

**Saint-Gobain Sekurit India Limited**

**ANNUAL  
REPORT  
2013-2014**



## **BOARD OF DIRECTORS**

**MR. A.Y. MAHAJAN** (Chairman)

**MR. M.G. RAMAKRISHNA**

**MR. PADMANABHA SHETTY**

**A. DINAKAR** (Managing Director)

---

## **COMPANY SECRETARY**

**MRS. MADHURA M. JOSHI**

---

## **AUDITORS**

PRICE WATERHOUSE  
CHARTERED ACCOUNTANTS

---

## **BANKERS**

ROYAL BANK OF SCOTLAND (earlier ABN AMRO BANK NV)  
STANDARD CHARTERED BANK  
HDFC BANK LIMITED

---

## **REGISTERED OFFICE & BHOSARI WORKS**

T-94, M.I.D.C., BHOSARI INDUSTRIAL AREA,  
PUNE-411 026. MAHARASHTRA  
TELEFAX : 020-66311600 FAX : 020-66311666  
CIN : L26101MH1973PLC018367

---

## **CHAKAN WORKS**

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

---

## **REGISTRARS & TRANSFER AGENTS**

LINK INTIME INDIA PVT. LTD.  
(formerly known as INTIME SPECTRUM REGISTRY LTD.)  
C-13, PANNALAL SILK MILLS COMPOUND,  
L.B.S. MARG, BHANDUP (WEST), MUMBAI 400 078.  
TEL.: 022-25963838

---

## **41<sup>ST</sup> ANNUAL GENERAL MEETING**

**ON FRIDAY, 18<sup>TH</sup> JULY 2014, AT 11.00 A.M.**  
**AT HOTEL KALASAGAR, P-4, M.I.D.C., KASARWADI,**  
**MUMBAI-PUNE ROAD, NEAR STATE BANK OF INDIA,**  
**PUNE-411 034**

---

## **CONTENTS**

Notice .....	1
Directors' Report .....	4
Report on Corporate Governance .....	6
Auditor's Certificate on Corporate Governance.....	12
Management Discussion and Analysis Report.....	13
Independent Auditors' Report .....	15
Balance Sheet.....	18
Statement of Profit and Loss .....	19
Notes Forming Part of the Financial Statements .....	20
Cash Flow Statement.....	39

---



## NOTICE

**NOTICE** is hereby given that the Forty First Annual General Meeting of the Members of Saint-Gobain Sekurit India Limited will be held on Friday, 18<sup>th</sup> day, of July, 2014 at Hotel Kalasagar, P-4, MIDC, Kasarwadi, Mumbai-Pune Road, Near State Bank of India, Pune – 411 034 at 11.00 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, 2014.
2. To appoint a Director in place of Mr. Anand 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.

### SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification/s the following resolution as a ordinary Resolution:  
"RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. M.G. Ramakrishna (DIN-00007950), be and is hereby appointed as an Independent Director of the Company, for a period of five (5) years, not liable to retire by rotation."
5. To consider and if thought fit, to pass with or without modification/s the following resolution as a ordinary Resolution:  
"RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Padmanabha Shetty (DIN- 00433761), be and is hereby appointed as an Independent Director of the Company, for a period of five (5) years, not liable to retire by rotation."
6. To consider and if thought fit, to pass with or without modification/s the following resolution as a Ordinary Resolution:  
"RESOLVED THAT, pursuant to Section 148 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules 2014 and subject to the approval of the Shareholders Mr. G. Thangaraj Cost Accountant

(Registration No. M 5997) be and is hereby appointed to conduct audit of cost accounting records maintained by the Company for the financial year 2014-15 on such remuneration as shall be fixed by the Board of Directors.

