A of the Companies Act, 1956 and the rules framed there under.

## 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. A. Y. Mahajan retires by rotation and being eligible offers himself for reappointment.

## Auditors:

M/s Price Waterhouse, Bangalore (Firm Registration No. 007568S) Chartered Accountants, Auditors of the Company, retire at the conclusion of 38<sup>th</sup> Annual General Meeting of the Company and have expressed their inability to continue as Auditors of the Company. M/s. Price Waterhouse, Delhi (Firm Registration No.012754N) 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 your Company's customers, dealers, suppliers and bankers. 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

Place : Mumbai  
Date : May 18, 2011



## ANNEXURE 'A' TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2011

### REPORT ON CORPORATE GOVERNANCE

(As required under Clause 49 of the Listing Agreement entered into with the 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 transnational '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 2010-2011, four Board meetings were held. The dates on which the said meetings were held are as follows:-

29<sup>th</sup> May, 2010    31<sup>st</sup> July, 2010    25<sup>th</sup> October, 2010  
27<sup>th</sup> January, 2011

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 31st July, 2010	No. of Directorships held as on 31st March, 2011 in other Public Companies (excluding Foreign Companies)	No. of Committee positions held as on 31st March, 2011 in Companies (Including SGSIL)*
Mr. A. Y. Mahajan	Chairman (Non-Executive)	04	Yes	08	**05
Dr. Sreeram Srinivasan	Managing Director	04	Yes	Nil	02
Mr. M.G. Ramakrishna	Non-Executive (Independent)	04	Yes	02	***02
Mr. Padmanabha Shetty	Non-Executive (Independent)	04	Yes	02	02

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

\*\* Mr. A.Y. Mahajan is a Chairman of 3 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.

## Saint-Gobain Sekurit India Limited

During the year 2010-2011, four Audit Committee meetings were held. The dates on which the said meetings were held are as follows:-

29<sup>th</sup> May, 2010    31<sup>st</sup> July, 2010    25<sup>th</sup> October, 2010  
27<sup>th</sup> January, 2011

The attendance of each Member of the Committee is given below:

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

The terms of reference of the Audit Committee are in consonance with the Clause 49 of the Listing Agreement as well as Section 292 A of the Companies Act, 1956, which 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, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc.) the statement of funds utilised for purposes other than those stated in the offer document/prospectus /notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- 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.
- To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- Approval of appointment of CFO (i.e. the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- 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 2010-11, 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 2010-2011 are given below:

Non-Executive Directors	Sitting Fees (Rs.)
Mr. M.G. Ramakrishna	80,000/-
Mr. Padmanabha Shetty	80,000/-

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

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

(D) Pecuniary relationship or transactions 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 transactions with the Company.

(E) Equity shareholding of the Non-Executive Directors in the Company as on 31<sup>st</sup> March, 2011:

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 31<sup>st</sup> March, 2011 on 29<sup>th</sup> May, 2010 and 25<sup>th</sup> October, 2010. The Company had NIL transfers pending at the year ended 31<sup>st</sup> March, 2011.

## 7. GENERAL BODY MEETINGS

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

Particulars	Date	Timing	Venue
35 <sup>th</sup> AGM	26 <sup>th</sup> July, 2008	11.30 a.m.	Hotel Panchshill. Telco Road, Chinchwad, Pune 411 019
36 <sup>th</sup> AGM	19 <sup>th</sup> Sept., 2009	11.30 a.m.	Hotel Kalasagar, P-4, MIDC, Kasarwadi, Mumbai-Pune Road, Near State Bank of India, Pune 411 034
37 <sup>th</sup> AGM	31 <sup>st</sup> July, 2010	11.30 a.m.	Same as above

No Special Resolution was passed in any of the above three Annual General Meetings. No Special Resolution was passed during the year under review through postal ballots.

## 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. Saint Gobain Glass India Ltd., one of the Promoters of the Company has vide its Letter dated 18<sup>th</sup> May 2011 has expressed the intention of the Promoters to make a Voluntary delisting offer to the Public shareholders of the Company in accordance with Securities & Exchange Board of India (Delisting of Equity shares) Regulations, 2009.

## 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.

### Quarterly results

In which newspapers the financial results are normally published

(i) Financial Express – Mumbai Edition and

(ii) Loksatta – Pune Edition

### Email Id for Investors Grievances:

[sekurit.investors@saint-gobain.com](mailto: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** : 38<sup>th</sup> Annual General Meeting

**Date** : 30<sup>th</sup> July, 2011

**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 2011-12	Date(s)
(i) First Quarter Results	July/Aug., 2011
(ii) Second Quarter and Half-yearly Results	Oct./Nov., 2011
(iii) Third Quarter Results	Jan./Feb., 2012
(iv) Results for the year ending 31 <sup>st</sup> March, 2012	May, 2012

### Date of Book Closure

Monday, 18th July, 2011 to Wednesday, 20th July, 2011,  
(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 2011-2012.

