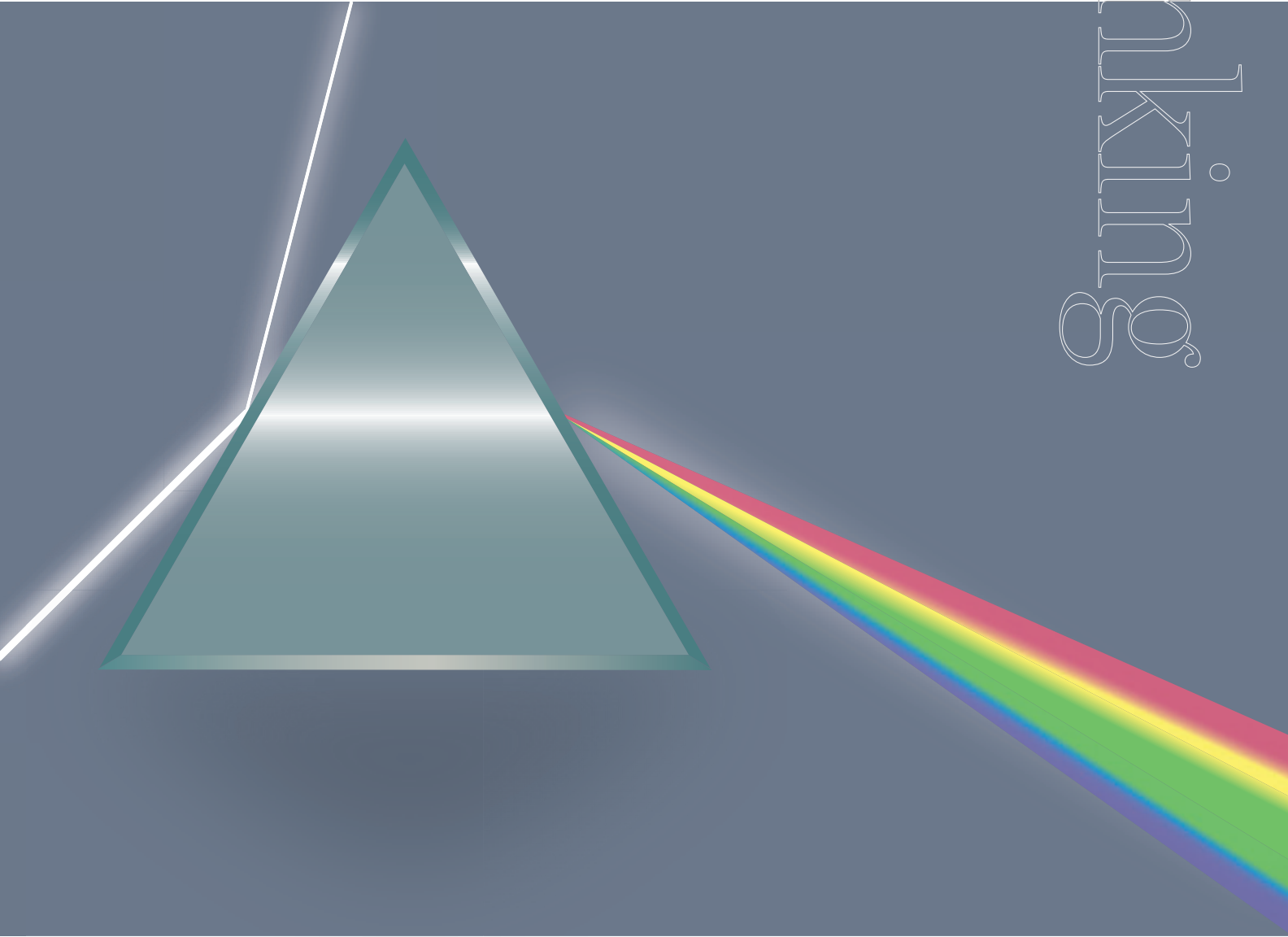


clearthinking

clear thinking  
group



SEZAL GLASS LTD.  
ANNUAL REPORT 2011 -12

American Standard Products displayed at Kandivali Showroom



Sanitary Ware Section - Kandivali Showroom



Company's  
Corporate  
Office Building  
Kandivali, Mumbai

# SEZAL GLASS LIMITED

## FOURTEENTH ANNUAL REPORT 2011-12

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### BOARD OF DIRECTORS

<b>Mr. Amrrut S. Gada</b>	<b>Chairman and Managing Director</b>
<b>Mr. Miitesh K. Gada</b>	<b>Executive Director</b>
<b>Mr. R. Rengarajan</b>	<b>Independent Director</b>
<b>Ms. Parul Mehta</b>	<b>Independent Director</b>

### COMPLIANCE OFFICER

**Mr. Ashwin S. Shetty**

Statutory Auditors	Registrar And Transfer Agents	Internal Auditors
M/s. S.S. Puranik & Associates Chartered Accountants A/4, First Floor, Gyaneshwari CHS Ltd. Peru Baug, Off Aarey Road, Behind Pritam Hotel, Goregaon (East), Mumbai - 400063.	Link Intime India Private Limited C- 13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078	S. H. Bathiya & Associates, 2, Tardeo AC Market, 4th Floor, Tardeo Road, Mum- bai - 400 034.

Bankers To The Company	Registered Office	Factory
1. State Bank of Patiala 2. Punjab National Bank 3. Bank of Maharashtra 4. ICICI Bank Limited 5. HDFC Bank Limited	201/202, Abhilasha, S.V. Road, Kandivali (West), Mumbai 400 067 Tel: 28633383/84/85, Fax: 28633390 Website: www.sezalglass.com  <b>Corporate Office:</b> Sezal Encasa, 173/174, S. V. Road, Near Seasons Hotel Kandivali (West), Mumbai - 400 067 Tel: 28665100, Fax: 28665102	Plot No 259/10/1, Village Dadra Union Territory of Dadra, Nagar Haveli, Dist. Silvassa  <b>Retail Division</b> Sezal Encasa, 173/174, S. V. Road, Near Seasons Hotel Kandivali (West), Mumbai - 400 067

## NOTICE

NOTICE is hereby given that the Fourteenth Annual General Meeting of the members of SEZAL GLASS LTD. will be held on Saturday, September 29, 2012 at 10.00 AM, at Plot No. 173/174, Sezal Encasa, S.V. Road, Kandivali (West), Mumbai 400 067 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March, 2012, Balance Sheet as on that date, and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. R. Rengarajan, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Ms. Parul Mehta, who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint Statutory Auditors and to fix their remuneration.

### SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass, with or without Modification (s), the following resolution as an **Ordinary Resolution**.

**"RESOLVED THAT** pursuant to the provisions of sections 198, 269, 309, 310 and all other applicable provisions of the Companies Act, 1956 (the Act), (including any statutory modifications or re-enactment thereof for the time being in force), read with Schedule XIII of the Act and subject to the approval of the Central Government, if necessary, and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities in granting such approvals, permissions and sanctions, approval of the Company be and is hereby accorded to the re-appointment of Mr. Miitesh K. Gada as the Executive Director of the Company for a term of 5 years from the 1st October, 2012 on the existing terms and conditions including remuneration.

**"RESOLVED FURTHER THAT** any of the directors of the company be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, proper, desirable or appropriate to give effect to this resolution."

