

# The opportunities are clear

**SEJAL ARCHITECTURAL GLASS LIMITED**

Annual Report 2008-09



## Forward looking statement

In this Annual Report, the forward-looking information if any, is for enabling investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccuracies in our assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicly update any forward-looking statements, arising as a result of new information, future events or otherwise.

## Contents

About us	02	The world of glass	04
Vision, mission & milestones	10	Year 2008-09 in review	12
Five years financial performance	14	CMD's Review	16
The opportunities are clear	20	Sejal brand showcase	32
Board of Directors' Profile	34	Management Discussion & Analysis	36
Directors' Report	50	Corporate Governance Compliance Report	58
Auditors' Report	70	Financial Statements	72

Whether the glass is seen as **half full** or as **half empty** depends entirely on how thirsty the viewer is.



# About Us

## HISTORY AND PARENTAGE

Incorporated in 1998 by the members of Mumbai based Gada family.  
Headed by Amrut Gada, CMD, a first generation entrepreneur.

## PRESENCE

- Architecture and decorative glass processing facility - Silvassa (Dadra & Nagar Haveli)
- Float glass manufacturing - Bharuch (Gujarat)
- Retail - Mumbai (Maharashtra)

## PRODUCTS

- Processed glasses - Insulated, Toughened, Laminated and Decorative
- Float glass (to be operational from September 2009)
- Retail - Decorative glass articles, sanitary wares, lights & luminaires, wallpapers, Art & Artifacts, Tiles etc.

## AT THE CAPITAL MARKETS

- The Company's shares are listed on the National Stock Exchange of India Limited (Scrip code – SEJALGLASS) and the Bombay Stock Exchange Limited (scrip code – 532993) in India.
- Market capitalisation of Rs. 110 crore.

## PEOPLE

382 employees across 3 locations (as on 31st March, 2009)

## DEALER NETWORK

A network of 300 dealers spanning Pan India.

## BRAND SHOWCASE

- Kool Glass
- Tone Glass
- Solid Glass
- Armour Glass
- Firebran Glass
- Oyster Glass Basins
- Lunaro Glass
- Fresca
- Kool Glass Eco Series





# Where would you find glass?



FACADES. DISPLAY WINDOWS.  
SKYLIGHTS. SKYWALKS. ENTRANCES.  
DOORS. ELEVATORS. CANOPIES.  
CONSERVATORIES. ROOMS. WALLS.  
STAIRCASES. WALKWAYS. FLOORS.  
CARS. BUSES. TABLES. ARTIFACTS.  
BATHROOMS. AIRPORTS. SOLAR  
PHOTOVOLTAIC CELLS. WATCHES.  
PHOTOCOPIERS. WEIGHING MACHINES.  
ATM CENTRES. MALLS. SHOPS.  
SALOONS. CLUBS. HOTELS. LOUNGES.  
MIRRORS. CABINS. TERRACES.  
**ANYWHERE. EVERYWHERE.**



# There is more to glass

LOOK AROUND YOU – THE HIGH RISES, THE MALLS, THE HOMES, INSIDE THE HOMES, AIRPORTS, HOTELS, LOBBIES, TABLES – WHAT DO YOU SEE? OR WHAT DO YOU SEE THROUGH?

## GLASS

In recent years, a silent revolution in Indian architecture has started showing. Previously quite limited to grand designs and office buildings, glass has started evolving into a core structural and design element in architecture. Today buildings and structures use glass not only to increase aesthetic value but also because it facilitates natural light and therefore results in energy cost savings. In addition, the use of glass opens up rooms allowing smaller spaces to look bigger. Glass is also relatively inexpensive and fully recyclable, an important consideration in the current era of heightened environmental consciousness. Glass use in construction has increased dramatically due to the rapid changes in glass production and technology. Previously glass was thought to be quite a fragile building material and many steered away from it because of this. Modern glass, however, is not only spectacular to look through but it is safer, stronger and energy efficient.

# Why glass?

- **New Age Look** – The variety of colours, texture, form that can be used in wall panelling and ceiling introduces an element of flexibility in architectural design. The various shades of glasses available give it a trendy and classic hi-tech look.
- **Easy Maintenance** – Glass buildings are easier to maintain than cement and concrete structures, with regular cleaning and washing glass buildings can be kept well without the hassle of painting and colouring. They can be easily machined, bolted and riveted.
- **Hygienic** - Glass is a non-porous and inert surface, which does not support the growth of mould, mildew, and bacteria.
- **Safety and Protection** – Laminated safety/sentry glass has good-tactical resistance, is burglar proof as well as scratch-resistant. It can meet specified wind loads or structural requirements with low mechanical strain under loads and has outstanding post-breakage resistance to creep and collapse after quakes.
- **Privacy and Transparency** – Glass panels provide privacy as well as transparency at the same time. Laminated glass allows people inside the building to view outside whereas outsiders cannot see what is happening in the building.
- **Durability and Longevity** – With technological breakthroughs in toughness and thickness, glass has now become durable and a long-term investment in the construction sector.
- **Access to natural light and saves energy consumption** – Structural glazing was developed in the West as it allows natural light into the buildings, thus saving power and energy, which is essential in India where power and energy conservation are of prime importance.
- **Gives a Spacious Feel** – With property being expensive in metros and Tier 1 cities space is a big constraint and thus the use of glass gives a spacious look and feeling to the property.
- **Heat Reflective** – Glass chambers are also good for the environment as they take care of the greenhouse effect by reflecting the infrared waves that build up heat and keep the place cool and pleasant even on the hottest of days.
- **Reduces Sound Transmission** - Glass cuts down sound transmissions by as much as 10- decibel points. Studies indicate that less noise means less stress. Glass tends to reduce unwanted noise and people become more creative, productive, and even healthier.





The variety of colours, texture, form that can be used in wall panelling and ceiling introduces an element of flexibility in architectural design.



# Vision, mission and milestones



## Milestones

**1998**

Sejal Architectural Glass Limited, was incorporated as a private limited company in December 1998

**2000**

Silvassa unit started its commercial operations by setting up a processing facility for insulating glass

**2001**

Started another process for toughened glass in the year 2001

## Vision

It is this vision of the Sejal Group to create a brand image for Sejal that evokes a sense of awe, blind faith and inspiration and to achieve for itself the position of industry leader in the field of float glass manufacturing, by investing into integrated operations and deliver world-class products.

Processes, operating systems and procedures shall be adopted with the objective of surpassing the exacting international standards for product and systems.

Creating and multiplying wealth of the company with continuous expansion for a better future of all stake holders.

## Mission

- To bring to our customers the benefits of industry leading technology from concepts to realisation.
- To provide to our customers the best of glass solutions.
- To set standards in service to customers.

## 2007

- Added an automated lamination line
- Started 'Sejal Encasa' the company's retail showroom at Kandivali, Mumbai

## 2008

- Initiated backward integration by commencement of float glass project at Bharuch, Gujarat
- Raised IPO funds of Rs. 105.73 cr

## 2009

- Completed the construction of our float glass plant

# Year 2008-09 in review

## Operational highlights

**3.90** lac sq. mtrs of glass processed

Added **300** dealers

Sold **3.89** lac sq mtrs of glass

Introduced Kool Glass Eco Series range



## Financial highlights

Net revenues of  
Rs. **515.94** MN

EBIDTA of  
Rs. **100.37** MN

PAT of  
Rs. **22.61** MN

EBIDTA margin of  
**19.34** per cent

PAT margin of  
**4.36** per cent

EPS (basic) of  
Rs. **0.81**





## Five years financial performance

### BALANCE SHEET (RS. MILLION)

Particulars	31/03/2005	31/03/2006	31/03/2007	31/03/2008	31/03/2009
<b>Fixed Assets</b>					
Gross Block	133.08	265.03	445.93	581.02	1027.92
Less : Depreciation	21.43	27.91	40.14	61.43	86.43
<b>Net Block</b>	<b>111.65</b>	<b>237.12</b>	<b>405.78</b>	<b>519.59</b>	<b>941.49</b>
Capital Work in Progress	0.37	114.27	190.97	618.45	2951.28
Pre-Operative Expenses - Float Glass Project	0	0	59.68	175.40	1.72
Pre-operative Expenses - Sejal ENCASA Project	0	0	3.08	0	1.20
<b>Total</b>	<b>112.02</b>	<b>351.39</b>	<b>659.52</b>	<b>1313.44</b>	<b>3895.68</b>
<b>Investments</b>	0.10	1.20	0.10	0.60	0.60
<b>Current Assets, Loans &amp; Advances</b>					
Inventory	24.30	49.78	101.48	153.75	139.77
Sundry Debtors	63.02	69.95	157.31	186.64	220.05
Cash and Bank Balances	3.02	6.02	19.37	35.35	38.53
Loans and Advances	33.27	25.00	52.44	605.32	533.53
<b>Total</b>	<b>123.60</b>	<b>150.75</b>	<b>330.60</b>	<b>981.05</b>	<b>931.87</b>
<b>Liabilities And Provisions</b>					
Secured Loans	94.28	148.82	246.87	863.21	2665.15
Unsecured Loans	10.16	44.32	58.17	172.71	96.61
Deferred Tax Liability	0	13.70	20.51	25.40	24.78
Current Liabilities & Provisions	50.80	212.04	241.78	720.61	622.13
<b>Total</b>	<b>155.23</b>	<b>418.88</b>	<b>567.32</b>	<b>1781.93</b>	<b>3408.66</b>
<b>Net Worth</b>	<b>80.49</b>	<b>84.46</b>	<b>422.89</b>	<b>513.16</b>	<b>1419.49</b>
<b>Represented By</b>					
Share Capital	30.00	30.00	103.35	188.06	280.00
Share Application Money	0	0	296.70	0	0
Reserve & Surplus	50.49	54.46	30.82	344.51	1229.99
Less: Miscellaneous Exp. (To the Extent not Written off)	0	0	7.98	19.40	90.50
<b>Net Worth</b>	<b>80.49</b>	<b>84.46</b>	<b>422.89</b>	<b>513.16</b>	<b>1419.49</b>



#### PROFIT & LOSS ACCOUNT (RS. MILLION)

Particulars	31/03/2005	31/03/2006	31/03/2007	31/03/2008	31/03/2009
<b>Income</b>					
Sales & Income From Operation	242.96	295.03	336.66	440.82	371.10
Traded Sales	0	0	45.74	106.36	113.53
Other Income	5.04	10.71	14.56	37.49	34.36
Increase/(Decrease) in Stock	-2.49	1.48	-3.40	4.72	-3.04
<b>Total</b>	<b>245.51</b>	<b>307.22</b>	<b>393.57</b>	<b>589.38</b>	<b>515.94</b>
<b>Expenditure</b>					
Raw-material Consumed	153.22	203.76	214.25	275.97	207.87
Cost of Sale goods Traded	0	0	37.05	67.43	66.05
Labour Charges	6.85	5.69	5.30	11.37	9.05
Salaries, Wages and Employee	6.07	8.72	21.92	34.43	38.68
Manufacturing, Selling And Other	32.12	42.25	47.02	75.06	93.34
Free Samples Distributed	0.07	0.26	0.04	0.43	0.58
<b>Total</b>	<b>198.33</b>	<b>260.68</b>	<b>325.59</b>	<b>464.68</b>	<b>415.57</b>
<b>Net Profit Before Interest, tax and Extraordinary Items</b>	<b>47.19</b>	<b>46.53</b>	<b>67.98</b>	<b>124.70</b>	<b>100.37</b>
Depreciation	5.96	6.48	12.23	21.64	25.00
<b>Net Profit After Depreciation but before Extraordinary Items</b>	<b>41.23</b>	<b>40.05</b>	<b>55.75</b>	<b>103.07</b>	<b>75.37</b>
Financial Expenses	10.27	9.45	15.72	38.84	37.65
<b>Profit Before Tax</b>	<b>30.96</b>	<b>30.60</b>	<b>40.03</b>	<b>64.23</b>	<b>37.72</b>
Provision for Contingencies					6.00
<b>Provision for Taxation</b>					
Current Tax	2.59	6.09	4.72	11.18	8.30
Deferred Tax	0	1.89	6.81	4.89	-0.62
Fringe Benefit Tax	0	0.48	0.75	1.12	1.43
Current Tax (MAT)	0.09	0			
<b>Net Profit After Tax But Before Extraordinary Items</b>	<b>28.28</b>	<b>22.14</b>	<b>27.75</b>	<b>47.04</b>	<b>22.61</b>
Extraordinary Items					
Less: Prior Period Expenses, restated in respective years	0.31	1.25	0.73	0.54	-1.39
Add: Period Income, restated in respective years	0	0	0.06	0.01	0
<b>Net Profit After Tax</b>	<b>27.97</b>	<b>20.89</b>	<b>27.08</b>	<b>46.51</b>	<b>21.22</b>

# CMD's overview





## MR. AMRUT GADA REVIEWS THE PERFORMANCE, FUTURE AND CHALLENGES OF THE COMPANY.

### How would you define company's performance in 2008-09?

2008-09 was one of the landmark as well as challenging years for us at Sejal. We evolved into a listed company with the successful completion of our IPO in July 2008. Our float glass project witnessed rapid activity and was largely in line with the scheduled internationally accepted timeline. In terms of operational performance, the Company posted a subdued financial performance – our revenues decreased by 12.46 per cent from Rs. 589.38 mn in 2007-08 to Rs. 515.94 mn in 2008-09, and our net profits also decreased by 52 per cent from Rs. 47.04 mn in 2007-08 to Rs. 22.61 mn in 2008-09. This was mainly due to the slowdown in demand in the real estate sector coupled with the company's policy measures to protect the quality of its receivables.

### Real estate sector was hit hard on account of slowdown in consumer demand as well as liquidity issues. What was the impact of this slowdown upon the company?

Real estate sector accounts for more than 80 per cent of our total revenues. We process glasses that are used for façade and decorative purposes in buildings. These glasses are procured on completion of the structure, fittings and amenities. Since façade glass is fragile, bulky and is prone to scratches, the same is procured at the very last stage of construction. Therefore, in times of economic upturn, the developers defer the completion of existing projects to focus on upcoming projects. However, during slowdown, the focus of the developers is on completion of the existing projects, thereby resulting in higher demand as against an upturn from the sector. The year 2008-09 also witnessed consistent demand for architectural glass from our customers. The fall in revenues was on account of our proactive policy measures to protect the quality of receivables. As a result, we only serviced orders that were backed by advances or letter of Credit. This measure enabled us to minimise our sales proceeds recovery risk, even though it resulted in a lower top line and bottom line.



## Our Competitive Strengths

1. Ability to devise glass solutions
2. High productive and reliable processing and manufacturing technology
3. Our quality policy
4. Our management and Human talent bank
5. Strategic location of the proposed project
6. Established customer base

### What are going to be the drivers of Sejal's future growth?

**At Sejal, we feel the following factors will ensure our growth in the coming years:**

**MEN:** Our people collectively make our organisation. We have always believed in recruiting quality people having the zeal to outperform and a passion to excel. In 2008-09, we focused on creating a strong management team, as a result recruited senior professionals with in-depth experience in the glass industry. This initiative would enable us harness our intellectual capital to efficiently outperform the challenges in the industry.

**METHOD:** During the year, we focused on controlling costs and improving quality. We initiated steps to control inventory, reduce process costs and machine downtimes and ensuring efficient utilisation of energy during the year. In doing this, our ERP system played a vital role in identifying addressable segments within the processes. The cost and quality consciousness at Sejal would sustain our efforts in creating a formidable brand in glass products.

**MATERIAL:** With the commencement of our float glass plant, we will command presence across the value chain of glass products. To ensure better results, we initiated a seeding activity with the dealers and distributors of float glass. Currently, we import float glass, which form the raw material for our processing division. With the commencement of the float glass plant, our dependence on imported products will decrease, resulting in higher margins and superior quality of the products. In addition, our ability to produce a range of



quality products in decorative and façade glass, and specialty glass segments, would enable us reach deeper into the demand centres across India.

**MACHINERY:** As a conscious decision to create world-class quality products, we installed the best of machines and technology in our plants. With the difference in cost being substantial as compared to the Chinese machines, our plant would be able to ensure superior product quality, leading to higher realisations.

### What is the rationale behind setting up of the float glass project?

The rationale of extending into float glass segment is – to ensure not only a sustainable growth in the coming years but also long-term survival. Our Float glass project, once operational will enable us to be fully integrated in terms of product presence. Float glass forms currently our raw material and the company's extension into production of float glass will give us an edge on the product quality as well as margins. We believe that the challenges relating to rising raw material prices and increasing competition can only be met by having a large scale and a world-class technology. Moreover, since the cost of technology is quite high, a larger scale and a better product quality would enable faster payback. In addition, we would not only be able to supply to the domestic markets, but would also be able to focus on the exports opportunity.

On completion of our expansion, we expect to command a market share of 15-20 per cent in the Indian float glass industry.

### What is Sejal's outlook for 2009-10?

Year 2009-10 will mark a beginning of a new chapter in Sejal's history. We will be among the top four and the only Indian float glass manufacturer with international quality in the country. The whole focus will be on timely completion of the phases as planned. Our major focus would also be on ensuring efficient and glitch-free operations of the existing processing business in wake of expansion activities. The year would also be crucial for us in terms of extending out retail activities to additional cities.

### How does Sejal expect to enhance shareholder value?

We have always laid trust on ensuring better returns to our shareholders. We would add significant value to our shareholders by scaling up and emerging as an integrated glass company in 2009-10, post the completion of our expansion programme. Further our focus would be on performance quarter on quarter basis, thereby to enhance shareholders value over a period of time.

# Creating a clear future



- As an initiative to expand our product presence, we forayed into the manufacturing of float glass – the basic clear glass.
- We are the very first Indian company to set up a world class float glass manufacturing plant in an industry having large presence of well established foreign players in terms of market share.
- Spread over in an area of 150 acres or 600,000 sq. mtrs , the world class plant is situated at Bharuch, Gujarat.
- The plant's installed capacity will be 550 pull tonnes/day.
- The commercial production is expected to commence from Q2 FY 2009-10.
- The plant employs world class technology from renowned companies like Fives Stein, Grezenbach, Zippe, Bovone, Algas, Air Liquide, etc.
- The plant is expected to be completed within 24 months, at par with the global standards.

## What's the opportunity?

- With the economic slowdown subsiding, the activity in the realty sector is expected to gain steam, leading to additional demand. With our plant being operational at the right time, we expect to be benefitted by the spike in demand and thereby enable us increase our revenues.
- We expect a shortage of around 100,000 MT of clear glass in the market, originating from the fact that the company's peers would have to shut their production for mandatory repairs.







# Creating the experience through retail



- Starting out as a small trading house for flat glass, we are one of the leading companies today in facade glass.
- Striving towards continuous innovation and constant customer satisfaction we took a leap further with 'Sejal Encasa', a 30,000 sq ft. mall at Kandivali, Mumbai, specializing only in interior products is the first of its kind in India.
- Sejal Encasa is a one stop shop for all interior needs has the most unique and widest possible choice of products.
- It houses products of top notch quality for contemporary lifestyle to enhance home and office interiors, be it Stylish Designer Ceramics, Sanitaryware & Bath Fittings from Europe, Classic and Exemplary Arts, Artifacts & Sculptures of modern and Indian Heritage, Decorative Lights, wallpapers, Glass and Glass Products.
- International brands like Pergo Floors, RAK, superlative bathing products like Kohler, Duravit, Roca from European countries, lights from Artemiede, Glass Applications like Dorma, Spyder and others are the prestigious brands available at Sejal Encasa.

## What's the opportunity?

The Indian consumer is evolving – demanding an experience in retail and not just products. Sejal Encasa addresses the varied needs of its customers, through international products, under one roof and with an experience to cherish. As an initiative to evolve into a complete home lifestyle retail destination, Sejal Encasa has expanded its product range to cater to every corner of home décor including bathrooms, kitchen, living rooms, etc.

