

**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)

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## COMPANY SECRETARY

MRS. MADHURA M. JOSHI

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## AUDITORS

PRICE WATERHOUSE  
CHARTERED ACCOUNTANTS

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## BANKERS

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

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## 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

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## CHAKAN WORKS

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

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## 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

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## 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

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## 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	11633.33	12230.35
Operating Profit/(Loss)	90.44	220.22
Profit/(Loss) before Tax	90.44	220.22
Provision for Tax	49.28	155.49
Profit/(Loss) after Tax	41.16	64.73
Balance brought forward from previous year	(2927.37)	(2992.10)
Profit/(Loss) carried to Balance Sheet	(2886.21)	(2927.37)

### Directors Responsibility Statement:

Your Directors confirm that:

- i) in the preparation of annual accounts, the applicable accounting standards have been followed;
- ii) 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;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the 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

- a) 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)
- b) 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.

## 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



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.

**b) Compliances by the Company:**

The Company has complied with the provisions of Clause 40(A) of the Listing Agreement in respect of minimum Public Shareholding in the Company. One of the Promoter Saint-Gobain Glass India limited diluted its shareholding via offer for sale on May 30, 2013 in order to comply with the Clause 40(A) of the Listing Agreement.

**c) Scheme of Amalgamation:**

The Board of Directors at its meeting held on 19<sup>th</sup> April, 2013 considered and approved the Scheme of Amalgamation under Section 391 to 394 of the Companies Act, 1956, envisaging, inter alia, amalgamation of the Company along with the other companies referred to as the 'Transferor Companies' with Grindwell Norton Limited (GNO) referred to as the 'Transferee Company' with the appointed date being 1<sup>st</sup> April, 2013.

The proposed Scheme was subject to the requisite approvals of the respective shareholders/creditors of the Company, other Transferor Companies and Transferee Company, other statutory/regulatory authorities in the respective jurisdictions and subject to the sanction/confirmation by the concerned High Court and/or any other appropriate authority as may be necessary. The Company was granted BSE approval dated September 18, 2013. The Company filed necessary papers in the High Court of Judicature at Bombay on October 4, 2013. The Shareholders of the Company approved the scheme vide court convened meeting held on 27<sup>th</sup> November 2013 and through postal ballot. However the shareholders of the Transferee Company (Other than Promoter and Promoter Group Company) did not pass the resolution by postal ballot with requisite majority. The BSE vide their letter dated February 19, 2014 has conveyed that the scheme shall not be acted upon in accordance with the SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 and SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013.

**d) Whistle Blower Policy:**

The Company believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. In order to provide a secure environment and to encourage employees of the Company to report unethical, unlawful or improper practices, acts or activities, the Company has adopted a Whistle Blower Policy.

**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 Loksatta, Pune edition

**Email Id for Investors Grievances:**

Investors-SEK.L05Gen@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.

**10. GENERAL SHAREHOLDERS' INFORMATION**

**AGM** : 41<sup>st</sup> Annual General Meeting  
**Date** : 18<sup>th</sup> July, 2014  
**Time** : 11.00 a.m.  
**Venue** : Hotel Kalasagar, P-4, MIDC, Kasarwadi, Mumbai-Pune Road, Near State Bank of India, Pune 411 034

**Financial Calendar for 2014-15**

	Date(s)
(i) First Quarter Results	– 18 <sup>th</sup> July, 2014
(ii) Second Quarter and Half-yearly Results	– 21 <sup>st</sup> October, 2014
(iii) Third Quarter Results	– January, 2015
(iv) Results for the year ending 31 <sup>st</sup> March, 2015	– May, 2015

**Date of Book Closure**

Tuesday 8<sup>th</sup> July, 2014 to Thursday 10<sup>th</sup> July, 2014 (both days inclusive)

**Date of Payment of Dividend**

Not Applicable

**Listing on Stock Exchange**

Bombay Stock Exchange Limited

(i) The Annual listing fees of Bombay Stock Exchange Limited have been paid for the financial year 2014-2015.

**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 Agents and approved by the Share Transfer Committee of Directors.

**Distribution of Shareholding and Shareholding Pattern as on 31<sup>st</sup> March, 2014.**

Please see Annexure '2'

**Dematerialisation of Shares and liquidity**

37.51% of the Paid-up capital has been dematerialised as on 31<sup>st</sup> March, 2014. 62.49% (including 61.26% of the paid-up capital held by the Foreign Promoter) 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) **Ultimate Holding Company**  
Compagnie de Saint-Gobain, France
- b) **Foreign Promoter**  
Saint-Gobain Sekurit, S.A., France
- c) **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 India
- d) Saint-Gobain Sekurit Italia, Italy
- e) Saint-Gobain Autover International B.V
- f) Saint-Gobain Research (Shanghai) Co. Ltd.
- g) Saint-Gobain Sekurit Deutschland GmbH & Co. KG, Germany
- h) Saint-Gobain Consulting Information Organization, France

**Compliance Officer:**

Mrs. Madhura Joshi  
Company Secretary  
T-94, M.I.D.C, Bhosari Industrial Area,  
Pune – 411 026. Maharashtra  
Tel. : (020) 66311600  
Fax : (020) 66311666  
Email id for Investors:  
Investors-SEK.L05Gen@saint-gobain.com  
Website of the Company:  
[www.sekuritindia.com/Investor\\_Information.html](http://www.sekuritindia.com/Investor_Information.html)

**Annexure '1'**

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

Period	High (Rs.)	Low (Rs.)	Sensex High (Rs.)	Sensex Low (Rs.)
April 2013	30.55	19.25	19622.68	18144.22
May 2013	18.30	14.45	20443.62	19451.26
June 2013	14.26	12.62	19860.19	18467.16
July 2013	13.24	12.01	20351.06	19126.82
August 2013	12.75	11.65	19569.20	17448.71
September 2013	12.99	11.52	20739.69	18166.17
October 2013	14.09	12.30	21205.44	19264.72
November 2013	14.99	13.40	21321.53	20137.67
December 2013	15.09	12.02	21483.74	20568.70
January 2014	19.50	13.04	21409.66	20343.78
February 2014	15.39	12.21	21140.51	19963.12
March 2014	15.99	13.80	22467.21	20920.98



## Annexure '2'

### A. The Distribution of Shareholding as on 31.03.2014

No. of Equity Shares held	No. of Holders	% of Total Holders	No. of Shares	% of Total Shares
1-500	11685	73.33	2383222	2.61
501-1000	1948	12.22	1659628	1.82
1001-2000	949	5.96	1517665	1.67
2001-3000	394	2.47	1029977	1.13
3001-4000	178	1.12	643858	0.71
4001-5000	180	1.13	857707	0.94
5001-10000	281	1.76	2184404	2.40
10001 and above	321	2.01	80829239	88.72
<b>Grand Total</b>	<b>15936</b>	<b>100</b>	<b>91105700</b>	<b>100</b>
No. of Shareholders in Physical Mode	3734	23.43	56931848	62.49
No. of Shareholders in Electronic Mode	12202	76.57	34173852	37.51

### B. Shareholding Pattern as on 31.03.2014

Category	No. of Shareholders	No. of Shares	%
Promoter :			
Foreign	01	55813526	61.26
Local	01	12515749	13.74
Banks/Financial Institutions	03	1700	0.00
Mutual Funds/Trusts	01	1300	0.00
Non Resident Indians	118	294025	0.32
Domestic Companies	357	3777070	4.15
Resident Individuals	15370	18285358	20.07
Clearing Members	85	416972	0.46
<b>Total</b>	<b>15936</b>	<b>91105700</b>	<b>100.00</b>

#### 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, 2014.

##### 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 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, 2014.

**For SAINT-GOBAIN SEKURIT INDIA LIMITED**

**Mr. A. Dinakar**  
Managing Director

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

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

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

**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, 2014 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 . One of the Promoter Saint-Gobain Glass India limited diluted its

shareholding via offer for sale on May 30, 2013 in order to comply with the Clause 40(A) of the Listing Agreement. The Board of Directors at its meeting held on 19<sup>th</sup> April, 2013 had considered and approved the Scheme of Amalgamation under Section 391 to 394 of the Companies Act, 1956, envisaging, inter alia, amalgamation of the Company along with the other companies referred to as the "Transferor Companies" with Grindwell Norton Limited (GNO) referred to as the Transferee Company' with the appointed date being 1<sup>st</sup> April, 2013. The Shareholders of the Company approved the scheme vide court convened meeting held on 27<sup>th</sup> November, 2013 and through postal ballot. However the shareholders of the Transferee Company (Other than Promoter and Promoter Group Company) did not pass the resolution by postal ballot with requisite majority.