6. To consider and if thought fit, to pass with or without modifications the following resolution as a **Special Resolution**:

**"RESOLVED THAT** in accordance with the provisions contained in the Articles of Association and Sections 81 (1A) and all other applicable provisions of the Companies Act, 1956 ("the Act") and the provisions contained in the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the Guidelines") (including any statutory modification(s) or re-enactment of the Act or the Guidelines, for the time being in force) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include Remuneration and Compensation Committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution), consent of the members of the Company be and is hereby accorded to the Board to create, offer, issue grant/allot up to 10,00,000 (Ten lakhs) Equity Stock options to the eligible present and future employees and Directors of the Company in one or more tranches through Sezal Glass Employee Stock Option Scheme 2012 (Sezal Glass ESOS 2012), which entitles the option holders to subscribe to 1 (one) equity share of the Company of face value of Rs. 10/- (Rupees Ten) per option granted at grant price on such terms and conditions as may be fixed or determined by the Board.

**"RESOLVED FURTHER THAT** the said equity shares may be allotted directly to such employees/ Directors in accordance with a Scheme framed in that behalf and that the scheme may also envisage for providing any financial assistance to the employee(s) to enable the employee(s) to acquire, purchase or subscribe to the equity shares of the Company.

**"RESOLVED FURTHER THAT** the new Equity Shares to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the then existing Equity Shares of the Company; unless otherwise decided by the Board of Directors of the Company.

**"RESOLVED FURTHER THAT** for the purpose of giving effect to any creation, offer, issue, allotment or listing of Equity shares, the Board be and is hereby authorized on behalf of the Company to evolve, decide upon and bring into effect the ESOS and make any modifications, changes, variations, alterations or revisions in the said Scheme from time to time or to suspend, withdraw or revive the Scheme from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties, or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company."

7. To consider and if thought fit, to pass with or without modifications the following resolution as a **Special Resolution**:

**"RESOLVED THAT** in accordance with the provisions contained in the Articles of Association and Sections 81 (1A) and all other applicable provisions of the Companies Act, 1956 ("the Act") and the provisions contained in the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the Guidelines") (including any statutory modification(s) or re-enactment of the Act or the Guidelines, for the time being in force) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include Remuneration and Compensation Committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution), consent of the members of the Company be and is hereby accorded to the Board to extend the benefits of Sezal Glass Employee Stock Option Scheme 2012 (Sezal Glass ESOS 2012) proposed in the Resolution number 6 in this Notice, to employees/Directors of subsidiary Companies, whether Indian or Foreign Subsidiaries, as and when formed, under prevailing laws, rules and regulations and /or amendments thereto from time to time on such terms and conditions as may be fixed or determined by the Board on the basis of Salient Features of ESOS mentioned in aforesaid resolution and its annexure.

**"RESOLVED FURTHER THAT** the said Equity shares may be allotted directly to such employees/ Directors in accordance with a Scheme framed in that behalf and that the scheme may also envisage for providing any financial assistance to the employee(s) to enable the employee(s) to acquire purchase or subscribe to the equity shares of the Company.

**"RESOLVED FURTHER THAT** the new Equity Shares to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the then existing Equity Shares of the Company; unless otherwise decided by the Board of Directors of the Company.

**"RESOLVED FURTHER THAT** for the purpose of giving effect to any creation, offer, issue, allotment or listing of Equity shares, the Board be and is hereby authorized on behalf of the Company to evolve, decide upon and bring in to effect the Scheme and make any modifications, changes, variations, alterations or revisions in the said Scheme from time to time or to suspend, withdraw or revive the Scheme from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties, or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company."

8. To consider and, if thought fit, to pass, with or without Modification (s), the following resolution as a **Special Resolution**.

**"RESOLVED THAT** pursuant to the provisions of Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof), the provisions of the Foreign Exchange Management Act, 1999 (FEMA), the Foreign Exchange Management (Transfer or Issue of Security by a person Resident Outside India) Regulations, 2000, the issue of Foreign Currency Convertible Bonds

and Ordinary shares (through Depository Receipt Mechanism) Scheme, 1993, and subject to such approvals, permissions, consents and sanctions as may be necessary from the Government of India (GOI), Reserve Bank of India (RBI) or any other authorities, institutions or bodies as may be relevant (hereinafter collectively referred to as "the appropriate authorities"), and the enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges where the Company's shares are listed and in accordance with the regulations and guidelines issued by the GOI, RBI, Securities and Exchange Board of India (SEBI) and any competent authorities and clarifications issued thereon from time to time and subject to all other necessary approvals, permissions, consents and sanctions of concerned statutory and other authorities and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board', which term shall include any Committee thereof), consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot in one or more tranches whether rupee denominated or denominated in foreign currency, in the course of domestic or international offerings or Qualified Institutional Placements (QIP) in one or more international markets and/or Indian market, to Domestic Institutions, Foreign Institutions, Non-Resident Indians, Indian Public Companies, Bodies Corporate, Mutual Funds, Banks, Insurance Companies, Pension Funds, Qualified Institutional Buyers (QIBs) as defined by SEBI (Issue Of Capital And Disclosure Requirements) Regulations, 2009, (SEBI ICDR Regulations), Indian and/or Multilateral Financial Institutions, and/or any other categories of investor whether they be shareholders of the Company or not (collectively called the "Investors"), through public issue(s) through prospectus, offering circular or placement document and / or on a private placement basis and/or QIP within the meaning of Chapter VIII of SEBI ICDR Regulations or a combination thereof at such time or times, at such price or prices, at a discount or premium to the market price, in such manner and on such terms and conditions including security, rate or interest, etc. as may be decided by and deemed appropriate by the Board in its absolute discretion including the discretion to determine the categories of investors to whom the offer, issue and allotment shall be made to the exclusion of all categories of Investors at the time of such issue and allotment considering the prevailing market conditions and other relevant factors wherever necessary in consultation with the Lead Manager or other Advisors, as the Board in its absolute discretion may deem fit and appropriate, Equity Shares, Global Depository Receipts (GDRs), American Depository Receipt (ADRs), Participatory Notes (PNs), Foreign Currency Convertible Bonds (FCCBs), Equity Shares through Depository Receipt Mechanism and/ or securities other than warrants convertible into or exchangeable with Equity Shares (hereinafter collectively referred to as "Securities"), or any combination of securities secured or unsecured such that the total amount raised through the aforesaid securities should not exceed Rs. 200 Crores. (Rupees Two Hundred Crores Only.)

**"RESOLVED FURTHER THAT** in case of a QIP pursuant to Chapter VIII of SEBI ICDR Regulations, the allotment of securities shall only be to QIBs within meaning of Chapter VIII of SEBI ICDR Regulations and such securities shall be fully paid-up and the allotment of such securities shall be completed within 12 months from the date of the relevant shareholder's resolution or such other time as may be allowed by SEBI ICDR Regulations from time to time.

**"RESOLVED FURTHER THAT** relevant date for the determination of applicable price for the issue of QIP Securities shall be the date on which Board of the Company decide to open the proposed issue, or the date on which the holder of securities which are convertible into or exchangeable with equity shares at a later date becomes entitled to apply for the said shares, as the case may be ("Relevant Date").

