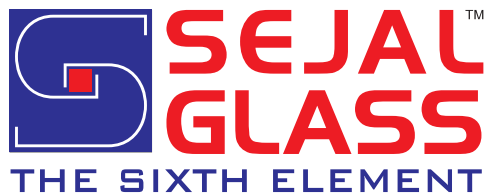


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**SEJAL ARCHITECTURAL GLASS LIMITED**

**TENTH ANNUAL REPORT 2007-2008**

**BOARD OF DIRECTORS**

Mr. Amrut S. Gada  
 Mr. Dhiraj S. Gada  
 Mr. Mitesh K. Gada  
 Mr. R. Subramanian  
 Mr. Ashish D. Karia  
 Mr. Atul S. Bharani  
 Mr. Praful N. Satra (From 20/10/2007)  
 Ms. Vimla M. Shah (From 20/10/2007)  
 Mr. Hasmukh N. Shah (From 20/10/2007)  
 Mr. Mitil R. Chokshi (From 31/10/2007)

Chairman and Managing Director  
 Joint Managing Director  
 Executive Director  
 Director – Operations  
 Executive Director  
 Independent Director  
 Independent Director  
 Independent Director  
 Independent Director

Mr. Ashwin S. Shetty.

Company Secretary

**COMMITTEES IN THE COMPANY****AUDIT COMMITTEE**

<b>Name of the Director</b>	<b>Designation</b>
Mr. Mitil R. Chokshi	Chairman
Mr. Hasmukh N. Shah	Member
Mr. Praful N. Satra	Member
Mr. Dhiraj S. Gada	Member

**REMUNERATION COMMITTEE**

<b>Name of the Director</b>	<b>Designation</b>
Mr. Praful N. Satra	Chairman
Mr. Atul S. Bharani	Member
Ms. Vimla M. Shah	Member

**SHAREHOLDERS COMMITTEE**

<b>Name of the Director</b>	<b>Designation</b>
Ms. Vimla M. Shah	Chairman
Mr. Atul S. Bharani	Member
Mr. Mitesh K. Gada	Member

**STATUTORY AUDITORS**

M/s. S.S. Puranik & Co.  
 56, Gokul, 1st Floor, Jayprakash Nagar,  
 Goregaon (East), Mumbai – 400 063.

**INTERNAL AUDITORS**

KPMG  
 KPMG House II, Kamala Mill Compound  
 448, Senapati Bapat Marg  
 Lower Parel, Mumbai - 400 013

**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  
 State Bank of Indore  
 ICICI Bank Limited  
 HDFC Bank Limited

**CORPORATE ADVISORS**

S. H. Bathiya & Co.  
 2, Tardeo A/C market, 4<sup>th</sup> Floor, Tardeo Road,  
 Mumbai- 400 034

**REGISTRAR AND  
TRANSFER AGENTS**

Intime Spectrum Registry Limited  
 C- 13, Pannalal Silk Mills Compound,  
 L.B.S. Marg, Bhandup (West)  
 Mumbai 400 078

**REGISTERED OFFICE**

Sejal Architectural Glass Limited  
 201/202, Abhilasha, 2nd Floor,  
 S. V. Road, Kandivali (W),  
 Mumbai 400 067,  
 India.  
 Tel : +91 - 22 - 28633383/84/85/86  
 Fax: +91 - 22 - 28633390

**RETAIL HOME SOLUTION DIVISION**

Sejal Encasa  
 CTS No. 65,  
 Near Seasons Hotel,  
 S. V. Road, Kandivali (West),  
 Mumbai 400 067  
 Tel : +91 - 22 - 28076796  
 Fax: +91 - 22 - 28665102

**PLANT LOCATIONS**

- 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)

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● VISION

● VALUES

● TECHNOLOGY

● GROWTH

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It is the 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 secondary flat glass processing.

