



**SEJAL GLASS LIMITED**  
**ANNUAL REPORT 2015-16**



## FORWARD-LOOKING STATEMENTS

The report contains forward-looking statements that involve risks and uncertainties. When used in this discussion, the words like 'plans', 'expects', 'anticipates', 'believes', 'intends', 'estimates', or other similar expressions as they relate to Company or its business are intended to identify such forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company's actual results, performance or achievements could differ materially from those expressed or implied in such forward-looking statements. The Company undertakes no obligation or responsibility to publicly amend, update, modify or revise any forward-looking statements, on the basis of any new information, future event, subsequent development or otherwise.

<b>CONTENTS</b>	<b>PAGE</b>
Forward-looking Statements	1
Corporate Information	2
Key Highlights of 2015-16	3
Chairman's Overview	4
Notice	5
Directors' Report	11
Corporate Governance Report	28
Independent Auditors' Report	36
Balance Sheet	42
Statement of Profit and Loss	43
Cash Flow Statement	44
Notes to Financial Statements	46

## CORPORATE INFORMATION

### Eighteenth Annual Report 2015-16

#### BOARD OF DIRECTORS

NAME OF DIRECTOR	DESIGNATION
Mr. Amrut S. Gada	Chairman and Managing Director
Mr. Mitesh K. Gada	Executive Director
Mr. R. Rengarajan	Independent Director
Mrs. Leena. Gadit	Independent Director
Mr. Praful B. Nisar	Independent Director

#### CHIEF EXECUTIVE OFFICER

Mr. S. Sivaramakrishnan

#### CHIEF FINANCIAL OFFICER

Mr. A. Venkataramanan

#### GM COMPLIANCE, COMPANY SECRETARY

Mr. Ashwin S. Shetty.

#### STATUTORY AUDITORS

M/s. D. D. Mehta & Co.  
 108, Sujata Niketan, Rani Sati Road  
 Malad (East) Mumbai – 400 097  
 Tel.: +91-22- 28814240  
 Email: caddmehta@gmail.com  
 Contact Person: Mr. Deven Mehta

#### INTERNAL AUDITORS

M/s. Rakesh Parmar & Co.  
 35/300, Unnat Nagar 2, S V Road , Opp. Ashoka Shopping  
 Centre ,  
 Goregaon (West), Mumbai 400062  
 Tel.: +91-22- 28899338  
 Email: rakeshparmar.ca@gmail.com  
 Contact Person: Mr. Rakesh Parmar

#### COST AUDITOR

VV and Associates Cost Accountant  
 8, Om Kadambari CHs. Ltd  
 B.T. Marg, Dahisar (West)  
 Mumbai-400 068  
 E-mail: cmavaibhavjoshi@gmail.com

#### BANKERS TO THE COMPANY

Punjab National Bank  
 Bank Of Maharashtra  
 ICICI Bank Limited  
 SICOM Investments and Finance Limited

#### 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.co.in>  
 E-mail: [investor.relations@sejalglass.co.in](mailto:investor.relations@sejalglass.co.in)

#### REGISTERED OFFICE

173/174, 3rd Floor, Sejal Encasa, S.V. Road,  
 Kandivali (West), Mumbai 400 067  
 Tel: 28665100, Fax: 28665102  
 Website: [www.sejalglass.co.in](http://www.sejalglass.co.in)

#### FACTORY

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

#### RETAIL & TRADING DIVISION

Sejal Encasa, 173/174, S.V. Road,  
 Opp. Bata Showroom, Kandivali (West)  
 Mumbai- 400 067

## KEY HIGHLIGHTS OF 2015-16

### Five Year Financial Performance

(₹ in Million)

Financial Performance	2015-16	2014-15	2013-14	2012-13	2011-12
<b>Profit &amp; Loss Account</b>					
Gross Sales	141.58	144.03	1263.68	626.77	448.61
Total Income	172.37	228.03	1370.03	742.78	534.56
Depreciation	37.00	48.24	24.59	24.45	23.43
Finance Cost	56.61	92.70	88.22	81.05	17.34
Profit / (Loss) Before Taxation	(1211.37)	(395.13)	(187.59)	(89.75)	(5.71)
Profit / (Loss) After Taxation	(1211.37)	(619.33)	(187.59)	(160.00)	(526.41)
<b>Balance Sheet</b>					
Fixed Assets (Net)	530.38	588.05	835.87	915.53	1530.23
Investments and Non Current Assets	226.76	846.00	882.07	867.35	422.36
Net Current Assets	(831.92)	(264.04)	(240.85)	(48.96)	391.49
Net Deferred Tax Asset		-	224.20	224.20	293.54
Loan Funds	330.00	356.90	172.73	238.45	323.65
Provisions	6.95	6.02	7.03	3.53	3.16
<b>Net Worth</b>	<b>(411.74)</b>	<b>807.08</b>	<b>1523.87</b>	<b>1716.14</b>	<b>2310.81</b>
Share Capital	335.50	335.50	335.50	335.50	335.50
Share Warrant / Share	-	-	-	-	-
Application Money	-	-	-	-	-
Reserve and Surplus	(747.24)	471.58	1188.37	1380.64	1975.31
<b>Net Worth</b>	<b>(411.74)</b>	<b>807.08</b>	<b>1523.87</b>	<b>1716.14</b>	<b>2310.81</b>