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 19<sup>th</sup>, 2014



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

### Management Discussion and Analysis Report

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

#### 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 42 billion for the year 2013. Saint-Gobain's businesses 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 the Flat Glass sector. SGSIL is in the business of processing of glasses to manufacture windshields, door glasses and backlites for 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 (Backlites and Sidelites) are Tempered. SGSIL has two plants, one at Bhosari and the other at Chakan, near Pune. Both these plants were audited for ISO 14001:2004 and recertified and upgraded to OHSAS 18001. The Laminated Glasses are manufactured in Chakan while the Tempered Glasses are produced in Bhosari.

##### (ii) Industry:

Broadly, there are two market segments – Automobile manufacturers (OEMs) and the Replacement Market. There is only one major player, other than SGSIL catering to the needs of Automobile manufacturers. There are however a number of 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 full car sets to Automobile manufacturer, proximity to customers.

#### Development, Outlook, Risks and Concerns:

In the second half of the year 2012-13, we witnessed a significant slowdown in the Indian Automotive motor market and therefore the expectation at the start of 2013-14 was cautiously optimistic. As it turned out, the year 2013-14 did not see a

revival in the demand for cars and commercial vehicles. On the contrary for the first time in a decade, there was a decline in real growth. Barring 3-wheelers, which witnessed a marginal drop of 1%, all the other segments showed significant decline in production and sales with commercial vehicles and heavy vehicles suffering the most with a drop of 16%. Passenger vehicles production dropped during the year by 5%, light commercial vehicles dropped by 14% and heavy commercial vehicles dropped by 21%.

The primary reasons for low demand was the high interest rates, increase in diesel prices, overall drop in the economic activity in sectors like infrastructure and mining which accounted for the big drop in heavy commercial vehicle demand. The other significant external factor that affected our business during 2013-14 was the steep drop in the exchange rate of Indian Rupee vs the US dollars. Between May 2013 and August 2013, the value of the Indian Rupee fell by 16% causing an unprecedented increase in cost of imported raw materials like PVB, Silver, Enamel and also raw glass which further eroded our margins in an already depressed demand situation.

While efforts were made to seek a substantial price correction from the OEMs to partially offset these cost increases, we were unable to obtain the same to the extent of the increases that we suffered during the year. Price correction of OEMs to reflect our cost increase continues to be a priority into the new financial year as well.

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. 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 decreased by 5%. All relevant segments-commercial vehicles, passenger vehicles and 3-wheelers were witnessed decline in volumes.

During the last few years, your Company has taken several 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. These initiatives have started yielding results but due to weak demand from the OEMs, coupled with significant cost increases, your Company's operating profit reduced from Rs. 220 lacs in the previous year ended 31<sup>st</sup> March, 2013 to Rs. 90 lacs in the current year ended 31<sup>st</sup> March, 2014 registering a drop of 41%.

#### Internal Control Systems:

Your Company has an effective internal control environment. The internal checks and control mechanism is in place, which ensures adequate checks and balances. Your Company has a strong audit framework. The Audit Committee meets every

quarter to review compliance with internal controls, accounting standards, policies and approve quarterly financial results etc. Group Internal Auditors conducted periodic Internal Audit in the year 2013-14. Further, during the year, Internal Auditors (external agency) have carried out internal audit covering Price Master Review, Shared Service Centre Payables and Labour Contracts. These Audit Reports along with action taken report and the follow up audit reports are placed before the Audit Committee for review.

**Applicability of Segmental Financials:**

Your Company recognises Automotive Glass as a single segment.

**Risks and Concerns – Others**

**Human Resources:**

The Company provides a congenial and productive work environment with an aim to retaining those who are capable of translating challenges into opportunities and weakness into strengths. The Management has continued to empower employees with opportunities to give their suggestions on

various business and Operational matters. The twin objectives of improving the quality of human capital available within the Company and harnessing its potential for the benefit of Company's performance continues to form the cornerstone of the HR policy of your Company.

**CAUTIONARY STATEMENT:**

*The Management Discussion and Analysis Report contains some forward looking statements based upon the information and data available with the Company, assumptions with regard to global economic conditions, relevant government policies etc. The Company cannot guarantee the accuracy of such assumptions and impact on the performance of the Company in future. Hence it is cautioned that the actual results may differ from those expressed or implied in this report.*

**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 'D' TO THE DIRECTORS' REPORT, FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014.**

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

**Conservation of Energy:**

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

**Form A for disclosure of particulars with respect to Conservation of Energy:**

	For the 12 months period ended 31.03.2014	For the 12 months period ended 31.03.2013
Electricity purchased from MSEB Units (KWH)	16,769,540	17,405,666
Total Amount (Rs.)	127,520,753	147,108,629
Rate / Unit (Rs.)	7.60	8.48
Consumption per unit of production (Rs. Per Glass)	74.46	71.28

**Form B for disclosure of particulars with respect to Technology Absorption:**

**Technology absorption, adaptation and innovations:**

SGSIL continually develops new products to meet the demands of its customers. It works very closely with Saint-Gobain Sekurit S. A. France to improve existing processes and adopt appropriate technologies in order to meet

the growing requirements of the automobile market in India. Further in-house development work is in progress to reduce rejections and improve yields and develop new products.

**Future Action Plan:**

Continuous development of the tempered and laminated automobile glasses to cater to the demands of the existing and new automobile manufacturers in India and measures to improve operational efficiencies and technical performance of the plants.

**Expenditure on Research & Development:**

	For the year ended 31.03.2014	For the year ended 31.03.2013
Capital (Rs.)	NIL	NIL
Recurring (Rs.)	1,009,310	1,110,893
Total Expenditure (Rs.)	1,009,310	1,110,893
Total Expenditure as a percentage of total turnover	0.08%	0.12%

**Foreign Exchange earnings and outgo:**

Total earnings in foreign exchange was Rs. 2,345,568 (Previous Year Rs. 3,303,257) and the total outflow was Rs. 158,396,042 (Previous Year Rs. 269,785,344) including CIF value of Imports. Details are attached in Financial Statement.





## INDEPENDENT AUDITORS' REPORT

### To the Members of Saint-Gobain Sekurit India Limited

#### Report on the Financial Statements

1. We have audited the accompanying financial statements of Saint-Gobain Sekurit India Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

#### Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
  - (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
  - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
  - (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

**For Price Waterhouse**

Firm Registration Number: 012754N  
Chartered Accountants

**Mehul Desai**

Partner

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

Membership Number 103211

## ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Saint-Gobain Sekurit India Limited on the financial statements as of and for the year ended March 31, 2014.

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii. (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. (a) The Company has not granted/taken any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii)[(b),(c) and (d), (f) and (g)] of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. (a) According to the information and explanations given to us, there have been no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Act.
- (b) In our opinion, and according to the information and explanations given to us, there are no transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees Five Lakhs in respect of any party during the year.
- vi. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, wealth-tax, service-tax, and customs duty which have not been deposited on account of any dispute. The particulars of dues of sales tax and excise duty as at March 31, 2014 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Amount Paid Under Protest (Rs.)	Period to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Excise Duty and penalty	9,358,884	474,525	1989-1990 1990-1992 1999-2000	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)
The Central Excise Act, 1944	Excise Duty	12,620,169	—	2003-2004 2004-2005	Commissioner of Central Excise
Andhra Pradesh General Sales Tax Act, 1957	Sales Tax	585,445	292,692	2000-2001	Additional Commissioner of Commercial Taxes, Hyderabad.
Central Sales Tax Act, 1956	Sales Tax	8,868,616	699,576	2006-2007 2008-2009 2009-2010	Commissioner of Sales Tax



## Saint-Gobain Sekurit India Limited

- x. The accumulated losses of the Company did not exceed fifty percent of its net worth as at March 31, 2014 and it has not incurred cash losses in the financial year ended on that date and in the immediately preceding financial year.
- xi. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
- xiii. As the provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- xv. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.
- xvi. The Company has not raised any term loans. Accordingly, the provisions of Clause 4(xvi) of the Order are not applicable to the Company.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis have been used for long-term investment.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

**For Price Waterhouse**

Firm Registration Number: 012754N  
Chartered Accountants

**Mehul Desai**

Partner

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

Membership Number 103211

**BALANCE SHEET AS AT 31ST MARCH, 2014**

Particulars	Note No.	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	911,057,000	911,057,000
Reserves and Surplus	3	(175,362,983)	(179,478,819)
		<u>735,694,017</u>	<u>731,578,181</u>
<b>Non-Current Liabilities</b>			
Long-term provisions	4	19,335,631	20,733,150
		<u>19,335,631</u>	<u>20,733,150</u>
<b>Current Liabilities</b>			
Short-term borrowings	5	58,243,092	61,854,658
Trade payables	6	85,324,639	148,312,526
Other current liabilities	7	69,009,538	79,990,676
Short-term provisions	8	5,803,262	3,723,413
		<u>218,380,531</u>	<u>293,881,273</u>
<b>Total</b>		<u><u>973,410,179</u></u>	<u><u>1,046,192,604</u></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	9	561,096,366	621,818,614
Intangible assets	9	1,390,200	–
Capital work-in-progress		46,805,570	46,285,273
		<u>609,292,136</u>	<u>668,103,887</u>
Deferred tax asset (Net)	10	–	4,871,300
Long term loans and advances	11	54,881,181	46,435,238
		<u>54,881,181</u>	<u>51,306,538</u>
<b>Current assets</b>			
Current investments	12	8,500,000	–
Inventories	13	129,253,356	131,800,571
Trade receivables	14	140,024,892	147,433,137
Cash and bank balances	15	3,863,698	12,671,639
Short-term loans and advances	16	24,227,360	24,856,924
Other current assets	17	3,367,556	10,019,908
		<u>309,236,862</u>	<u>326,782,179</u>
<b>Total</b>		<u><u>973,410,179</u></u>	<u><u>1,046,192,604</u></u>
General Overview and Significant Accounting Policies	1		
Notes forming part of Financial Statements	2 to 36		