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

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

# Achievements & Milestones

- 1998*    5 Year of Incorporation
- 2000*    5 Commenced commercial production of Insulating Glass
- 2004*    5 Commencement of commercial production of Toughened Glass
- 2005*    5 "Good" eQ rating of 8.1% by AC Nielson Research Pvt. Ltd.
- 2006*    5 Acquired Land for the float glass project at Jhagadia, Gujarat
- 2007*    5 Inauguration of "SEJAL ENCASA" the exclusive Retail Home Solution Division
- 5 Contract for Machinery Supply with Stein Heurtey, France, Grenzebach Maschinenbau GmbH, Germany and Zippe Industrieanlagen GmbH, Germany to the tune of Rs.2425 million, for the Float Glass Project.
- 5 Completed expansion of the New Lamination Line
- 2008*    5 Successful implementation of Supply Chain Management Enterprise Resource Planning (ERP) modules in the organization.
- 5 Entered the Capital Markets with an Initial Public Offer





## CHAIRMAN'S FOREWORD

Amrut S. Gada  
Chairman & Managing Director

*“When it comes to the future,  
there are three kinds of people:*

*Those who let it happen*

*Those who make it happen*

*Those who wonder what happened.”*

*– Richardson John M. Jr.*

This quote is reminiscent of the journey of Sejal Glass as we started out close to a decade ago with processing insulating glass and moved on to include process for toughened glass. Today, the company has added laminated glass as well as an entire range of value added glass for exterior and interior applications, including decorative glass to its offerings.

I believe that our company is one that believes in making things happen and more than that, one that works towards making it happen. This is reflected in the milestone events since its inception where excellence has been the benchmark. Resultantly, the financial year 2007-08 was no different.

Our Sales grew to Rs.547 million, an increase of 43% YoY. This was primarily on account of change in the product mix and better glass solutions provided to our esteemed clients. The Operating profit stood at Rs 124 million, translating into a growth of 83 %.

The Net Profit at Rs 46 million registered a 68% growth due to good performance at the operating level.

Another factor leading to this growth has been the robust macroeconomic parameters with increasing demand from real estate and the construction space led by the economic boom witnessed in the last few years.

Owing to its superior aesthetic qualities, safety and lighter weight, glass has become a preferred choice in Architectural designs. The easy availability of raw materials in the country also adds to the conducive atmosphere for the growth and development of this industry.

With the opportunity in place, the Glass Industry in India too has transformed from the mouth blown and hand working process based one into a fully automated sector.

At Sejal too, we have made a conscious effort to be hands-on with the changes in customer demand and preferences besides the technological advancements in the industry.

The financial year 2007-08 marked an important phase for the company as it continued fortifying the strong foundation for its future growth prospects.

Our company has embarked on a mega-project to manufacture float glass, the estimated cost of which is Rs. 478 crores of which the debt component comprises Rs.318 crores and the resultant questions on the associated risks are bound to arise. However, here, my fellow stakeholders, I must confess that, to my mind, this risk is minimal compared to our early days when we raised loans to leverage our growth.

Today, our company has a strong standing in the market, branded products, a confirmed order book-position from our esteemed clientele, a fast growing presence in overseas markets and the trust and backing of banks and financial institutions. We thus believe that the risk-reward ratio in this transaction will be favorable for the company.

It pleases me here, to inform you that the progress on Float Glass project, which we believe will be our major growth driver going forward, is on track. The civil construction work is 75% complete and machinery has been sourced.

Having carved a niche for ourselves in the Architectural Design Glass segment, this project is a backward integration initiative that will enable us to control costs and enhance the quality of our value added products. Against the backdrop of an increasingly competitive scenario, the commercial production of this unit will stand us in good stead and the same is expected to commence in March 2009.

I believe that the company's strong foundation in the form of technology tie-ups, recruitment and training of skilled man power, sourcing of machinery from leading industry players and devising aggressive marketing strategies will go a long way towards ensuring the success of this project.

In June 2008, we forayed into the Capital markets with an Initial Public Offer to raise funds for the Float Glass Division which was met with a good response and I take this opportunity to thank each and every applicant who reposed their faith in our company.

I would also like to thank our customers, employees, bankers, vendor partners and investors for their support.

I conclude with the hope that this support will continue to remain with us during the course of our onward march towards yet another important destination on the route to further successes.