# Creating respect through brands



- We have always believed in creating unique products by using world class technology
- We have broadened our scope of business activities by processing various value added glass for exterior and interior applications, including decorative glass
- Currently the company has 11 branded glasses – Solid glass, Kool glass, Armor glass, Fort glass, Tone glass, Decor glass, Fireban, Lunaro, Fresca and Oyster
- During 2008-09, we have also developed Kool Glass Eco Series in strategic partnership with Sanghai Yahua Pilkington Glass Company Limited (SYP) a ISO 9001 : 2001 and ISO 14001 certified Company in China. Kool Glass Eco Series can significantly reduce air conditioning as well as heating costs without sacrificing clear views and daylights
- We have evolved as one of the leading glass processing companies in India
- Our customers include Reliance, K- Raheja, Brigade Enterprises, Sharpooorji Pallonji, HCC, Syntel, L&T, Airport Authority of India, etc.
- Our glasses have been used in several prestigious constructions like Bengaluru International Airport, Amritsar International Airport, Kesar Solitaire Park, Brigade Gateway etc.

## What's the opportunity?

Glass is no longer an undifferentiated commodity. It is now being marketed in India as a product with very specific qualities and properties attached to it. We at Sejal, have been able to develop a credible brand over the last few years that is largely recognised for its quality and reliability. Our brands are beginning to find mentions in the tenders floated for various prestigious projects, giving us an edge over the competing brands. We at Sejal wish to capitalise the opportunity that the branded segment has to offer, by expanding our branded product portfolio to cover all major varieties of glass.









# Float glass project - a new chapter in our growth story

## Plant Specifications

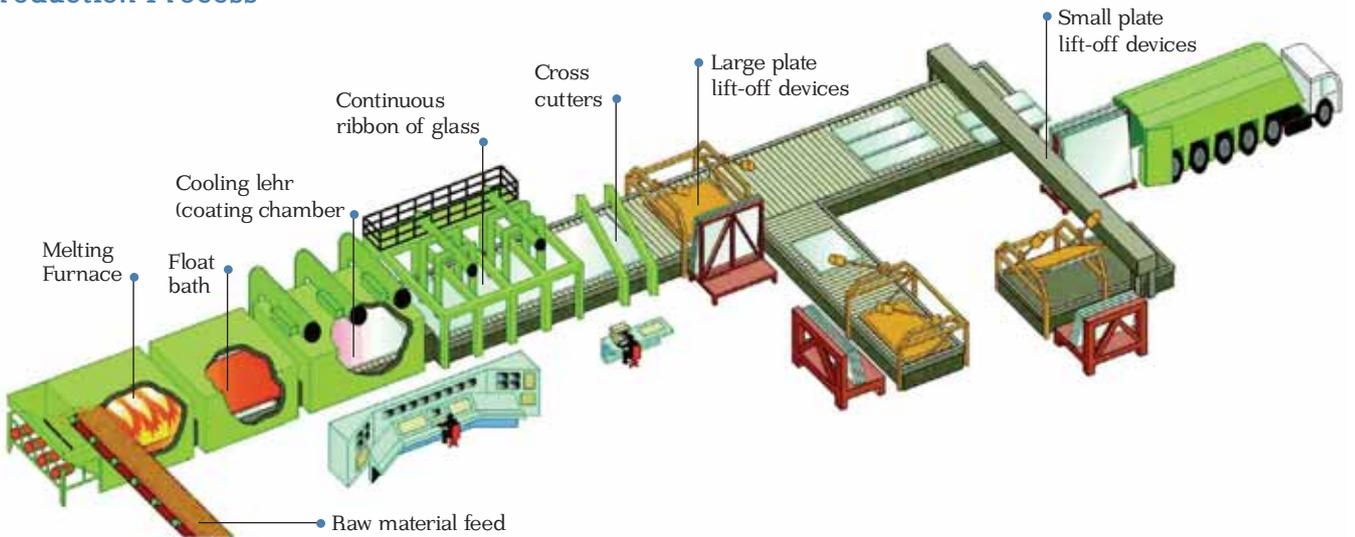
Spread around an area of 150 acres, the plant would produce 550 pull tones of float glass per day. The plant incorporates the best in class technology and would be one of the most advanced float glass plant in the country on its commencement.

## Location

The float glass plant is located in Jhagadia, District Bharuch, at Gujarat, which is around 8 km from NH-8 and is also well connected to the railways and port. The plant is in proximity to the raw material belt (silica sand, soda ash, etc.) as well as to the major markets of consumption (Gujarat and Maharashtra as well as port). The site does not offer any tax advantages but offers the best in class infrastructure and unmatched co-operation from the administrative authorities. The plant would also source its power from Gujarat Gas, bordering the plant. The plant would be run on natural gas and therefore would cause lower emissions and lower cost.



**Production Process**



Major raw materials – Silica sand, soda, limestone and dolomite, are weighed and fed into the system in prescribed proportions. The weighed raw materials are charged into one forced type mixers where they are homogeneously mixed and well mixed batch is then conveyed into the furnace hoppers via a belt conveyor. Then the weighed cullet is uniformly spread onto the surface of mixed batch. Then the batch together with cullet is charged into the furnace hopped. The furnace at 1600°C fires natural gas to achieve a high temperature, under which a batch is melted, refined, homogenised and then cooled into molten glass.

Molten glass then flows into the metal bath. Thereafter from metal bath same will flow over molten tin at about 1000°C to 1100°C. At this stage molten glass naturally spreads and is polished at the same time and finally forms into glass ribbon in desired width and thickness under mechanic pulling force and control of edge stoppers and top rollers. During the course, the glass ribbon travels forward and cools down till 600°C and leaves the tin bath.

Thereafter, glass ribbon goes ahead into the Annealing Lehr to be annealed and cooled down below 70°C to 90°C, and then enters into cold end unit. During normal production, glass undergoes automatic inspection, longitude cutting, cross cutting, cross snapping, accelerating and spacing out, edge snapping, longitude snapping and spacing out, and purging and then enters the sheet picking-up and stacking area.

One powdering machine is installed in the stacking area and the small size glass sheet will be taken off manually, and large ones will be stacked automatically. Ready stacked or encased glass is then transported into the warehouse by forklift.

An emergency cross cutter is installed at the exit of annealing lehr to cut the unqualified glass ribbon and reject/crush the glass through the dropping down roller and then send the cullet into the cullet recovery system. Out of the above most important and critical processes are at melting furnace, float tin bath, and annealing lehr.



### World class project partners

Sejal ensured the participation of reputed and globally renowned partners for its float glass plant.

Hot End - Fives Stein, France

Cold End - Grenzebach, Germany

Batch Plant - Zippe, Germany

Mirror Line - Bovone, Italy

LPG - Algas, USA

Construction - Larsen & Toubro

H2/N2 - Air Liquide, France

Natural Gas - Gujarat Gas (British Gas)

Electric fittings - Siemens

PMC - Toyo, Japan

CPP - Quipo Infrastructure.

### Project progress as on 30th June, 2009

- Dispatch of material 100 per cent completed. 99 per cent of imported material arrived at site.
- Batch Plant installation 40 per cent completed. Cullet return system installation 60 per cent completed.
- Procurement of utilities 90 per cent completed.
- Phase I civil work completed 96 per cent.
- Detail engineering for phase II completed 98 per cent. Phase 2 civil work completed 63 per cent.
- Electrical detail engineering completed 98 per cent. Electric installation in progress.
- Major and critical equipment already at site and installation in progress.
- Piping and Mechanical fabrication work in progress.
- Switch yard installation completed 95 per cent.

# Snap shots of Bharuch Plant

01



- 01 Site office
- 02 Batch house
- 03 Annealing lehr side view
- 04 Main entrance
- 05 Ware House loading bays





# Sejal brand showcase

## Own brands



## Retail brands

### LIGHTS













### SANITARYWARE










### TILES








# Board of Directors' Profile

## 1. AMRUT S. GADA,

39 years, Chairman and Managing Director

An entrepreneur and a visionary who laid the foundation of the company. He started his career in 1989 as a working partner in a Glass and Glass Products trading company. From 1991 onwards, Mr. Gada started his own retail glass Proprietary firm M/s Sejal Glass House, which traded in indigenous and imported Glass and Glass Products. In 1993, he incorporated Sejal Glass Craft Private Limited, which was into the business of manufacturing Interior, Decorative and Designing Glasses. He promoted Sejal Architectural Glass Limited in 1998 to process specialty glasses such as insulating, toughened and laminated and decorative glass and within the next few years, he shaped the company for its current project of float glass. He has been a recipient of various prestigious awards like Leadership Excellence Award for Industrial Development by Indian Economic Development and Research Association, New Delhi; and Girnar Award (Industry Award for exceptional Achievement in the field of glass industry) by Bruhad Mumbai Gujarati Samaj.

As the Chairman and Managing Director, he is actively involved in the day to day operations of the Company and in developing strategies for future growth and expansion based on his know how on the glass industry.

## 2. MR. DHIRAJ S. GADA,

35 years, Joint Managing Director

An F-MBA(Family Management Business Administration) from NMIMS, Mumbai. He has been closely associated with the glass industry for the last fifteen years. He is specialised in the field of marketing and is responsible for the overall marketing functions of our company along with his team of

executives. His liaisoning and customer relationship skills have enabled our Company to forge and establish long term relationships with customers. He is also entrusted with the additional responsibilities of corporate HR and Banking activities of the Company.

## 3. MR. MITESH K. GADA,

30 years, Executive Director

An F-MBA from NMIMS, Mumbai and a graduate from Mumbai University, Mr. Mitesh Gada joined the family business in 1999. He has played a crucial role in setting up Encasa Division and has changed the rule of game in industry. His ability to conceptualise and innovative approach is commendable. His responsibilities include managing retail division, export activities, decorative division sales/marketing and product development. He has also been entrusted the additional responsibility of Corporate IT division of the Company.

## 4. MR. ASHISH D. KARIA,

30 years, Executive Director

Mr. Ashish karia has also been spearheading the end to end activities of float Glass Manufacturing Plant. His adaptability to new technology has resulted in setting up most modern technological state of Art Plant at Bharuch. He is currently the incharge of the Float Project activities.

## 5. MR. ATUL S. BHARANI,

52 years, Independent Director

Mr. Atul Bharani is an Independent Director of the Company from July 03, 2007. Mr. Bharani started his own financing firm named 'Bharani Investments' in 1980. In 2000 he ventured into real estate under the banner of 'Sunshine Group' which has constructed residential and

commercial properties in Mumbai. He has also ventured into construction and leasing of Malls and Banquets. He has nearly three decades of experience in finance and is also the Chairman of Progressive Co-operative Bank Limited.

## **6. MR. PRAFUL N. SATRA,**

*44 years, Independent Director*

Mr. Praful Satra is an Independent Director of the Company from October 20, 2007. Mr. Satra is the Promoter and Chairman cum Managing Director of Satra Properties (India) Limited, an ISO 9001:2000 Certified Company. Satra Properties (India) Limited is BSE Listed Company. Satra Properties (India) Limited has development of over 17 lacs sq. fts. of Commercial, Retail, Hotel and Residential properties in multiple cities which has construction valued over Rs. 1000 crore. Mr. Praful Satra has been the visionary behind the success of Satra Properties (India) Limited.

Mr. Satra has a total experience of over 25 years in domestic and international business which includes 9 years of experience in Real Estate Development. He has vast experience in the execution and management of a wide variety of construction and development projects. Some of the other real estate projects, he has been actively involved in are Prime Mall (Vile Parle), Rehana Heights (Santa Cruz), Vidhi Residency (Vile Parle), Shubangan (Juhu), etc. His main activity includes Identification of Land, Business Planning & Marketing.

## **7. MS. VIMLA M. SHAH,**

*43 years, Independent Director*

Ms. Vimla Shah is an Independent Director of the Company from October 20, 2007. She has completed her LLB from Mumbai University and is a Solicitor from Bombay Incorporated Law Society. She is a practicing Solicitor

since last more than a decade and handles various matters relating to conveyancing and litigation, amongst others. She is also on the panel of Central Bank of India. She has recently cleared the Qualified Lawyers Transfer Test (QLTT) conducted by the College of Law from England and Wales (U.K).

## **8. MR. MITIL B. CHOKSHI,**

*38 years, Independent Director*

Mr. Mital Chokshi is an Independent Director of the Company from October 31, 2007. A CA and CWA, Mr. Chokshi was one of the youngest Chairman of the Western India Regional Council of the Institute of Chartered Accountants of India in the year 2003-04. He is a partner in Chokshi and Chokshi, Chartered Accountant firm since the last 13 years. He specialises in banking and non-banking financial services sector, assurance and auditing services, international tax and cross border consultations.



Management  
Discussion & Analysis

The demand for the float glass, barring the economic slowdown in 2008-09, is increased at a CAGR of 15-20% during the last 2-3 years against the global growth rate around 4%.

#### ECONOMIC OVERVIEW

The past year was one of extraordinary global economic turbulence. The affects have also spread to a number of Emerging Market Economies (EME) globally. It has already slowed consumer demand. The results were evident – during the first half of 2008-09, the world economy was dominated by increased oil prices. This led to inflationary pressures in the Indian economy. The second half saw severe liquidity crunch in the global markets on account of mounting financial losses in the developed economies. While inflation has fluctuated wildly, consumer demand has slowed down considerably. Indian economy has itself faced the effects of this turmoil with the GDP growth falling under 7 per cent after growing more than 9 per cent over the last 3 years. It resulted from both counts – while rising inflation led to a severe cut in the consumer spending; the drying liquidity led to lower availability of funds thereby rising interest rates.

#### GLASS INDUSTRY

##### Global overview

Over the past 20 years, the global glass demand has grown at a rate higher than the GDP growth. The global market for glass (2008) was approximately 46 million tonnes. At the level of primary manufacture this represents a value of around USD 25 billion (Rs. 1150 bn). Of this tonnage, around 70 per cent is consumed in windows for buildings, 10 per cent in glazing products for automotive applications and 20 per cent used in furniture and other interior applications. Over the long term, the market is growing in volume terms at around 4 per cent a year.

Europe, China and North America together account for over 70

per cent of global demand for glass. Europe is the most mature glass market and has the highest proportion of value-added products. Just four companies; NSG Group, Saint-Gobain, Asahi and Guardian, produce over 60 per cent of the world's high quality float glass. Much of the world's lower quality float and sheet glass production is being replaced by high quality float. There are only three glass groups with global automotive glazing capability and presence. NSG Group (as Pilkington Automotive), Asahi, Saint-Gobain/Central, together with their respective associates, supply around three quarters of the world's Original Equipment (OE) glazing requirements

##### Indian overview

The total float glass manufactured in India is approximately 1mn tones per annum and almost 77 per cent is consumed domestically. The demand for the float glass, barring the economic slowdown in 2008-09, is increased at a CAGR of 15-20 per cent during the last 2-3 years against the global growth rate around 4 per cent. The demand for glass in India is derived from Automotive (5 per cent) and Non-Automotive consumers (95 per cent). The per capita consumption of glass in India is about 0.6 kg, which is much lower than other countries.

Country	Per capita consumption (kg)
India	0.6
China	3.9
Thailand	5.5
US	11.0
SE Asian Countries	2.5
World	15.4

Source: Glassyug, June 2008

THE FOLLOWING CHART ILLUSTRATES THE MAIN ROUTES TO THE MARKETS IN THE GLASS INDUSTRY.



The construction and automotive industries are the most important consuming sectors: almost 80 million square feet of land in India is earmarked for shopping malls. Nowadays, taking climate, safety, sound attenuation, energy conservation and aesthetics into consideration, developers are opting for more glass in their construction. The glass revolution is also taking place in the automotive industry which is predicted to grow following an 8 per cent cut in excise duty on vehicles and the easy availability of flexible automobile loans. Totally, the flat glass industry grew by about 80 per cent between 2000 and 2006, resulting in a compound annual growth rate of 10.1 per cent. The per capita consumption of glass, which was 0.41 kg in 1999, reached 0.6 kg in 2008.

However, problems like the overcapacity of raw glass (and a projected surplus of processed glass), Chinese competition (in spite of anti-dumping duties) and the lack of codes of standards threaten Indian glass industry. As far as overcapacity concerned, analysts say that the supply will far exceed demand at least until 2009. Excess capacity, increased competition and the development of a regulatory framework are the real future challenges for the Indian glass industry.

### Global Outlook

Global plant capacity utilisation is estimated at 93 per cent. To meet the current growing demand, the industry on an average requires 11 new float lines every year. At present there are 260 float lines as on 31st March, 2009. It clearly shows the growth opportunity in the under-penetrated market. The demand for processed glass has also grown by more than 35 per cent annually, in last 2 years. Going forward the demand will be contributed by growth in residential properties, commercial properties, and retail & hospitality industry.

Global demand for flat glass will rise 5.5 percent annually through 2012, spurred by a healthy building construction environment and rapid growth in newer flat glass technologies. Developing countries in Asia (especially China and India), Latin America, Eastern Europe and the Africa/Mideast region will show the strongest advances. This study analyzes the USD 52.6 billion (Rs. 2585.20 bn) world flat glass industry.

### Indian outlook

The glass consumption in India for architectural purposes has increased manifold in the last 10 years. There has been a great demand for using flat glass in structural glazing and curtain walls, which has resulted in a phenomenal increase in the availability of flat glass in terms of type, composition and characteristics. Safety, too, has become a major concern in all new projects that are being developed. Additionally Indian architecture in recent years has evolved progressively toward the use of "green" building materials with an increasing number of projects now applying for green

building certifications. Glass usage has thus naturally increased as per the requirements of green buildings. Furthermore, developers have become more demanding in terms of glass performance and processing quality. This has led to an increase in the use of high-performance glass in contrast with the ordinary reflective glass that formerly dominated the landscape in India. Therefore, the emphasis on proper processing infrastructure to process such glass has assumed greater significance.

This demand expectation and growth over the past few years indicates that India will need one additional float line every year for the next 5 years.

Indian processed glass industry is expected to continue to grow exponentially at 15 to 20 per cent over the next five years. Even today, the per capita glass consumption in India is just 0.6 kg, which indicates the enormous potential that lies ahead. New regulations for glass usage are now coming into effect throughout our country, which will further expand the processed glass market.

### Demand drivers of the Glass industry

- Expansion of Construction and Automotive industries
- Increased acceptance of Green Building concept
- Better aesthetics
- Government regulation for Toughened and Laminated glasses
- Global concerns about energy conservation and environment
- Transparent & Colourful Buildings.
- Decorative glasses with Digital print technology.
- Nanotechnology – The future in world of glass
- Architects and car designers continue to increase the glass content in buildings and vehicles
- Demand for value-added products is growing at a faster rate than demand for basic glass, enriching the product mix and boosting the sales line
- Value-added products are delivering greater functionality to vehicle glazing and adding a further growth dimension to automotive glazing sales

## COMPANY OVERVIEW

### About the Company

Sejal Architectural Glass Limited (SAGL), promoted by first generation entrepreneur Mr. Amrut Gada, is one of the leading glass processors and retailers in India. The Company is also set to venture into float glass manufacturing with the commencement of its float glass project in September 2009 at Bharuch, Gujarat. It will become an integrated player in the field, having presence right from the float glass production to glass processing to retailing of glass products. With the float glass production capacity operational, Sejal will emerge among the top four float glass manufacturers in the country.



The plant has state of the art machines and equipment, imported from European manufacturers and the company's processing facility is also certified by European Glass Manufacturers

#### Corporate highlights

- The company's IPO was successfully launched in June 2008. The issue was subscribed by 10 times and brought 32,000 shareholders into the Sejal family
- The float glass project is expected to be complete by August 2009, on-time as per international standards, despite severe flooding in the site twice during the year under review.
- The company also floated a fixed deposit scheme in February 2009, that generated a good response in the market

#### PROCESSING DIVISION

##### Location

The Company's glass processing unit is located in Silvassa, Dadra & Nagar Haveli. The plant is well-connected with rail and road linkages. The unit got operational from 2000. The unit is located at a land area of over 11000 sqm with built-up area of 6000 sqm. The plant has state of the art machines and equipment, imported from European manufacturers and the company's processing facility is also certified by European Glass Manufacturers. The biggest advantage of the unit is its proximity to the A-grade cities of Gujarat and Maharashtra, enabling it to tap the demand and ensure faster response to major centres of real estate development through its products.

##### Raw materials and processing

The unit processes float glass to infuse it with properties relating to heat insulation, strength, shapes, lamination, immune to climatic extremes, etc. The float glasses processed by the company are mostly used as facades in buildings, either in the external part of the structures or as a partition wall in the internal structures. The properties of strength, insulation, better light transparency, energy efficiency, etc. are infused through pre-processing and processing. In most of the cases, the customer purchases glasses on their own and send it across to the company. Being in the business for nearly a decade now, the company has formed good relations with its dealers thereby ensuring better rates for procuring float glasses on behalf of its customers.