The notes are an integral part of these financial statements

**For Price Waterhouse**

Firm Registration Number: 012754N  
Chartered Accountants

**Mehul Desai**

Partner  
Membership No: 103211

Place: Mumbai  
Date : May 19, 2014

**For and on behalf of the Board**

**A. Y. Mahajan**  
Chairman

**A. Dinakar**  
Managing Director

**Madhura Joshi**  
Company Secretary

Place: Mumbai  
Date : May 19, 2014



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	Note No.	For the year ended 31st March, 2014 (Rs.)	For the year ended 31st March, 2013 (Rs.)
<b>REVENUE:</b>			
Revenue from operations (Gross)	29	1,163,632,620	1,223,035,767
Less: Excise duty		128,606,808	137,483,711
Revenue from operations (Net)		1,035,025,812	1,085,552,056
Other income	18	9,362,938	9,150,621
<b>Total Revenues</b>		<b>1,044,388,750</b>	<b>1,094,702,677</b>
<b>EXPENSES:</b>			
Cost of materials consumed	19(a)	462,727,416	510,377,646
Purchases of stock-in-trade		12,922,262	103,424
Changes in inventories of finished goods, work-in-progress and stock-in-trade	19(b)	1,287,269	(25,001,291)
Employee benefits expense	20	106,444,728	99,105,498
Finance costs	21	1,306,097	2,918,892
Depreciation and amortization expense	9	88,524,196	87,793,166
Other expenses	22	362,133,206	397,383,680
<b>Total Expenses</b>		<b>1,035,345,174</b>	<b>1,072,681,015</b>
Profit before tax		9,043,576	22,021,662
<b>Tax expense:</b>			
Current tax (Minimum Alternate Tax)		1,350,000	4,900,000
Less: MAT credit entitlement		1,350,000	4,900,000
Net Current Tax		–	–
Less: Earlier Year Tax Adjustment (net)		56,440	–
Deferred Tax		4,871,300	15,549,207
		4,927,740	15,549,207
<b>Profit after tax for the year</b>		<b>4,115,836</b>	<b>6,472,455</b>
Earnings per equity share:			
Basic and Diluted (Face Value Rs.10 per share)	26	0.05	0.07
General Overview and Significant Accounting Policies	1		
Notes forming part of Financial Statements	2 to 36		

The notes are an integral part of these financial statements

### For Price Waterhouse

Firm Registration Number: 012754N  
Chartered Accountants

### Mehul Desai

Partner  
Membership No: 103211

Place: Mumbai  
Date : May 19, 2014

### For and on behalf of the Board

**A. Y. Mahajan**  
Chairman

**A. Dinakar**  
Managing Director

**Madhura Joshi**  
Company Secretary

Place: Mumbai  
Date : May 19, 2014

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

### Note 1 – GENERAL INFORMATION AND STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### I. GENERAL INFORMATION:

Saint-Gobain Sekurit India Limited (the 'Company') is engaged primarily in business of automotive glass. The Company has two manufacturing plants in Pune at Bhosari and Chakan and sells primarily in India. The Company is a public limited company and is listed on the Stock Exchange, Mumbai (BSE).

#### SIGNIFICANT ACCOUNTING POLICIES:

#### II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to circular 15/2013 dated 13.09.2013 read with circular 08/2014 dated 04.04.2014, till the Standards of Accounting and any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

#### III. TANGIBLE ASSETS AND DEPRECIATION

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation and accumulated amortization losses, if any. All costs relating to the acquisition and installation of fixed assets are capitalized and include borrowing costs directly attributable to construction or acquisition of fixed assets, upto the date the asset is put to use. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

Depreciation on fixed assets has been provided as under:

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets or the rates prescribed under Schedule XIV of the Companies Act, 1956, whichever is higher, as follows:

- (a) Moulds, pallets and trolleys are depreciated over a period of four years
- (b) Computers and vehicles are depreciated over a period of four years

Fixed Assets costing less than Rs. 5,000 are fully depreciated in the year of purchase.

Leasehold land is amortized over the period of lease.

#### IV. INTANGIBLE ASSETS AND AMORTIZATION

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. A rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use is considered by the management. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss. The amortisation rates used are:

- (a) Computer software is amortized over a period of five years

#### V. BORROWING COSTS

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014****VI. IMPAIRMENT**

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

**VII. INVESTMENTS**

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

**VIII. INVENTORIES**

- (a) Raw materials, components, stores and spares are valued at cost or net realizable value, whichever is lower. Cost is determined using the standard cost adjusted for variance from actual costs on weighted average basis.
- (b) Finished goods and work-in-process are valued at cost or net realizable value, whichever is lower. Finished goods and work-in-process includes cost of conversion incurred in bringing the inventories to its present location and condition.

**IX. REVENUE RECOGNITION**

Sale of goods: Sales are recognised when the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognised net of trade discounts, rebates, sales taxes and excise duties.

**X. OTHER INCOME**

Dividend: Dividend income is recognised when the right to receive dividend is established.

Interest – Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

**XI. FOREIGN CURRENCY TRANSACTIONS****Initial Recognition**

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**Subsequent Recognition**

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period.

Exchange differences on restatement of all other monetary items are recognised in the Statement of Profit and Loss.

**Forward Exchange Contracts**

The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/liability, is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract are recognised as income or as expense for the period.

Forward exchange contracts outstanding as at the year end on account of firm commitment/highly probable forecast transactions are marked to market and the losses, if any are recognized in the Statement of Profit and Loss and gains are ignored in accordance with the Announcement of Institute of Chartered Accountants of India on "Accounting for Derivatives" issued in March 2008.

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

### XII. EMPLOYEE BENEFITS

Provident Fund: Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Gratuity: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Termination Benefits: Termination benefits in the nature of voluntary retirement benefits are recognised in the Statement of Profit and Loss as and when incurred.

### XIII. TAXATION

- (a) Provision for current tax is made in accordance with and at the rates specified under the Income-tax Act, 1961, as amended.
- (b) In accordance with Accounting Standard 22 – 'Accounting for taxes on Income', issued by the Institute of Chartered Accountants of India, the deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the Balance Sheet date.

Deferred tax assets arising from the timing differences are recognized to the extent there is reasonable certainty that the assets can be realized in future.

In cases where there is tax loss and unabsorbed depreciation, deferred tax assets are recognized to the extent that the realization of the related tax benefit through the future taxable profits is virtually certain.

Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

### XIV. PROVISIONS AND CONTINGENCIES

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

### XV. CASH AND CASH EQUIVALENTS

In the cash flow statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

### XVI. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.



## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

### NOTE 2 - SHARE CAPITAL

	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)
<b>Authorised:</b> 92,000,000 (March 31, 2013: 92,000,000) Equity Shares of Rs. 10/- each	<b>920,000,000</b>	920,000,000
	<b>920,000,000</b>	920,000,000
<b>Issued:</b> Equity Share Capital 91,105,700 (March 31, 2013: 91,105,700) Equity Shares of Rs. 10/- each	<b>911,057,000</b>	911,057,000
	<b>911,057,000</b>	911,057,000
<b>Subscribed and Paid up:</b> Equity Share Capital 91,105,700 (March 31, 2013: 91,105,700) Equity Shares of Rs. 10/- each fully paid up	<b>911,057,000</b>	911,057,000
	<b>911,057,000</b>	911,057,000

#### Notes:

#### 1. Rights, preferences and restrictions attached to the shares

Equity Shares:

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

#### 2. Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

	As at 31st March, 2014 No. of shares	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 No. of shares	As at 31st March, 2013 (Rs.)
No. of shares outstanding at the beginning of the year				
– Equity shares	<b>91,105,700</b>	<b>911,057,000</b>	91,105,700	911,057,000
Add: Additional shares issued during the year				
– Equity shares	–	–	–	–
Less: Shares Redeemed during the year				
– Equity shares	–	–	–	–
No. of shares outstanding at the end of the year				
– Equity shares	<b>91,105,700</b>	<b>911,057,000</b>	91,105,700	911,057,000

#### 3. Shares held by holding company and subsidiary of ultimate holding company:

Particulars	Number of shares as at 31st March, 2014	Number of shares as at 31st March, 2013
<b>Equity Shares:</b>		
Saint-Gobain Sekurit S.A., France	<b>55,813,526</b>	55,813,526
Saint-Gobain Glass India Limited	<b>12,515,749</b>	22,325,410

#### 4. Number of shares held by each shareholder holding more than 5% shares in the Company are as follows:

Particulars	Number of shares as at 31st March, 2014	Number of shares as at 31st March, 2013
<b>Equity Shares:</b>		
Saint-Gobain Sekurit S.A., France	<b>55,813,526</b> (61.26%)	55,813,526 (61.26%)
Saint-Gobain Glass India Limited	<b>12,515,749</b> (13.74%)	22,325,410 (24.51%)

**Note:** Saint-Gobain Glass India Limited has diluted their shareholding in the company via Offer For Sale on May 30, 2013 from 24.5 % to 13.74 % to comply with the Clause 40 A of Listing agreement.