Amrut S. Gada



Chairman & Managing Director

## OUR BUSINESS MODEL

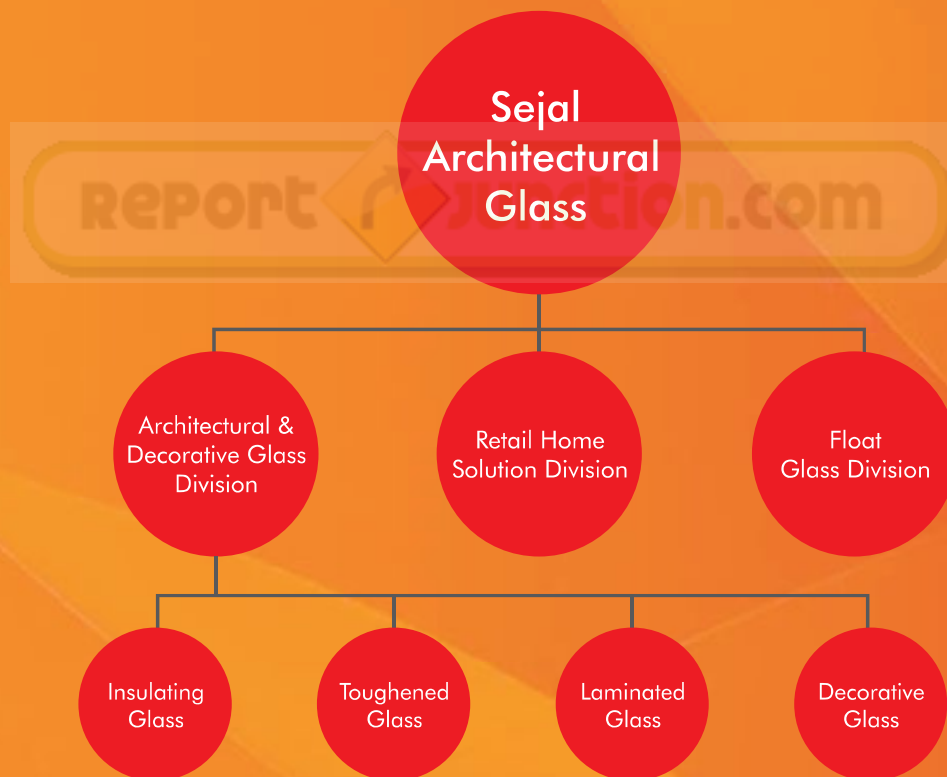
With expertise built over close to a decade of experience, Sejal Architectural Glass (Sejal Glass) undertakes processing of various types of glasses. The company commenced with the commercial production of insulating glass and moved on to include process for toughened glass. Since then, it has grown from strength to strength and expanded its operations to add laminated glass to its portfolio by setting up an automated lamination line recently.

Today, the company's basket of offerings encompasses value added glass for exterior and interior applications, including decorative glass. A leading player in

Architectural Glass Processing segment, the company enjoys a market share of more than 15%.

At present the company has a state of art Processing Plant at Silvassa across 11,000 square meters of land.

The Company also has a Retail Home Solution division which trades in various in-house brands as well as other manufacturers' products. For this, it has set up a special showroom, Sejal Encasa in Mumbai and the products traded include tiles, sanitary ware, mirrors, glass, etc. for home and commercial interiors.



*Having proved its mettle in the glass processing industry, the company is now foraying into Float Glass manufacturing as a backward integration initiative. For this, the Company is setting up a manufacturing facility at Bharuch in Gujarat which is expected to commence operations in March 2009 with a capacity of 2, 00,750 MT per annum. Around 6 lakh square metres of land has already been purchased and construction work has commenced.*





## ARCHITECTURAL AND DECORATIVE DIVISION

The company's Architectural and Decorative Division processes a gamut of glass products which has a variety of applications viz.:

### INSULATED GLASS

This type of glass finds wide application across commercial and residential projects, IT parks, passenger vehicles, thermal power stations, airports, hospitality industry, pharmaceutical factories and refrigeration industry.

It offers:

- Energy conservation
- Optimum working level comfort via sound and heat reduction
- Step glazing and triple glazing options
- Minimizing condensation on the exterior of glass
- Low moisture permeability

The Range of Insulated Glass offered by the company includes:



Used in external wall claddings, internal partitions, doors, windows and skylights for the thermal or acoustic insulation, Kool Glass is manufactured using the state-of-art technology licensed from Lisec, Austria. This glass is suitable for thermal insulation in transport, pharmaceuticals and refrigeration industries and clients benefit from substantial savings in the initial investments and recurring costs of air conditioning equipments. Sejal Glass provides a wide choice of clear, tinted and coated glass in annealed, heat-strengthened, toughened and laminated form.