##### Technological edge

Sejal's Silvassa plant is a state of the art plant having the ability to provide solutions across the value chain in glass processing – from pre-processing to processing to décor. The unit houses machines from the globally renowned companies like Liscac (Austria), Tamglass

(Finland), Bystronic (Germany), Z. Bavelloni (Italy) and Intermac (Italy). The company's uncompromising attitude towards quality enabled it to invest in higher priced machines made by prominent European manufacturers than the low quality variants. This has

lend an edge to the company to offer customised solutions in cuts, shapes, toughening, lamination and insulation of glasses than its competitors. The company houses the latest technology, unheard in the Indian glass processing industry.

## KNOW OUR MACHINES

### Cutting line – Lisec, Austria

This machine can cut the glass with a cent per cent accuracy in diverse shapes and sizes. It is fully automatic and requires extremely lower levels of human interaction. This auto-loading machine runs through a GPS-opt cutting optimisation software. This advanced machine can cut glasses with a maximum size of 6000 mmX3000 mm. The cutting table is endowed with auto-transport, enabling minimal scratches and human intervention. The line is also suitable for lamination glass cutting.

### CNC arising and edging – Lisec, Austria

Once the glass is cut, the edges need to be grinded to ensure accident-free handling. This machine has the unique ability to conduct edging on all four corners of glass automatically, without human intervention. This high precision and high-speed machine ensures higher accuracy in delivering world-class edging to the glass sheets. This machine also cleans the glass through inline washing, before the glasses can go for further processing.

### Gemy edge grinding machines - Z. Bavelloni, Italy

These are computerised edge grinding machines used for monolithic and laminated glasses with thickness upto 40 mm. These machines use diamond wheels for grinding and polishing the edges of the glass sheets.

### CNC work centres – Intermac, Italy

These work centres offer integrated solution relating to edging, grinding, surface and fabrication operations through a single machine. These are used for smaller sheets of glasses, maximum capacity being 3mX6 m.

### Horizontal tampering line – Tamglass, Finland

This machine is used to provide toughening properties to glass, where it can sustain a fall without breaking and in case it breaks, the glass particles form granules with no sharp edges. This line is fully automated and offers both – radiation as well as convection heating. This line can process glasses with thickness of 3mm to 19 mm and sizes of 3mm to 10 mm.

### Laminating line – Bystronic, Germany

Laminated glass refers to two layers of glasses having a single layer of lamination sheet between them and both put together, forming one glass sheet. This type of glass is used to ensure better cooling and safety. This is the most advanced and top of the line laminating facility in the unit. The fully automatic line functions inside a climate controlled room, having adherence to the international standards in terms of cleanliness and lamination practices. This line can laminate glasses with a maximum size of 4.5 m x 3.6 m, and 80 mm thickness. The line also has the ability to provide soft-coating to the glasses.

### Autoclave – Scholz, Germany

Post the lamination, the glasses are kept in a heat chamber, for the lamination coating to get set with the glasses. The company houses a 6-stage autoclave in its Silvassa unit that can provide treatment to glasses upto a maximum size of 4.5 mX2.6 m.

### Insulating line - Lisec, Austria

Insulated glass are a set of two single glasses or a laminated and single glass each, bounded through a frame and having vacuum between them. These are used as bricks to create partitions, walls or ceilings. They have great insulating properties, enabling them to retain cooling efficiently and keep the heat outside. The company's insulating line is fully computerised and possesses the ability to process up to 4 sided step. The line also houses pressing unit with auto size sensing and pressure control for unparallel quality and higher energy efficiency. The line can create insulation glasses of the size upto 3500 mm x 2500 mm.

### Autospacer bending machine – Lisec, Austria

This machine prepares metal insulators for the insulating line. The metal rods are provided a rectangular shape and filled with chemical to retain insulation in the panels for a long time. Then these structures are sealed with the help of robotic secondary sealant which is reliable and efficient.

### Capacity Expansion

During the year, the company absorbed the business activities of its two other group companies into itself, resulting in the increase in its processing capacity across stages. In addition, the company is setting up its Float glass plant in Bharuch, Gujarat, which will provide it with backward integration from Float glass manufacturing to processing to retailing of glass products. The float glass capacity is expected to go on-stream from September 2009 onwards.

### Exports

The company's unit is at proximity with the port, thereby offering it an attractive avenue to export. The company has initiated exports to neighbouring countries. These markets include Middle Eastern and African countries. Emerging countries offer great opportunities, less stringent quality requirements and better revenues.

In 2008-2009, the Company's exports rose by 26 per cent to Rs. 2.43 crore as against the last years exports of Rs. 1.92 cr. The Company exported processed glasses to countries like Baharain, New Zealand, Sri Lanka, Bangladesh, Finland, Denmark, etc.

### Décor

The company also initiated the manufacturing of glass items used for décor purposes such as basins, artworks, mirrors, and other decorative glass items. The major strategy is to market these products through its inhouse retailing division Sejal Encassa. Décor glass is the first choice of architects and designers. The range offers exquisite mirrors, basins, panels, partitions and other furniture in exclusive and custom designed versions.

### Clients

The Company has processed glasses for a large number of reputed clients including real estate players, builders, architects and interior designers. Some of the major projects that the company supplied its products to this year were Amritsar International Airport, Kesar Solitaire Park, Syntel, Brigade Enterprises etc.

### Outlook 2008-09

The year 2008-09 will be a crucial year for the Company's processing division. The major focus will be on uninterrupted operation of the existing capacities, in the wake of expansion activity.

The Company also expects to run its capacities at full utilisation, and at the same time, ensure lower breakdowns.

The Company expects robust demand from the real estate and architects, thereby maintaining healthy realisations. At the same time, the Company would continue to take measures to effectively reduce the production costs and enhance margins.

### Retailing Division

Sejal Encassa, the company's retail store is located at Kandivali,

Mumbai. It offers a comprehensive range of glass wares, decoration items, artworks, light fittings, chandeliers, mirrors, doors, luminaries, sanitary products, bath fittings, etc. – consisting in-house brands and other brands from renowned manufacturers. The strategy is to offer one-stop solutions in glass and glass products used outside or in the house or offices.

### CLIENTS

#### Builders

- K Baheja Corp
- Lodha Builders
- Kalpataru Builders
- HDIL
- Keystone Realtors Pvt Ltd
- Wadhwa Developers
- Ekta World
- Mayfair Housing Pvt Ltd
- The Phoenix Mills Ltd
- Vinayak Developers

#### Corporates Clients

- Emirates Airlines
- Standard Chartered Bank
- J P Morgan Stanley
- Godrej & Boyce
- Nimit Steel
- Alok Infrastructure Ltd
- Indian Broiler Group

#### Hotels

- ITC Maratha Hotel Mumbai
- ITC Grand Central Hotel Mumbai
- Pride Hotel Mumbai
- Park Hyatt Pune
- Cosmos Resort Goa
- Granville Hotel Pvt Ltd Mumbai

#### Architects

- Vivek Bhole & Associaes
- Talati & Panthaky
- Niteen Parulekar Architects Pvt Ltd
- Ar. Reza Kabul

### OUTLOOK

The Company wants to extend its retailing division to cater to other cities and towns in the coming years. It is the one-of-its-kind glass retail outlet and the company foresees a lot of potential in the division in the future years.

# SWOT Analysis

## Strengths

- First generation entrepreneur
- Qualified and expert team of professionals and management
- World-class technology and equipment
- Continuous innovation and quality control
- Strong branding
- Favorable demand & supply situation will keep the margins intact
- The Company is moving into production of float glass, which is a high growth segment

## Weakness

- No established reputation in float glass segment
- Competition from established players with global backing

## Opportunities

- Strong entry barrier due to the capital-intensive nature of the industry.
- Float glass production is going to put the company into a diverse trajectory

## Threats

- Competition in processing from established international players
- Operational teething problems in the new plant



## HUMAN RESOURCES

The industrial relations are cordial and the management thoroughly acknowledges the support from the employees at all levels. Specific programmes have been intentionally devised to enhance the career growth pattern for each and every employee and improve their knowledge, skill and functional expertise. The management makes it imperative to boost employee morale through a process of continuous dialogue and motivational meetings.

The Company believes in the highest standards of people management and personal growth. It instills in each of the members of Sejal family a feeling of ownership, responsibility and performance to the par of excellence in each of the operations pertaining to production and servicing. The Company aspires to set the highest standards of internationally benchmarked human resource practices which would be exemplary for other manufacturers.

## INTERNAL CONTROL SYSTEM

The Company has an adequate system of internal controls to safeguard and protect from loss, unauthorised use or disposition of its assets. All transactions are properly authorised, recorded and reported to the management. The Company is following all the Accounting Standards for properly maintaining the books of accounts and reporting of financial statements. The Company has appointed KPMG as the Internal Auditors to review various areas of the operations of the Company. The audit reports are reviewed by the management and the Audit Committee of the Board periodically.

## CORPORATE SOCIAL RESPONSIBILITY

### Initiatives at Mumbai

#### Promotion of upcoming Artists

The Company through its Art Gallery division promotes upcoming artists to showcase their talents to the people around. In order to popularise our Company's effort for the upcoming artists, we organise Art Exhibitions and Competitions from time to time.

#### Trust Activities

Mr. Amrut Shivji Gada, Chairman & Managing Director of the Company is closely associated with Shri. Jethalal Nonghabhai Gada,

Vagad, Education, Welfare and Research Centre. This trust amongst other charitable activities also runs School by the name of Vagad Gurukul International School at the outskirts of Mumbai in Virar for the betterment of children from Vagad Community settled in Mumbai. This School aims at providing academic excellence in a Stress Free Environment where children can be active participant in their own learning.

#### Animal Welfare

At Sejal, we are involved with "Karuna" an organisation which provides free animal ambulance for animals in distress. "Karuna" is involved in a spectrum of activities wherein animals are benefited with major concentration on free onsite medical treatment of strays.

### Initiatives at Bharuch

#### Blood Donation Camp

The Company had in association with L & T organised a blood donation camp during the year at their Bharuch Plant wherein all the Staff Members along with Chairman & Managing Director of the Company had donated blood.

#### Tree Plantation Activity

The Company has also initiated Tree Plantation activities around its factory premises. We have planted nearly 4000 plants in our own humble bid to maintain and magnify our green.

### Initiatives at Silvassa

#### Distribution of Educational fees

With the advent of education becoming very costly the management of Sejal Architectural Glass Ltd., Dadra provides educational fees assistance to the children of all employees of our Dadra unit. We pay Rs. 150/- per child up to 2 children per employee every month.

#### School Bag Kits

Moreover the Sejal management also has distributed a school bag kit to the children of employees, up to two children per employee. The kit contains a quality water proof school bag, a water bag and a utility pouch for pencils, erasers etc.

#### Yoga Camp

A 7 days Yoga camp was held for the well being of the employees of Sejal – Dadra. It was conducted by an external Yoga tutor.





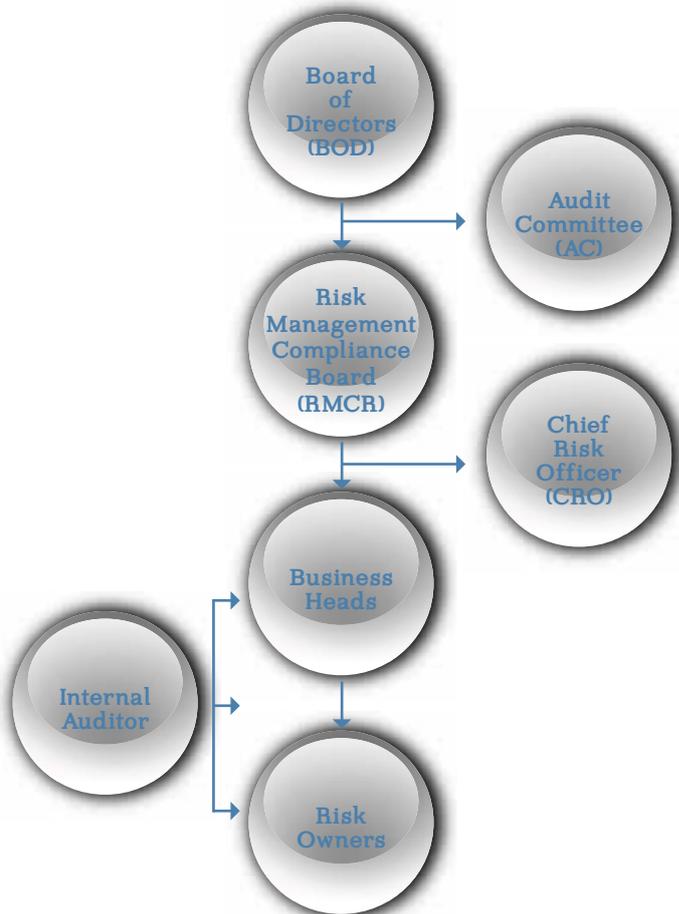
The Company appointed KPMG as their advisors to set up an integrated and clearly structured risk management framework which would enable in the maximisation of shareholders' value at SAGL. The key objectives of this risk management policy are

- Provide an overview of the principles of risk management
- Explain approach adopted by the Company for risk management
- Define the organisational structure for effective risk management



Consequently a risk organisation structure was formulated in line with the objectives.

**Risk organisation structure at SAGL**



Category	Description of Roles and Responsibilities
<b>BOARD OF DIRECTORS</b>	<ul style="list-style-type: none"> <li>● Approve risk policy and risk management strategy</li> <li>● Define Risk Appetite for the Company</li> <li>● Support an environment that does not tolerate behavior which might compromise prudent risk management practice</li> <li>● Review organisation wide risk portfolio and consider it against the risk appetite</li> <li>● Present Board Disclosures as mandated by Clause 49 on risk management to stock exchanges/SEBI</li> </ul>
<b>AUDIT COMMITTEE</b>	<ul style="list-style-type: none"> <li>● Review adequacy and effectiveness of business risk management</li> <li>● Review and approve changes in the risk appetite of the company</li> <li>● Review and approve (internal and external) audit plans</li> <li>● Monitor business risk reporting</li> </ul>
<b>RMCB</b>	<ul style="list-style-type: none"> <li>● Ensure compliance with the Risk Management Policy</li> <li>● Guide integration of enterprise wide risk management with other business planning and management activities</li> <li>● Establishing risk management policies, including defining roles and responsibilities</li> <li>● Provide quarterly updates to the Board/Audit Committee on the current risk management procedures and status of key risks</li> <li>● Submit reports as requested by Audit Committee on changes in risk profile, controls established, etc.</li> <li>● Advise business divisions/support functions on risk initiatives</li> <li>● Suggest improvements to risk management techniques and lift management awareness</li> <li>● Ensure appropriate internal controls, risk management and legal compliance systems including standards, training and communications are in place for all high-risk compliance and ethical areas, including but not limited to those areas deemed to be significant risks</li> <li>● Monitor emerging issues and share best practices</li> <li>● Ensure communication of policies and standards to successive levels of management</li> <li>● Ensure validity and completeness of the risk register</li> </ul>
<b>CHIEF RISK OFFICER</b>	<ul style="list-style-type: none"> <li>● Framing accountability and authority for risk management in the business units</li> <li>● Promoting risk management competence throughout the entity, including facilitating development of risk management expertise and helping managers align risk responses with the entity's risk tolerances.</li> <li>● Guiding integration of risk management with other business planning and management activities.</li> <li>● Establishing a common risk management language that includes common measures around likelihood and impact and common risk categories</li> <li>● Overseeing development of risk tolerances and working with managers to establish control activities and recommending corrective action where needed</li> <li>● Facilitating managers' developing of reporting protocols, including quantitative and qualitative thresholds and monitoring the reporting process</li> <li>● Collate updates/changes approved by the Executive Directors</li> <li>● Update Risk Register</li> <li>● Present updates/changes to Risk register to the RMCB on a quarterly basis</li> </ul>
<b>BUSINESS HEADS</b>	<ul style="list-style-type: none"> <li>● Approve updates/changes to the risk register as suggested by the risk owners</li> <li>● Prepare risk management action plans for key risks identified</li> <li>● Maintain evidence of review of risk register updates e.g. minutes of meetings with risk owners; risk identification/modification/deletion forms</li> </ul>
<b>RISK OWNERS</b>	<ul style="list-style-type: none"> <li>● Responsible for identifying risks</li> <li>● Responsible for preparing risk profile</li> <li>● Responsible for managing risks</li> <li>● Ensure risk profile is current and up to date</li> </ul>
<b>INTERNAL AUDIT</b>	<ul style="list-style-type: none"> <li>● Tests compliance at all relevant levels</li> <li>● Quality assurance on risk management process</li> <li>● Scopes audit work based upon severity of risk to the business</li> <li>● Special investigations as requested</li> </ul>

## Key risks and mitigation



### INPUT COST RISK

Glass processing and float glass manufacturing is a highly energy intensive process. Fuel cost forms a prominent part of the cost structure. Any increase in the fuel prices would lead to reduction in margins for the company.

### RISK MITIGATION

- The company has entered into long term supply contract for procurement of gas and would be able to receive continuous supply from the gas plant adjoining the company's plant.
- Besides, the company has invested in world class technology that would enable higher energy efficiency and reduce the fuel consumption.
- The company is also in the process of setting up captive power plant that would enable higher savings.



### PROJECT DELAY RISK

The float glass project is the company's most ambitious project since its inception. Any delays would lead to higher escalation in cost and defer the company's revenue-generating capability.

### RISK MITIGATION

The company's float glass plant is expected to complete in August 2009 and would commence production from September 2009. The cost escalation was mainly on account of exchange rate fluctuations, increase in interest costs, increase in Steel & Cement prices and such other factors. The company managed to complete the project well in time as per the international standards, despite challenges.

3

**RECEIVABLE RISK**

The company derives some part of its revenues from credit sales. Any non-receipt in the receivables would lead to loss for the company.

**RISK MITIGATION**

The company has proactively initiated measures to protect its receivables by maintaining effective debtor management system. During 2008-09, the company supplied products only against advance, thereby protecting the quality of its receivables.

4

**COMPETITION RISK**

The company is foraying into float glass manufacturing and its products will find strong competition from the existing float glass manufacturers.

**RISK MITIGATION**

The company has forayed into float glass manufacturing post establishing its brand in the architectural glass processing business. The company has invested in superior technology that would enable it deliver a product quality at par with the world's best. Moreover, the company initiated its market seeding activity well in advance, to establish a strong dealer network to enable its products to tap the right markets at the right time.

5

**QUALITY RISK**

The main pillar of the company's product offerings is quality. Any inability to meet the best standards would result in loss of business as well as reputation.

**RISK MITIGATION**

The company has employed a higher cost European technology despite having an option to opt for cheaper Chinese technology. The company has also managed to absorb professionals from the glass industry, who have worked with the very best in the business, thereby giving it an edge to understand and deliver quality products to its customers.



Directors' Report

## Dear Shareholders,

The Directors are pleased to present the Eleventh Annual Report and Audited Accounts for the year ended 31st March, 2009.

### 1. FINANCIALS

Your Company's financial Performance was as follows:

	(Rs. In Million)	
	Year 2008-09	Year 2007-08
Sales and Operating Income	484.62	547.17
Other Income	34.36	37.49
<b>Total Income</b>	<b>518.98</b>	<b>584.66</b>
<b>Increase/(Decrease) in stock</b>	<b>(3.04)</b>	<b>4.72</b>
<b>Gross Income</b>	<b>515.94</b>	<b>589.38</b>
Operating Expenditure	415.57	464.68
<b>Profit Before Interest &amp; Depreciation</b>	<b>100.37</b>	<b>124.70</b>
Less : Interest	37.65	38.84
Less : Depreciation/amortisation	25.00	21.64
Provision for contingencies	6.00	-
<b>Net Profit Before Tax</b>	<b>31.72</b>	<b>64.23</b>
Less : Provision for tax for the year (including Fringe Benefit Tax)	9.73	12.30
Less : Deferred Tax	(0.62)	4.89
<b>Net Profit After Tax</b>	<b>22.61</b>	<b>47.04</b>
Less: Prior year expenses	1.39	0.54
Add : Balance b/f from previous year	41.60	17.62
Amount Available for appropriations	62.82	64.12
Add : Dividend waiver by Promoters	8.05	-
Add : Excess provision of Dividend Tax written back	1.37	-
<b>APPROPRIATIONS</b>	<b>-</b>	<b>-</b>
Equity Dividend	-	15.40
Income Tax on dividend	-	2.62
Transferred to General Reserve	-	4.50
<b>Total Appropriations</b>	<b>-</b>	<b>22.52</b>
Balance Carried to Balance Sheet	72.24	41.60

## 2. REVIEW OF OPERATIONS

### Existing operations

The year 2008 – 2009 was a historic year for the Company marked with the significant event of listing of its securities on the bourses on July 1, 2008. During the year under review the Company recorded a subdued performance. Revenues (net of Excise) for the year were Rs. 515.94 million compared to Rs. 589.38 million in 2007 – 2008, a decline of 12.50%. The profit before tax was Rs. 31.72 million compared to Rs. 64.23 million in 2007 – 2008, a decline of 50.61%. The profit after Tax for the year was Rs. 22.61 million compared to Rs. 47.04 million in 2007 – 2008, a decline of 52.00%.