May 19<sup>th</sup>, 2014

By Order of the Board

Registered Office :

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

Madhura Joshi  
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 A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DULY FILLED, STAMPED, SIGNED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT (48) HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Corporate Members are requested to send to the Company a duly certified copy of the Board Resolution authorising their representative to attend and vote at the Annual General Meeting.
3. The Register of Members and Share Transfer Books of the Company will be closed from Tuesday 8<sup>th</sup> July 2014 to Thursday 10<sup>th</sup> July 2014 (both days inclusive).
4. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company provides members facility to exercise their right to vote at the 41<sup>st</sup> Annual General Meeting (AGM) by electronic means and the businesses may be transacted through e-Voting Services provided by Central Depository Services (India) Ltd. The e-voting details are enclosed along with the Annual Report.
5. 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.
6. 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).
7. Members are requested to immediately intimate the change, if any, in their registered address to the Link Intime India Private Limited.
8. 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.
9. Copies of all documents referred to in the notice are available for inspection at the Registered Office of the Company between 2 p.m. to 4 p.m. IST on all working days till the date of the Annual General Meeting.
10. The Register of Directors' shareholding will be available for inspection by the members at the Annual General Meeting.

## **ANNEXURE TO THE NOTICE**

Notes on the Director seeking re-appointment as required under Clause 49 of the Listing Agreement, entered into with Stock Exchange.

### **ITEM No. 1:**

Mr. A.Y. Mahajan is 61 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.

### **ITEM No. 2:**

Mr. M.G. Ramakrishna is 70 years old and has done his M.A and LLB. from the University of Mumbai. He is a veteran banker. He has varied experience in the field of banking and finance. He started his banking career with the State Bank Of India and subsequently held top management position in foreign bank in India as well as in a new generation private sector bank. Presently he is a financial consultant and on the board of other companies as independent Director. Mr. M.G. Ramakrishna does not hold any equity shares in Saint-Gobain Sekurit India Limited.

### **ITEM No. 3:**

Mr. Padmanabha Shetty is 67 years old. He is a Post Graduate in Economics and holds a law degree from the University of Mumbai. He is also a Certified Associate of Indian Institute of Bankers. He has varied experience in the field of law, banking and finance. Presently he is a financial consultant and on the board of other companies as independent Director. Mr. Padmanabha Shetty does not hold any equity shares in Saint-Gobain Sekurit India Limited.

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **ITEM No 4:**

Mr. M.G. Ramakrishna was appointed as Director liable to retire by rotation, under Companies Act, 1956 by the Shareholders of the Company at the Annual General Meeting held on June 11, 2006. In terms of Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company but shall be eligible for reappointment on passing of a special resolution by the company for a further period of upto five years. Further, in terms of Clause 49, it is provided that a person who has already served as an independent director for five years or more in a company as on October 1, 2014 shall be eligible for appointment, on completion of his present term, for one more term of up to five years only.

Further, in terms of Sections 149, 152 read with Schedule IV of the Companies Act, 2013, the Board of Directors have reviewed the declaration made by Mr. M.G. Ramakrishna that he meets the criteria of independence as provided in Section 149(6) of the

Companies Act, 2013, and the Board is of opinion that he fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder and is independent of the management.

A brief profile of Mr. M.G. Ramakrishna is given in Item No. 2 of Annexure to the Notice.

Accordingly, your Directors recommend the Resolution for the approval of the shareholders appointing Mr. M.G. Ramakrishna as an Independent Director of the Company, not liable to retire by rotation, for a period of five years..

Save and except Mr. M.G. Ramakrishna none of the Directors nor Key Managerial Personnel or relatives thereof are, in any way, concerned or interested in the above Resolution.

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **ITEM No 5:**

Mr. Padmanabha Shetty was appointed as Director liable to retire by rotation, under Companies Act, 1956 by the Shareholders of the Company at the Annual General Meeting held on June 9, 2007. In terms of Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company but shall be eligible for reappointment on passing of a Ordinary resolution by the company for a further period of upto five years. Further, in terms of Clause 49, it is provided that a person who has already served as an independent director for five years or more in a company as on October 1, 2014 shall be eligible for appointment, on completion of his present term, for one more term of up to five years only.