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**

**NOTE 3 - RESERVES AND SURPLUS**

	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)
<b>Capital Redemption Reserve</b>		
As per last Balance Sheet	11,000	11,000
<b>Securities Premium Account</b>		
As per last Balance Sheet	113,247,720	113,247,720
<b>Surplus</b>		
As per last Balance Sheet	(292,737,539)	(299,209,994)
Add: Profit for the year	4,115,836	6,472,455
	<u>(288,621,703)</u>	<u>(292,737,539)</u>
	<u>(175,362,983)</u>	<u>(179,478,819)</u>

**NOTE 4 - LONG-TERM PROVISIONS**

	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)
<u>Provision for Employee Benefits</u>		
Provision for Compensated Absences (Refer Note 8)	4,054,540	3,489,074
Provision for Gratuity (Refer Notes 8 and 23)	11,923,753	11,356,658
<u>Others:</u>		
Provision for Litigations/Disputes	3,357,338	5,887,418
	<u>19,335,631</u>	<u>20,733,150</u>

**Note:**

Details of provisions and movements in each class of provisions as required by the Accounting Standard on Provisions, Contingent Liabilities and Contingent Assets (Accounting Standard-29):

Provision for litigation/disputes represents indirect tax and civil suits related claims against the Company not acknowledged as debts that are expected to materialise in respect of matters in litigation.

	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)
Carrying Amount at the beginning of the year	5,887,418	5,412,893
Additional Provision made during the year	-	474,525
Amounts Used during the year	2,530,080	-
Unused amounts reversed during the year	-	-
Carrying Amounts at the end of the year	<u>3,357,338</u>	<u>5,887,418</u>
<u>Bifurcation of the Carrying amount:</u>		
- Non-current Portion	3,357,338	5,887,418

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

### NOTE 5 - SHORT-TERM BORROWINGS

	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)
Buyers Line of Credit from Bank		
– Unsecured	58,243,092	51,597,794
– Secured (Refer Notes 8 and 23)	–	10,256,864
	58,243,092	61,854,658

**Notes:**

- Interest rates on the above loans range between 0.82% to 1.30% (March 31, 2013: 0.30% to 2.00%).
- Buyers' Line of Credit from a bank is secured by hypothecation of stocks and book debts on a pari passu basis.

### NOTE 6 - TRADE PAYABLES

	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)
Trade payables	85,324,639	148,312,526
	85,324,639	148,312,526

**Note:**

Disclosure under the Micro, Small & Medium Enterprises Development Act, 2006:

Sl. No.	Particulars	Year ended 31st March, 2014		Year ended 31st March, 2013	
		Principal (Rs.)	Interest (Rs.)	Principal (Rs.)	Interest (Rs.)
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	1,119,880	83,376	621,090	40,946
(ii)	The amount of interest paid by the buyer in terms of section 18, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	–	–	–	–
(iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	–	81,214	–	40,192
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	–	164,590	–	81,138
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	–	914,069	–	749,479

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**

**NOTE 7 - OTHER CURRENT LIABILITIES**

	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)
Capital creditors	9,372,808	2,081,445
Statutory dues (including Provident Fund and Tax Deducted at Source)	9,449,317	11,479,634
Employee benefits payable	8,503,129	9,196,659
Security deposits	2,305,000	905,000
Advances from customers	1,923,484	1,600,000
Other sundry liabilities	37,455,800	54,727,938
	<u>69,009,538</u>	<u>79,990,676</u>

**NOTE 8 - SHORT TERM PROVISIONS**

	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)
<u>Provision for Employee Benefits:</u>		
Provision for compensated absences	1,453,679	938,130
Provision for gratuity (Refer Note 23)	3,258,432	2,785,283
Provision for mark to market losses on derivatives (Refer Note 27)	1,091,151	-
	<u>5,803,262</u>	<u>3,723,413</u>

**NOTE 9 - FIXED ASSETS**

	Cost				Depreciation / Amortization				Net Block	
	As at 1st April 2013	Additions during the year	Deductions during the year	As at 31st March 2014	Upto 1st April 2013	For the year	On Deductions	Upto 31st March 2014	As at 31st March 2014	As at 31st March 2013
<b>TANGIBLE ASSETS</b>										
Land - Freehold	2,866,677	-	-	2,866,677	-	-	-	-	2,866,677	2,866,677
Land - Leasehold	512,669	-	-	512,669	140,363	6,101	-	146,464	366,205	372,306
Buildings	104,127,566	4,979,004	-	109,106,570	38,954,278	3,356,812	-	42,311,090	66,795,480	65,173,288
Plant & Machinery*	1,180,792,678	23,193,961	30,732,350	1,173,254,289	641,038,481	81,964,113	30,082,047	692,920,547	480,333,742	539,754,197
Furniture & Fixtures	18,474,822	70,875	25,337	18,520,360	9,901,338	1,027,998	7,751	10,921,585	7,598,775	8,573,484
Vehicles	225,894	-	-	225,894	225,894	-	-	225,894	-	-
Computers	13,437,596	85,514	-	13,523,110	8,358,934	2,028,689	-	10,387,623	3,135,487	5,078,662
<b>TOTAL TANGIBLE ASSETS</b>	1,320,437,902	28,329,354	30,757,687	1,318,009,569	698,619,288	88,383,713	30,089,798	756,913,203	561,096,366	621,818,614
<b>INTANGIBLE ASSETS</b>										
Goodwill	8,143,000	-	-	8,143,000	8,143,000	-	-	8,143,000	-	-
Computer Software	7,161,872	1,530,683	-	8,692,555	7,161,872	140,483	-	7,302,355	1,390,200	-
<b>TOTAL INTANGIBLE ASSETS</b>	15,304,872	1,530,683	-	16,835,555	15,304,872	140,483	-	15,445,355	1,390,200	-
<b>TOTAL ASSETS</b>	1,335,742,774	29,860,037	30,757,687	1,334,845,124	713,924,160	88,524,196	30,089,798	772,358,558	562,486,566	621,818,614
<b>Previous year</b>	1,240,881,609	153,182,399	58,321,234	1,335,742,774	667,463,664	87,793,166	41,332,670	713,924,160	621,818,614	573,417,945

**Note:**

\* Plant and Machinery includes Machinery costing Rs. 5,436,927 (March 31, 2013 Rs. 5,436,927) Net block Rs. 7,06,008 (March 31, 2013 Rs. 9,64,263) and depreciation for the year Rs. 2,58,255 (March 31, 2013: Rs.257,722) given under operating lease arrangement.

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**
**NOTE 10 - DEFERRED TAX ASSET (NET):**

<b>(i) BREAK UP OF DEFERRED TAX ASSET AS AT THE YEAR END:</b>		
	<b>As at 31st March, 2014 (Rs.)</b>	<b>As at 31st March, 2013 (Rs.)</b>
Unabsorbed depreciation	<b>43,557,998</b>	53,154,222
	<u><b>43,557,998</b></u>	<u>53,154,222</u>
<b>(ii) BREAK UP OF DEFERRED TAX LIABILITY AS AT THE YEAR END:</b>		
Provision for depreciation	<b>43,557,998</b>	48,282,922
	<u><b>43,557,998</b></u>	<u>48,282,922</u>
<b>(iii) DEFERRED TAX ASSET (NET):</b>	<u><b>-</b></u>	<u>4,871,300</u>

As per Accounting Standard 22 "Accounting for Taxes on Income", the Company has recorded the cumulative deferred tax liability as at March 31, 2014 of Rs. 43,557,998 and recognized the cumulative deferred tax asset on the basis of prudence, only to the extent of the cumulative deferred tax liability as at March 31, 2014.