**"RESOLVED FURTHER THAT** without prejudice to the generality of the above, the aforesaid securities may have such features and attributes or any terms or combination of terms in accordance with international practices to provide for the tradability and free transferability thereof as per the prevailing practices and regulations in the capital market including but not limited to the terms and conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever including terms for issue of additional equity shares or variation of the conversion price of the securities during the tenure of such securities and the Board be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose off such of the securities that are not subscribed.

**"RESOLVED FURTHER THAT;**

- i. The securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of the Company; and
- ii. The underlying Equity Shares shall rank pari passu with the existing Equity Shares of the Company;

**"RESOLVED FURTHER THAT** the Board or a Committee thereof duly authorized in this regard by the Board be and is hereby authorized on behalf of the Company to finalize the pricing, terms and conditions relating to the issue of aforesaid securities, determine the form, terms and timing of the issue(s), including the class of investors to whom the securities are to be allotted, number of securities to be allotted in each tranche, issue price, face value, premium amount on issue, listing on one or more stock exchanges in India and/ or abroad as the Board or Committee in its absolute discretion deem fit and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues in India and/ or abroad to do all such acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard to the Issue(s).

**"RESOLVED FURTHER THAT** the Board or a committee thereof duly authorized in this regard by the Board, be and is hereby severally authorized to appoint Lead Managers, Merchant bankers, Underwriters, Guarantors, Financial and/or Legal Advisors, Depositories, Custodian, Principal Paying / Transfer/Conversion Agents, Listing Agents, Registrars, Trustees and all other agencies, whether in India or abroad, and to finalize the terms and conditions (including the payment of fees, commission, out of pocket expenses and their charges subject to requisite approvals of RBI) if any, of the aforesaid appointments and remunerate them by way of commission, brokerage, fees or the like and also to renew or terminate the appointments so made, as the Board/ Committee may in its absolute discretion think fit and also to enter into and execute all such arrangements, agreements, memorandum, documents, etc. with such agencies and also to seek the listing of such securities on one or more Indian and International Stock Exchange(s).

**"RESOLVED FURTHER THAT** the Board or a committee thereof duly authorized in this regard by the Board be and is hereby authorized to issue and allot such number of Equity shares as may be necessary in accordance with the terms of the offering, all such equity shares ranking pari passu with the existing Equity Shares of the Company in all respect.

**"RESOLVED FURTHER THAT** any director or directors of the Company or any other officers of the Company as may be authorized by the Board be and is hereby authorized to sign, execute and issue consolidated receipt(s) for the securities, listing applications, various agreements including but not limited to subscription agreement(s), depository agreement(s), trustee agreement(s), undertaking(s), deeds, declarations and to do all such things, deeds and acts and to comply with all the formalities as may, in the opinion of such authorized person, be required in connection with or incidental to the aforesaid offering of securities, including post issue formalities.

**"RESOLVED FURTHER THAT** all acts, deeds and things already done by the Board or by any delegated officer of the Company in this regard be and is hereby confirmed, approved and ratified."

Registered Office:  
201/202, Abhilasha, 2nd Floor, S. V. Road  
Kandivali (West), Mumbai- 400067.  
Date: August 14, 2012.

By order of Board of Directors

**Ashwin S. Shetty**  
G. M. Compliance, Company Secretary

## NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE VALID AND EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Register of Members and Transfer Books will remain closed from Tuesday the 25th September, 2012 to Saturday the 29th September, 2012 (both days inclusive).
3. Explanatory statement, pursuant to section 173(2) of the Companies Act, 1956, is attached hereto, and shall form part of this notice.
4. Members of the Company who have not encashed their dividend for the earlier years are requested to lodge their claims with the Company.
5. 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.
6. 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 be 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.
7. 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.
8. Members, who hold shares in electronic form, are requested to bring their DP and Client Id numbers at the meeting for easier identification.
9. The Annual Report 2011-12 of the Company circulated to the members of the Company will be made available on the Company's website at [www.sezalglass.com](http://www.sezalglass.com) 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).

### **Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of items of Special Business mentioned in the notice.**

#### **Item No. 5:**

Mr. Miitesh K. Gada was re-appointed as the Executive Director of the Company for a period of 5 years with effect from October 1, 2007 for a period of five years.

Considering his valuable contribution and vast experience, the Board of Directors at their meeting held on 14th August, 2012 re-appointed Mr. Miitesh K. Gada as Executive Director of the Company for a further period of five years from 1st October, 2012 on the existing terms and conditions including remuneration.

Brief profile of Mr. Miitesh K. Gada in terms of Clause 49 of the Listing Agreement, is provided elsewhere in this notice.

The re-appointment of Mr. Miitesh K. Gada as Executive Director is subject to the approval of the members.

None of the Directors except Mr. Miitesh K. Gada himself and Mr. Amrrut S. Gada is considered as Interested Director in the above resolution.

**Item No. 6:**

Your company had in May 2011 sold the float glass business to Saint - Gobain Glass India Ltd. After this event, the existing business activity is being consolidated and expanded. A proposal to expand business in other areas either directly or through a route of subsidiary company is under consideration. This will require attraction of talented team. Besides, there is a need to reward existing Permanent employees/ Directors of the Company. Dedication and Committed contribution of employees in pursuing growth and financial success is very important. To enhance awareness of creating value for shareholders, attract and retain talent for mutual prosperity, it is proposed to introduce, Sezal Glass Employee Stock Option Scheme 2012 (Sezal Glass ESOS 2012).

Board of Directors at its meeting on 14 August 2012 has constituted a Committee to be called as Remuneration and Compensation Committee for administration and superintendence of Sezal Glass ESOS 2012.

The information required as per Clause 6.2 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI ESOS Guidelines") is given below.

1	The total number of Options to be granted	Options granted under the scheme shall not exceed 10,00,000 (Ten lakhs). One option is convertible into one equity share of face value of Rs.10 each. Suitable adjustment in quantity to be done in case of corporate action like Split, Bonus, Rights, Sale of division, Merger, Demerger etc.
2	Identification of classes of employees entitled to participate in Sezal Glass ESOS 2012	All present & future employees of the Company up to certain level, including Directors (including whole time Directors) of the Company, its subsidiary companies and as may be decided by the Remuneration and Compensation Committee constituted for the purpose.
3	Requirements of vesting, period of vesting and maximum period within which Options shall be vested.	The vesting period shall commence after expiry of One year from the date of grant of Options, and extend up to Five years from date of each grant or such further or other period as the Board / Committee may determine, from time to time. The Options would vest subject to continued employment with the Company. In addition to this, the Board / Committee may specify performance criteria / conditions to be met subject to which Options would vest in the employee. The Options may vest in tranches subject to the terms and conditions stipulated by the Remuneration and Compensation Committee.
4	Exercise price and pricing formula	The exercise price shall be at such discount, if any, to the Market Price at the time of each Grant as may be decided by Remuneration and Compensation Committee. However, the grant price shall not be less than the face value of the share.
5	Exercise period and process of exercise	Subject to the provisions of Sezal Glass ESOS 2012, the Exercise period shall commence from the date of vesting and will, subject to certain circumstances such as termination of employment, death, disability, etc., expire on completion of not less than five years from the date of vesting as may be specified in each Grant. The Option Holder shall make a written application for the exercise of such Options through an Exercise application. Payment of the aggregate Exercise price for Options vested may be made by cheque or draft at the time of exercise of the Options.
6	The appraisal process for determining the eligibility of employees to Sezal Glass ESOS 2012.	The eligibility of such employees to receive performance-linked grants will be determined in terms of the Sezal Glass ESOS 2012 formulated as aforesaid. In determining the eligibility of such employees, factors like duration of service, overall performance of the employee and positions held by the employee, shall be given due importance.
7	Maximum number of Options to be issued per employee and in aggregate.	The maximum number of options that may be granted under the Sezal Glass ESOS 2012 to an individual Eligible Participant shall not exceed 50,000 options. The limit on the maximum number of options shall also be applicable to Directors, including independent Directors. The number of Options to be issued per employee will be determined by the Remuneration and Compensation Committee.