Further, in terms of Sections 149, 152 read with Schedule IV of the Companies Act, 2013, the Board of Directors have reviewed the declaration made by Mr. Padmanabha Shetty that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013, and the Board is of opinion that he fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder and is independent of the management.

A brief profile of Mr. Padmanabha Shetty is given in Item No. 3 of Annexure to the Notice.

Accordingly, your Directors recommend the Resolution for the approval of the shareholders appointing Mr. Padmanabha Shetty as an Independent Director of the Company, not liable to retire by rotation, for a period of five years.

Save and except Mr. Padmanabha Shetty none of the Directors nor Key Managerial Personnel or relatives thereof are, in any way, concerned or interested in the above Resolution.

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **ITEM No. 6:**

As per the provisions of Section 148(3) of the Companies Act, 2013 and Section 233 B of the Companies Act 1956, read with the Companies (Audit and Auditors) Rules 2014, the Audit Committee shall recommend the name of an Individual or firm as auditor to the Board for consideration and Board shall consider and recommend an individual or firm as auditor to the members in the Annual General Meeting.



## Saint-Gobain Sekurit India Limited

A proposal for appointment of Cost Auditor for 2014-15 was recommended by the Audit Committee to the Board. It is proposed to appoint Mr. G. Thangraj Cost Accountant, (Registration No. M 5997) as Cost Auditors. Mr. G. Thangraj Cost Accountant has confirmed their eligibility for appointment as Cost Auditors.

As per the Companies Act, 2013 and applicable rules, the appointment and remuneration payable to the Cost Auditors is to be ratified by the Shareholders. Hence this resolution is put for the consideration of the shareholders.

None of the Directors and Key Managerial personnel (or their relatives) are interested in the above resolution.

May 19<sup>th</sup>, 2014

By Order of the Board

Registered Office :

T-94, M.I.D.C.,

Bhosari Industrial Area

Pune – 411 026

Madhura Joshi  
Company Secretary

### REQUEST TO THE SHAREHOLDERS

1. Copies of the Annual Report will not be distributed at the Annual General Meeting. You are therefore, requested to bring this copy of the Annual Report to the Meeting.
2. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries to the Head-Finance, at the Registered Office, so as to reach at least ten days before the date of the meeting, so that the information, to the extent practicable, can be made available at the meeting.
3. 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.
4. Members are requested to immediately intimate the change, if any, in their registered address to the Company.



## DIRECTORS' REPORT

The Members,  
**Saint-Gobain Sekurit India Limited**

Your Directors present the Forty First Annual Report of your Company along with the Audited Accounts for the year ended 31<sup>st</sup> March, 2014.

### Financial Highlights:

Particulars	(Rs. in lacs)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
Sales	<b>11633.33</b>	12230.35
Operating Profit/(Loss)	<b>90.44</b>	220.22
Profit/(Loss) before Tax	<b>90.44</b>	220.22
Provision for Tax	<b>49.28</b>	155.49
Profit/(Loss) after Tax	<b>41.16</b>	64.73
Balance brought forward from previous year	<b>(2927.37)</b>	(2992.10)
Profit/(Loss) carried to Balance Sheet	<b>(2886.21)</b>	(2927.37)

### Directors 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 of 31<sup>st</sup> March, 2014 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 decreased by 5%. Sales to all the relevant market segments viz. commercial vehicles, passenger vehicles and 3-wheelers were lower. Partly due to the decline in volumes and partly due to the significant increase in the cost of inputs, your Company's profit after tax fell by 27%.

During the last few years, your Company has taken several initiatives to improve its technical performance and operating efficiencies. These measures are expected to improve the performance of the Chakan plant in the current year. During the year, your Company added a dedicated new Cutting & Grinding machine for the industrial vehicle windshields. The Industrial Vehicle Product Line has been successfully commissioned and creation of this capacity will enable your Company to enter into the Industrial Vehicles market and grow sales in the coming years.