**NOTE 11 - LONG-TERM LOANS AND ADVANCES (Unsecured, Considered good unless otherwise stated)**

	<b>As at 31st March, 2014 (Rs.)</b>	<b>As at 31st March, 2013 (Rs.)</b>
Capital advances	<b>5,265,617</b>	2,698,560
MAT credit receivable	<b>36,430,106</b>	35,405,558
Security deposits		
Considered Good	<b>2,248,592</b>	2,486,178
Considered Doubtful	<b>406,486</b>	180,000
	<u><b>2,655,078</b></u>	<u>2,666,178</u>
Less: Provision for doubtful deposits	<b>406,486</b>	180,000
	<u><b>2,248,592</b></u>	<u>2,486,178</u>
Taxes paid in advance less provisions (current tax) [Net of provision of Rs. 39,139,053/- (March 31, 2013 Rs. 38,058,056/-)]	<b>4,979,633</b>	4,560,621
Payments/deposits under protest against litigations	<b>1,969,233</b>	1,284,321
Advances to Employees	<b>3,988,000</b>	-
	<u><b>54,881,181</b></u>	<u>46,435,238</u>

**NOTE 12 - CURRENT INVESTMENTS**

	<b>As at 31st March, 2014 (Rs.)</b>	<b>As at 31st March, 2013 (Rs.)</b>
At cost or market value, whichever is less:	<b>8,500,000</b>	-
Mutual funds (Quoted)		
UTI Money Market Fund – Institutional Plan – Growth 5,949.71 units (March 31, 2013: Nil units)	<u><b>8,500,000</b></u>	<u>-</u>
Aggregate cost of quoted investments	<b>8,500,000</b>	-
Market value of quoted investments	<b>8,541,880</b>	-

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**

**NOTE 13 - INVENTORIES**

	<b>As at 31st March, 2014 (Rs.)</b>	<b>As at 31st March, 2013 (Rs.)</b>
Raw materials	33,911,546	40,089,774
Work-in-progress	6,722,190	11,018,674
Finished goods	56,517,251	55,941,607
Traded goods	2,433,571	-
Stores and spares	29,668,798	24,750,516
	<u>129,253,356</u>	<u>131,800,571</u>

**NOTE 14 - TRADE RECEIVABLES**

(Unsecured)

	<b>As at 31st March, 2014 (Rs.)</b>	<b>As at 31st March, 2013 (Rs.)</b>
Debts due for a period exceeding six months		
Considered Good	18,908,087	21,490,490
Considered Doubtful	1,246,845	2,618,177
	<u>20,154,932</u>	<u>24,108,667</u>
Other Debts:		
Considered Good	122,717,211	125,942,647
Considered Doubtful	874,913	4,128,953
	<u>123,592,124</u>	<u>130,071,600</u>
Less: Provision for Doubtful Debts	3,722,164	6,747,130
	<u>140,024,892</u>	<u>147,433,137</u>

**NOTE 15 - CASH AND BANK BALANCES**

	<b>As at 31st March, 2014 (Rs.)</b>	<b>As at 31st March, 2013 (Rs.)</b>
Cash and Cash Equivalents		
Balances with banks on Current Accounts	3,852,683	12,536,094
Cash on hand	11,015	135,545
	<u>3,863,698</u>	<u>12,671,639</u>

**NOTE 16 - SHORT-TERM LOANS AND ADVANCES**

(Unsecured, considered good)

	<b>As at 31st March, 2014 (Rs.)</b>	<b>As at 31st March, 2013 (Rs.)</b>
Excise and Service Tax Receivable	6,560,078	10,066,209
Prepaid Expenses	4,047,435	3,495,721
Deferred Premium on Derivative Contracts	2,964,974	1,840,617
Advances to Suppliers	2,694,830	3,918,779
Balances with Excise, Customs, Port trust, etc.	3,477,480	3,904,365
Advances to Employees	3,425,270	1,524,876
Recoverable from employee gratuity trust	1,057,293	106,357
	<u>24,227,360</u>	<u>24,856,924</u>

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

### NOTE 17 - OTHER CURRENT ASSETS

	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)
Interest accrued on Security Deposits	–	198,905
Income accrued on account of rebates	3,367,556	9,821,003
	<u>3,367,556</u>	<u>10,019,908</u>

### NOTE 18 - OTHER INCOME

	For the year ended 31st March, 2014 (Rs.)	For the year ended 31st March, 2013 (Rs.)
Interest on Deposits	–	32,915
Provision no longer required written back	5,277,964	7,215,953
Profit on sale of investments	103,014	300,857
Rent Income	192,000	192,000
Tool Development charges	2,500,000	–
Other Income	1,289,960	1,408,896
	<u>9,362,938</u>	<u>9,150,621</u>

### NOTE 19 (a) - COST OF MATERIALS CONSUMED

	For the year ended 31st March, 2014 (Rs.)	For the year ended 31st March, 2013 (Rs.)
<b>RAW MATERIALS CONSUMED</b>		
Opening Stock	40,089,774	35,234,481
Add: Purchases (Net)	456,549,188	515,232,939
Less: Closing Stock	33,911,546	40,089,774
<b>Cost of raw materials consumed during the year</b>	<u>462,727,416</u>	<u>510,377,646</u>

### NOTE 19 (b) - CHANGES IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS

	For the year ended 31st March, 2014 (Rs.)	For the year ended 31st March, 2013 (Rs.)
<b>OPENING STOCK :</b>		
– Work in progress	11,018,674	6,820,040
– Finished Goods (Manufactured)	55,941,607	35,138,950
– Traded Goods	–	–
<b>CLOSING STOCK :</b>		
– Work in progress	6,722,190	11,018,674
– Finished Goods (Manufactured)	56,517,251	55,941,607
– Traded Goods	2,433,571	–
	<u>1,287,269</u>	<u>(25,001,291)</u>

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**

**NOTE 20 - EMPLOYEE BENEFITS EXPENSE**

	For the year ended 31st March, 2014 (Rs.)	For the year ended 31st March, 2013 (Rs.)
Salaries and wages	86,317,511	83,251,701
Contribution to provident and other funds	4,818,117	4,119,305
Gratuity Contribution/Expenses	2,830,663	4,618,143
Staff welfare expenses	12,478,437	7,116,349
	<u>106,444,728</u>	<u>99,105,498</u>

**NOTE 21 - FINANCE COSTS**

	For the year ended 31st March, 2014 (Rs.)	For the year ended 31st March, 2013 (Rs.)
Interest on:		
– Buyers Line of Credit	948,721	1,230,717
– Working Capital Demand Loan	–	550,863
Bank Charges	204,812	485,333
Other borrowing cost	152,564	651,979
	<u>1,306,097</u>	<u>2,918,892</u>

**NOTE 22 - OTHER EXPENSES**

		For the year ended 31st March, 2014 (Rs.)	For the year ended 31st March, 2013 (Rs.)
Consumption of stores and spare parts		29,898,251	31,639,900
Labour charges		39,142,313	40,767,559
Power and fuel		127,520,753	147,108,629
Rent		7,165,398	7,654,257
Repairs and maintenance -			
Plant and Machinery	12,609,979		20,074,430
Buildings	671,900		1,484,388
Others	5,751,397		6,203,647
		<u>19,033,276</u>	<u>27,762,465</u>
Travelling and Conveyance		7,733,298	7,605,060
Communication Expenses		1,807,474	1,087,272
Rates & Taxes		3,820,796	2,187,757
Insurance		2,378,271	2,616,935
Environment, Health and Safety Expenses		1,709,220	1,427,505
Legal and Professional Fees		5,641,762	4,902,970
Exchange Fluctuations Loss (net)		11,334,246	14,807,301
Provision for mark to market losses on derivatives		1,091,151	–
Loss on sale / write off of Assets (net)		635,825	16,988,564
Freight Octroi and Packing Expenses		43,477,121	38,259,237
Pool Research and Development		11,356,178	23,984,113
General Assistance Fees		17,534,738	–
IT Support Fees		12,154,132	10,009,565
Auditors Remuneration			
– As Auditors		1,900,000	1,125,000
– Other services		300,000	300,000
– Out of Pocket Expenses		21,091	23,739
Miscellaneous Expenses		16,477,912	17,125,852
		<u>362,133,206</u>	<u>397,383,680</u>



## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

### Notes:

#### 1. EXPENDITURE IN FOREIGN CURRENCY

	For the year ended 31st March, 2014 (Rs.)	For the year ended 31st March, 2013 (Rs.)
Research and Development	250,350	405,227
Pool Research and Development	11,356,178	23,984,113
Technical services	1,898,818	6,623,371
IT Support Fees	12,154,132	10,009,565
General Assistance Fees	17,534,738	-
Interest Expenses	948,721	1,230,717
Others	223,475	662,067

#### 2. THE NET EXCHANGE DIFFERENCES ARISING DURING THE YEAR:

(i) Recognised appropriately in the Statement of Profit and Loss – net loss – Rs. 11,334,246 (March 31, 2013: Rs.14,807,301).