The demand contraction was triggered by high interest rates and unavailability of finance throughout the year, particularly in the October – December quarter post the global financial market upheaval. The impact on the real estate sector was more severe, abetted by the banks reducing the exposure to real estate and customer concerns on economic conditions. Stimulus packages from the Government in the last quarter of the year have to an extent helped regenerate overall sales, as in the Real Estate Sector, but growth is yet to revive to earlier levels.

The fall in processing volumes was also on account of the Company's policy measures to protect the quality of its receivables, accepting only those orders which were backed by advances or letter of Credit. This proactive measure enabled the Company to minimise its bad debts risk, even though it resulted in a lower top line and bottom line.

### Implementation of the project

The Company has set a blistering pace on all implementation fronts and achieved 96% overall progress in implementation of its international quality, float glass manufacturing plant of 550 MT per day production capacity at Jhagadia Industrial Estate, Bharuch, Gujarat. The Company has surpassed several significant milestones, including near completion

of engineering, procurement and contracting activities, substantial completion of equipment deliveries and equipment installations at site. The year also witnessed rapid progress in the construction activities, leading to a dramatic change in the skyline of the project site at Bharuch.

The Company expects to commission the Float Glass Plant by August 2009. Accordingly the Company has shifted focus on startup planning and operations preparedness activities to support the commencement of the Float Glass Production in September 2009.

The Company has already tied up for the long term debt financing for the project and in all, has contracted term debt to the tune of Rs. 3845 million at a Debt Equity ratio of 2:1. As on March 31, 2009 the Company has utilised Rs. 3612.50 Million for the project.

## 3. SHARE CAPITAL

During the year, the Company successfully raised Rs. 1057.33 million via Book Building issue of 9194155 Equity Shares of Rs. 10/- each at a premium of Rs. 105/- per share. The issue was subscribed nearly 10 times in a market condition which was not conducive for public issues. The equity Shares of the Company were listed at National Stock Exchange of India Limited (NSE) & Bombay Stock Exchange Limited (BSE) on July 1, 2008.

The Authorised Share Capital of the Company is Rs. 33,00,00,000 divided into 3,30,00,000 equity Shares of Rs. 10/- each. The Paid up Capital of the Company is Rs. 28,00,00,000/- divided into 2,80,00,000/- equity shares of Rs. 10/- each.

## 4. DIVIDEND

Your Directors have not recommended any dividend on the equity shares for the financial year 2008 – 2009 with a view to conserve financial resources for the growth plans of the Company.

## 5. DIRECTORS

During the year Mr. Hasmukh Shah independent Director resigned w.e.f 13/12/2008 from the Board of Directors of the Company.

Mr. B. Subramanian Director Operations of the Company resigned w.e.f 13/12/2008 from the company and consequently from the Board of Directors of the Company.

The Board hereby accords its sincere appreciation and gratitude for the valuable contribution and services rendered by the Directors who resigned during the year.

The Board has subject to the approval of the members of the company, approved the re-appointment of Mr. Dhiraj S. Gada as the Joint Managing Director of the Company, for a further period of 3 years from October 1, 2008.

At the ensuing Annual General Meeting Mr. Praful Satra and Ms. Vimla Shah retire by rotation and being eligible, offer themselves for re-appointment.

## 6. DEPOSITS

The Company in February 2009 launched its Fixed Deposit Scheme for the Public and your Directors are pleased to inform you that the same has been receiving very good response from the general public.

During the year under review the balance outstanding as on March 31, 2009 is Bs. 11.36 million. There are no unclaimed deposits as on date.

## 7. AUDITORS

The Statutory Auditors M/s. S. S. Puranik & Associates, Chartered Accountants, retire at the ensuing Annual General Meeting. M/s. S. S. Puranik & Associates have not offered themselves for re-appointment at this Annual General Meeting.

Further the Company has received a special notice from a member of the Company under Section 190 and Section 225 of the Companies Act, 1956 ("the Act") signifying the members intention to propose the appointment of M/s. Dalal & Shah, Chartered Accountants, as the Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting. M/s. Dalal & Shah, Chartered Accountants have also expressed their willingness to act as the Statutory Auditors of the Company, if appointed and have further confirmed that the said appointment, if made would be in conformity with the provisions of Section 224(1B) of the Act.

## 8. CORPORATE GOVERNANCE

Corporate Governance and the Management and Discussion Analysis Report form an integral part of the Annual Report. The Certificate of the Company Secretary in practice on its compliance is annexed with the report on Corporate Governance.

## 9. HUMAN RESOURCE MANAGEMENT

Your company is an equal opportunity employer with total employee strength of 382 as on March 31, 2009.

The Company's HR policies and processes are aligned to effectively drive its expanding business and making inroads into emerging opportunities. The Company has suitable recruitment and Human Resource Management process, which enables it to attract and retain high caliber employees.

## 10. PARTICULARS OF EMPLOYEES

The information required under Section 217(2A) of the Companies Act, 1956 and the rules made there under, is provided in the annexure forming part of this Report. In terms of Section 219(1)(b)(iv) of the Act, the report and accounts are

being sent to the shareholders excluding the aforesaid annexure. Any shareholder interested in obtaining copy of the same may write to the Company Secretary at the Registered Office of the Company. None of the employees listed in the said Annexure is related to any Director of the Company.

## 11. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions contained in Sub-Section (2AA) of Section 217 of The Companies Act, 1956, your Directors, hereby confirm that:

- a) In the preparation of the annual accounts for the year ended on 31st March 2009, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
- b) They have selected the accounting policies in consultation with the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2009 and of the profits or loss of the Company for that period;
- c) 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; and
- d) The annual accounts for the year ended 31st March, 2009 have been prepared on a going concern basis.

## 12. FINANCE

With the significant increase in the Company's Capital expenditure programmes on account of the upcoming 550 MT float glass manufacturing facility at Jhagadia Industrial Estate, Bharuch, Gujarat and the growing business requirement the overall borrowings of the Company stood at Rs. 2761.7 million at a Debt Equity ratio of 1.84:1

During the year there was an escalation in the project cost to the extent of Rs. 1100 million over and above the earlier envisaged project outlay of Rs. 4780 million. The Capex for the Float Project now stands at Rs. 5880 million

## 13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

Information on Conservation of energy, Technology Absorption and foreign Exchange is given in the Annexure to this report.

## 14. INFORMATION TECHNOLOGY INITIATIVES

Your company believes that Information Technology is a source of competitive advantage and has therefore continued to strengthen the Information Technology capabilities in all areas of its business which were used extensively in the manufacturing and Customer interface functions. During the year the company has also successfully completed the implementation of the Enterprise Resource Planning (ERP) System. This was accompanied by significant re-engineering and simplification of the existing business process. It provides a comprehensive data warehouse with real time information across all our operations. The end to end ERP capability will be the platform for further business process innovation and increased speed response.

Your Company has also appointed KPMG to conduct Systems Audit of the ERP Systems implemented to understand the adequacy of the automated controls designed and the systems scalability to meet the existing and future business requirements of your Company.

During the year your Company also initiated implementation of Green Information Technology strategic plan, automation, Employee enabled On Line Collaboration.

## 15. ACKNOWLEDGEMENT

Your Directors would like to express their appreciation for assistance and co-operation received from the Banks, Financial Institutions, Government Authorities, Customers, Vendors and Members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the executives, staff and workers of the company.

For and on behalf of the Board of Directors

Place: Mumbai

Date: July 31, 2009

**Amrut S. Gada**

Chairman and Managing Director

# Annexure

to the Directors' Report

Financial Year ended 31st March, 2009

## PROMOTER AND PROMOTER GROUP SHAREHOLDING AS ON 31ST MARCH, 2009

Sr. No.	Particulars	No. of shares	% Holding
<b>a.</b>	<b>Promoters</b>		
1	Mr. Amrut S. Gada	2574250	9.19%
2	Mr. Dhiraj S. Gada	1314250	4.69%
3	Mr. Kanji V. Gada	616250	2.20%
4	Mr. Mitesh K. Gada	1283250	4.58%
5	Mr. Shantilal S. Gada	1288000	4.60%
	<b>Sub Total (a)</b>	<b>70,76,000</b>	<b>25.27%</b>
<b>b.</b>	<b>Promoter Group</b>		
1	Ms. Anju D. Gada	516500	1.84%
2	Ms. Aruna A. Karia	471250	1.68%
3	Ms. Bhavna A. Gada	362500	1.29%
4	Ms. Diwali S. Gada	117000	0.42%
5	Ms. Kanchanben S. Gada	703750	2.51%
6	Ms. Naval K. Gada	141500	0.51%
7	Ms. Preeti M. Gada	528000	1.89%
8	Mr. Shivji V. Gada	437750	1.56%
9	Ms. Damyanti D. Shah	30,000	0.11%
10	Sejal Glass Craft Pvt. Ltd.	1027500	3.67%
11	Sejal International Ltd.	175000	0.63%
12	Sejal Finance Ltd.	127018	0.45%
12	Sejal Float Glass Limited	1211000	4.33%
13	Shivji V. Gada Karta of Shivji . V. Gada - HUF	120000	0.43%
14	Amrut S. Gada, Karta of Amrut S. Gada HUF	75,000	0.27%
15	Dhiraj S. Gada, Karta of Dhiraj S. Gada HUF	124000	0.44%
16	Kanji V. Gada Karta of Kanji V. Gada HUF	110000	0.39%
17	Mr. Shantilal S. Gada Karta of Shantilal S. Gada HUF	5,000	0.02%
18	Mitesh K. Gada Karta of Mitesh K. Gada HUF	197500	0.71%
19	Mr. Mihir D. Karia jointly with Ms. Ruchi M. Karia	130000	0.46%
20	Ms. Ruchi M. Karia jointly with Mr. Mihir D. Karia	208500	0.74%
21	Mr. Dhiraj D. Karia jointly with Ms. Hemlata D. Karia	181250	0.65%
22	Ms. Hemlata D. Karia jointly with Mr. Dhiraj D. Karia	492750	1.76%
23	Mr. Ashish D. Karia jointly with Mr. Mihir D. Karia	213000	0.76%
	<b>Sub Total (b)</b>	<b>77,05,768</b>	<b>27.52%</b>
	<b>Grand Total (a+b)</b>	<b>1,47,81,768</b>	<b>52.79%</b>

# Annexure 'A'

## 1. Conservation of Energy:

The Company has always been conscious of the need for conservation of energy and has been steadily making progress towards this and energy conservation measures have been implemented at all the units and office of the Company and special efforts are being put on understanding specific Energy Conservation. This has resulted in cost savings for the Company.

### A. The energy measures taken include:

- 1) Installation of occupancy sensors in retail show room to switch off lights when unoccupied.
- 2) Use of energy saving lighting arrangements in shop floors and offices.
- 3) Installation of automatic sensor urinal flushers in offices.
- 4) Converted our diesel boiler into electric boiler at our Silvassa Plant, thereby saving on diesel consumption.
- 5) Conceded the weekly off along with power cut day at dadra industrial area.
- 6) Installation of regenerative glass melting furnace at our float glass manufacturing plant at Bharuch, which uses the flue gases to reheat the incoming combustion air, thereby reducing the fuel consumption by upto 15%.
- 7) Awareness drive to switch off power in all areas when not required.

### B. Additional investments and proposals, if any, being implemented for reduction of energy consumption - NIL

### C. Total energy consumption per unit of production

Particulars	2008-2009	2007-2008
Power and fuel Consumption		
<b>1 Electricity Purchased</b>		
Units (Kwh)	3081586	3374577
Total Amt (Rs. In million.)	11.70	10.52
Avg. Rate (Rs./Kwh)	3.79	3.12
<b>2 Diesel</b>		
Units (Liter)	41692	74000
Cost per unit (Rs.)	36.53	33.87
<b>3 LPG Gas</b>		
Units (Kgs)	5234.50	10377
Cost per unit (Rs.)	42.30	56.77
<b>4 Furnace oil</b>		
Purchased (Kilo liters)	NA	NA
Total Cost (in Rs.)		
Avg. cost (Rs./Kilo liter)		

## 2. Research and Development (R&D) and Technology Absorption

The Company has continued the endeavour to absorb best of technologies for its product range to meet the requirement of globally competitive markets. The Company undertake from time to time, various studies for process improvement, quality improvement and economies in production cost. The Company is well equipped with all the latest technologies and machines, imported from European suppliers that help the Company to compete with the competitors who exist in both organised and unorganised sector.

## 3 Foreign exchange earning and outgo

	(Rs. In million)	
<b>Expenditure in Foreign Exchange</b>		
a. Value of Raw Materials imported on CIF basis	140.32	163.51
b. Spares	1.90	2.05
c. Machinery	1216.19	25
d. Foreign Travels	0.50	0.80
e. Machinery Repairs & Servicing Charges	0.48	0.08
f. Exhibition & Conference Expenses	0.27	0.08
g. Sundry Debtors written off	-	0.08
h. Foreign Bank Charges	11.86	0.09
i. Advertisement	0.09	-
j. Interest on FCNR Loan	6.50	0.25
k. Professional & consultancy Fees & Expenses (Capitalised)	7.22	14.71
l. Loss due to Exchange rate fluctuation	6.74	1.21
<b>Total</b>	<b>1392.07</b>	<b>207.86</b>
Earning in foreign Exchange		
Exports Sales (F.O.B.)	15.24	16.65
Gain on Exchange rate difference	1.58	4.60
Consultancy Charges received	-	2.27
Claims for Damages	-	22.64
Miscellaneous Income	-	0.01
<b>Total</b>	<b>16.82</b>	<b>46.17</b>



**Corporate Governance  
Compliance Report**

In India, Corporate Governance Standards for Listed Companies are regulated by the Securities Exchange Board of India (SEBI) through Clause 49 of the Listing Agreement of the Stock Exchanges. This Chapter along with that on Management Discussion and Analysis reports Sejal's Compliance with the Clause 49.

#### 1) COMPANY'S CODE ON CORPORATE GOVERNANCE

- Ensure that the Quantity, Quality and frequency of Financial and Managerial information, which the management shares with the Board, fully places the Board members in control of the Company's affairs.
- Ensure that the Board exercises its fiduciary responsibilities towards Shareowners and Creditors, thereby ensuring high accountability.
- Ensure that the extent to which the information is disclosed to present and potential Investors is maximized.
- Ensure that the decision making is transparent and documentary evidence is traceable through the Minutes of the meeting of the Board/Committees thereof.
- Ensure that the Board, Management, the Employees and all concerned are fully committed to maximize long term value to the Shareowners and the Company.
- Ensure that the core values of the Company are protected.
- Ensure that the Company positions itself from time to time to be at par with any other World- Class Company in operating practices.

#### 2) BOARD OF DIRECTORS

The policy is to have an optimum combination of Executive, Independent and Non- Executive Directors to ensure independent functioning of the Board. The Board consists of 8 Directors out of which 4 are Executive Directors and the rest Non Executive Directors.

The Chairman is an Executive Director. The Board has 4 Independent Directors.

Composition and Category of Directors

Name of Director	Category	Attendance Particulars		Other Boards		
		Last AGM	Board Meeting	Directorship	Committee Chairmanship	Committee Membership
Mr. Amrut S. Gada	Promoter Executive Director	Yes	6	5	0	0
Mr. Dhiraj S. Gada	Promoter Executive Director	Yes	5	5	0	0
Mr. Mitesh K. Gada	Promoter Executive Director	Yes	5	3	0	0
Mr. R. Subramanian (Resigned on 13/12/08)	Executive Director	Yes	4	0	0	0
Mr. Ashish D. Karia	Executive Director	Yes	6	1	0	0
Mr. Atul S. Bharani	Independent Non-Executive Director	No	2	0	0	0
Mr. Praful N. Satra	Independent Non-Executive Director	Yes	4	4	0	0
Ms. Vimla M. Shah	Independent Non-Executive Director	Yes	6	0	0	0
Mr. Hasmukh N. Shah (Resigned on 13/12/08)	Independent Non-Executive Director	No	3	0	0	0
Mr. Mitil B. Chokshi	Independent Non-Executive Director	Yes	3	1	0	0

#### Meeting of Board of Directors

During the year 2008-09 the Board of Directors met 6 times on 27th May, 2008; 21st June, 2008; 25th August, 2008; 31st October, 2008; 13th December, 2008; and 30th January, 2009.

### 3) AUDIT COMMITTEE

**Composition :** The Audit Committee of the Board comprises of two Independent Non- Executive Directors, namely Mr. Mitil R. Chokshi, Chairman and Mr. Praful N. Satra, Member and one Non Independent Executive Director Mr. Dhiraj S. Gada, Member. All the members of the Audit Committee Posses Financial/Accounting expertise. The composition of the Audit Committee meets the requirement of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. Mr. Ashwin S. Shetty is the Secretary of the Audit Committee.

**Terms of Reference :** The Terms of Reference/Powers of the Audit Committee are as under:

#### A) Powers of the Audit Committee :

- I. The audit committee shall meet at least four times in a year.
- II. The audit committee shall have powers ;
  - a) To investigate any activity within its terms of reference.
  - b) To seek information from any employee.
  - c) To obtain outside legal or other professional advice.
  - d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### B) The role of the audit committee include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Monitoring of Issue Proceeds.
- 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 Director's 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 judgment 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.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with 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.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism, in case the same is existing
- Carrying out any other function as is mentioned in the terms of reference.
- The Audit Committee shall also review the following information:
  - a) Management discussion and analysis of financial condition and results of operations;
  - b) Statement of significant related party transactions submitted by management;

- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal Audit reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee

**Meetings :** Four Meetings of the Audit Committee were held during the year ended 31st March, 2009.

Attendance of each member at the Audit Committee Meetings held during the year.

Sr.	Name of the Director	No. of Meeting	
		Held	Attended
1)	Mr. Mitil B. Chokshi	4	3
2)	Mr. Praful N. Satra	4	3
3)	Mr. Dhiraj S. Gada	4	3
4)	Mr. Hasmukh N. Shah (Resigned on 13/12/2008)	4	2

#### 4) SHAREHOLDERS/INVESTOR GRIEVANCES COMMITTEE

**Composition :** The Shareholders/Investor Grievances Committee of the Board comprises of two Independent

Non- Executive Directors namely Ms. Vimla M. Shah, Chairman and Mr. Atul S. Bharani, Member and one Non Independent Executive Director Mr. Mitesh Kanji Gada, Member.

The Terms of reference of the Shareholders/Investor Grievances Committee are given below:

To allot the equity shares of the Company, and to supervise and ensure:

- Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;
- Issue of duplicate / split / consolidated share certificates;
- Allotment and listing of shares;
- Review of cases for refusal of transfer / transmission of shares and debentures;
- Reference to statutory and regulatory authorities regarding investor grievances;
- And to otherwise ensure proper and timely attendance and redressal of investor queries and grievances.

**Meetings :** Two Meetings of the Shareholders/Investor

Grievances Committee were held during the Year ended 31st March, 2009. Attendance of each member at the Shareholders/Investor Grievances Committee Meeting held during the year.