8	The method the Company shall use to value its options: fair value or Intrinsic value	The Company may use the Intrinsic Value method to value its Options. In this respect, Intrinsic Value means the excess of the Market price of the share under ESOS over the exercise price of the option (including up-front payment, if any).
9	Taxes and duties	In the event of any tax liability of any kind arising on account of the Grant of the Options, Vesting of Options, Exercise of Options, sale of shares or any other event, the liability for such Tax shall be that of the Eligible Participant alone. In the event that any Taxes (including fringe benefits tax, if any, imposed by the Government of India) are required to be paid by the Company, the same shall be recovered from Eligible Participant.

The Company shall confirm to the accounting policies specified in the SEBI ESOP Guidelines.

In case the company calculates the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' Report.

The Board / Committee shall have the absolute authority to vary or modify the terms of ESOS in accordance with the regulations and guidelines prescribed by SEBI or regulations that may be issued by any appropriate authority from time to time, unless such variation, modification or alteration is detrimental to the interest of the Employees.

In the terms of Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956 and the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, the shareholders' consent is sought to authorize the Board to issue equity shares in the manner set out in the resolution aforesaid.

The Board recommends the resolution for approval by the shareholders.

None of the Directors of the Company are in any way, concerned or interested in the resolution except to the extent the Options which may be granted to them.

#### Item No. 7:

The Company has no subsidiary at present. It is likely that Company may have subsidiaries in future. As stipulated by SEBI guidelines, a separate resolution is required to be passed if the benefits of ESOS are to be extended to employees/ Directors of subsidiaries.

Thus, the features of scheme mentioned in explanatory notes are same for employees/ Directors of subsidiary Companies.

The Board recommends the resolution for approval by the shareholders.

None of the Directors of the Company are in any way, concerned or interested in the resolution except to the extent of their respective shareholding in the company.

#### Item No. 8:

In view of the proposed expansion plans of the Company and the ability to compete with the peer groups in domestic and international markets, your Company needs to strengthen its financial position by augmenting long term resources from time to time. The proposed Special Resolution seeks the enabling authorization of the Members to the Board of Directors, without the need of any further approval from the members, to undertake the Qualified Institutional Placement ("QIP") with the Qualified Institutional Buyers ("QIB"), in accordance with the provisions of Chapter VIII of the SEBI (Issue Of Capital And Disclosure Requirements) Regulations, 2009, (SEBI ICDR Regulations). Pursuant to the above, the Board may, in one or more tranches, create, issue, offer and allot equity shares/ depository receipts/ foreign currency convertible bonds and/or other appropriate securities up to an amount not exceeding Rs. 200 Crores (Rupees Two Hundred Crores Only) inclusive of premium in the course of domestic/ international offering. Such securities are proposed to be issued to any eligible person including but not limited to resident investors (whether individuals, mutual funds, incorporated bodies, institutions or otherwise), Foreign Financial Institutions and Qualified Institutional Buyers, etc. The said QIP by the Board of Directors ('Board') shall

be subject to the provisions of the Chapter VIII of SEBI ICDR Regulations including the pricing.

The relevant date for the determination of the applicable price for the issue of QIP Securities shall be the date of the meeting in which the Board of the Company decides to open the proposed issue or in case of securities which are convertible into or exchangeable with equity shares at a later date, the date on which the holder of such securities becomes entitled to apply for the said shares, as the case may be.

Section 81 (1A) of the Companies Act, 1956 and listing agreement entered with the Stock Exchanges, provide, inter-alia, that where it is proposed to increase the Subscribed Share Capital of Company by allotment of further shares may be offered to any person, whether or not those persons include the person who on the date of offer are the holders of the Equity shares of the Company, in proportion to the capital paid up on those shares as of that date unless the member decide otherwise. The Special Resolution seek the consent and the authorization of the Members of the company to make the proposed issue of Securities, in consultation with the Lead Manager, Legal Advisors and the other intermediaries and in the event it is decided to issue the Securities convertible into equity shares, to issue to the holders of such convertible securities in such a manner and in such a number of equity shares on conversion as may be required to be issued in accordance with terms of issue, keeping in view the prevailing market conditions and in accordance with applicable provisions of rules, regulations or guidelines.

The Board of Directors accordingly recommends the resolution set out at Item No. 8 of the accompanying notice for the approval of the Members.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution, except to the extent of their shareholding.

**Profile of Directors being reappointed as required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges.**

Particulars	Mr. R. Rengarajan	Ms. Parul Mehta	Mr. Miitesh K. Gada
Date of Birth	September 3, 1944	March 01, 1976	November 23, 1978
Date of Appointment	November 13, 2010	August 14, 2012	Since Inception
Qualification	M.A. (Economics), Part 1 of IIB	B.S.C., Chartered Financial Analyst.	B.com., F.M.B.A. (Family Management Business Administration) from NMIMS, Mumbai.
Expertise in Specific functional areas	Banking, Risk Management, Structuring & Designing of Training Courses.	Investment banking, Mergers & Acquisitions (M&A), Investment & Insurance Advisory.	Marketing, Administration & Management
Other Directorships held	Nil	Udumbara Management Consultants Private Limited	1. Sezal Realty and Infrastructure Limited 2. Sezal International Limited 3. Sezal Entertainment and Media India Limited 4. Synergy Float Glass Private Limited 5. Bonanza Float Glass Private Limited 6. Sezal Wealth and Insurance Advisors Limited.
Membership of Committees	Nil	Nil	Nil
No. of Shares held	Nil	Nil	1045250

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Fourteenth Annual Report along with the Audited Accounts of the Company for the year ended March 31, 2012.