#### NOTE 23 - DETAILS OF EMPLOYEE BENEFITS AS REQUIRED BY THE ACCOUNTING STANDARD 15 (REVISED) EMPLOYEE BENEFITS:

##### A. Defined Contribution Plans:

The Company has recognised the following amounts in the Statement of Profit and Loss for the year:

(Amount in Rupees)

Sl. No.	Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
1.	Contribution to Employees' Superannuation Fund	60,653	5,840
2.	Contribution to Provident Fund	4,391,649	3,587,316

##### B. Defined Benefit Plans:

Valuation in respect of Gratuity has been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions:

Sl. No.	Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
a.	Discount Rate (per annum)	9.20%	8.25%
b.	Rate of increase in Compensation Levels	7.00%	7.00%
c.	Rate of Return on Plan Assets	8.70%	8.70%
d.	Expected Average remaining working lives of employees in number of years	14 Years	14 Years

Gratuity (Funded and Non Funded)

(Amount in Rupees)

Sl. No.	Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
(i)	Changes in the Present Value of Obligation		
a.	Present Value of Obligation as at the beginning of the year	20,361,828	15,662,867
b.	Interest Cost	1,679,851	1,331,344
c.	Current Service Cost	1,367,601	1,086,940
d.	Benefits Paid	(796,375)	(378,351)
e.	Actuarial (Gain)/Loss	431,239	2,659,028
f.	Present Value of Obligation as at the end of the year	23,044,144	20,361,828
(ii)	Changes in the Fair Value of Plan Assets		
a.	Present Value of Plan Assets as at the beginning of the year	6,219,887	4,933,770
b.	Expected Return on Plan Assets	541,130	424,304
c.	Actuarial Gain/(Loss)	106,898	34,865
d.	Employers' Contributions	1,790,419	1,205,299
e.	Benefits Paid	(796,375)	(378,351)
f.	Fair Value of Plan Assets as at the end of the year	7,861,959	6,219,887

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**

(Amount in Rupees)

Sl. No.	Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
(iii)	Amount recognised in the Balance Sheet		
	a. Present Value of Obligation as at the end of the year	<b>23,044,144</b>	20,361,828
	b. Fair Value of Plan Assets as at the end of the year	<b>(7,861,959)</b>	(6,219,887)
	c. (Asset)/Liability recognised in the Balance Sheet	<b>15,182,185</b>	14,141,941

Gratuity

(Amount in Rupees)

Sl. No.	Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
(iv)	Expenses recognised in the Profit and Loss Account		
	a. Current Service Cost	<b>1,367,601</b>	1,086,940
	b. Interest Cost	<b>1,679,851</b>	1,331,344
	c. Expected Return on Plan Assets	<b>(541,130)</b>	(424,304)
	d. Net actuarial (Gain)/Loss	<b>324,341</b>	2,624,163
	e. Total Expense/(Credit) recognised in the Profit and Loss Account	<b>2,830,663</b>	4,618,143
(v)	Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at March 31, 2014. Administered by Life Insurance Corporation of India	<b>100%</b>	100%

(vi) Experience History

(Amount in Rupees)

	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2011
Present Value of Obligation	<b>(23,044,144)</b>	(20,361,828)	(15,662,867)	(14,283,432)
Plan Assets	<b>7,861,959</b>	6,219,887	4,933,770	3,718,163
Surplus/(Deficit)	<b>(15,182,185)</b>	(14,141,941)	(10,729,097)	(10,565,269)
Experience adjustments on plan liabilities (loss)/gain	<b>2,749,244</b>	2,136,240	332,916	1,650,627
Experience adjustments on plan assets (loss)/gain	<b>106,898</b>	34,865	101,162	113,640

**Note** - Fair value of plan asset at the year end is as confirmed by Life Insurance Corporation.

**NOTE 24 - SEGMENT INFORMATION**

The Company is engaged in the business of "Automotive Glass" which, as per the Accounting Standard - 17 Segment Reporting is considered as the only reportable primary business segment. The geographical segment is not considered as reportable segment as exports are insignificant.

**NOTE 25 - RELATED PARTY DISCLOSURES**

**Related Party Disclosures:**

1. (a) Name of the related party and the nature of relationship where control exists:

Name of the related Party	Nature of Relationship
Compagnie de Saint-Gobain, France	Ultimate Holding Company
Saint-Gobain Sekurit S.A. France	Holding Company

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(b) Relationships:

(i) **Entity in respect of which the Company is an Associate**

Saint-Gobain Glass India Limited, India

(ii) **Fellow Subsidiaries**

Saint-Gobain Glass, France

Saint-Gobain Seva, France

Grindwell Norton Limited, India

Saint-Gobain Sekurit Italia, SRL

Saint-Gobain Autover International B.V.

Saint-Gobain Sekurit Deutschland Gmbh & Co. KG, Germany

Saint-Gobain Consulting Information Organization, France

Saint-Gobain Research (Shanghai) Co. Ltd.

(iii) **Key Managerial Personnel**

Mr. A. Dinakar (Managing Director)

2. The following transactions were carried out in the ordinary course of business with the parties referred to in 1 (a) and (b) above:

(Amount in Rupees)

Sr. No.	Nature of Transaction	Name of Related Party	Holding	Fellow Subsidiaries	Entity in respect of which the Company is an Associate	Key Managerial Personnel	Total
1	Purchase of Fixed Assets	Saint-Gobain Glass India Limited, India	– (–)	– (–)	3,385,890 (5,969,624)	– (–)	3,385,890 (5,969,624)
		Saint-Gobain Sekurit S. A., France	452,799 (6,536,365)	– (–)	– (–)	– (–)	452,799 (6,536,365)
		Compagnie de Saint-Gobain, France	– (2,450,934)	– (–)	– (–)	– (–)	– (2,450,934)
		Saint-Gobain Research (Shanghai) Co. Ltd.	– (–)	– (168,984)	– (–)	– (–)	– (168,984)
		Saint-Gobain Consulting Information Organization, France	– (–)	916,394 (–)	– (–)	– (–)	916,394 (–)
		Saint-Gobain Glass, France	– (–)	488,700 (283,944)	– (–)	– (–)	488,700 (283,944)
		Saint-Gobain Seva, France	– (–)	4,684,095 (37,493,085)	– (–)	– (–)	4,684,095 (37,493,085)
2	Purchase of Consumables & Spares	Grindwell Norton Limited, India	– (–)	1,282,391 (1,842,085)	– (–)	– (–)	1,282,391 (1,842,085)
		Saint-Gobain Sekurit S.A., France	(63,226)	– (–)	– (–)	– (–)	– (63,226)
		Saint-Gobain Glass India Limited, India	– (–)	– (–)	62,873 (160,142)	– (–)	62,873 (160,142)
		Saint-Gobain Seva, France	– (–)	1,358,850 (1,955,976)	– (–)	– (–)	1,358,850 (1,955,976)
		Saint-Gobain Autover International B.V.	– (–)	82,418 (–)	– (–)	– (–)	82,418 (–)
3	Purchase of Goods	Saint-Gobain Glass India Limited, India	– (–)	– (–)	362,979,358 (372,607,630)	– (–)	362,979,358 (372,607,630)
		Saint-Gobain Sekurit Deutschland Gmbh & Co KG, Germany	– (–)	13,163,884 (15,650,307)	– (–)	– (–)	13,163,884 (15,650,307)
4	Pool Research and Development	Saint-Gobain Glass, France	– (–)	11,356,178 (23,984,113)	– (–)	– (–)	11,356,178 (23,984,113)

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**

(Amount in Rupees)

Sr. No.	Nature of Transaction	Name of Related Party	Holding	Fellow Subsidiaries	Entity in respect of which the Company is an Associate	Key Managerial Personnel	Total
5	IT Support services	Saint-Gobain Consulting Information Organization, France	– (–)	12,154,132 (10,009,565)	– (–)	– (–)	12,154,132 (10,009,565)
6	General Assistance	Saint-Gobain Glass, France	– (–)	17,534,738 (–)	– (–)	– (–)	17,534,738 (–)
7	Services Received	Saint-Gobain Glass India Limited, India	– (–)	– (–)	18,146,348 (19,603,310)	– (–)	18,146,348 (19,603,310)
		Saint-Gobain Seva, France	– (–)	198,834 (2,815,010)	– (–)	– (–)	198,834 (2,815,010)
		Compagnie de Saint-Gobain, France	– (981,617)	– (–)	– (–)	– (–)	– (981,617)
		Saint-Gobain Glass, France	– (–)	– (162,060)	– (–)	– (–)	– (162,060)
		Grindwell Norton Limited, India	– (–)	5,269,191 (4,785,880)	– (–)	– (–)	5,269,191 (4,785,880)
		Saint-Gobain Sekurit S.A., France	319,100 (3,355,664)	– (–)	– (–)	– (–)	319,100 (3,355,664)
8	Services Rendered	Saint-Gobain Glass India Limited, India	– (–)	– (–)	14,999,929 (10,914,145)	– (–)	14,999,929 (10,914,145)
9	Rebate Received	Saint-Gobain Sekurit S.A. France	1,323,723 –	– (–)	– (–)	– (–)	1,323,723 (–)
10	Sale of Goods	Saint-Gobain Glass India Limited, India	– (–)	– (–)	64,920,369 (25,911,981)	– (–)	64,920,369 (25,911,981)
		Saint-Gobain Sekurit Deutschland GmbH & Co KG, Germany	– (–)	2,345,568 (3,303,257)	– (–)	– (–)	2,345,568 (3,303,257)