**Chairman's Overview:**

Dear Fellow shareholders,

I have pleasure in welcoming you to the Eighteenth Annual General Meeting of your Company.

The global economic activities had remained very subdued on account of various factors resulting in weak investor sentiments towards emerging markets. This had the impact on FDI inflows especially to infrastructure sector. Both the Government of India and RBI have been engaged actively in restoring macroeconomic stability to the economy. Their efforts are on to turn India into a manufacturing hub by initiating various programmes such as Make in India, Skill India; and increasing investments in infrastructure, digitization, education and health. Various steps towards ease of business and recent enactment of GST (Goods and Services Tax) are expected to be a game changers for India Inc. At the same time relentless focus on cleaning up the Banking System through various measures such as SDR, S4A have significant implication for bank lending in particular and businesses in general. The reluctance of banks to lend to stressed assets including well deserving ones is quite palpable. Working Capital funding has virtually disappeared forcing many operations to depend on expensive private funding. The manufacturing sector- the Achilles heel of the economy has failed to show an uptick.

There had been no major investment in infrastructure sector during the year under review. This led to sluggishness in the realty sector. Investor activism and judgements favouring consumers by Courts have dampened further the spirit of Realty sector. Since your company is dependent on this sector the performance of your company was affected and had a nominal decline over previous year.

Two major regulatory requirements – IFRS / Ind AS (Indian Accounting Standards) and IFCFR (Internal Financial Controls Over Financial Reporting) have become applicable to your company's accounting procedures and policies. Keeping their impact in mind, your Board of Directors had made many forward looking decisions and have provided for doubtful assets including receivables during the year under review, affecting the pre-tax profitability for the year.

Turning to the positives, I am pleased to inform you that the five year tenure of the Non-Compete agreement entered into with Saint Gobain Glass (India) Limited at the time of sale of the company's float glass plant has come to an end as of May this year, enabling your company to have relook into what the glass industry offers to Sejal. This may afford opportunities to your company to expand its product range, diversify its customer base leading to improved performance in coming years.

I'm optimistic about the future of glass and glass processing industries and envisage significant business potential in the ensuing years. Needless to mention that challenges abound on the road to greater prosperity

On this positive note, I thank all the stakeholders of Sejal Glass Ltd for your continued support and solicit your encouragement and appreciation going forward.

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

**NOTICE** is hereby given that the 18<sup>th</sup> Annual General Meeting of the shareholders of the Company will be held on Friday, September 30, 2016, at 10.00 A.M., at 173/174, Sejal Encasa, S. V. Road, Kandivali (West), Mumbai – 400 067 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2016, and the Statement of Profit and Loss Account of the Company for the year ended on that date, and the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. Mitesh K. Gada (DIN: 00148934) who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

3. To appoint auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the fifth consecutive Annual General Meeting and to fix their remuneration, and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT**, pursuant to Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendation made by the Audit Committee of the Board, M/s. Shah Parmar & Mehta, Chartered Accountants, having FRN 141689W allotted by The Institute of Chartered Accountants of India (ICAI) be and are hereby appointed as the Auditors of the Company in place of the retiring Auditors M/s. D D Mehta & Co., Chartered Accountants, having FRN 119679W allotted by ICAI, who shall hold office from the conclusion of this 18th Annual General Meeting for term of consecutive four years till conclusion of the 22nd Annual General Meeting (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting) and that the Board be and is hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors, in addition to reimbursement of all out-of-pocket expenses as may be incurred in connection with the audit of the accounts of the Company.