### Financial Results

The financial performance of the Company for the financial year ended March 31, 2012 is summarized below:

	(₹ in crores)	
	Year 2011-12	Year 2010-11
<b>I. Continuing Operations</b>		
Sales and Operating Income	44.86	39.24
Other Income	8.60	0.56
<b>Total Income</b>	<b>53.46</b>	<b>39.80</b>
Operating Expenditure	49.28	41.72
<b>Profit Before Interest &amp; Depreciation</b>	<b>4.18</b>	<b>(1.92)</b>
Less : Interest	1.74	2.32
Less : Depreciation/ amortization	2.34	2.25
<b>Net Profit Before Tax and Exceptional Items</b>	<b>0.09</b>	<b>(6.49)</b>
Prior period items	0.66	0.27
<b>Net Profit/(Loss) Before Tax</b>	<b>(5.71)</b>	<b>(6.76)</b>
Less : Current Tax	(0.97)	-
Less : Deferred Tax	(1.87)	32.32
	(2.84)	32.32
<b>Net Profit/(Loss) After Tax from continuing operations (A)</b>	<b>(3.41)</b>	<b>25.56</b>
<b>II. Discontinuing Operations</b>		
Total Income	54.79	242.88
Operating Expenditure	91.19	332.60
<b>Profit/(Loss) Before Tax</b>	<b>(36.40)</b>	<b>(89.95)</b>
Gain/(Loss) from disposal of Assets / settlement of liabilities.	(12.83)	--
<b>Net Profit/(Loss) (B)</b>	<b>(49.23)</b>	<b>(89.95)</b>
<b>Profit / (Loss) for the year (A + B)</b>	<b>(52.64)</b>	<b>(64.40)</b>

### Operational Review

As already mentioned in the last year's report, the Company has transferred the entire business of manufacturing and selling of float glass, to Saint-Gobain Glass India Limited a 100% subsidiary of the France-based Compagnie de Saint Gobain, a world leader in Building Materials, by way of Slump Sale as defined under Section 2(42C) of the Income Tax Act, 1961 on a going concern basis w.e.f. May 31, 2011 for a total value of Rs.686.00 Crores.

Consequent upon the Slump Sale of the Float Glass Business, the current year financial results include the performance of the Float Glass Business up to May 31, 2011. Accordingly the operating results for the year ended 31st March, 2012 are not comparable with those for the preceding year.

The accounts have been prepared in accordance with the revised schedule VI format and thus the figures from the discontinued operations of the float glass business have been shown separately in the report.

The Company is in the process of expanding the existing Value Addition of Glass business as well as developing new businesses.

The Company has completed the installation of the new tempering line at its Silvassa Plant. With this, the Company's tempering Capacity will almost double at Silvassa.

The Company is in the process of setting up a new Value Addition of Glass Project in Valsad District in the state of Gujarat. The Project is expected to be commissioned in the third quarter of 2013 - 14.

### Share Capital

Authorised Share Capital of the Company is Rs. 60,00,00,000/- (Rupees Sixty Crores Only) divided into 6,00,00,000 Equity Shares of Re. 10/- each.

The Paid up Share Capital of the Company is Rs 33,55,00,000/- ( Rupees Thirty Three Crores Fifty Five Lacs Only ) divided into 3,35,50,000 Equity Shares of Re. 10/- each Equity Shares each.

## Management Discussion & Analysis

### A. ECONOMIC OVERVIEW

#### ➤ Global

The world economy is passing through a tough phase. Fresh financial crisis in European countries such as Greece and Spain and the developed world's slow recovery from the 2008 meltdown have slowed the global economic growth to 3.9% in 2011 from 5.3% in 2010. Economic activities in emerging markets such as India, China and Brazil too slowed down due to lower trade growth that impacted domestic demands as well. But these developing countries will continue to lead the global economic recovery, as their burgeoning middle class will continue to drive demand. IMF expects the emerging economies' GDP to grow 5.7% in 2012, slightly down from 6.2% growth in 2011.

#### ➤ Indian

Indian economy, too, is estimated to have slowed to 6.9% in 2011-12 from 8.6% in 2010-11 as price increases across products and commodities and high interest rates impacted consumer demand and industrial activities.

But the government is confident of improving the growth rate this year, encouraged by predictions of a normal monsoon and the fact that inflation has been under control since October last year.

The Central Bank recently cut the short-term lending rate for the first time in more than two years, signaling lower interest rates that will boost demand, production and investment. One major problem the country is facing is the recent free fall in the value of the rupee, which is making imports – which include crude oil and several raw materials – costlier. This could push inflation and that would make the central bank tighten its monetary policy again. The positives include prediction of normal monsoon, lower average age of consumers and their increasing aspirations, increasing demand for real estate and the country's infrastructure drive. The Prime Minister's Economic Advisory Council recently predicted 7.5%-8.0% GDP growth in 2012-13 although the Asian Development Bank has pegged it at 7%.

### B. GLASS INDUSTRY OVERVIEW

#### ➤ Global

- The world flat glass market has reach about 60 million tonnes in 2011, up from 52 million tonnes in 2009
- Demand for float glass is growing at over 5 percent per annum.
- The growth is largely driven by the demand for building glass and automotive glass
- Over the last 20 years, float demand growth has outpaced real GDP growth.
- Global float capacity utilization ranged between 90 and 95 percent
  - The recovery capacity utilization was helped by strong demand growth in China and capacity reduction measures taken by the industry

#### ➤ Global demand overview

It is expected that global flat glass demand will rise six percent annually through 2014. The robust growth will be driven by the Asia/Pacific region, as well as by recovery in the building construction and motor vehicle industries of North America and Western Europe.

The global market for flat glass is dominated by Europe, China and North America. These three regions account for more than two-thirds of global market demand. Emerging markets, like India, with extremely low per capita consumption of glass present a potential growth opportunity.

Out of total glass production worldwide:

- 70% goes for windows and façade architectural
- 10% automobiles
- 20% other applications like furniture, interiors, solar, etc.

#### ➤ **Global market demand in 2011**

Float Glass -- 33 million tonnes

Sheet glass --- 2 million tonnes

Rolled Glass --- 3 million tonnes

Lower quality float --- 22 million tonnes

- In 2011, 40 percent of float glass went into new buildings and the same proportion into refurbishment for buildings.
- Approximately 3.7 million tonnes of the flat glass produced globally was for automotive glass.
- Globally, around 80 percent of Automotive glass goes into OE supplied to vehicle manufacturers for new vehicles and 20 percent in to the AGR aftermarket.
- Approximately 1.5 million tonnes of flat glass was consumed in Technical Applications. The most notable of these is solar energy.

#### ➤ **Indian Glass Industry**

The glass industry in India is pegged at around \$2.5 billion. It has been seeing strong growth, driven by rising demand from infrastructure, construction, automobiles, food processing, beverages, pharmaceuticals and cosmetics sectors.

The per capita glass consumption in India is 1.2 kg, compared with 8-9 kg in developed countries and 30-35 kg in the US. The glass industry mainly consists of four segments-Container glasses, Specialty glass, Flat glass and Fiberglass. Container glass is the largest segment in the glass sector, catering to glass packaging for consumer goods and pharmaceutical industry. The specialty glass is used in technical applications such as electronics and engineering. Flat glass segment comprises of float glass and rolled glass, which are mostly used in architectural and automotive applications.

The flat glass market stands at 4,500 tpd and is growing at 16 per cent year-on-year while the container glass is at 7,000 tpd and accounts for 55-60 per cent of the overall glass market. Other glass (lighting, bangles, beads) market is at 1,500 tpd.

#### ➤ **Glass Industry segments**

- Flat Glass - 4,500 tpd
- Container glass - 7,000 tpd
- Lighting, bangles, beads - 1,500 tpd

#### ➤ **Sector-wise expected glass consumption growth**

- Construction - 9%
- Automotive - 19%
- Consumer goods - 10-12%
- Pharmaceuticals - 12-15%

#### ➤ **Glass Processing Industry**

The glass processing industry is highly fragmented in the country. It is clustered in six geographical locations that fall near the six industries or metro cities. The processing clusters are located in and around Delhi, Mum-

bai, Chennai, Hyderabad, Kolkata and Bangalore. Because of its fragmented nature, the glass processing industry in India is dominated by small players who put little effort to improve customer service, reducing costs, or systematically developing markets. The industry is also weighed down by the spiraling cost of manufacturing. Energy costs are increasing, as are those of raw materials and infrastructure.