**3. Outstanding Balances as on March 31, 2014**

(Amount in Rupees)

Sr. No	Name of the Related Party	Holding	Fellow Subsidiary	Entity in respect of which the Company is an Associate	Key Managerial Personnel	Total
<b>A</b>	<b>Trade Receivables :</b>					
1	Saint-Gobain Sekurit S.A., France	191,121 (191,121)	– (–)	– (–)	– (–)	191,121 (191,121)
2	Saint-Gobain Sekurit Deutschland GmbH & Co KG, Germany	– (–)	299,737 (2,242,396)	– (–)	– (–)	299,737 (2,242,396)
3	Saint-Gobain Sekurit Italia, SRL	– (–)	83,430 (378,430)	– (–)	– (–)	83,430 (378,430)
<b>B</b>	<b>Other Receivables</b>					
1	Saint-Gobain Sekurit S.A., France	789,527 (2,327,575)	– (–)	– (–)	– (–)	789,527 (2,327,575)
2	Saint-Gobain Seva, France	– (–)	2,654,440 (–)	– (–)	– (–)	2,654,440 (–)
<b>C</b>	<b>Trade Payables</b>					
1	Saint-Gobain Sekurit S.A. France	521,549 (4,390,716)	– (–)	– (–)	– (–)	521,549 (4,390,716)
2	Grindwell Norton Limited, India	– (–)	520,539 (316,693)	– (–)	– (–)	520,539 (316,693)
3	Saint-Gobain Glass India Limited, India	– (–)	– (–)	41,133,479 (97,455,108)	– (–)	41,133,479 (97,455,108)
4	Saint-Gobain Glass, France	– (–)	13,566,492 (9,777,246)	– (–)	– (–)	13,566,492 (9,777,246)
5	Saint-Gobain Seva, France	– (–)	3,578,602 (821,129)	– (–)	– (–)	3,578,602 (821,129)
6	Saint-Gobain Consulting Information Organization, France	– (–)	950,474 (–)	– (–)	– (–)	950,474 (–)
7	Compagnie de Saint-Gobain, France	– (268,096)	– (–)	– (–)	– (–)	– (268,096)

Notes:

1. Figures in brackets pertain to the previous year.

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

### NOTE 26 - EARNING PER SHARE

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
a) Profit after taxation as per Statement of Profit and Loss Account (Amount in Rupees)	4,115,836	6,472,455
b) Weighted average number of Equity Shares outstanding during the year	91,105,700	91,105,700
c) Nominal value of Equity Shares (Rs.)	10.00	10.00
d) Basic Earnings per Share (Rs.) (a/b)	0.05	0.07

### NOTE 27 - FOREIGN CURRENCY EXPOSURE

(a) Forward Contracts outstanding (for hedging) as at Balance Sheet date:

Currency	As at 31st March, 2014	As at 31st March, 2013	Type
In USD Equivalent approximate in Rupees	516,018 31,662,843	1,047,467 58,066,834	Buy
In EURO Equivalent approximate in Rupees	465,155 39,049,772	415,840 30,431,476	Buy

(b) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Liability (Payables)</b>		
In EURO Equivalent approximate in Rupees	32,988 2,769,308	71,352 5,040,990
In CHF Equivalent approximate in Rupees	2,227 153,586	1,921 111,308
In USD Equivalent approximate in Rupees	4,999 306,739	6,762 377,511
<b>Debit balance in Creditors</b>		
In Euro Equivalent approximate in Rupees	11,131 934,484	48,887 3,453,834
In USD Equivalent approximate in Rupees	9,108 558,840	8,700 485,721
<b>Assets (Receivables)</b>		
In Euro Equivalent approximate in Rupees (Conversion done using the respective rates of March 31)	13,086 1,065,564	32,300 2,281,973

(c) **Mark-to-Market losses:**

Particulars	As at March 31, 2014	As at March 31, 2013
Mark-to-market losses provided for	1,091,151	-

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**

**NOTE 28 - CONTINGENT LIABILITIES AND COMMITMENTS:**

a) **Contingent liabilities:**

(Amount in Rupees)

Particulars	As at March 31, 2014	As at March 31, 2013
Bills discounted not matured	55,410,615	47,284,017
Disputed Central Excise Duty and Service Tax	20,286,563	20,286,563
Sales Tax Matters	9,454,061	2,285,445
Octroi	56,213	56,213
<b>Total</b>	<b>85,207,452</b>	<b>69,912,238</b>

b) **Commitments:**

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs 34,548,883 (March 31, 2013: Rs. 26,109,186).
- (b) During the earlier year, the Company imported an asset costing Rs. 165,055,220 under Export Promotion Capital Goods Scheme and accordingly had an export obligation of Rs. 229,154,046. Against the obligation, the Company has met an export obligation subject to documentation and DGFT Audit of Rs.11,484,969 up to March 31, 2014 (March 31, 2013 - Nil) and has provided a bond of Rs. 32,238,198 (March 31, 2013: Rs. 32,238,198) to the Commissioner of Customs. In the opinion of the management, the Company will be able to fulfil its obligation over the prescribed time limit. However, for one of the license, on March 28, 2014, the Company has filed for extension of timeline for fulfillment of the obligation which had an export obligation of Rs 17,835,429 to be fulfilled by October 2014. Approval from the authorities for the extension is awaited.

**NOTE 29 (a) - SALES OF PRODUCTS AND MOVEMENT IN STOCK OF PRODUCTS**

(Amount in Rupees)

Particulars	Opening stock		Closing stock		Revenue from Sale of Products (Net of Excise Duty)	
	As at 1st April, 2013	As at 1st April, 2012	As at 31st March, 2014	As at 31st March, 2013	For the year ended 31st March, 2014	For the year ended 31st March, 2013
<b>Finished Goods</b>						
– Laminated Safety Glasses	35,026,750	25,727,768	37,303,642	35,026,750	824,098,359	856,881,554
– Tempered Glasses	20,914,857	9,411,182	19,213,609	20,914,857	182,689,420	212,056,405
Other Operating Revenue						
– Sales - Scrap	–	–	–	–	17,994,816	16,510,673
<b>Traded Goods</b>						
- Laminated Safety Glasses	–	–	2,433,571	–	10,243,217	–
- Tempered Glasses	–	–	–	–	–	103,424
	<b>55,941,607</b>	35,138,950	<b>58,950,822</b>	55,941,607	<b>1,035,025,812</b>	1,085,552,056

**NOTE 29 (b) - EARNINGS IN FOREIGN CURRENCY**

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Sales of goods (scrap Sale)	2,345,568	3,303,257
	<b>2,345,568</b>	<b>3,303,257</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**
**NOTE 30 (a) - RAW MATERIAL CONSUMPTION**
**(Amount in Rupees)**

<b>Particulars</b>	<b>For the year ended 31st March, 2014</b>	<b>For the year ended 31st March, 2013</b>
Sheet/Float Glasses	<b>299,446,048</b>	323,073,486
P V B Film	<b>127,527,056</b>	147,126,850
Others	<b>35,754,312</b>	40,177,310
	<b><u>462,727,416</u></b>	<u>510,377,646</u>

**NOTE 30 (b) - PURCHASE OF TRADED GOODS**
**(Amount in Rupees)**

<b>Particulars</b>	<b>For the year ended 31st March, 2014</b>	<b>For the year ended 31st March, 2013</b>
Laminated Safety Glasses	<b>12,922,262</b>	–
Tempered Glasses	–	103,424
	<b><u>12,922,262</u></b>	<u>103,424</u>

**NOTE 31 - CIF VALUE OF IMPORTS**
**(Amount in Rupees)**

<b>Particulars</b>	<b>For the year ended 31st March, 2014</b>	<b>For the year ended 31st March, 2013</b>
Raw Material	<b>89,196,884</b>	176,229,424
Capital Goods	<b>10,280,405</b>	50,186,139
Components and Spares	<b>14,552,341</b>	11,695,003
	<b><u>114,029,630</u></b>	<u>238,110,566</u>

**NOTE 32 - VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, SPARE PARTS AND COMPONENTS CONSUMED**

<b>Particulars</b>	<b>For the year ended 31st March, 2014</b>		<b>For the year ended 31st March, 2013</b>	
	<b>Value (Amount in Rupees)</b>	<b>%</b>	<b>Value (Amount in Rupees)</b>	<b>%</b>
Raw Material and Components				
i) Imported	<b>135,757,049</b>	<b>29%</b>	154,561,229	30%
ii) Indigenous	<b>326,970,367</b>	<b>71%</b>	355,816,417	70%
	<b><u>462,727,416</u></b>	<b>100%</b>	<u>510,377,646</u>	100%
Consumables and Stores				
i) Imported	<b>10,320,396</b>	<b>35%</b>	10,826,007	34%
ii) Indigenous	<b>19,577,855</b>	<b>65%</b>	20,813,893	66%
	<b><u>29,898,251</u></b>	<b>100%</b>	<u>31,639,900</u>	100%