### Environment, Health & Safety:

Your Company is committed to ensure a clean and green pollution-free environment as well as a healthy and safe work place at all its plant locations. Environment, Health & Safety requirements of your Company are supported by ISO 14001, OHSAS 18001 and EHS guidelines prescribed by Saint-Gobain. On the strength of these systems and continuous focus of Operations team, your company is confident of not just meeting but exceeding all regulatory requirements. The Operations Teams in both the plants have also worked to deliver clean and green pollution-free environment with initiatives like tree plantation, commissioning of ETP in Bhosari and making the Chakan Plant Asbestos free. Strict adherence to all regulatory requirements and guidelines is maintained at all times. Your Company's plants at Bhosari & Chakan are certified under ISO 14001 and OHSAS 18001.

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

- 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 19<sup>th</sup> May, 2014 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)

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

Energy conservation is a key component of your Company's overall strategy to remain competitive. Energy consumption is closely monitored in both the Plants and variances are compared to benchmarks and also rigorously scrutinized to reduce specific energy consumption. Several energy conservation measures in the form of unit power factor, efficient design of toolings, optimized loading of Furnaces & running of Plants during low tariff hours have ensured reduction of energy consumption per square meter of value added glass produced.

Your Company continuously works on upgrading its process technology to manage its cost & also meet new demands of Customers. Saint-Gobain Sekurit International technical assistance team helps in these initiatives by sharing their best practices & knowledge. Your Company was successful in industrializing a new design of bending tools for Three Wheeler Windshields, which has significantly improved productivity & reduced specific energy consumption. Development of new products as per the new program from Auto OEMs is managed with active support from Saint-Gobain Sekurit International.

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 D) and forms part of this Report.



## Saint-Gobain Sekurit India Limited

### Employee Relations:

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

The Company concluded a wage settlement with the employees union at Chakan for 3 years effective July 1, 2013.

The Directors are pleased to place on record their appreciation of the services rendered by the employees at all levels. As at March 31, 2014, there were 189 employees.

### Insurance:

The Company's assets and insurable interests continue to be adequately insured against the risk of fire, riot and earthquake among other perils.

### Scheme of Amalgamation:

The Scheme of Amalgamation, involving the merger of SEPR Refractories India Ltd., Saint-Gobain Crystals & Detectors Ltd. and your Company with Grindwell Norton Ltd., which was approved by the Board of Directors on 19<sup>th</sup> April 2013, was approved by the shareholders in the Court Convened Meeting held on 27<sup>th</sup> November 2013, with the requisite majority. As per SEBI Circular No. CIR/CFD/DIL/5/2013 dated 4<sup>th</sup> February 2013, read with SEBI Circular No. CIR/CFD/DIL/8/2013 dated 21<sup>st</sup> May 2013, the requisite majority of public shareholders (other than Promoters) of your Company also approved the Scheme. However, the requisite majority of public shareholders (other than Promoters) of Grindwell Norton Ltd., the transferee Company, did not approve the Scheme. Consequently, the Scheme of Amalgamation was not acted upon.

### 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 is liable to retire by rotation at the Forty First Annual General Meeting.

Mr. Mahajan has confirmed his eligibility and willingness to accept the office of Directorship of your Company, if appointed. In the opinion of your Directors, Mr. Mahajan has the requisite qualifications and experience which would be useful for your Company and would enable him to contribute effectively to your Company in his capacity as Director of your Company.

It is, therefore, considered prudent that your Company should continue to avail of the services of Mr. Mahajan as Director and the Board recommends that the proposed resolution relating to re-appointment of Mr. Mahajan as Director of your Company be approved.

As per the provisions of the Section 149 (4) every listed public company shall have at least one third of the total number of Directors as Independent Directors. In terms of Section 149 (10) of the Companies Act, 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company but shall be eligible for reappointment on passing of a special resolution by the company for a further period of upto

five years. Further, in terms of Clause 49, it is provided that a person who has already served as an independent director for five years or more in a company as on October 1, 2014 shall be eligible for appointment, on completion of his present term, for one more term of up to five years only.