Sr.	Name of the Committee Member	No. of Meeting	
		Held	Attended
1)	Ms. Vimla M. Shah	2	2
2)	Mr. Atul S. Bharani	2	0
3)	Mr. Mitesh K. Gada	2	2

**Compliance Officer :**

Mr. Ashwin S. Shetty G. M. Compliance, Company Secretary is the Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Agreements with the Stock Exchanges in India. Email ID : ashwin@sejalglass.co.in

**Investor Grievance Redressal :**

Number of complaints received and resolved to the satisfaction of investors during the year under review and their breakup are as under:

Type of Complaints	Number of Complaints
Non Receipt of Shares/Refund amount	111
Corrections in Refund Warrants	08
Non Receipt of Dividend Warrant	08
Correction in Dividend Warrant	01
Total	128

There were no complaints Pending Redressal as on March 31, 2009

#### 5) REMUNERATION COMMITTEE

**Composition :** The Remuneration Committee of the Board comprises of three Independent Non Executive Directors namely Mr. Praful N. Satra, Chairman, Mr. Atul S. Bharani, Member and Ms. Vimla M. Shah, Member.

The Terms of reference of the Remuneration Committee are given below:

- To recommend to the Board, the remuneration packages of the Company's Managing/Joint Managing/ Deputy Managing/Whole-time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and

performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);and

- To authorise at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Company's Managing/Joint Managing/ Deputy Managing/ Whole-time/ Executive Directors, including pension rights and any compensation payment;

**Remuneration Policy :** The remuneration policy of the company is directed towards rewarding performance, based on review of achievement on a periodic basis. The remuneration policy is in consonance with the existing Industry Practice.

**Meetings :** There was no meeting of the Remuneration Committee during the year.

Remuneration paid to Chairman & Managing Director, Joint Managing Director and Executive Directors during 2008- 2009.

Name of Director	Salary and other benefits	No. of Shares held
	In Rs.	
Mr. Amrut S. Gada	18.00 Lacs	25,74,250
Mr. Dhiraj S. Gada	15.00 Lacs	13,14,250
Mr. Mitesh K. Gada	12.00 Lacs	12,83,250
Mr. R. Subramanian (Resigned on 13/12/2008)	8.50 Lacs	Nil
Mr. Ashish D. Karia	12.00 Lacs	2,13,000

The Non- Executive Directors are paid Sitting Fees at the rate of Rs.10,000/- for attending each meeting of the Board and at the rate of Rs.5,000/- for attending each meeting of the Audit Committee.

Sitting Fee and Commission to the Non-Executive Directors for 2008-09 are detailed as under :

Name of Non-Executive Director	Sitting Fees In Rs.	No. of Shares held
Mr. Atul S. Bharani	20000/-	20,000
Mr. Praful N. Satra	55000/-	Nil
Mr. Hasmukh N. Shah (Resigned on 13/12/2008)	40000/-	Nil
Ms. Vimla M. Shah	60000/-	Nil
Mr. Mitil B. Chokshi	45000/-	Nil

#### 6) CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS AND MANAGEMENT PERSONNEL

The Code of Business Conduct and Ethics for Directors and Management Personnel ('the code') as adopted by the Board, is a comprehensive code applicable to all Directors and Management Personnel. The code lays down in detail the Standards of Business Conduct, Ethics and Governance to be followed by the Director and Management Personnel.

A copy of the code has been put on the Company's Website [www.sejalglass.com](http://www.sejalglass.com)

The code has been circulated to all the Members of the Board and Management Personnel and the compliance of the same is affirmed by them annually.

A declaration signed by the Chairman & Managing Director of the Company is given below:

I hereby confirm that the Company has obtained from all the Members of the Board and Management Personnel, affirmation that each of them has complied with code of Business Conduct and Ethics for Directors and Management Personnel in respect of the Financial Year 2008-09.

**Amrut S. Gada**  
Chairman & Managing Director

## 7) GENERAL BODY MEETINGS

### A) Annual General Meetings

The Location, Date and Time of Annual General Meetings held during the preceeding 3 years and the Special Resolutions passed thereat are as follows:

Date	Venue	Time	Nos. of Special Resolution
September 30, 2006	50/D, Government Industrial Estate, Charkop, Kandivali (West), Mumbai – 400 067.	11.00 AM	NIL
September 29, 2007	201/202, 2nd floor, Abhilasha, S.V. Road, Kandivali (West), Mumbai – 400 067.	3.00 PM	1. Increase in Authorized Share Capital. 2. Issue of Further Shares under Section 81(1A). 3. Commission Payable to Directors.
September 27, 2008	'Banquet Hall' Ground Floor, Goregaon Sports Club, Link Road, Malad (West), Mumbai- 400 064.	11.00 AM	1. Alteration of Articles of Association of the Company

### B) Special Resolution passed through Postal Ballot

No Special Resolution was passed through Postal Ballot during 2008-09.

## 8. DISCLOSURES

### a. Related party transactions

During the year under review, besides the transactions reported in the annexure to the Notes of Accounts. There were no other material party related transactions of the Company with its promoters, Directors or the management or their relatives. These transactions are not in conflict with the interests of the Company at large. Further there are no other material individual transactions that are not in the normal course of business or not on an arms length basis.

### b. Accounting Treatment

The Company follows Accounting Standards issued by the ICAI and in the preparation of Financial Statements; the Company has not adopted a treatment different from that prescribed in any Accounting Standard.

## 9. MEANS OF COMMUNICATION

The Quarterly and Annual results are generally published by the Company in one English and one vernacular language news paper in accordance with the compliance of the terms of the listing agreement. The Company's website address is [www.sejalglass.com](http://www.sejalglass.com) and the periodic results are duly posted thereon. Official News releases and Notices etc. are sent to the NSE and BSE where the Equity Shares of the Company are listed.

### Designated Exclusive Email Id

The Company has designated the following Email Id's exclusively for investor's servicing.

For Investor Queries: [investor.relations@sejalglass.co.in](mailto:investor.relations@sejalglass.co.in)

**10) GENERAL SHAREHOLDERS INFORMATION****Annual General Meeting**

Date, Time : Tuesday, September 15, 2009,  
11.30 A.M.

Venue : 4th Floor, Walchand Hirachand  
Hall, Indian Merchants' Chamber,  
IMC Bldg., IMC Marg, Churchgate.  
Mumbai - 400 020

Date of Book Closure : Thursday, September 10, 2009 to  
Tuesday, September 15, 2009 (Both  
days inclusive)

Financial Calendar: (tentative)

Financial Calendar : April 1, 2009 to March 31, 2010  
First Quarter Results : July, 2009  
Second Quarter Results : October, 2009  
Third Quarter Results : January, 2010  
Fourth Quarter Results : April, 2010  
Annual General Meeting : July, 2010

**Listing of Equity shares on Stock Exchanges.**

Exchanges	Code/Trading Symbols	ISIN CODE
National Stock Exchange of India Limited (NSE). Exchange Plaza, Bandra - Kurla Complex, Bandra (East), Mumbai- 400 051.	SEJALGLASS	INE955101010
Bombay Stock Exchange Limited (BSE). Floor-25, P J Tower, Dalal Street, Mumbai-400 001.	532993	

**Payment of Listing Fees.**

Listing fees for the year 2009 - 2010 have been paid to both NSE and BSE.

**Market Price Data: High/Low in each month of the Financial Year**

Month	National Stock Exchange (NSE) (In Rs. Per Share)		Bombay Stock Exchange (BSE) (In Rs. Per Share)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
July 2008	134.00	47.00	139.80	46.90
August 2008	63.80	42.50	63.70	42.30
September 2008	58.45	34.60	58.40	37.55
October 2008	44.00	18.50	41.70	19.50
November 2008	24.25	18.25	24.50	19.90
December 2008	29.45	19.00	29.40	18.25
January 2009	33.70	19.30	33.50	21.00
February 2009	27.45	23.15	27.55	22.15
March 2009	24.50	20.15	25.65	20.50

Source: NSE and BSE Websites

**Share Registrar and Transfer Agents (RTA)**

The Company has appointed Link Intime India Private Limited, C- 13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai- 400 078 as the RTA for both physical and dematerialised share maintenance..

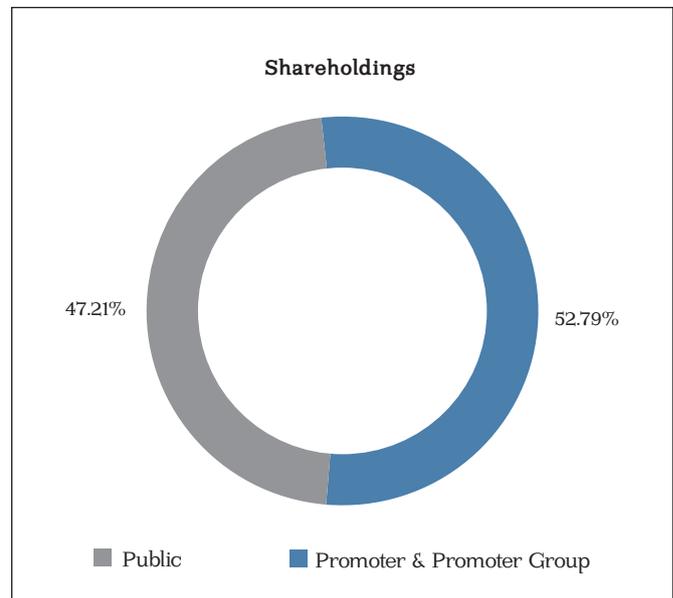
**Monthly Share price performance in comparison to broad based indices - NSE Nifty and BSE Sensex as on 31st March, 2009.**

Month	Percentage Change		Percentage Change	
	Sejal Price (Rs.)	Nifty (%)	Sejal Price (Rs.)	Sensex (%)
July 2008	50.10	7.24	50.05	6.64
August 2008	56.75	0.62	56.40	1.45
September 2008	39.95	-10.06	40.00	-11.70
October 2008	22.35	-26.41	22.75	-23.89
November 2008	21.10	-4.52	21.00	-7.10
December 2008	25.00	7.41	25.05	6.10
January 2009	25.30	-2.85	25.15	-2.31
February 2009	23.85	-3.87	24.05	-5.65
March 2009	22.90	9.31	23.15	9.19

**Share Transfer System :**

Share Transfers are generally affected within 15 days of lodgement or such period as may be permissible by Law/Regulatory Authority.

Distribution of shareholding as on March 31, 2009

**Shareholding Pattern as on 31st March, 2009**

Category of Shareholder	Number of Shareholders	Total number of shares	Total shareholding as a percentage of total number of shares
(I)	(II)	(III)	(IV)
<b>Shareholding of Promoter and Promoter Group</b>			
<b>Indian</b>			
Individuals/ Hindu Undivided Family	47	12241250	43.7188
Central Government/ State Government(s)			
Bodies Corporate	4	2540518	9.0733
Financial Institutions/ Banks			
Any Others(Specify)			
<b>Sub Total(A)(1)</b>	<b>51</b>	<b>14781768</b>	<b>52.7920</b>
<b>Foreign</b>			
Individuals (Non-Residents Individuals/ Foreign Individuals)			
Bodies Corporate			
Institutions			
Any Others(Specify)			
<b>Sub Total(A)(2)</b>			
<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>51</b>	<b>14781768</b>	<b>52.7920</b>
<b>Public shareholding</b>			
<b>Institutions</b>			
Mutual Funds/ UTI			
Financial Institutions / Banks	2	58806	0.2100
Central Government/ State Government(s)			
Venture Capital Funds			
Insurance Companies			
Foreign Institutional Investors	5	967294	3.4546
Foreign Venture Capital Investors			
Any Other (specify)			
<b>Sub-Total (B)(1)</b>	<b>7</b>	<b>1026100</b>	<b>3.6646</b>

Category of Shareholder	Number of Shareholders	Total number of shares	Total shareholding as a percentage of total number of shares
(I)	(II)	(III)	(IV)
<b>Non-institutions</b>			
Bodies Corporate	282	3322518	11.8661
Individuals			
i. Individual shareholders holding nominal share capital up to Rs 1 lakh	14035	3165461	11.3052
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	147	5343165	19.0827
Any Other (specify)			
CLEARING MEMBER	92	339008	1.2107
NON RESIDENT INDIANS (REPAT)	38	20214	0.0722
NON RESIDENT INDIANS (NON REPAT)	8	1766	0.0063
<b>Sub-Total (B)(2)</b>	<b>14602</b>	<b>12192132</b>	<b>43.5433</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>14609</b>	<b>13218232</b>	<b>47.2080</b>
<b>TOTAL (A)+(B)</b>	<b>14660</b>	<b>28000000</b>	<b>100.0000</b>
Shares held by Custodians and against which Depository Receipts have been issued (C)			
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>14660</b>	<b>28000000</b>	<b>100.0000</b>

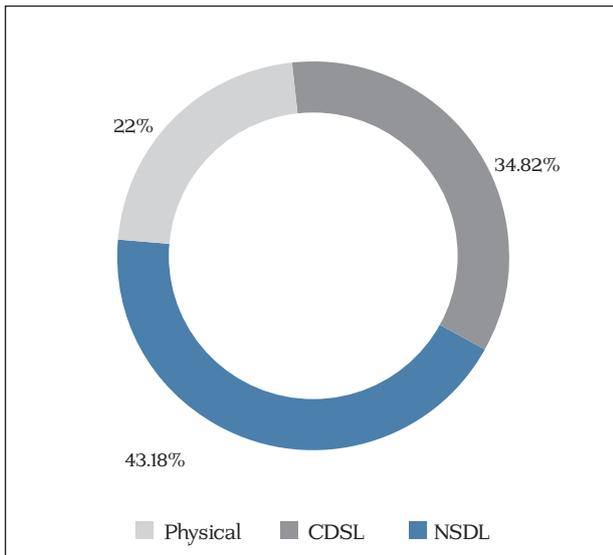
Top 10 Shareholders as on March 31, 2009

Sr.	Name of the Shareholder(s)	No. of Shares	% of Total Shareholding
1	MR. AMRUT SHIVJI GADA JOINTLY HELD WITH MRS. BHAVNA AMRUT GADA	2206250	7.8795
2	MR. MITESH KANJI GADA	1248250	4.4580
3	MR. SHANTILAL SHIVJI GADA	1225500	4.3768
4	M/S. SEJAL FLOAT GLASS LIMITED	1211000	4.3250
5	M/S. SEJAL GLASS CRAFT PRIVATE LIMITED.	1027500	3.6696
6	MR. DHIRAJLAL SHIVJI GADA	924250	3.3009
7	M/S. ANUGRAH STOCK & BROKING PVT LTD	563912	2.0140
8	M/S. INVENTURE FINANCE PRIVATE LIMITED	555621	1.9844
9	MRS. PREETI MITESH GADA	511750	1.8277
10	MRS. HEMLATA DHIRAJ KARIA JOINTLY HELD WITH MR. DHIRAJ DEVJI KARIA	492750	1.7598

Shareholding Pattern by Size as on March 31, 2009

Shareholding of Shares	Number of Shareholders	Percentage of Total	Shares	Percentage of Total
1 -- 500	13488	92.0055	1475455	5.2695
501 -- 1000	481	3.2810	399560	1.4270
1001 -- 2000	210	1.4325	337668	1.2060
2001 -- 3000	66	0.4502	170431	0.6087
3001 -- 4000	47	0.3206	172261	0.6152
4001 -- 5000	37	0.2524	178245	0.6366
5001 -- 10000	102	0.6958	873603	3.1200
Above 10000	229	1.5621	24392777	87.1171
Total	14660	100.0000	28000000	100.0000

Dematerialisation of shares as on March 31, 2009.



### Liquidity

The Company's Equity Shares are actively traded on the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE) where the Company's Shares are listed.

### Plant Locations

The Company's plants are located at:

#### 1) Processing Plant:

Plot No 259/10/1, Village Dadra,  
Union Territory of Dadra Nagar and Haveli,  
District Silvassa.  
Tel : 0261-2669981, Fax: 0261-2669981 (Ext. 29)

#### 2) Float Glass Plant:

Jhagadia Industrial Estate,  
Plot No. 36, Jhagadia,  
District Bharuch, Gujarat.  
Tel: 02645-226199/333  
Fax: 02645-226199/333 (Ext. 212)

Categories of shareholding as on March 31, 2009.

Category	No. of Shares	Holders	% Holding
Promoters	7076000	10	25.27
Promoter Group	7855768	47	28.06
Financial Institution / Banks	58806	2	0.21
Foreign Institutional Investors	967294	5	3.45
NBI	21980	46	0.08
Others Bodies Corporate	3322518	282	11.87
Public	8697634	14268	31.06
Total	28000000	14660	100.00

### Address for Correspondence

- 1) Sejal Architectural Glass Limited.  
201/202, Abhilasha,  
2nd floor, S. V. Road, Kandivali (West)  
Mumbai- 400 067.
- 2) Link Intime India Private Limited.  
C- 13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (West), Mumbai 400 078.  
Tel: +91 - 22 - 25923837  
Fax: +91 - 22 - 25946969  
Email: sagl.ip@linkintime.co.in

For and on behalf of the Board of Directors

Place: Mumbai  
Date: July 31, 2009

**Amrut S. Gada**  
Chairman and Managing Director

# Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

To the Board of Directors of Sejal Architectural Glass Limited

Dear Sirs,

Sub : CEO/CFO Certificate

(Issued in accordance with provisions of Clause 49 of the Listing Agreement)

We have reviewed the financial statements, read with the cash flow statement of Sejal Architectural Glass Limited for the year ended March 31, 2009 and that to the best of our knowledge and belief, we state that;

- a) (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) These statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- b) There are, to the best of our Knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, and steps taken or proposed to be taken for rectifying these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
  - (i) Significant changes in accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements; and
  - (ii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee.

Yours sincerely,

Place : Mumbai  
Date : July 31, 2009

**L. R. Daga**  
Chief Financial Officer

**Amrut S. Gada**  
Chairman & Managing Director

# CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of  
SEJAL ARCHITECTURAL GLASS LIMITED  
201/202, 2nd Floor, ABHILASHA,  
S. V. Road, Kandivali (West),  
Mumbai – 400 067

We have examined all relevant records of SEJAL ARCHITECTURAL GLASS LIMITED (hereinafter referred to as “the Company”) for the purpose of certifying compliance of the conditions of Corporate Governance, for or in respect of the financial year ended 31st March, 2009, as stipulated in Clause 49 of the Listing agreement(s) entered into with the Stock Exchanges in India.

We have conducted our examination on the basis of the relevant records and documents maintained or kept by the Company and furnished to us for the purpose of the review and the information and explanations given to us by the Company during the course of such review.

The Compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedure and implementation thereof. Further, this is neither an audit nor an expression of opinion or affirmation on the financial statements of the Company or the compliances under other Laws, for the time being, in force and as may be applicable to the Company.

We further 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.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has, in all material respect, complied with the conditions of Corporate Governance as stipulated in the said Clause 49 of the Listing Agreement.

For M. G. KALELKAR & ASSOCIATES  
Company Secretaries

**Milind G Kalelkar**  
Proprietor  
FCS-3854, CP-1877

Place : Mumbai

Date : 31-7-2009

S S PURANIK & ASSOCIATES  
Chartered Accountants  
3/95, Tarang,  
Jay Prakash Nagar Road no.5  
Goregaon (E), Mumbai 400 063  
Tel No: 26865387  
Email: sspassociates@gmail.com

## AUDITORS' REPORT

To the members of

SEJAL ARCHITECTURAL GLASS LIMITED

We have audited the attached Balance Sheet of SEJAL ARCHITECTURAL GLASS LIMITED as at March 31, 2009, the Profit and Loss Account and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion and report that:

1. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we enclose in the Annexure a Statement on the matters specified in paragraph 4 & 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above :
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of such books;
  - c) The Company's Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this Report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - e) On the basis of written representations received from the Directors and taken on record by the Board of Directors of the Company, we report that none of the Directors is disqualified as on March 31, 2009 from being appointed as a Director in terms of Section 274(i) (g) of the Companies Act, 1956;
3. In our opinion and to the best of our information and according to the explanations given to us, the said accounts and read together with the other notes appearing thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009;
  - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date and
  - (iii) in the case of Cash Flow Statement, of the cash flow for the year ended on that date.