### 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 31<sup>st</sup> March, 2011.

Please see Annexure '2'

## Dematerialisation of Shares and liquidity

12.91% of the Paid-up capital has been dematerialised as on 31<sup>st</sup> March, 2011. However 87.09% 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) Saint-Gobain Sekurit Deutschland GmbH & Co. KG, Germany
- g) Saint-Gobain Hanglass Clfg Qingdao Glass Co. Ltd., China
- h) Saint-Gobain Sekurit Italia, Italy
- i) Saint-Gobain Hanglass Sekurit, Shanghai
- j) Hankuk Sekurit Limited, Korea

## Compliance Officer:

Mr. Anant N. Bavare  
Company Secretary  
T-94, M.I.D.C., Bhosari Industrial Area,  
Pune - 411 026. Maharashtra  
Tel.: (020) 66311600  
Fax: (020) 66311666

### Annexure '1'

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

Period	High (Rs.)	Low (Rs.)	Sensex High (Rs.)	Sensex Low (Rs.)
April-10	30.45	21.15	18047.86	17276.80
May-10	28.30	24.30	17536.86	15960.15
June-10	31.00	24.60	17919.62	16318.39
July-10	34.50	28.65	18237.56	17395.58
August-10	24.80	30.00	18475.27	17819.99
September-10	34.40	29.60	20267.98	18027.12
October-10	31.90	27.80	20854.55	19768.96
November-10	34.00	24.50	21108.64	18954.82
December-10	28.35	22.95	20552.03	19074.57
January-11	26.80	22.30	20664.80	18038.48
February-11	26.35	20.55	18690.97	17295.62
March-11	23.80	20.50	19575.16	17792.17

### Annexure '2'

#### The Distribution of Shareholding as on 31.03.2011

No. of Equity Shares held	No. of Holders	% of Total Holders	No. of Shares	% of Total Shares
1-500	13006	76.91	2768073	3.04
501-1000	1970	11.65	1670677	1.83
1001-2000	923	5.46	1456483	1.60
2001-3000	350	2.07	913591	1.00
3001-4000	156	0.92	566092	0.62
4001-5000	159	0.94	756339	0.83
5001-10000	188	1.11	1394507	1.53
10001 and above	159	0.94	81579938	89.55
<b>Grand Total</b>	<b>16911</b>	<b>100.00</b>	<b>91105700</b>	<b>100.00</b>
No. of Shareholders in Physical Mode	3879	22.94	79340691	87.09
No. of Shareholders in Electronic Mode	13032	77.06	11765009	12.91

#### Shareholding Pattern as on 31.03.2011

Category	No. of Shareholders	No. of Shares	%
Promoter :			
Foreign	01	55813526	61.26
Local	01	22325410	24.50
Banks	04	13400	0.01
Mutual Funds/Trusts	03	20914	0.03
Non Resident Indians	79	150891	0.18
Domestic Companies	353	1497926	1.64
Resident Individuals	16470	11283633	12.38
<b>Total</b>	<b>16911</b>	<b>91105700</b>	<b>100.00</b>



# 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 31<sup>st</sup> March, 2011.

### 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 THE 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 31<sup>st</sup> March, 2011.

**For SAINT-GOBAIN SEKURIT INDIA LIMITED**

**DR. SREERAM SRINIVASAN  
MANAGING DIRECTOR**

Date : May 18, 2011

**B. Non-mandatory requirements have not been adopted.**

## ANNEXURE 'B' TO THE DIRECTORS' REPORT, FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011.

### 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, 2011 as stipulated in Clause 49 of the Listing Agreement of the Company with the 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 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 have been informed that Saint Gobain Glass India Ltd, one of the Promoters of the Company has vide its Letter dated 18<sup>th</sup> May 2011 has expressed the intention of the Promoters to make a Voluntary delisting offer to the Public shareholders of the Company in accordance with Securities & Exchange Board of India (Delisting of Equity shares) Regulations, 2009.

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 : May 18, 2011



## ANNEXURE 'C' TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011:

### Management Discussion and Analysis Report

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

#### 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 transnational Group with its headquarters in Paris and with sales of Euros 40.1 billion for the year 2010. 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 Flat 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 recertified under ISO 14001 and 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 2010-11, the market staged a recovery after the global slow down in the year 2009-10. In a growing market, your Company strengthened its position in the commercial vehicles and 3-wheeler market segments. Your Company also succeeded in increasing prices to offset a part of the significant increase in input costs. The outlook for 2011-12 is positive.

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 13%. The recovery witnessed in the latter part of 2009-10 strengthened in 2010-11. All relevant segments of the market - commercial vehicles, passenger vehicles and 3-wheelers saw strong growth.

During the past few years, your Company had taken a number of important initiatives. The plants at Bhosari and Chakan were modernised. The operations of your Company were restructured and rationalised. There was sustained focus on operational efficiencies. Thanks to these efforts, your Company's operating profit has increased steadily; in the year under review, operating profit at Rs.1065 lacs was nearly 65% higher than the previous year.

#### Internal Control Systems:

Your Company has a strong management audit framework. The Audit Committee consists of the Managing Director and Independent Directors. The Audit Committee meets every quarter to review compliance with internal controls, accounting standards, policies and approve quarterly financial results etc. Internal Audits are also periodically carried out both, within the group as well as by an external agency. These Audit Reports along with action taken report are placed before the Audit Committee for review. The Business controls are also annually reviewed.

#### Applicability of Segmental Financials:

Your Company recognises Automotive Glass as a single segment.

#### Human Resources:

Developing human resources capabilities across all levels and functional areas is integral part of the Company's philosophy.