In accordance with this requirement of the Act read with relevant rules and Clause 49, current Independent Directors Mr. M.G. Ramakrishna and Mr. Padmanabha Shetty shall be appointed as Independent Directors for a term of 5 years not being liable to retire by rotation. The Board recommends that the proposed resolution relating to appointment of Independent Directors be approved.

### Auditors:

M/s. Price Waterhouse, Delhi (Firm Registration No. 012754N) Chartered Accountants, Auditors of the Company, retire at the conclusion of 41st Annual General Meeting of the Company and have expressed their willingness to continue as Auditors of the Company. M/s. Price Waterhouse, (Firm Registration No. 012754N) Chartered Accountants, have conveyed that, if appointed, they would be eligible to act as Auditors of the Company.

Further in terms of the Clause 41(1)(h) of the Listing Agreement, the statutory auditors of your Company are subjected to the Peer Review Process of the Institute of Chartered Accountants of India (ICAI); and hold a valid certificate issued by Peer Review Board of ICAI. M/s. Price Waterhouse have confirmed that they hold a valid certificate issued by Peer Review Board of ICAI; and have provided a copy of the said certificate to your Company for reference and records.

You are requested to appoint Auditors for the current financial year and fix their remuneration.

### Cost Auditors:

The Board of Directors in pursuance Section 148 and relevant rules has appointed Mr. G. Thangraj Cost Accountant (Registration No. M 5997) for conducting the audit of the cost accounting records maintained by the Company for the financial year 2014-15.

### Fixed Deposits:

In terms of the provision of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975, the Company has not accepted any fixed deposits during the year under review.

### Acknowledgements:

Your Directors wish to place on record their sincere appreciation for the continuous support and co-operation received from customers, dealers, suppliers, financial institutions and others in successfully conducting the company's business operations. Your Directors also wish to place on record their deep sense of appreciation for the commitment and dedicated service of the company's employees. Your Directors also acknowledge with gratitude the encouragement and support extended by our valued shareholders.

On behalf of the Board of Directors,

A.Y. MAHAJAN                      A. DINAKAR  
Chairman                      Managing Director

Place: Mumbai

Date : May 19<sup>th</sup>, 2014

## ANNEXURE 'A' TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014.

### 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 2013-2014, five Board meetings were held. The dates on which the said meetings were held are as follows:-

19<sup>th</sup> April, 2013      13<sup>th</sup> May, 2013  
27<sup>th</sup> July, 2013      22<sup>nd</sup> October, 2013  
27<sup>th</sup> January, 2014

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 27 <sup>th</sup> July, 2013	No. of Directorships held as on 31 <sup>st</sup> March, 2014 in other Public Companies (excluding Foreign Companies)	No. of Committee positions held as on 31 <sup>st</sup> March, 2014 in Companies (including SGSIL)*
Mr. A.Y. Mahajan	Chairman (Non-Executive)	05	Yes	09	**05
Mr. M.G. Ramakrishna	Non-Executive (Independent)	05	Yes	01	03
Mr. Padmanabha Shetty	Non-Executive (Independent)	05	Yes	01	02
Mr. A. Dinakar	Managing Director	04	Yes	Nil	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.

None of the Directors of the Company were members of more than 10 Committees nor acted as the Chairman of more than five Committees across all companies in India, in which he is a Director, in terms of Clause 49 of the Listing Agreement.

#### 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 Composition of Audit Committee is as under

Mr. M.G. Ramakrishna	Chairman of the Committee and Independent Director
Mr. Padmanabha Shetty	Member of the Committee and Independent Director
Mr. A. Dinakar	Managing Director of the Company





## Saint-Gobain Sekurit India Limited

Head Finance and the Statutory Auditors are invitees to the Meeting. The Company Secretary acts as the Secretary of the Committee.