Tone glass is a specially designed acoustic Insulating Glass Unit and is optimum for controlling noise control as sound attenuations of up to 50 dB can be achieved. Further the company offers its clients thermal insulation with acoustic insulation for special requirements by configuring Tone Glass with high performance glasses.

### TOUGHENED GLASS

Toughened Glass is approximately 4 to 5 times stronger than ordinary glass of same thickness and is recognized as safety glazing material. Heat strengthened glass is approximately 2 – 3 times stronger than ordinary glass of the same thickness. These glasses are widely applied across the automobile sector, space research centers, fire zones, power stations and atomic energy establishment, multi storey buildings, gauge for industries using machine oils in furnace, cinema industry, hotel industry, shopping arcades and public premises, shop main doors and other architectural uses.

The Range of Toughened Glass offered by the company includes



Solid glass possesses higher levels of strength and endurance and hence is suited for frame-less assemblies, shower screens, stairways and for applications requiring resistance to thermal shock. It is available in two variants:

- **Heat Strengthened (H.S.)** – Solid glass H.S. is about two times stronger than annealed glass and is recommended for applications, where strength and/or thermal shock resistance are the only concern.
- **Fully Toughened (F.T.)** - Solid glass F.T. is four to five times stronger than standard annealed glass and is considered a safety glass. It crumbles into fragments in case of glass breakage, which greatly minimizes the risk of personal injury.

## LAMINATED GLASS

This is made-up of two or more layers of glasses and one or more inter layers of Plasticized Poly Vinyl Butyral (PVB) permanently bonded together under heat and pressure. This glass is used for glazing solution for overhead, sloped, glazing's or floorings owing to its ability to retain the glass together in position even after glass breakage.

The company has graduated from manual lamination by installing imported pre-processing machines and a lamination line from Bystronic, Germany, raising the quality and the production of this variety very significantly.

### The Range of Laminated Glass offered by the company includes:



This glass is widely used for applications where its barrier property is the major criteria, owing to its unique property of remaining integral even after breakage of the glass layer. It also has added advantage in terms of the dampening property of the interlayer of the Armor Laminated Glass making it an effective sound barrier that helps in blocking ultraviolet rays.



Specifically configured with alternating layers of glass, high performance plastic and PVB/PET/PU resin, Fort Glass is custom designed to offer specific degree of protection depending on the severity and duration of burglary/forced entry attacks, intensity of ballistic assaults and the energy level of explosion shocks.

### Other Brands offered by the company include –



FIREBAN products offer an ideal combination to ensure safety from fire for periods up to 120 minutes. These products are based on tempered safety glass with enhanced mechanical strength, classified as impact safety glass. Our Company offers the following variations of Fireban glass; Fireban E, Fireban EW and Fireban EI, with different specifications.



Lunaro glass is our latest product offering for residential and commercial structures. These are Pyrolytic on line coated solar heat reflective glass which can be used in single glazing, without any change in its durability over the years. It has excellent technical properties with a combination of solar control with low reflection properties and thermal insulation. There are colour variants of this brand, depending on customer choice and preferences.



Our Company offers glass under the brand name Fresca, which has the following key features:

- i. Uniform optical characteristics in transmission and reflection
- ii. Optimal light transmission and energy saving, suitable for green buildings
- iii. Aesthetically pleasing with wide choice of colors and light reflection
- iv. A broad spectrum of solar control performance

## DECORATIVE GLASS



This division has glasses for interior applications, including bowls, basins, mirrors, partitions and doors. The company's existing unit has the facility to shape, mould, fuse, bend, colour, edge, emboss, engrave, etc. to produce a myriad of products for the decorative segment.

This glass is mainly used by architects and interior designers in residence, hotels, restaurants, offices, malls and entertainment plazas.

This range offers exquisite mirrors, panels, partitions and other custom designed decorative items as well.

The Company markets these products under the following brand

- I. [Décor Glass](#)
- II. [Oyster](#)