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**

**NOTE 33 - MOVEMENT IN STOCK OF WORK IN PROGRESS (WIP)**

(Amount in Rupees)

Particulars	WIP Opening Stock		WIP Closing Stock	
	As at 1st April, 2013	As at 1st April, 2012	As at 31st March, 2014	As at 31st March, 2013
Work in Progress	<b>11,018,674</b>	6,820,040	<b>6,722,190</b>	11,018,674
	<b>11,018,674</b>	6,820,040	<b>6,722,190</b>	11,018,674

**NOTE 34**

The Board of Directors of the Company in their meeting dated April 19, 2013 approved a scheme of amalgamation to merge the Company, on a going concern basis, with Grindwell Norton Limited, to be effective from the appointed date of April 1, 2013, subject to approval of the members of the Company, High Court of judicature of Bombay and other regulatory compliances as may be necessary. The Shareholders of the Company approved the Scheme vide court convened meeting held on November 27, 2013 and through Postal ballot. However the shareholders of Transferee Company ( other than promoter and promoter group company) did not pass the resolution by postal ballot with the requisite majority.

**NOTE 35**

The Management has carried out the analysis of the impact of transfer pricing rules on its transactions with associated persons defined in relevant rules, in the last fiscal year, which did not result in any accounting adjustments. The management is currently analysing the continuing impact thereof on similar and new transactions together with new associated persons defined in the relevant rules, for the period from April 01, 2013 to March 31, 2014. In the opinion of the management, no such transfer pricing related adjustments for the current year are anticipated and accordingly no provision has been considered on account of transfer pricing adjustments while determining tax liability for the current period.

**NOTE 36**

Previous year figures have been reclassified to conform to this year's classification.

Signatures to Notes 1 to 36 forming part of Financial Statements

**For Price Waterhouse**

Firm Registration Number: 012754N  
Chartered Accountants

**Mehul Desai**

Partner  
Membership No: 103211

Place : Mumbai  
Date : May 19, 2014

**For and on behalf of the Board**

**A. Y. Mahajan**  
Chairman

**A. Dinakar**  
Managing Director

**Madhura Joshi**  
Company Secretary

Place : Mumbai  
Date : May 19, 2014





## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
<b>(Amount in Rupees)</b>		
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit before taxation	9,043,576	22,021,662
<b>Adjusted for :</b>		
Depreciation	88,524,196	87,793,166
Interest and financial charges	1,101,285	2,433,559
Interest income	-	(32,915)
Profit on sale of investments (short term, non-trade)	(103,014)	(300,857)
Provision for mark to market losses on derivatives	1,091,151	-
Provision no longer required written back	(5,277,964)	(7,215,953)
Unrealised loss/(gain) on buyer's credit	(1,149,651)	449,002
(Profit)/Loss on sale/write off of assets (net)	635,825	16,988,564
	<b>84,821,828</b>	<b>100,114,566</b>
<b>Operating Profit before Working Capital Changes</b>	<b>93,865,404</b>	<b>122,136,228</b>
<b>Changes in Working Capital</b>		
Trade payables	(62,987,887)	32,626,942
Long term provisions	(1,397,519)	2,215,090
Short term provisions	988,698	2,518,133
Other Current Liabilities	(12,994,537)	9,619,572
Long term loans and advances	(4,435,326)	1,941,734
Inventories	2,547,215	(29,982,831)
Trade receivables	7,408,245	(8,501,264)
Short term loans and advances	629,564	(1,820,348)
Other Current Assets	6,453,447	6,276,129
<b>Cash Generated From Operations</b>	<b>30,077,304</b>	<b>137,029,385</b>
Direct taxes paid	(1,500,000)	(20,093,650)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES (A)</b>	<b>28,577,304</b>	<b>116,935,735</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of fixed assets	(25,656,028)	(124,641,932)
Purchase of Investments in Mutual Funds	(8,500,000)	-
Proceeds from sale of fixed assets	32,064	-
Proceeds from sale of investments	-	-
Profit on sale of investments (short term, non-trade)	103,014	300,857
Interest received	198,905	322,399
	<b>(33,822,045)</b>	<b>(124,018,676)</b>
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>(33,822,045)</b>	<b>(124,018,676)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Interest Paid	(1,101,285)	(2,433,559)
Other borrowings (Net)	(2,461,915)	17,436,720
	<b>(3,563,200)</b>	<b>15,003,161</b>
<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>	<b>(3,563,200)</b>	<b>15,003,161</b>
<b>Net increase/(decrease) in Cash and Cash equivalents (A)+(B)+(C)</b>	<b>(8,807,941)</b>	<b>7,920,220</b>
Cash and cash equivalents (Opening Balance)	12,671,639	4,751,419
Cash and cash equivalents (Closing Balance)	3,863,698	12,671,639
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(8,807,941)</b>	<b>7,920,220</b>

### NOTES :

1. The above Cash Flow has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

2. Cash and Cash equivalents comprise :	31st March, 2014	31st March, 2013
	Rs.	Rs.
Cash on Hand	11,015	135,545
Balances with banks on current accounts	3,852,683	12,536,094
<b>Total</b>	<b>3,863,698</b>	<b>12,671,639</b>

3. Previous period figures have been regrouped/rearranged, wherever considered necessary.

This is the Cash Flow Statement referred to in our report of even date.

### For Price Waterhouse

Firm Registration Number: 012754N  
Chartered Accountants

**Mehul Desai**  
Partner  
Membership No: 103211

Place : Mumbai  
Date : May 19, 2014

### For and on behalf of the Board

**A. Y. Mahajan**  
Chairman

**A. Dinakar**  
Managing Director

**Madhura Joshi**  
Company Secretary

Place : Mumbai  
Date : May 19, 2014





# Saint-Gobain Sekurit India Limited





**SAINT-GOBAIN SEKURIT INDIA LIMITED**

Registered Office: T:-94, M.I.D.C. Bhosari Industrial Area, Pune, Maharashtra-411 026.

**ATTENDANCE SLIP FOR FORTY FIRST ANNUAL GENERAL MEETING**

PLEASE FILL IN THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.  
Joint shareholders may obtain additional Attendance Slip on request.

**NAME OF THE SHAREHOLDER** :

**MASTER FOLIO NO./DP I.D. & CLIENT I.D.** :

**NO. OF SHARES HELD** :

I hereby record my presence at the FORTY FIRST ANNUAL GENERAL MEETING of the Company being held on Friday, 18<sup>th</sup> July, 2014 at 11.00 am at HOTEL KALSAGAR, P-4 MIDC, KASARWADI, Mumbai-Pune Road, Near State Bank of India, Pune - 411 034.

\_\_\_\_\_  
Signature of the Shareholder/Proxy

----- ✂ ----- TEAR HERE -----

**PROXY FORM**

**SAINT-GOBAIN SEKURIT INDIA LIMITED**

Registered Office: T:-94, M.I.D.C. Bhosari Industrial Area, Pune, Maharashtra-411 026.

Master Folio No./DP I.D. & Client I.D. \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ being a member/members of Saint-Gobain Sekurit India Limited hereby

appoint \_\_\_\_\_ of \_\_\_\_\_ or failing

him \_\_\_\_\_ of \_\_\_\_\_ as my/our Proxy

to vote for me/us and on my/our behalf of at FORTY FIRST ANNUAL GENERAL MEETING of the Company to be held on Friday, 18<sup>th</sup> July, 2014 at 11.00 am at HOTEL KALSAGAR, P-4 MIDC, KASARWADI, Mumbai-Pune Road, Near State Bank of India, Pune - 411 034 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014.

Re. 1  
Revenue  
Stamp




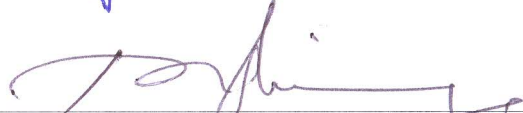
Signature

**Note :** The Proxy Form must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time of holding the aforesaid meeting.

The Proxy need not be a member of the Company.

FORM A

FORMAT OF COVERING LETTER OF ANNUAL REPORT TO BE FILED WITH THE STOCK EXCHANGE

1.	Name of The Company	Saint -Gobain Sekurit India Limited
2.	Annual Financial Statements for the year ended	31.03.2014
3.	Type of Audit Observation	Unqualified
4.	Frequency of Observation	Not Applicable
5.	To be Signed by Managing Director - Mr. A.Dinakar	
	CFO - Ms. Madhura Joshi	
	Auditor of the Company -Mr. Mehul Desai -Partner Price Waterhouse	
	Audit Committee Chairman- Mr. M.G. Ramakrishna	

Bv