During the year 2013-2014, five Audit Committee meetings were held. The dates on which the said meetings were held are as follows:-

19<sup>th</sup> April, 2013      13<sup>th</sup> May, 2013      27<sup>th</sup> July, 2013  
22<sup>nd</sup> October, 2013      27<sup>th</sup> January, 2014

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

Name of Director	No. of Meetings attended
Mr. M.G. Ramakrishna	05
Mr. Padmanabha Shetty	05
Mr. A. Dinakar	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:

1. 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.
2. 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.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. 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.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgement by Management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- 5A. 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.

6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
7. 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.
8. Discussion with internal auditors, any significant findings and follow up there on.
9. 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.
10. 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.
11. 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.
12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- 12A. 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.
13. 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, which are discussed and taken note of.

#### 4. REMUNERATION COMMITTEE

The Composition of Remuneration Committee is as under:

Mr. M.G. Ramakrishna	Chairman of the Committee and Independent Director
Mr. Padmanabha Shetty	Member of the Committee and Independent Director
Mr. A.Y. Mahajan	Chairman of the Board

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 2013-14, there was no need to hold meeting of the Remuneration Committee.

## 5. REMUNERATION OF DIRECTORS

- (A) Mr. A. Dinakar, Managing Director is not drawing any remuneration.
- (B) The details of sitting fees paid for the year 2013-2014 are given below:

Non-Executive Directors	Sitting Fees (Rs.)
Mr. M.G. Ramakrishna	100,000
Mr. Padmanabha Shetty	100,000

- (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. The Non-Executive Independent Directors are paid sitting fees of Rs. 10,000/- per Board and Committee meeting.

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

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

- (E) Equity shareholding of the Non-Executive Directors in the Company as on 31<sup>st</sup> March, 2014:

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 Composition of Investors/Shareholders Grievance Committee is as under:

Mr. A.Y. Mahajan	Chairman of the Committee
Mr. A. Dinakar	Managing Director of the Company

The Committee met twice during the year ended 31<sup>st</sup> March, 2014 on 13<sup>th</sup> May, 2013 and 22<sup>nd</sup> October 2013. The Company had NIL transfers pending at the year ended 31<sup>st</sup> March, 2014.

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

Name of Director	No. of Meetings attended
Mr. A. Y. Mahajan	02
Mr. A. Dinakar	02

The Company Secretary is the Compliance Officer of the Company for the purpose of shareholders'/ investors' related matters.

## 7. GENERAL BODY MEETINGS

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

Particulars	Date	Timing	Venue
38 <sup>th</sup> AGM	30 <sup>th</sup> July, 2011	11.30 a.m.	Hotel Kalasagar, P-4, MIDC, Kasarwadi, Mumbai-Pune Road, Near State Bank of India, Pune 411 034
39 <sup>th</sup> AGM	28 <sup>th</sup> July, 2012	11.30 a.m.	Hotel Kalasagar, P-4, MIDC, Kasarwadi, Mumbai-Pune Road, Near State Bank of India, Pune 411 034
40 <sup>th</sup> AGM	27 <sup>th</sup> July, 2013	11.30 a.m.	Hotel Kalasagar, P-4, MIDC, Kasarwadi, Mumbai-Pune Road, Near State Bank of India, Pune 411 034

No Special Resolution was passed in any of the above three Annual General Meetings.

The Company Convened the General Meeting as per the direction of High Court of Judicature at Bombay to consider and approve the proposed scheme of Amalgamation on November 27, 2013 at M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20 Kaikushru Dubash Marg (Rampart Row), Mumbai 400 001.

The Company also conducted the Postal ballot Pursuant to Section 192 A of the Companies Act, 1956 read with SEBI Circular CIR/CFD/DIL/5/2013 dated February 4, 2013 and CIR/CFD /DIL/8/2013 dated May 21, 2013 for considering and approve the Proposed scheme of Amalgamation.

## 8. DISCLOSURES

### a) Related party transactions:

Besides the transactions reported in Note No. 25 of the Annual Accounts of the Company, 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.