4. To re-appoint Mr. Amrut S. Gada, who has given his consent to act as Chairman and Managing director of the company with effect from 01<sup>st</sup> April 2016 to 31<sup>st</sup> March 2021 for a period of five years, and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to recommendation of the Nomination & Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013 and Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Amrut S. Gada, as Chairman and Managing Director of the Company without any remuneration with effect from April 01, 2016 to March 31, 2021.

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to alter, vary and modify the terms and conditions of the re-appointment in such manner as may be agreed to between the Board and Mr. Amrut S. Gada and that Mr. Mitesh Gada, Executive Director and/or Mr. Ashwin S. Shetty G.M. Compliance, Company Secretary of the Company, be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution.”

By order of the Board  
**Ashwin S. Shetty**  
 G.M. Compliance, Company Secretary

**Mumbai**  
**August 12, 2016**

**NOTES**

**1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, VOTE ON A POLL, INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. However, the facility for voting through Ballot Paper will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-Voting shall be able to exercise their right at the AGM through Ballot Paper. Instructions and other information relating to remote e-Voting are given in this Notice separately. The Company will also send communication relating to e-Voting which inter alia would contain details about User ID and password along with a copy of this Notice to the members, separately
3. Corporate Members intending to send their authorized representative to attend the Meeting are required to send a duly certified copy of the Board Resolution, authorizing their representative to attend and vote at the Meeting, as required under Section 113 of the Companies Act, 2013.
4. The Statement pursuant to Section 102(1) of the Companies Act, 2013, which sets out details relating to Special Businesses to be transacted at the Meeting, is annexed hereto.
5. Members/ proxies are requested to bring their copies of Annual Report along with the duly-filled Attendance Slips sent herewith to attend the meeting. Members may refer to proxy related provision given in Para 6 of the SS-2 secretarial Standard on General Meeting issued by ICSI and approved by Central Government.

Members who hold shares in dematerialized form are requested to write their DP ID and Client ID number(s) and those who hold share(s) in physical form are requested to write their Folio Number(s) in the attendance slip for attending the Meeting to facilitate identification of membership at the Meeting

6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the members at the Registered Office of the Company during the Business hours on all working days, except Saturdays, during business hours up to the date of the Annual General Meeting
8. The Share Transfer Books and Register of members of the Company will remain closed from Friday September 23, 2016 to Friday September 30, 2016 (both days inclusive) for the purpose of ensuing Annual General Meeting.
9. Electronic Copy of the Annual Report for the year 2015-16 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2015-16 is being sent in the permitted mode.
10. Members are advised to avail of nomination facility in respect of shares held by them. Nomination forms can be obtained from the Investors Services Department of the Company
11. Members are requested to:-
  - a. Intimate the Company, changes if any in their registered addresses at an early date for shares held in physical form. For shares held in electronic form, changes, if any may be please communicated to the respective DPs.
  - b. Quote ledger folio numbers/DP ID and Client ID numbers in all their correspondence.
  - c. Approach the Company for consolidation of various ledger folios into one.
  - d. To avoid inconvenience, get the share transferred in joint names, if they are held in single name and/or appoint nominee
12. Members desirous of obtaining any information concerning the accounts and operation of the Company are requested to address their communication to the Registered Office of the Company, so as to reach at least 10 days before the meeting, so that the information can be made available at the meeting, to the extent possible
13. The Register of contracts or arrangements maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
14. The Annual Report 2015-16 of the Company circulated to the members of the Company will be made available on the Company's website at [www.sejalglass.co.in](http://www.sejalglass.co.in) and also on the website of the respective stock exchanges at [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com).



com. As per the Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 issued by Institute of Company Secretaries of India and notified by Central Government, particulars of Directors to be appointed / re-appointed at the 18<sup>th</sup> Annual General Meeting are given separately in the notice

15. Notice of Annual General Meeting will be sent to those shareholders/beneficial owners whose name will appear in the register of members/list of beneficiaries received from the depositories as on 26.08.2016.
16. To support the "Green Initiative", Members who have not registered their email addresses are requested to register the same with the Company's Share Registrars and Transfer Agents/their Depository Participants, in respect of shares held in physical/electronic mode respectively.
17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company

18. Voting Through electronic means:

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014, as amended from time to time, the Company is pleased to provide its members the facility of "remote e-voting" (e-voting from place other than venue of the AGM) to exercise their right to vote at the 18<sup>th</sup> Annual General Meeting (AGM). The business may be transacted through e-voting services rendered by Central Depository (India) Limited (CDSL).

The facility for voting through poll paper shall also be made available at the venue of the 18<sup>th</sup> AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The Company has appointed Mr. Dharmesh Zaveri of M/s. D. M. Zaveri & Co., Practicing Company Secretaries (CP No. 4363) as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM.

19. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. September 23, 2016 (Friday)
20. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
21. A person, whose name is recorded in the register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. 23/09/2016 only shall be entitled to avail the facility of remote e-voting as well as voting at the Meeting through ballot paper.
22. The Chairman shall, at the Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of "Ballot Paper" for all those Members who are present at the Meeting but have not cast their votes by availing the remote e-voting facility.
23. The Scrutinizer will after the conclusion of voting at the Meeting, will first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and will make, not later than two days of the conclusion of the Meeting, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who will countersign the same and declare the result of the voting forthwith.
24. The results declared along with the report of the Scrutinizer will be placed on the website of the Company and on the website of CDSL (or NSDL) immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results will also be immediately forwarded to the Bombay Stock Exchange Limited, and National Stock Exchange Limited Mumbai.
25. Mr. Ashwin S. Shetty, Compliance Officer of the Company shall be responsible for addressing all the grievances in relation to this Annual General Meeting including e-voting. His Contact details are E-mail :[ashwin@sejalglass.co.in](mailto:ashwin@sejalglass.co.in)

Registered Office:  
173/174, 3rd Floor, Sejal Encasa, S. V. Road  
Kandivali (West), Mumbai-  
Date: August 12, 2016

By order of the Board  
**Ashwin S. Shetty**

G.M. Compliance, Company Secretary

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

### ITEM NO. 3

The statutory Auditors, D D Mehta & Co., have expressed their unwillingness to be re-appointed as the auditors of the Company. A special notice has been received under section 140(4)(i) of the Companies Act, 2013 from a member proposing appointment of M/s Shah Parmar & Mehta, Chartered Accountants, as the statutory auditors.

The Audit Committee has considered the qualifications and experience of the proposed auditors and has recommended their appointment. The Board of Directors has also considered the matter and recommends the passing of the said Resolution appointing M/s, Shah Parmar & Mehta, Chartered Accountants, as statutory auditors in place of the retiring Auditor M/s. D D Mehta & Co., Written consent of the proposed auditors together with a certificate that the appointment, if made, shall be in accordance with the conditions specified in Rule 4 of the Companies (Audit and Auditors) Rules, 2014 has been received.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No. 3 of the Notice

### ITEM NO. 4

Mr. Amrut S. Gada, who was appointed Chairman and Managing Director by the members to hold office upto March 31, 2016 and hence for continuation of his employment as Executive Chairman and Managing Director requires the approval of members by way of a Ordinary resolution.

Keeping in view that Mr. Amrut S. Gada has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time, it would be in the interest of the Company to continue the employment of Mr. Amrut S. Gada as Chairman and Managing Director designated as Chairman and Managing Director.

Mr. Amrut S. Gada guided the Company through decades of diversification and growth to emerge as a leading player in the Glass Processing industry.

In terms of the Corporate Governance Guidelines of the Company and pursuant to the recommendation of the Board Governance, Nomination and Remuneration Committee, the Board of Directors of the Company passed a resolution on February 09, 2016 approving re-appointment of Mr. Amrut S. Gada, as Chairman and Managing Director of the Company without remuneration for a further period of five years with effect from April 01, 2016 to March 31, 2021. This is subject to the approval of the shareholders at this Annual General Meeting.

Broad Particulars of the terms of re-appointment of Mr. Amrut S. Gada is as under:

- a) Remuneration: NIL
- b) The Chairman and Managing Director shall have the right to manage the day-to-day business and affairs of the Company subject to the superintendence, guidance, control and direction of the Board of Directors of the company.
- c) The Chairman and Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- d) The Chairman and Managing Director shall adhere to the Company's Code of Business Conduct & Ethics for Directors and Management Personnel.
- e) The office of the Chairman and Managing Director may be terminated by the Company or the concerned Director by giving the other 3 (three) months' prior notice in writing.
- f) Mr. Amrut S. Gada satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Directors in terms of Section 164 of the Act

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

The Board of Directors recommends the resolution in relation to the re-appointment of Chairman and Managing Director, for the approval of the shareholders of the Company.

Except Mr. Amrut S. Gada and Mr. Mitesh K. Gada, none of the Directors or any of the Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the Ordinary Resolution set out in Item No. 4 of this Notice.

Registered Office:  
173/174, 3rd Floor, Sejal Encasa, S. V. Road  
Kandivali (West), Mumbai-  
Date: August 12, 2016

By order of the Board  
**Ashwin S. Shetty**

G.M. Compliance, Company Secretary