For S S PURANIK & ASSOCIATES  
Chartered Accountants

**SHRIPAD S PURANIK**  
Partner  
Membership No. 030670

Mumbai,  
June 30, 2009

## ANNEXURE TO THE AUDITORS' REPORT

[Referred to in Paragraph 1 of thereof]

1. In respect of fixed assets:
  - a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of its fixed assets. However, the fixed assets register is being updated to reconcile with the general Ledger.
  - b) As explained to us, the assets have been physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c) During the year, the Company has not disposed off any substantial part of fixed assets, which will affect the going concern status of the Company.
2. In respect of inventories:
  - a) As informed to us, 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 procedure of physical verification of inventories followed by the Management is reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) The Company has maintained proper records of inventory. No material discrepancies have been noticed on verification of inventories as compared to book records.
  - d) Proper procedure however should be in place to assess the non-moving and obsolete items in the inventory.
3. In respect of Loans taken or granted:
  - a) Company has not granted unsecured loans, to Companies, firms or other parties listed in the Register under section 301 of the Companies Act, 1956.
  - b) The Company had taken loans amounting to Rs. 1,077.53 Lacs from six parties during the year in addition to the loans taken and outstanding as at the beginning of the year, from Companies, firms or other parties listed in the Register under section 301 of the Companies Act, 1956. Out of these loans, a sum of Rs. 778.49 Lacs was outstanding as at the end of the year. Maximum balance in these accounts during the year was Rs. 1,754.60 Lacs.
  - c) In our opinion, the rates of interest wherever paid or charged, to the parties covered in the Register under section 301 of the Companies Act, 1956, were not prejudicial to the Interests of the Company.
  - d) In our opinion, since no specific stipulations as to the terms of repayment were agreed upon, this clause does not apply.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchases of inventory, fixed assets and with regard to sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. (a) According to the information and explanations given to us, we are of the opinion that the transactions need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 58A & 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the Deposits accepted from public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, on the Company.
7. On the basis of the internal audit reports broadly reviewed by us, we are of the opinion that the Company has an internal audit system commensurate with its size and nature of its business. The scope and coverage of finance function may be reviewed.
8. According to the information and explanations given to us and to the best of our knowledge and belief, the Central Government has not prescribed the maintenance of cost records under Section 209(i)(d) of the Companies Act, 1956 for any of the products of the Company.
9. a) The company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor education protection fund, Employees' State insurance and Customs Duty, Excise Duty, Cess, wealth tax and other material statutory dues as applicable to it. However, there have been delays in payment of Income Tax i.e. Tax Deducted at source (TDS) under various heads and Dividend Distribution tax pertaining to Dividend declared for the year ended 31st march, 2008.
- b) In our opinion and according to information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty, and Cess were in arrears as at 31st March 2009 for the period of more than six months from the date they become payable, except Income Tax Deducted at Source (TDS) amounting to Rs. 212.30 Lacs and Dividend Distribution Tax of Rs. 12.48 Lacs. TDS and Dividend Distribution Tax have since been paid in June 2009.
- According to the information and the explanations given to us, there are no dues outstanding of Sales Tax, Custom Duty, Wealth Tax, Excise Duty, or cess and other statutory dues applicable to it, which have not been deposited on account of any dispute.
10. In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the financial year under report and the immediately preceding financial year.
11. In our opinion and according to the explanations given to us, there have been delays in repayment of Term Loan Instalments to bank of Rs. 120.85 Lacs per quarter as follows:-
- First quarter – paid on July 26, 2008 and July 29, 2008;
  - Second Quarter – paid on November 14, 2008 and December 2, 2008;
  - Third Quarter – paid on February 2, 2009 and
  - Fourth Quarter – paid on April 18, 2009 and May 4, 2009.
- The Instalments were due for payment on the last day of each quarter.**
- There are no borrowings from Financial Institutions. No debentures have been issued by the company.
12. In our opinion and according to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Provisions of any special statute as specified under clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Order are not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, the Company has not given any Guarantees for loans taken by another company from Banks and hence the provisions of this clause do not apply.
16. In our opinion, the term loans have been applied for the purpose for which these were raised.
17. 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 Company has not utilised its working capital funds for acquiring Long Term assets. No long term funds have been used to finance short term assets.
18. a) According to the information and explanations given to us, the Company has not made preferential allotment of equity shares during the year to the parties covered in the register maintained under section 301 of the Companies Act. 1956, being the core promoter group of the Company.
19. The Company has not issued any debentures during the year and hence the provisions of clause (xix) of paragraph 4 of the Order are not applicable to the company.
20. During the year covered by our Audit, the Company has raised money by public issue for setting up Float Glass manufacturing plant.
- The proceeds of the public offer have been applied for the purpose for which the funds were raised. A disclosure of the utilisation of funds has been made by the company in the financial statements and we have verified the same.
21. According to the information and the explanations given to us, no fraud on or by the Company has been noticed or reported during the year. However, we are unable to determine / verify as to whether any such reporting has been made, during the year.

**For S S PURANIK & ASSOCIATES**  
Chartered Accountants

**SHRIPAD S PURANIK**  
Partner  
Membership No. 030670

Mumbai,  
June 30, 2009

# Balance Sheet

as at 31<sup>st</sup> March, 2009

		Amount in Rs.	
	SCHEDULE	AS AT 31-03-2009	AS AT 31-03-2008
<b>SOURCES OF FUNDS :</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	280,000,000	188,058,450
Reserves & Surplus	2	1,229,987,224	344,505,881
<b>Loan Funds</b>			
Secured Loans	3	2,665,146,900	933,941,739
Unsecured Loans	4	96,613,375	172,710,000
Deferred Tax Liability (Net)	5	24,776,592	25,397,592
<b>TOTAL</b>		<b>4,296,524,091</b>	<b>1,664,613,662</b>
<b>APPLICATION OF FUNDS :</b>			
<b>Fixed Assets</b>			
Gross Block	6	1,027,915,951	581,019,259
Less : Depreciation		86,430,706	61,430,126
Net Block		941,485,245	519,589,133
Capital Work-in-progress		2,954,197,150	757,288,876
		3,895,682,395	1,276,878,009
<b>Investments</b>			
	7	600,000	600,000
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	8	139,767,077	153,746,994
Sundry Debtors	9	220,045,496	186,638,428
Loans and Advances	10	533,531,383	605,317,125
Cash and Bank Balances	11	38,525,209	35,345,950
	A	931,869,165	981,048,496
<b>Less: Current Liabilities &amp; Provisions</b>			
Current Liabilities	12	602,399,480	627,000,026
Provisions	13	19,725,883	22,879,984
	B	622,125,363	649,880,010
<b>Net Current Assets (A-B)</b>		<b>309,743,802</b>	<b>331,168,486</b>
<b>Miscellaneous Expenditure</b>			
(To the extent not written off or adjusted)	14	90,497,894	55,967,167
<b>TOTAL</b>		<b>4,296,524,091</b>	<b>1,664,613,662</b>
Notes to Accounts	22		
Schedules 1 to 22 annexed hereto form part of these accounts			

As per our attached report of even date

For and on behalf of the Board

For S S PURANIK & ASSOCIATES  
Chartered Accountants

Shripad S Puranik  
Partner  
M.No. 030670  
Place : Mumbai  
Date : June 30,2009

Amrut S Gada  
Chairman & Managing Director

Dhiraj S Gada  
Jt. Managing Director

Ashwin S Shetty  
Company Secretary

# Profit & loss account

for the year ended 31<sup>st</sup> March, 2009

		Amount in Rs.	
	SCHEDULE	FOR THE YEAR ENDED 31-03-2009	FOR THE YEAR ENDED 31-03-2008
<b>INCOME :</b>			
Sales and Operating Income	15	484,621,494	547,174,887
Other Income	16	34,360,827	37,486,262
Increase/(Decrease) in Stock	17	(3,041,240)	4,722,681
		515,941,081	589,383,830
<b>EXPENDITURE :</b>			
Raw Materials Consumed	18	207,875,202	271,735,078
Cost of Sales of Goods traded	19	66,053,976	67,430,708
Labour charges		9,047,920	11,370,050
Operating and Other Expenses	20	132,015,767	113,714,464
Free Samples Distributed		575,484	431,705
		415,568,349	464,682,005
Profit Before Interest, Depreciation & Tax		100,372,732	124,701,826
Interest and Finance Costs	21	37,654,115	38,838,439
Depreciation/Amortisation		25,002,333	21,635,837
Profit Before Tax and Exceptional Items		37,716,284	64,227,550
Less : Exceptional Item			
Provision for contingencies		6,000,000	-
Profit Before Tax		31,716,284	64,227,550
Less : Provision for Taxation for the year			
- Current Tax		8,300,000	11,184,000
- Deferred Tax (Asset)/Liability		(621,000)	4,889,000
- Fringe Benefit Tax		1,425,000	1,115,000
Net Profit after Tax		22,612,284	47,039,550
Less : Prior period adjustments (Net)		1,394,961	548,688
		21,217,322	46,490,862
Less : Proposed Dividend		-	15,400,000
Add : Dividend Waiver by Promoters		8,057,759	-
		29,275,081	31,090,861
Less : Provision for Corporate Dividend Tax		-	2,617,230
Add : Excess provision of Dividend Tax written back		1,369,416	-
		30,644,497	28,473,631
Add : Balance brought forward		41,595,931	17,622,301
		72,240,428	46,095,932
Less : Transferred to General Reserve		-	4,500,000
Balance carried to Balance Sheet		72,240,428	41,595,932
Earning Per Share -	Basic	0.81	3.25
	Diluted	0.86	2.58
Notes to Accounts	22		
Schedules 1 to 22 annexed hereto form part of these accounts			

As per our attached report of even date

For and on behalf of the Board

For S S PURANIK & ASSOCIATES  
Chartered Accountants

Shripad S Puranik  
Partner  
M.No. 030670  
Place : Mumbai  
Date : June 30,2009

Amrut S Gada  
Chairman & Managing Director

Ashwin S Shetty  
Company Secretary

Dhiraj S Gada  
Jt. Managing Director

# Schedule annexed to and forming part of the accounts

	Amount in Rs.	
	AS AT 31-03-2009	AS AT 31-03-2008
<b>SCHEDULE 1</b>		
<b>SHARE CAPITAL :</b>		
<b>Authorised</b>		
33,000,000 Equity Shares of Rs. 10/- each		
(Previous year 33,000,000 Equity shares of Rs. 10/- each)	330,000,000	330,000,000
<b>Issued, Subscribed &amp; Paid-Up</b>		
2,80,00,000 Equity Shares of Rs. 10/- each, fully paid up including allotment of 91,94,155 Equity Shares through Initial Public Offer during the year (Previous year 1,88,05,845 Equity shares of Rs. 10/- each including Bonus Shares)	280,000,000	188,058,450
<b>Total</b>	<b>280,000,000</b>	<b>188,058,450</b>
<b>SCHEDULE 2</b>		
<b>RESERVES AND SURPLUS :</b>		
<b>General Reserve</b>		
Balance brought forward	17,693,900	13,193,900
Add : Transferred from Profit & Loss account	-	4,500,000
	17,693,900	17,693,900
<b>Share Premium :</b>		
Balance brought forward	285,216,050	-
Received on allotment of 91,94,155 Equity Shares through Initial Public Offer (Previous year Received through allotment of 78,41,670 Equity Shares)	965,386,275	285,216,050
	1,250,602,325	285,216,050
Less : Public issue and other preliminary expenses transferred	110,549,430	-
	1,140,052,895	285,216,050
<b>Profit &amp; Loss Account :</b>		
As per account annexed	72,240,428	41,595,931
<b>Total</b>	<b>1,229,987,224</b>	<b>344,505,881</b>
<b>SCHEDULE 3</b>		
<b>SECURED LOANS :</b>		
<b>Term Loans from Banks</b>		
<b>For Float Glass Project</b>		
Secured by first charge on pari passu basis among consortium banks on the project fixed assets and second charge on pari passu basis on the project current assets.	1,698,375,335	514,809,890
<b>Other Term Loans</b>		
The term loan facilities are secured by First Charge on the Company's Fixed Assets other than project assets i.e. Land and Buildings, and Hypothecation of Equipments and second charge on Current Assets of the Company	124,368,600	186,734,113
Secured loans against hypothecation of vehicles	7,094,327	1,345,790
<b>Cash Credit facility from Banks</b>		
The above Cash Credit facility is secured by Hypothecation of Stock of Raw Materials, Stock in process, Finished Goods and Receivables, on First charge basis and second charge on fixed assets of the company Collaterally secured by equitable mortgage of	148,476,049	152,933,150
a) Shop No. 4 & Shop No. 7, at Sham Nirmal CHS Ltd. ,		
b) Residential Flats of Two Promoter Directors of the Company.		
All the above credit facilities are further secured by collateral security of Personal Guarantee of Five Promoters of the Company.		
<b>Letter of Credit &amp; Bills Discounting facility</b>		
Secured by first charge on Stock and Debtors	20,642,715	7,386,676

# Schedule annexed to and forming part of the accounts.... Contd.

	Amount in Rs.	
	AS AT 31-03-2009	AS AT 31-03-2008
<b>Buyers credit</b>		
For Float Glass Project		
For Processing Division	656,235,044	70,732,120
	9,954,832	-
<b>Total</b>	<b>2,665,146,900</b>	<b>933,941,739</b>
<b>SCHEDULE 4</b>		
<b>UNSECURED LOANS :</b>		
Inter Corporate Deposits	84,249,375	133,230,000
Fixed Deposits		
- From Public	1,614,000	26,150,000
- From Shareholders	10,750,000	13,330,000
<b>Total</b>	<b>96,613,375</b>	<b>172,710,000</b>
<b>SCHEDULE 5</b>		
<b>DEFERRED TAX LIABILITY (Net) :</b>		
<b>Deferred Tax Liabilities</b>		
Balance brought forward	25,397,592	20,508,592
Add : Provision for the Current year	(621,000)	4,889,000
<b>Total</b>	<b>24,776,592</b>	<b>25,397,592</b>

# Schedule annexed to and forming part of the accounts

Description of Assets	Gross Block - At Cost				Depreciation/Amortisation			Amount in Rs.		
	As at 01.04.2008	Additions	Preoperative expenses capitalized	Deductions	As at 31.03.2009	As at 01.04.2008	For the Period	Withdrawn during the year	As at 31.03.2009	As at 31.03.2008
<b>ARCHITECTURAL GLASS DIVISION</b>										
Freehold Land	2,295,595	-	-	-	2,295,595	-	-	-	2,295,595	2,295,595
Buildings	61,954,736	-	-	-	61,954,736	1,884,227	-	-	8,863,563	54,975,400
Plant & Machinery	342,621,976	597,231	-	-	343,219,207	16,274,278	-	-	62,897,675	280,321,533
Electrical Installations	9,639,283	-	-	-	9,639,283	457,866	-	-	2,198,198	7,441,085
Office Equipments	6,264,120	8,583,460	-	-	14,847,580	1,466,830	-	-	3,259,162	4,471,788
Furniture & Fixtures	2,810,841	181,327	-	-	2,992,168	545,402	-	-	737,118	2,255,050
Vehicles	5,315,049	7,400,135	-	-	12,715,184	1,553,534	-	-	2,159,806	3,761,515
<b>FLOAT GLASS DIVISION</b>										
Office Equipments	697,820	118,636	-	-	816,456	11,935	-	-	47,579	768,878
Furniture & Fixtures	3,029,956	127,340	-	-	3,157,296	49,447	-	-	255,218	2,980,509
Computers	393,332	123,146	-	-	516,478	21,215	-	-	92,477	424,001
Warehouse (Float)	-	400,617,683	26,645,681	-	427,263,364	-	664,658	-	664,658	426,598,706
	<b>435,022,708</b>	<b>417,748,958</b>	<b>26,645,681</b>	<b>-</b>	<b>879,417,347</b>	<b>59,316,930</b>	<b>21,858,523</b>	<b>-</b>	<b>81,175,453</b>	<b>375,705,778</b>
<b>ENCASA</b>										
Freehold Land	35,598,773	-	-	-	35,598,773	-	-	-	35,598,773	35,598,773
Buildings	84,750,252	122,615	-	-	84,872,867	1,036,211	1,382,054	-	2,418,265	82,454,602
Plant & Machinery	-	-	-	-	-	-	-	-	-	-
Electrical Installations	-	38,941	-	-	38,941	-	927	-	927	38,014
Office Equipments	1,549,431	49,100	-	-	1,598,531	61,199	74,605	-	135,804	1,462,727
Computers	1,283,149	228,841	-	-	1,511,990	161,093	231,337	-	392,430	1,119,560
Furniture & Fixtures	19,747,617	1,690,926	-	-	21,438,543	737,488	1,282,638	-	2,020,126	19,418,417
Vehicles	233,886	277,334	-	-	511,220	9,316	34,312	-	43,628	467,592
Air - conditioners	2,833,443	94,296	-	-	2,927,739	106,665	137,407	-	244,072	2,683,667
	<b>145,996,551</b>	<b>2,502,053</b>	<b>-</b>	<b>-</b>	<b>148,498,604</b>	<b>2,111,972</b>	<b>3,143,280</b>	<b>-</b>	<b>5,255,252</b>	<b>143,243,352</b>
<b>Total</b>	<b>581,019,259</b>	<b>420,251,011</b>	<b>26,645,681</b>	<b>-</b>	<b>1,027,915,951</b>	<b>61,428,902</b>	<b>25,001,803</b>	<b>-</b>	<b>86,430,705</b>	<b>519,590,357</b>
Capital Work In Progress:										
Float Glass Project									2,951,282,039	
Plant at Dadra Encasa									1,719,111	
Previous Year	550,744,933	62,418,087	3,127,037	35,270,798	581,019,259	40,141,158	21,635,837	346,869	61,430,126	519,589,133

**NOTES :** The Gross Block of Plant & Machinery at Company's Factory at Silvassa includes Waterjet Machinery for Rs. 53,389,685.00 purchased from M/S. LISEC MIDDLE EAST LTD. FZE which has been returned to the suppliers by the Company for repairs as it was not giving desired production result. Depreciation has not been provided on this machinery during the year.

The Warehouse at Bharuch, constructed for the Float Glass Project has been capitalized as of 15th March 2009. Since the same has been put to use for storage of Company's Equipment & Other Stores. The Construction of the Warehouse is complete in all respect except for painting and some minor jobs which constitutes 2.94% of the total construction work of the Warehouse.