The glass processing involves lending various properties to glass in order to enhance life and aesthetic appeal of the glass as well as to customize it for the intended use. The glass processing units are required to be located in proximity to the major float glass producing centers as well as the markets of consumption to minimize losses on account of breakages and logistics cost.

➤ **Processed Glass types**

- Heat strengthened glass
- Fully toughened glass
- Insulated glass
- Noise insulating glass
- Laminated glass
- Decorative glass
- Fire resistant glass

➤ **Real estate: Driving growth**

The growth of the float glass industry is dependent on construction and architecture activities. The construction sector is the largest consumer of float glass. Around 60% of the total production is used by the construction sector. Real estate sector use flat glass for windows, doors, partitions and a host of other applications.

It is expected that demand growth in this segment is going to be strong, as architects are increasingly seeking to bring natural environmental factors into the interior of buildings by maximizing natural daylight. This has been achieved through the use of larger glazed areas in façades and roofs, and through entirely glazed façades, where the glass is a structural component of the building.

Interestingly, use of value-added glass has gained popularity in commercial buildings in the recent years. However, residential buildings, which are a major source of demand for these glass types, are not using much of these products. This is one area that is going to drive growth in the country.

The Planning Commission estimates the number of urban dwelling units to see an annual increase of around 1.5 mn units over the next five years. High growth regions, mainly the western and the southern regions of India, consume majority of the glass used in glazing. Cities like Mumbai, Pune and Ahmedabad are the major consumers in the western region, and strong sales force in these cities will assure higher market share. Southern cities like Chennai, Hyderabad, Bengaluru and Cochin are witnessing a rapid increase in construction activities driving the growth for glass glazing in the region.

➤ **Automotive Sector: High Potential**

In India auto industry is a growing industry with an expected turnover of US\$113 billion by 2020. India stands at 6th spot in passenger vehicle production, 8th in terms of commercial vehicle production and 7th in terms of total vehicle sales as on FY11.

The automobile sector is a big user of flat glass. The consumption of glass in this sector is likely to see a growth of close to 20 per cent in the coming year as glass is being increasingly used on cars, and strongly contributes to their design.

## C. COMPANY OVERVIEW

➤ **About Sezal Glass**

Established in 1998 by Gada family, led by Mr. Amrrut Gada, a first generation entrepreneur, Sezal Glass ranks

among the leading glass processing solution companies in India. As a forward integration strategy, the company opened its own exclusive home lifestyle mall – Sezal Encasa in Mumbai, offering a wide range of home interior products from globally reputed brands Headquartered in Mumbai, the company has a world-class glass-processing unit in Silvassa and a retail showroom – “Sezal Encasa” in Kandivali, Mumbai.

### ➤ **Major developments during the year**

2011-12 was a year of transformation for the company. It took the big bold decision to exit the high volume, capital intensive float glass manufacturing business to focus on high margin, value-added retail business. The decision to sell the float glass business was to shield the company from the specter of a debt trap in times of uncertainty. The company could now harness its strengths and knowledge to chart out a new course to emerge as a dominant player in the valued-added glass product segment.

The retail operations of the company witnessed sustained growth on account of its wide range and quality of products.

The operational challenges were met by adapting to some as well as countering others. The company stressed on cost control measures by tapping and improving controllable factors. During the year under review, the company also consolidated its operations and undertook measures to increase production efficiencies across its units, to counter the challenges.

### ➤ **Float Glass Operations**

As a backward integration strategy, the company ventured into production of float glass. It became the first indigenous float glass manufacturer in India with the commencement of its float glass plant in Bharuch, Gujarat in February 2010. The state-of-the-art plant, spread across 150 acres, was built at a total project cost of Rs. 656 crores. It had a capacity to manufacture 550 metric tonne float glass per day.

Unfortunately, in its first year of operations, the float glass division ran into huge losses due to high interest cost and rising input prices. A sudden spurt in capacity build-up in the float glass sector also resulted in sharp fall in realization on the float glass. This made the company review the operations of the float glass division and took the strategic decision to exit the business.

In May 2011, the company sold the Bharuch plant to Saint-Gobain Glass India Limited, a 100% subsidiary of the France-based Compagnie de Saint Gobain, a world leader in Building Materials, for a consideration of Rs. 686 crores.

The Binding Business Transfer Agreement was executed between the parties on May 31, 2011. The company's shareholders approved the sale of the Float Glass Business by postal ballot.

As a part of the overall transaction, Sezal Glass Limited and its principal promoters have undertaken non-compete obligations with respect to the float glass business in India with Saint Gobain for a period of five years. The promoters have not received any separate non-compete fee from Saint Gobain. The Company has paid off all its bank debts amounting to Rs. 593 crores out of the consideration amount.

Consequent upon the Slump Sale of the float glass Business, the Company has got adequate funds available at its disposal, which it has planned to utilize for growth of its existing business which have great future but hitherto could not be exploited to its full potential. The Company has also identified other business opportunities which have substantial growth prospects. The available funds would be deployed in expanding the existing as well as foraying into other such businesses.

All these measures would help in increasing the sales and profitability of the Company.

In view of the above, the long term outlook of the Company remains positive.

### ➤ **Charting out a new course**

Post the sale of its float glass business, the company is now planning to expand its value-added glass business. The Board of Sezal Glass has approved an investment of Rs. 500 crore for expansion in its manufacturing set ups across the country in the next 3 to 5 years time. The work on the first phase of investment of around Rs. 100 Crores has already kicked off and modalities are being worked for fast implementation of the project. The

strategy is to invest in the state- of-the-art, specialized and revolutionary technologies, people, process, systems and infrastructure to support long-term growth of the company.

The focus will now be to emerge as a leading glass player in the value-added glass segment in the country. Over the last one decade, the company has successfully executed numerous projects within India and abroad and is known for its rich experience in providing glass solutions. The brief experience in float glass manufacturing has also helped the company understand the needs of the customers.

The company will now venture into manufacturing of high quality, value-added glass products like security glass, safety glass, fire resistant glass, acid patterned glass, bulletproof glass and manufacturing of other glass products -patterned and solar glass. The Company is in the process of adding up a new tempering line at its existing Unit in Silvassa. This move will increase the current capacity to nearly double, thereby increasing the top line and the bottom line in its existing operations.

Taking into consideration aspects such as climate, safety and aesthetics the demand for high quality, value-added glass is rapidly increasing in India. The value-added glass business is roughly about Rs. 2,000 crore and is growing at the rate of 30 per cent per annum.

#### ➤ **Processing Operations**

The company commenced its business as a glass processing company. With an experience of over a decade, the company has been able to carve a niche for itself in the industry. Being located in Silvassa, Dadra & Nagar Haveli, the company's world-class unit enjoys proximity to key markets of Gujarat and Maharashtra. The company's ability to offer superior value and customized products has led to its evolution to a preferred solutions provider with renowned real estate companies, interior designers and architects. Located within a built-up area of 11,000 sq. mtrs., the unit offers varied processes and solutions on glass; across stages – from pre-processing to processing to décor.

The unit houses machines from globally renowned companies, like Tamglass (Finland), Bystronic (Germany), Z. Bavelloni (Italy), Lisec (Austria) and Intermac (Italy) and other European manufacturers. The company has invested in these high cost machines despite the cost, to ensure delivery of better quality to its clients.