# Schedule annexed to and forming part of the accounts

	Amount in Rs.	
	AS AT 31-03-2009	AS AT 31-03-2008
<b>SCHEDULE 7</b>		
<b>INVESTMENTS :</b>		
<b>(Non Quoted, Non-Trade, at cost)</b>		
Shares of The Cosmos Co-Op Bank Ltd (5000 Shares of Rs. 20/- each)	100,000	100,000
<b>(Quoted, Non-Trade, at cost)</b>		
Investment in SBI Infrastructure Fund (Market Value Rs. 2,82,500/- )	500,000	500,000
<b>Total</b>	<b>600,000</b>	<b>600,000</b>
<b>SCHEDULE 8</b>		
<b>INVENTORIES :</b>		
(At cost or market value whichever is lower)		
Raw Material	92,811,929	96,575,885
Stock of Trading Material	39,896,898	38,747,734
Work-in-Progress	1,135,844	8,877,965
Finished Goods	2,272,650	5,313,890
Machinery Spares (Imported) & Consumable stores	3,649,756	4,231,519
<b>Total</b>	<b>139,767,077</b>	<b>153,746,994</b>
<b>SCHEDULE 9</b>		
<b>SUNDRY DEBTORS :</b>		
(Considered good, unless otherwise stated)		
Debts outstanding for a period exceeding six months	65,556,881	53,865,380
Other debts	154,488,615	132,773,048
<b>Total</b>	<b>220,045,496</b>	<b>186,638,428</b>
<b>SCHEDULE 10</b>		
<b>LOANS &amp; ADVANCES :</b>		
(Unsecured, Considered good)		
Deposits	19,562,701	21,316,851
Advances Recoverable in cash or in kind or for value to be received (including claims due from a group company Rs. 1,10,23,661/-) (Previous year Rs. 1,10,23,661/-)	77,073,399	31,840,120
Advance given to Suppliers	426,021,600	550,597,761
Other Loans & Advance	160,419	559,575
Inter Corporate Deposits placed	10,000,000	
Amounts due from Group Companies/Firms		
Sejal International Limited	-	182,198
Sejal Insurance Broking Limited	669,190	764,268
Sejal Glass House	44,074	56,352
<b>Total</b>	<b>533,531,383</b>	<b>605,317,125</b>
<b>SCHEDULE 11</b>		
<b>CASH &amp; BANK BALANCES :</b>		
Cash on hand including Imprest account balances with staff	1,432,191	998,835
Balances with :		
Scheduled Banks	17,580,575	4,214,526
Fixed Deposits with Scheduled Bank	1,650,000	10,030,000
Margin with Scheduled Bank Against L/C & Bank Guarantees	17,862,443	20,102,589
<b>Total</b>	<b>38,525,209</b>	<b>35,345,950</b>

# Schedule annexed to and forming part of the accounts..... Contd.

	Amount in Rs.	
	AS AT 31-03-2009	AS AT 31-03-2008
<b>SCHEDULE 12</b>		
<b>CURRENT LIABILITIES :</b>		
Sundry Creditors for Material	97,707,171	100,190,440
Sundry Creditors for Expenses	57,390,808	28,071,174
Sundry Creditors for Capital Expenditure	321,595,074	368,883,651
Advance received from Customers	17,265,660	25,200,840
TDS Payable	45,566,446	10,376,246
Excise Duty & other taxes payable	3,590,696	2,022,786
Trade & Other Deposits	17,406,344	52,525,000
Other Liabilities	40,528,653	39,729,889
Unpaid Dividend	100,814	-
Dividend Tax Payable	1,247,814	-
<b>Total</b>	<b>602,399,480</b>	<b>627,000,026</b>
<b>SCHEDULE 13</b>		
<b>PROVISIONS :</b>		
Income Tax Provision		
Balance brought forward	4,862,754	3,755,108
Add : Provision during the year	9,725,000	12,299,000
	14,587,754	16,054,108
Less : Taxes paid	4,061,725	11,191,354
	10,526,029	4,862,754
Proposed Dividend	-	15,400,000
Provision for Corporate Dividend Tax	-	2,617,230
Provision for Gratuity	1,684,036	-
Provision for Leave encashment	1,515,818	-
Provision for Contingencies	6,000,000	-
	9,199,854	18,017,230
<b>Total</b>	<b>19,725,883</b>	<b>22,879,984</b>
<b>SCHEDULE 14</b>		
<b>MISCELLANEOUS EXPENDITURE :</b>		
<b>Preliminary expenses - Float Glass Project</b>		
Advertisement & Publicity Expenses	9,850,101	7,441,113
Conference & Seminar Expenses	1,900,148	1,632,410
Public Issue Expenses	87,528,992	6,019,650
Sales Promotion Expenses	166,810	160,382
Books & Periodicals	66,633	58,374
Donations	7,546,200	688,200
Membership & Subscription Charges	516,265	516,265
Postage	15,480	13,787
Printing & Stationery	441,284	354,208
Stamp duty & Registration Charges	2,464,202	2,464,202
Other Miscellaneous Expenses	53,315	56,023
	110,549,430	19,404,614
Transferred to Share Premium Account	110,549,430	-
	-	19,404,614
<b>Pre-operative expenses - Float Glass Project</b>		
Bank Charges & Commission	25,015,474	17,645,659
Buyers Credit Charges	12,300,675	-
Conveyance Expenses	2,621,080	595,670
Directors' Remuneration	9,829,582	5,055,000
Electricity Charges	31,416,779	6,518,147
Interest Paid	207,588,280	40,614,037
Legal & Professional Charges	32,782,042	20,521,663

# Schedule annexed to and forming part of the accounts

	Amount in Rs.	
	AS AT 31-03-2009	AS AT 31-03-2008
Loan Processing & UP Front Fees	17,724,824	17,342,800
Motor Car Expenses	1,969,863	879,330
Project Consultancy Chares	27,406,766	20,675,567
Rent	1,070,604	671,204
Salary	30,683,788	9,916,549
Service Tax & Other Credits	40,661,718	15,397,182
Staff Welfare	800,364	202,891
Stamping & Registration Expenses	9,326,942	9,062,662
Telephone Charges	957,158	402,961
Travelling Expenses	16,216,280	5,993,083
Water Charges	1,668,814	930,071
Loan Appraisal Fees	1,781,896	1,781,896
Miscellaneous Expenses	-	279,054
Testing Fees	246,276	243,946
Repairs & Maintenance	1,549,808	124,318
Other Miscellaneous Expenses	5,342,297	545,972
Insurance Premium	2,801,770	-
	481,763,078	175,399,661
<b>Total</b>	<b>481,763,078</b>	<b>194,804,275</b>
<b>Less : Transferred to Capital WIP</b>	391,265,184	138,837,108
<b>Balance carried forward</b>	90,497,894	55,967,167

# Schedule annexed to and forming part of the accounts..... Contd.

	Amount in Rs.	
	FOR THE YEAR ENDED 31-03-2009	FOR THE YEAR ENDED 31-03-2008
<b>SCHEDULE 15</b>		
<b>SALES AND OPERATING INCOME :</b>		
Gross Sales	425,791,082	513,000,805
Less : Excise duty and Education cess on Manufactured Goods	48,497,775	72,286,501
Less : Excise duty and Education cess on Trading Goods	6,636,062	378,514
Net Sales	370,657,245	440,335,790
Cost of Free Samples	435,255	436,261
Sales - Trading	113,528,994	106,355,835
Labour job		47,001
<b>Total</b>	<b>484,621,494</b>	<b>547,174,887</b>
<b>SCHEDULE 16</b>		
<b>OTHER INCOME :</b>		
Interest Received	1,279,813	872,943
Gain due to Foreign Exchange difference	1,585,906	4,694,758
Miscellaneous Income	10,477,440	7,816,136
Other Discount Received	55,153	26,800
Sundry Advances w/back	-	921,911
Sundry Credit balances w/back	3,159,527	497,284
Claim for Damages	3,073,041	22,641,430
Dividend on Shares	15,000	15,000
Dividend Received on Investment - Float	14,029,292	-
Short Term Capital Gain	685,654	-
<b>Total</b>	<b>34,360,827</b>	<b>37,486,262</b>
<b>SCHEDULE 17</b>		
<b>INCREASE/(DECREASE) IN FINISHED STOCK :</b>		
Opening Stock	5,313,890	591,209
Closing Stock	2,272,650	5,313,890
<b>Total</b>	<b>(3,041,240)</b>	<b>4,722,681</b>
<b>SCHEDULE 18</b>		
<b>RAW MATERIALS CONSUMED :</b>		
Opening Stock	109,685,399	83,173,330
Add : Purchases	172,666,105	277,400,335
Clearing & Forwarding Charges	23,121,227	21,160,187
	305,472,731	381,733,853
Less: Captive Consumption of Raw Material		313,376
Less: Closing Stock	97,597,529	109,685,399
<b>Total</b>	<b>207,875,202</b>	<b>271,735,078</b>
<b>SCHEDULE 19</b>		
<b>COST OF SALES OF GOODS TRADED :</b>		
Opening Stock	38,747,734	13,701,090
Add : Purchases	66,475,437	93,279,924
	105,223,171	106,981,014
Less: Captive Consumption	-	802,572
Less: Closing Stock	39,169,195	38,747,734
<b>Total</b>	<b>66,053,976</b>	<b>67,430,708</b>
<b>SCHEDULE 20</b>		
<b>OPERATING AND OTHER EXPENSES :</b>		
Salaries, Wages & Bonus	38,684,111	34,427,348
Directors' Remuneration	1,774,582	2,135,000

# Schedule annexed to and forming part of the accounts

	Amount in Rs.	
	FOR THE YEAR ENDED 31-03-2009	FOR THE YEAR ENDED 31-03-2008
Advertisement Expenses	3,153,351	3,277,879
Bank Charges	5,944,847	3,062,320
Commission paid	3,332,485	1,215,106
Computer & Software Expenses	174,206	188,894
Conveyance	1,100,040	1,365,987
Travelling Expenses (Including Foreign Travel Rs. 6,78,855/- (Previous year Rs.13,69,162/-)	3,607,452	3,940,565
Donations	376,905	328,214
Discount on Sale	176,492	72,836
Electrical Expenses	273,269	912,892
Export Expenses	1,059,474	2,839,734
Security Charges	552,440	598,248
Furniture Hire Charges	-	55,551
Insurance	958,621	933,744
Other Interest	1,362,166	460,232
Loss due to Foreign Exchange Rate Difference	6,755,329	1,286,435
Premium on Forward Booking	-	457,184
Placement Charges	296,756	398,141
Postage & Courier Charges	900,199	596,938
Power and Fuel	15,022,130	16,834,368
Profession Tax	2,500	2,500
Printing and Stationery	4,369,197	2,090,621
Legal & Professional Fees	6,071,395	1,767,797
Auditors Remuneration	380,000	228,500
Rent	63,900	260,196
Rates & Taxes	795,063	631,836
Repairs and Maintenance:		
Plant and Machinery	665,135	150,250
Others	2,093,461	3,153,555
Sales Promotion Expenses	2,169,086	1,675,783
Seminars & Exhibition Expenses	1,162,911	2,045,359
Stores and Spares Consumed	5,558,863	9,041,906
Staff Welfare	1,885,472	1,909,768
Stamp Duty paid	-	26,850
Membership & Subscription Fees	306,488	118,180
Sundry Advances w/off	369,037	118,978
Sundry Expenses	6,985,047	4,294,977
Telephone Charges	2,503,879	2,152,376
Transportation Charges	10,138,371	6,128,590
Vehicle Expenses	991,105	878,920
Bad Debts W/off	-	1,374,662
Insurance Claim W/off	-	275,214
<b>Total</b>	<b>132,015,767</b>	<b>113,714,464</b>
<b>SCHEDULE 21</b>		
<b>INTEREST AND FINANCE COST :</b>		
On LC & Bills Discounting	853,502	1,381,958
On Working Capital Loans	5,095,562	13,199,555
On FCNRB Loans	6,509,803	-
On Term Loans	19,654,296	22,580,030
Interest on Car Loans	229,557	123,273
Interest on Buyers Credit	5,097,733	1,358,542
Interest on Trade Deposits	213,662	195,082
<b>Total</b>	<b>37,654,115</b>	<b>38,838,439</b>

# Schedule 22

## notes to the accounts

### Significant Accounting Policies and Notes on Accounts

#### 1 Significant Accounting Policies :

##### a. Basis of preparation of Financial Statements:

The financial statements are prepared in accordance with generally accepted accounting principles in India, the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and the guidelines prescribed by the Securities and Exchange Control Board of India (SEBI). The Company has been consistent in its accounting policies. Change in the accounting policies, however is disclosed separately.

Estimates & Assumptions:

The management, while preparing the financial statements has made certain assumptions and estimates affecting the balances in assets, liabilities, income and expenses, during the period under report; e.g. Capitalisation of Warehouse at Float Glass Plant at Jhagadia, Bharuch, provision for contingencies, future obligations under retirement benefit. These estimates and assumptions are subject to variation at different periods and are thus adjusted accordingly in the financial statements of respective reporting periods.

##### b. Revenue Recognition :

Income and Expenditure are generally accounted on accrual basis as they are earned or incurred except in cases of uncertainties, as envisaged by the Management.

Sales are recognised when goods are removed from the Company's premises and are accounted, net off excise duty, sales tax, Vat, sales returns and trade discounts/credits.

As regards Free Samples, the goods despatched from the Plant to the Marketing Division of the company are deemed to have been fully distributed free of cost to intending customers of the Company.

Export Sales are accounted by converting the Foreign Currency amount on the rate of exchange fixed by the Custom Authority for the month. On realisation of export proceeds, the difference between the amount realised and the amount booked is charged off/back to Profit & Loss Account as loss /gain due to exchange rate difference .

Interest income is accounted on the basis of proportionate period of investment, considering the amount of investment and the rate of interest.

Dividend income on investments is accounted, as and when the same has accrued and become due to the company.

##### c. Fixed Assets :

The Fixed assets are stated at cost, inclusive of inward freight, duties and taxes (Net off set offs claimed), installation and commissioning expenses, incidental expenses incurred for the assets to be gainfully put to use, less accumulated depreciation. Where the assets are installed and commissioned, if it fails to deliver the required results to the satisfaction of the Company's management, the same are not capitalised and are carried forward to the next year as Capital WIP.

##### d. Depreciation on Fixed Assets :

Depreciation is provided on straight line basis at the rates specified in schedule XIV to the Companies Act, 1956. Depreciation on additions to Fixed Assets is provided on pro-rata basis for the number of days the asset has been put to use.

##### e. Valuation of Inventory :

Finished Goods are valued at lower of cost or net realisable value.

Raw materials & Consumable stores, are valued on first in first out (FIFO) basis.

Glass Cut Pieces are valued at average rate of raw material of respective thickness and quality.

##### f. Foreign Currency Transactions :

i) Foreign currency liabilities incurred for acquisition of Fixed Assets are translated at exchange rates prevailing on the last working day of the accounting year. The loss or gain arising out of the said translation is adjusted to the cost of the asset.

ii) Foreign currency assets/liabilities incurred for sale/purchase of materials or loans from banks are translated at exchange rates prevailing on the last working day of the accounting year. The loss or gain arising out of the said transaction is written off / written back to Profit & Loss account as expenditure / income.

iii) Any premium or discount arising at the inception of the forward exchange contract is recognized as income or expense over the life of the contract.

##### g. Investments :

Investments are stated at cost. Temporary diminution in investments is not provided for

##### h. Retirement benefits :

###### Provident Fund

The contribution to Employee Provident Fund is charged off to Profit & Loss account on accrual basis

###### Gratuity

The Company has opted for Group Gratuity Scheme of LIC of India for its staff members. The Renewal premium is calculated as of 1<sup>st</sup> April of the year. The same is debited to Profit & Loss account as and when accrued.

During the year under review the company has done the actuarial valuation of gratuity as per AS 15 (Revised) . The amount as per actuarial valuation has been provided for in the current financials.

# Schedule 22

## notes to the accounts.....contd.

### Leave Encashment :

The company provides liability towards Leave Encashment on the basis of Leave Balances of employees and salary paid to them as at the Balance Sheet date.

### i. Borrowing Costs :

Borrowing costs attributable to the expenditure incurred for purchase, construction, erection and commissioning of assets, till the assets are ready for its intended gainful use by the company, are capitalised as part of cost of respective assets.

### j. Taxes on Income :

Current Tax is determined as the amount of tax payable in respect of taxable income for the period.

Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

### Segment Reporting :

#### Segmentwise Revenue, Results and Capital employed for the year ended March 31, 2009

##### a) Primary Segment: Business Segment

	Processing	Trading	Rs (in lakhs) Consolidated
<b>Revenue</b>			
Sales and Other income	4,621.00	610.00	5,231.00
<b>Segment Result</b>	684.52	9.18	693.70
Interest Expense	340.53	36.00	376.53
Income Taxes	91.04		91.04
<b>Net Profit</b>	252.95	(26.82)	226.13
Segment Assets	18,403.00	2,188.00	20,591.00
Unallocable Corporate Assets	6.00	-	6.00
<b>Total Assets</b>	18,409.00	2,188.00	20,597.00
Segment liabilities	48,677.00	2,188.00	50,865.00
Unallocable Corporate liabilities	97.00	-	97.00
<b>Total Liabilities</b>	48,774.00	2,188.00	50,962.00
<b>Capital Expenditure</b>	30,362.00	-	30,362.00
<b>Depreciation</b>	218.59	31.44	250.03
<b>Non Cash Expenses other than Depreciation</b>	60.00		60.00

The Company has considered two Business Segments.

(a) The Company is engaged in the business of Processing of Glass and also carries on retail sale activity, which is considered as primary business segment of the company in the context of Accounting Standard 17 issued by the Institute of Chartered Accountants of India.

(b) The secondary segments are 'Domestic markets' and 'Export markets'. Since the export market revenue, is less than 10% of the total sales revenue, the same has not been disclosed for the purpose of secondary segment reporting.

### l. Earning Per Share :

Basic Earning Per Share is calculated by dividing the net profit for the year attributable to the equity shareholders by the weighted average of the number of equity shares outstanding during the year.

### m. Prior Period Items :

All identifiable items of Income and Expenditure pertaining to prior period are accounted through " Prior Period Adjustment Account."

### n. Change in the accounting policy :

Exchange fluctuations gain/loss arising out of translating the foreign currency in respect of fixed assets has been adjusted in the cost of fixed assets in terms of AS 13 (Revised) as amended by the Institute of Chartered Accountants of India .

# Schedule 22

notes to the accounts.....contd.

	Amount in Rs.	
	AS AT 31-03-2009	AS AT 31-03-2008
<b>2 CAPITALISATION OF BORROWING COSTS :</b>		
The Company has capitalised following expenses during the year :		
a. Interest on Term Loans and Deposits	207,588,280	40,614,307
b. Bank charges and commission	37,316,149	32,881,966
<b>3</b> Estimated amount of contracts remaining to be executed on Capital account (in Lacs) - Net off advances already paid	20,388	35,814
<b>4 Advances recoverable in cash or kind include:</b>		
i) Interest free loans given to staff members	0	375,486
ii) Claims against a company under the same management	11,023,661	11,023,661
iii) Interest free deposit with a dealer	10,000,000	10,000,000

## 5 Retirement Benefits :

### Gratuity

The company has for the first time during the year ended March 31, 2009 adopted Accounting Standard 15 (Revised) on Employee Benefits (Revised) issued by the Institute of Chartered Accountants of India. Consequently, previous year figures have not been disclosed.

Presentation in Balance Sheet as per actuarial valuation as at March 31, 2009

### Net Asset/(Liability) recognized in the balance sheet as at March 31, 2009

	Amount in Rs.	
	AS AT 31-03-2009	AS AT 31-03-2008
Present value of funded obligations -A	1,973,299	-
Fair Value of Plan Assets -B	289,263	-
(Deficit)/Surplus -A-B	1,684,036	1,684,036
<b>Net Asset/Liability</b>		
Assets	-	-
Liabilities	1,684,036	-
Net liability	(1,684,036)	1,684,036
<b>Asset Information</b>		
Insurer managed funds 100 %	289,263	1,684,036

### Principal assumptions as at March 31, 2009

Discount Rate	7%	-
Expected Rate of Return on Plan Assets	7.50%	-
Salary Escalation	7.00%	-

#### a) Discount Rate :

The discount rate is based on the prevailing market yields of Indian Government Securities as at the balance sheet date for the estimated term of the obligations.

#### b) Expected Rate of Return on Plan Assets :

This is based on our expectation of the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.

#### c) Salary Escalation Rate:

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

### Leave Encashment

Actuarial Valuation of Leave Encashment Liability as required by Accounting Standard 15 (Revised) has not been done. The same has been provided on the basis of leave balance sheet as at March 31, 2009 on the basis of current salary drawn.

# Schedule 22

notes to the accounts.....contd.

		Amount in Rs.	
		AS AT 31-03-2009	AS AT 31-03-2008
<b>6</b>	<b>Managerial Remuneration</b>		
	A) Remuneration paid to the Wholetime Directors:		
	a) Salary & Allowances	6,549,164	5,100,000
	b) Contribution to Provident Fund & other Funds	17,940	9,360
	<b>TOTAL</b>	<b>6,567,104</b>	<b>51,09,360</b>
	Note : Of the above Rs. 47,50,000/- have been allocated for Float Glass Project as pre-operative expenses .		
	B) Computation of Net Profit under Section 198 of the Companies Act, 1956.		
	Profit before Taxation as per Profit & Loss A/c	31,716,284	47,039,548
	Add : Depreciation as per accounts	25,002,333	21,635,837
	Managerial Remuneration	6,567,104	5,109,360
	Loss on sale of Assets as per accounts	-	-
		<b>63,285,721</b>	<b>73,784,745</b>
	Less : Depreciation calculated under section 350 of the Companies Act, 1956	25,002,333	21,635,837
	Loss on Sales of Assets as per Section 349 of the Companies Act, 1956	-	-
	Net Profit in terms of Section 198 of Companies Act, 1956	<b>38,283,388</b>	<b>52,148,908</b>
	Maximum Remuneration payable to Wholetime Directors		
	@ 10% of Net Profit as computed above as per the Companies Act, 1956	3,828,339	5,214,891
	Managerial Remuneration paid to Wholetime Directors	6,567,104	5,109,360
	Managerial Remuneration paid to Wholetime Directors		
	In view of the inadequacy of profits, the remuneration has been paid as a minimum remuneration in terms of the provisions of schedule XIII to the Companies Act, 1956.		
<b>7</b>	<b>Auditor's remuneration</b>		
	Statutory Audit	300,000	150,000
	Tax Audit	60,000	50,000
	Certification charges	20,000	48,500
	Certification charges - Capitalised on Float Glass Project	154,000	300,000
<b>8</b>	<b>Deferred Tax liability :</b>		
	Provision for deferred tax liability is arrived at on the timing differences at the Tax rates as applicable for the current financial year, after setting off rebate of 30% available <i>u/s 80IB</i> .		
<b>9</b>	<b>Contingent Liabilities :</b>		
	Counter Guarantees given by the Company against Guarantees issued on behalf of the Company by State Bank of Patiala	48,375,490	86,223,393
	(Net off Margin provided by the Company in the form of Fixed Deposits with the Bank)		
	d) Corporate guarantee issued to Larson & Toubro	150,000,000	
	d) CST not charged in Sales bill to parties	4,695,477	4,695,477
	e) Claims by a party towards damages	3,520,000	3,520,000
<b>10</b>	<b>Events occurring after the balance sheet date</b>		
	The Company has purchased the entire plant & machinery from a company under the same management at its book value in April, 2009		

# Schedule 22

notes to the accounts.....contd.