#### ➤ **Décor**

To augment its product portfolio and at the same time monetize its skills in creating products, the company initiated production of décor items like basins, artworks, mirrors, and other decorative glass showpieces. With access to customer's expectations and inputs gathered at its retail stores, the company through its décor products identifies and offers solutions that's its customers wish for.

#### ➤ **Retail Division**

Sezal Encasa is the flagship retail division chain of the Company. The Company presently operates from its showroom in Mumbai. Sezal Encasa showroom is the most expansive retail format that offers exclusive products across brands and across price points. The showroom house quality products catering to the lifestyle, decorative items, showpieces, interiors for home and office interiors including Ceramics, Sanitary ware & Bath Fittings from Europe, Classic and Exemplary Arts, Artefacts & Sculptures of modern and Indian Heritage, Decorative Lights, wallpapers, Artefacts, or Glass and Glass Products. The showroom showcases global luxury brands like American Standards, Pergo Floors, RAK, Kohler, Duravit, Grohe, Roca, Artemide, Jaguar, etc.

With the infusion of liquidity into the company with the sale of Bharuch float glass plant; the company would aggressively expand its retail operations to other cities in the next two-three years.

### **D. SWOT ANALYSIS**

#### ➤ **Strengths**

- Established credentials and gained expertise as the first indigenous float glass manufacturer
- Qualified and expert team of professionals and management
- Post sale of float glass plant, the company enjoys good liquidity to pursue its future plans

- Debt-free company; adequate room for leveraging
- Continuous innovation and quality control
- Established reputation in niche retail and glass processing – Value Addition Business.
- Weakness
- With the sale of float glass business, the top line of the company will be sub Rs.100 crores, leading to erosion of size in the medium term
- Opportunities
- The real estate sector ex-Mumbai is growing at a fast pace; will propel the demand for the Company's products
- With the acquired liquidity, the company would be able to focus on its core business verticals – retail and processing much effectively
- Threats
- Competition from local players in glass processing

#### **E. HUMAN RESOURCES**

The Company believes in the highest standards of people management and personal growth. It instills in each of the members of the Sezal 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. The industrial relations were cordial and the management thoroughly acknowledges the support from the employees at all levels.

#### **F. INTERNAL CONTROL SYSTEMS**

The Company has an adequate system of internal controls to safeguard and protect from loss, unauthorized use or disposition of its assets. All transactions are properly authorized, 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 a full-fledged Internal Audit department and also external Internal Auditors to review various areas of the operations of the Company. The management and the Audit Committee of the Board review the audit reports periodically.

#### **G. RISKS AND CONCERNS**

The Company is exposed to normal industry risk factors of competition, economic cycle and uncertainties in the international and domestic markets and credit risk. The Company manages these risks, by maintaining a conservative financial profile and by following prudent business and risk management practices.

#### **Dividend**

Your Directors have not recommended any dividend on the equity shares for the financial year 2011 – 2012 with a view to conserve financial resources for the proposed expansion plans of the Company.

#### **Directors**

- At the ensuing Annual General Meeting Mr. R. Rengarajan and Ms. Parul Mehra retire by rotation and being eligible, offer themselves for re-appointment.
- The Board has subject to the approval of the members of the company, approved the re-appointment of Mr. Mitesh K. Gada as the Executive Director of the Company, for a further period of 5 years from October 01, 2012.
- During the year under review Mr. Dilip Patel, Independent Director resigned 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 Mr. Dilip Patel as the Director of the Company. Ms. Parul Mehta has been

appointed as the Director of the Company with effect from August 14, 2012 in order to fill in the casual vacancy created by the resignation of Mr. Dilip Patel.

**Significant events post Balance Sheet Date:****Resignation of Directors :**

Mr. Atul Bharani and Mr. Hasmukh Shah Independent Directors resigned from the Board of the Company. Your board has placed on record deep appreciation of contributions made by Mr. Atul Bharani and Mr. Hasmukh Shah as directors of the company.

Mr. Dhirraj S. Gada Joint Managing Director and Mr. Aashish D. Kariaa Executive Director also resigned from the Board of the Company.

**Construction of additional floors at Sezal Encasa bulding.**

The Company during the year completed the construction of four additional floors at its corporate office bulding Sezal Encasa. The Company proposes to give the additional floors on lease thereby generating additional revenue for the Company.

**Enhancement of the Capacity at Silvassa Plant:**

The Company has purchased a new tempering line at its existing plant at Silvassa. The work on the installation of the equipment is completed and the tempering line shall come on stream before the end of August 2012. Your Company proposes to almost double the Capacity of its existing operations by the introduction of the new tempering line, thereby significantly increasing the top line & the bottom line from the enhanced capacity.

**Proposed Value Addition Glass project at Valsad :**

The Board of Sezal Glass Limited has also approved the expansion of the Company's existing Value Addition business of about Rs. 500 crores in the next 3 to 5 years time frame. The expansion would be carried out in phase wise manner and the work on implementation of the first phase of the project has already begun. In the first phase the Company proposes to set up a Value Addition plant in Valsad, in the state of Gujarat with a Capex of about Rs. 80 Crores. The Plant is proposed to come on stream by the end of the first quarter of 2012 - 2013.

**Sale of part of the Property building 'Sezal Encasa' :**

With a view to reduce the debt burden and to augment resources for the Company's expansion project the Board of Directors of your Company on April 14, 2012, approved the sale of part of the Company's property situate at plot No. 173/174, Sezal Encasa, S.V. Road, Kandivali (West), Mumbai 400 067.

**Report on Corporate Governance**

Pursuant to Clause 49 of the Listing Agreement, a report on the Corporate Governance for the year under review along with Auditors' Certificate regarding Compliance of Corporate Governance form part of this Report.

**Particular of Employees**

Provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended from time to time are not applicable to the Company, since no employee of the Company was in receipt of the remuneration in excess of the limits as specified in the said rules.

**Personnel**

Personnel relations with all employees and workers remained cordial and harmonious throughout the year. Your Directors wish to place on record their sincere appreciation for the devoted services of all the employees and workers of the Company.

**Fixed Deposits**

During the year under review, the company repaid deposits of Rs. 370.56 lakhs. As on the year end, total unmatured deposits stood at Rs. 1591.48 lakhs, while deposits amounting to Rs. 12.23 lakhs remained unclaimed.

## Auditors Report

### Explanation for Point No. 9 (a), 9 (b) and 11 of Auditor's Report.

Due to delay in sanction of credit limits by banks and operating losses there were severe liquidity constraints. This has resulted in delays in servicing of debts and payment of statutory dues.

In order to protect the interest of Lenders and others your company has sold on slump sale basis Float Glass manufacturing facility and with the sale considerations fully repaid the loan out standings and interest to the Banks. Post sale of the Float Glass Unit the company was operating without working capital and only could obtain fresh working capital by December 2011. Due to this there were some delays in payment of statutory dues. The company has initiated various measures to improve liquidity and since paid overdue Loan installments, interest and TDS liabilities outstanding at the balance sheet date.