11 The information as required by para 3 and 4 of Part II of Schedule VI to Companies Act, 1956.

a. Sales, Opening Stock and Closing Stock of Finished Goods						(Rs. In lakhs)
	Sales		Opening Stock		Closing Stock	
	Quantity	Value (Rs.)	Quantity	Value (Rs.)	Quantity	Value
<b>Processing (Sq Mtrs)</b>						
	389,751.00	3,942.78	787.16	8.17	1365.96	22.72
	(261,443.40)	(4,359.40)	(715.82)	(5.90)	(787.16)	(8.17)
<b>Others (Nos)</b>						
	2965	40.10	971	44.97	0	0
	(2,756)	(43.96)	(-)	(-)	(971)	(44.97)
<b>Labour Job</b>						
	1,505	3.89	-	-	-	-
		(0.47)	(-)	(-)	(-)	(-)
<b>Total</b>		<b>3,986.77</b>		<b>53.14</b>		<b>22.72</b>

**Note :** The Sales quantity is as per the invoices raised on parties. In respect of Sales of Insulated Glass where two or more pieces are combined, the size billed is of single piece only.  
Figures in bracket denotes previous year figures

b. Raw Materials consumed			
		Quantity (Sq. Mtrs.)	Value Rs.
Glass	<b>Current year</b>	647526	2271.26
	Previous year	(1133779)	(2574.37)
Others	<b>Current year</b>	-	112.00
	Previous year	-	(185.00)

### c. Information relating to Licensed Capacity and Production

	Amount in Rs.	
	AS AT 31-03-2009	AS AT 31-03-2008
<b>Insulating Glass</b>		
Licensed Capacity in Sq Mtrs	495,000	495,000
Installed # Capacity in Sq Mtrs	495,000	495,000
*Actual Production In Sq Mtrs		-
<b>Tempering Glass</b>		
Licensed Capacity in Sq Mtrs	630,000	630,000
Installed # Capacity in Sq Mtrs	630,000	630,000
*Actual Production In Sq Mtrs		-
<b>Laminated Glass</b>		
Licensed Capacity in Sq Mtrs	600,000	600,000
Installed # Capacity in Sq Mtrs	600,000	600,000
*Actual Production In Sq Mtrs		-

\* The above three products viz. Insulating Glass, Tempering Glass and Laminated Glass involve independent as well as interlinked processes. These involve combination of different sizes of glass and processes. Hence, the exact quantity of production of each category cannot be ascertained and is not comparable with either the sales quantities or the quantities in stock.

# As certified by the Management and being a technical matter accepted by the Auditors as correct

### d. Sales, Opening Stock and Closing Stock of Traded Finished Goods

A PROCESSING DIVISION							(Rs. In lakhs)
	Sales		Opening Stock		Closing Stock		
	Quantity	Value (Rs.)	Quantity	Value (Rs.)	Quantity	Value	
i)	136,752	406.59	59,686	179.72	39222	118.05	
	(11,379.00)	(30.87)	Nil	Nil	(59,685.97)	(179.72)	

a. Figures in brackets pertain to previous year and the quantities are expressed in terms of square metres .

# Schedule 22

notes to the accounts.....contd.

## B SEJAL ENCASA

Particulars	Sales		Opening Stock		Closing Stock	
	Quantity	Value (Rs.)	Quantity	Value (Rs.)	Quantity	Value
<b>ART &amp; ARTIFACTS (Nos.)</b>						
	5050	25.07	8366	50.45	6498	46.61
	(9,130.00)	(137.33)	(1,291)	(28.67)	(8,366)	(50.45)
<b>DECORATIVE LIGHTS (Nos.)</b>						
	7791	51.41	6233	75.59	9987	90.24
	(11,943.00)	(77.11)	(2,823)	(61.77)	(6,233)	(75.59)
<b>GLASS (Sq. Ft./Sq. Mtrs / Nos.)</b>						
		NIL		(4.38)		NIL
	(N.A.)	(350.00)	(N.A.)	(1.05)	(N.A.)	(4.38)
<b>PREMIUM TILES (Boxes &amp; Nos.)</b>						
	38666	73.12	NA	12.29	8307	21.77
	(N.A.)	(319.93)	(N.A.)	(8.03)	(N.A.)	(12.29)
<b>SANITARY WARE (Nos.)</b>						
	11847	227.47	1751	65.01	2103	99.73
	(5,062.50)	(148.31)	(715)	(29.47)	(1,751)	(65.01)
<b>PURCHASES ON CAPITAL A/C (Sq Ft)</b>						
		NIL		NIL		NIL
		(NIL)	(3,898.88)	(8.03)	(NIL)	(NIL)
		378.41		207.72		258.87
		(1,032.69)		(137.01)		(207.72)

NOTE : Figures in brackets are Previous Year's Figures

: Wherever multiple units are applied for sale of goods, quantities are not stated being not relevant.

12	Value Of Raw Materials Consumed :	FY 2008-09		FY 2007-08	
		%	Value (Rs.)	%	Value (Rs.)
	(Includes Consumable stores)				
	Imported	48.94	101,734,124	50.35	138,960,539
	Indigenous	51.06	106,141,078	49.65	137,006,088
	Total	100.00	207,875,202	100.00	275,966,627

		Amount in Rs.	
		AS AT	AS AT
		31-03-2009	31-03-2008
<b>13</b>	<b>CIF value of Imports</b>		
	Consumable Spares	1,907,294	2,049,309
	Raw Material	140,329,319	163,514,291
	Machinery purchased	1,216,191,971	24,995,250
<b>14</b>	<b>Expenditure in foreign currency</b>		
	Travelling Expenses	505,786	802,412
	Repairs & Maintenance - Machinery	483,591	83,311
	Exhibition & Conference Expenses	273,562	83,911
	Loss due to Exchange Rate Fluctuation	6,748,213	1,214,435
	Sundry Debtors written off	-	83,910
	Bank charges	11,866,052	84,754
	Advertisement	93,283	-
	Interest on FCNR B loans	6,509,803	244,825
	Professional/Consultancy fees and Expenses (Capitalised)	7,221,272	14,708,672
<b>15</b>	<b>Earning in foreign currency</b>		
	F.O.B. Value of Sales	15,245,718	16,652,900
	Consultancy charges received	-	2,270,159
	Gain on Exchange Rate Difference	1,585,906	4,601,279
	Claims for damages	-	22,641,430
	Miscellaneous Income	-	12,992

# Schedule 22

notes to the accounts.....contd.

		Amount in Rs.	
		AS AT 31-03-2009	AS AT 31-03-2008
16	<b>Earnings Per Share</b>		
	<b>Particulars</b>		
	Profit after tax as per Profit & Loss Account	22,612,284	47,039,548
	Weighted average number of equity shares of Rs. 10/- each outstanding during the year		
	Basic	28,000,000	14,465,260
	Diluted	26,165,052	18,247,502
	Earnings Per Share		
	Basic & Diluted	0.81	3.25
	Diluted	0.86	2.58
17	Related Party Disclosures :		
	Related Party Disclosures as required under AS-18 issued by the Institute of Chartered Accountants of India are given below :-		
	a) Names of Related Parties and nature of Relationship :		
	i) Subsidiary	N.A.	N.A.
	ii) Key Management Personnel : (Wholtime Directors) and relatives of the Key Management Personnel with whom the Company had transactions		

Key Management Personnel (Whole Time Directors)	Relative of Key Management Personnel
Shri Amrut S Gada	Shri Shivji V Gada, Father
	Smt. Diwaliben S Gada, Mother
	Smt. Bhavna A Gada, Wife
Shri Dhiraj S. Gada	Shri Shivji V Gada, Father
	Smt. Diwaliben S Gada, Mother
	Smt. Anju D Gada, Wife
Shri Mitesh K Gada	Shri Kanji V Gada, Father
	Smt. Navalben K Gada, Mother
	Smt. Preeti M Gada, Wife
Shri R. Subramanian (upto 13.12.2008)	Smt. Padma Subramanian, Wife
Shri Ashish Karia	Hero Paper Stores
	Hero Multi Pap Pvt Ltd

**a) iii) Entities over which Key Management Personnel (Wholtime Directors) are able to exercise significant influence :**

Sejal Glass Craft Private Limited  
 Sejal International Limited  
 Sejal Insurance Broking Limited  
 Sejal Glass House  
 Sejal Float Glass Limited  
 Sejal Finance Limited  
 Bhanu Cosmetics & Packaging Limited  
 Hero Paper Stores  
 Hero Multi Pap Private Limited

# Schedule 22

notes to the accounts.....contd.

**b) The following transactions were carried out with related parties in the ordinary course of business**

Transaction details	Amount in Rs.	
	Volume of transactions for the year ended	
	31. 3. 2009	31. 3. 2008
<b>Expenses :</b>		
Purchase of Material	8,411,352	6,878,705
Labour Charges paid	1,894,929	1,994,232
Remuneration to (wholetime directors)		
Shri Amrut S Gada	1,800,000	1,500,000
Shri Dhiraj S Gada	1,500,000	1,170,000
Shri Kanji V Gada (upto 29.09.2007)	-	330,000
Shri R. Subramanian (upto 13.12.2008)	849,164	900,000
Shri Mitesh K Gada (from 29.09.2007)	1,200,000	600,000
Shri Ashish Karia (from 29.09.2007)	1,200,000	600,000
Directors Sitting Fees	200,000	170,000
Company's contribution to Provident fund	17,940	9,360
Interest paid on Deposits	11,755,358	9,066,545
Purchase of Asset	5,062	
Advance given	52,000	
Travelling Expenses	-	23,166
Legal & Professional Charges	745,000	275,000
<b>Income :</b>		
Interest earned	-	71,671
Purchase of Capital Goods/Expenses	-	211,662
Inter Corporate Deposits received ( Net )	57,264,375	78,150,000
Unsecured Loans Accepted & Repaid	5,500,000	13,130,000
Exhibition Charges	-	50,000
Advertisement	-	140,000
Telephone Charges	-	152,669
Sale of Goods	6,388,093	9,422,315

**18** Details of Small scale undertakings covered by the Micro, Small and Medium Enterprises Development Act ,2006  
- No Information regarding such suppliers is available with the Company.

**19** Balances of sundry debtors and sundry creditors are subject to receipt of balance confirmation letters.

**20** Previous year's figures have been regrouped wherever necessary to make them comparable with those of current year.

As per our attached report of even date

For and on behalf of the Board

For S S PURANIK & ASSOCIATES  
Chartered Accountants

Shripad S Puranik  
Partner  
M.No. 030670  
Place : Mumbai  
Date : June 30,2009

Amrut S Gada  
Chairman & Managing Director

Dhiraj S Gada  
Jt. Managing Director

Ashwin S Shetty  
Company Secretary

# Cash flow statement

for the year ended 31<sup>st</sup> March, 2009

	Amount in Rs.	
	2008-09	2007-08
<b>PARTICULARS</b>		
<b>A. Cash Flow from Operating Activities</b>		
Profit Before Tax, Extraordinary Items	31,716,284	64,227,548
<b>Adjustments for:</b>		
<b>Add:</b>		
Depreciation	25,002,333	21,635,837
Interest paid	37,654,115	38,838,439
Provision for contingencies	6,000,000	-
Dividend & Dividend tax written back	9,427,175	78,083,623
<b>Less:</b>		
Dividend Income	(15,000)	(15,000)
Interest on Bank Deposits	(1,279,813)	(872,943)
Other Incomes	(33,066,014)	(34,360,827)
<b>Operating Profit before Working Capital Changes</b>	75,439,080	123,813,882
<b>Working Capital Changes :</b>		
<b>Add/(Deduct) :</b>		
(Increase)/Decrease in Inventories	13,979,917	(52,269,946)
(Increase)/Decrease in Trade & Other Receivables	(33,408,821)	(29,331,604)
(Increase)/Decrease Loans & Advances	71,785,741	(552,873,372)
Increase /(Decrease) in Current liabilities	(32,075,672)	20,281,165
<b>Cash generated from Operations</b>	95,720,245	(45,231,537)
Prior Year Adjustments	1,394,961	(548,688)
Income Taxes & FBT Paid	4,061,725	(12,022,354)
<b>Net Cash Flow from Operating Activities (a)</b>	90,263,559	(57,802,579)
<b>B. Cash Flow from Investing Activities</b>		
Capital Expenditure	(2,196,908,274)	(562,926,314)
Other Fixed Assets Purchased	(446,896,692)	(124,060,409)
Preoperative expenses for Float Glass Project	(34,530,727)	-
Investment in SBI Mutual Fund	-	(500,000)
Dividend Income	15,000	15,000
Interest on Bank Deposits	1,279,813	872,943
Other Incomes	33,066,014	-
<b>Net Cash used in Investing Activities (b)</b>	(2,643,974,866)	(686,598,780)
<b>C. Cash Flow from Financing Activities</b>		
Share Application Money Received/(Refunded)	-	(13,365,800)
Net Secured Borrowings	1,731,205,161	616,341,807
Equity Shares Alloted	91,941,550	86,590,300
Share Premium Received (Net)	854,836,845	-
Fixed Deposits	(27,116,000)	27,190,000
Inter Corporate Deposits	(48,980,625)	87,350,000
Interest & Finance Charges (Net of Interest Capitalised)	(37,654,115)	(38,838,439)
Equity Dividend	(7,342,250)	(4,889,673)
<b>Net Cash used in Financing Activities (c)</b>	2,556,890,567	760,378,194
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (a+b+c)</b>	3,179,259	15,976,836
Cash and Cash Equivalents- Opening Balance	35,345,950	19,369,114
Cash and Cash Equivalents- Closing Balance	38,525,209	35,345,950
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	3,179,259	15,976,836
Notes to Accounts	22	
The Schedules 1 to 22 form an integral part of the financial statements		

As per our attached report of even date

For and on behalf of the Board

For S S PURANIK & ASSOCIATES  
Chartered Accountants

Shripad S Puranik  
Partner  
M.No. 030670  
Place : Mumbai  
Date : June 30,2009

Amrut S Gada  
Chairman & Managing Director

Ashwin S Shetty  
Company Secretary

Dhiraj S Gada  
Jt. Managing Director

# Balance sheet extract and company general business profile

## I Registration Details

Registration No.  State Code

Balance Sheet Date

## II Capital Raised during the Year

Public Issue  Rights Issued

Bonus Issue Private Placement

## III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)

Total Liabilities  Total Assets

### Sources of Funds

Paid up Capital  Share Application Money

Reserve & Surplus including Provision for Deffered Tax Liability  Secured Loans

Unsecured Loans

### Application of Funds

Net Fixed Assets  Investments

Net Current Assets  Deferred Tax Asset

Miscellaneous Expenditure  Accumulated Losses

## IV Performance of Company (Amount in Rs. Thousand)

Turnover  Total Expenditure

Profit/Loss Before Tax  Profit / Loss After Tax & Other Adjustments

Earnings per Share (of Rs.10/- each)  Dividend @ %

## V Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code No.)

Product Description

Item Code No. (ITC Code No.)

Product Description

Item Code No. (ITC Code No.)

Product Description

### Note :

For ITC Code of Products please refer to the publication Indian Trade Classification based on harmonised commodity description and coding system by Ministry of Commerce, Directorate General Of Commercial Intelligence & Statistics, Kolkata - 700 001.

For and on behalf of the Board

Amrut S Gada  
Chairman & Managing Director

Dhiraj S Gada  
Jt. Managing Director

Place : Mumbai  
Date : June 30, 2009

Ashwin S Shetty  
Company Secretary



# Corporate Information

## BOARD OF DIRECTORS

Name of Director	Designation
Mr. Amrut S. Gada	Chairman and Managing Director
Mr. Dhiraj S. Gada	Joint Managing Director
Mr. Mitesh K. Gada	Executive Director
Mr. Ashish D. Karia	Executive Director
Mr. Atul S. Bharani	Independent Director
Mr. Praful N. Satra	Independent Director
Ms. Vimla M. Shah	Independent Director
Mr. Mitil B. Chokshi	Independent Director

## GM COMPLIANCE, COMPANY SECRETARY

Mr. Ashwin S. Shetty.

## COMMITTEES IN THE COMPANY

### Audit Committee

Mr. Mitil B. Chokshi  
Chairman, Independent and Non-Executive Director

Mr. Praful N. Satra  
Member, Independent and Non-Executive Director

Mr. Dhiraj S Gada  
Member, Non- Independent and Executive

### Remuneration Committee

Mr. Praful N. Satra  
Chairman, Independent and Non-Executive Director

Mr. Atul S. Bharani  
Member, Independent and Non-Executive Director

Ms. Vimla M. Shah  
Member, Independent and Non-Executive Director

### Shareholders Committee

Ms. Vimla M. Shah  
Chairman, Independent and Non-Executive Director

Mr. Atul S. Bharani  
Member, Independent and Non-Executive Director

Mr. Mitesh K. Gada  
Member, Non- Independent and Executive Director

### Statutory Auditors

M/s. S.S. Puranik & Co.  
56, Gokul, 1st Floor, Jayprakash Nagar,  
Goregaon (East), Mumbai – 400 063.  
Tel.: +91-22- 26865387, Fax: +91-22- 26865387  
Email: puranikss@rediffmail.com  
Contact Person: Mr. Shripad Puranik

## INTERNAL AUDITORS

KPMG  
KPMG House II, Kamala Mill Compound  
448, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013  
Tel.: +91-22- 39896000, Fax: +91-22- 39835040  
Email: mkotwal@kpmg.com  
Contact Person: Mr. Mazyar Kotwal

## BANKERS TO THE COMPANY

State Bank of Patiala  
Punjab National Bank  
State Bank of Mysore  
Indian Overseas Bank  
State Bank of Saurashtra  
Bank of India  
Punjab and Sind Bank  
Axis Bank Limited  
State Bank of Indore  
Karur Vysya Bank Limited  
ICICI Bank Limited  
HDFC Bank Limited  
Standard Chartered Bank

## CORPORATE ADVISORS

S. H. Bathiya & Co.  
2, Tardeo A/C market, 4th Floor, Tardeo Road, Mumbai- 400 034  
Tel No: +91- 22- 23523811, Fax No: +91- 22 -23516587  
Email: bathiya@vsnl.com

## REGISTRAR AND TRANSFER AGENTS

Link Intime India Private Limited  
C- 13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (West), Mumbai 400 078  
Tel: + 91 22 2596 3838, Fax: + 91 22 2594 6969  
Website: <http://www.sejalglass.com>  
E-mail: investor.relations@sejalglass.co.in

## PLANT LOCATIONS

### Processing Plant

Plot No 259/10/1, Village Dadra  
Union Territory of Dadra, Nagar Haveli, Dist. Silvassa

### FLOAT GLASS PLANT

Plot No.36, Jhagadia Industrial Estate, Dist. Bharuch, Gujarat

### RETAIL DIVISION

Sejal Encasa, 173/174, S. V. Road, Near Seasons Hotel  
Kandivali (West), Mumbai – 400 067



[www.sejalglass.com](http://www.sejalglass.com)