### Directors Responsibility Statement

#### The Directors confirm:

- (i) that in the preparation of the annual accounts for the year under review, the applicable accounting standards have been followed;
- (ii) that they have selected appropriate accounting policies and 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 at the end of financial year 2011-12 and of profit of the company for that year;
- (iii) that they have taken proper and sufficient care for the maintenance of adequate accounting records in Annual Report 2011-12 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
- (iv) that they have prepared the annual accounts for the year ended on March 31, 2012 on a going concern basis.

### Health And Safety

The company continues to accord high priority to health and safety of employees at its manufacturing location. During the year under review, the company conducted in house safety training programmes and mock drills for safety awareness for all its employees at the plant.

### Futuristic Statements

This Directors Report and the Management Discussion and Analysis Report may contain certain statements, which are futuristic in nature. Such statements represent the intentions of the Management and the efforts being put in by them to realize certain goals. The success in realizing these goals depends on various factors both internal and external. Therefore, the investors are requested to make their own independent judgments by taking into account all relevant factors before taking any investment decision.

### Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Information on Conservation of energy, Technology Absorption and Foreign Exchange is given as Annexure 'A' to this report.

### Auditors

M/s S. S. Puranik & Associates, Chartered Accountants, auditors of the company, hold office until the conclusion of the ensuing annual general meeting. M/s S.S. Puranik & Associates, being eligible, have offered themselves for re-appointment and have confirmed that their appointment, if made, would be within the limit prescribed under section 224 (1B) of the Companies Act, 1956.

### Cost Auditors

Subject to approval of the central government, the board of directors has appointed Mr. Vaibhav Joshi, Cost Accountants, as cost auditors, to audit the cost accounts for formulations and bulk drugs activities for the year ending on March 31, 2012.

## Acknowledgement

Your Directors acknowledge with gratitude the commitment and dedication of the employees for their untiring personal efforts as well as their collective contributions at all levels that have led to the growth and success of the Company. The Directors would like to thank other stakeholders including lenders and business associates who have continued to provide support and encouragement.

For and on behalf of the Board of Directors

Place: Mumbai  
Mumbai : August 14, 2012

Sd/-  
Amrrut S. Gada  
Chairman and Managing Director

## Annexure A to the Directors' Report

Additional Information in terms of Section 217(1)(e) of the Companies Act, 1956, dealing with Conservation of Energy, Research & Development and Technology Absorption & Innovation.

### 1. Conservation of Energy

#### a) Power & Fuel

Power and fuel consumption	Units	2011-12	2010-11
<b>Electricity Purchased</b>	(KWH) Units	4622560	3937290
Total Amt	Rs. Crs	2.12	2.35
Rate Per Unit	Rs.	4.07	5.96
<b>Captive Generation D. G. Sets</b>	(KWH) Units	3180258	15091250
Total Amount	Rs. Crs	1.94	4.61
(Fuel, Mobil Oil & additives)	Rs.	14.64	3.05
Rate Per KWH			
<b>Natural Gas</b>	SM3	6484025	28463878
Total Amount	Rs. Crs	14.12	54.35
Rate Per SM3	Rs.	NIL	19.095
<b>Diesel Consumption</b>	Litres	44520	60006
Total Amount	Rs. Crs	0.2	0.25
Rate Per Litre	Rs.	44.78	41.20
<b>LPG Gas</b>	Kgs.	25381	NIL
Total Amount	Rs. Crs	0.15	NIL
Rate Per Kg.	Rs.	60	NIL
<b>H2</b>	M3	134319	767640
Total Amount	Rs. Crs	1.10	5.46
Rate Per M3	Rs.	NIL	71.18
<b>N2</b>	M3	2713366	13620526
Total Amount	Rs. Crs	1.22	6.14
Rate Per M3	Rs.	NIL	4.50

### 2. Technology absorption

The Company continues its efforts by internal up-gradation program on Research and Development.

### 3. Foreign Exchange Earning and Outgo

Particulars	2011-12	2010-11
<b>Expenditure in Foreign Exchange</b>		
a. Value of Raw Materials imported on CIF basis	5.65	9.49
b. Spares	0.40	0.20
c. Machinery	1.50	17.02
d. Foreign Travels	0.02	0.07
e. Machinery Repairs & Servicing Charges	0.22	-
f. Advances written off	-	-
g. Interest on FCNR Loan	-	0.13
h. Professional & consultancy Fees & Expenses (Capitalised)	0.10	0.50
i. Loss due to Exchange rate fluctuation	0.01	1.52
<b>Total</b>	<b>7.90</b>	<b>28.93</b>
<b>Earning in foreign Exchange</b>		
Exports Sales (F. O. B.)	1.16	13.13
Commission received	0.13	-
Gain on Exchange rate fluctuation	0.67	0.48
<b>Total</b>	<b>1.96</b>	<b>13.61</b>

## REPORT ON CORPORATE GOVERNANCE

### I. Philosophy

In line with the tradition of Sezal Group, the Board of Directors of Sezal Glass Limited view their role as trustees of the various stakeholders and the society at large and it is their endeavor to observe best corporate governance practices which inter-alia include transparency, accountability, and fairness in all dealings and pursuing a policy of appropriate disclosures and communication.

It is the philosophy of the Board that the Company continues to follow fair business and organizational practices to fulfill the mission of quality products at best prices and in the process deliver long term sustainable shareholder value. It is also the Philosophy of the Board that practice of Corporate Governance should travel beyond Statutory Requirements and further encompass social responsibilities.

The Board of Directors believe that excellence in Corporate Governance Practices can be achieved only if the spirit of Corporate Governance is followed right from the top management to the last level employee of the Company.

### II. Board of Directors

The composition of the Board is as given below:

Name of the Director	Category	Number of Board Meetings during the year 2010-2011		Whether attended last AGM	Number of Directorships in other Public Companies*	Number of Committee positions held in other Public Companies**	
		Held	Attended			Chairman	Member
Mr. Amrrut S. Gada	Chairman and Managing Director, Promoter Director	8	8	Yes	6	-	-
Mr. Dhirraj S. Gada	Joint Managing Director, Promoter Director	8	8	Yes	6	-	-
Mr. Miitesh K. Gada	Executive, Promoter Director	8	8	Yes	5	-	-
Mr. Aashish D. Kariaa	Executive Director	8	7	Yes	1	-	-
Mr. Atul S. Bharani	Non Executive, Independent	8	4	Yes	1	-	-
Mr. Hasmukh N. Shah	Non Executive, Independent	8	7	-	-	-	-
Mr. R. Rengarajan	Non Executive, Independent	8	5	-	-	-	-
Mr. Dilip Patel****	Non Executive, Independent	8		-	7	1	3

\* Directorship excluding Foreign Company and Section 25 Company.

\*\* Membership/ Chairmanship in Audit and Shareholders/Investors Grievance Committee only considered.

\*\*\*\* Mr. Dilip Patel resigned from the post of Independent Director with effect from 19/01/2012.

### III Board Meetings:

During the financial year 2011-2012, the Company held 08 meetings. The dates of the meeting are 14/04/2011, 25/04/2011, 27/05/2011, 31/05/2011, 12/08/2011, 22/10/2011, 14/11/2011 and 09/02/2012.

### IV Audit Committee:

The Company has complied with the requirements of Clause 49 of the Listing Agreement of the Stock Ex-

change and Section 292A of the Companies Act, 1956 as regards composition of the Audit Committee.

The Audit Committee comprised of experts specializing in accounting / financial management. The present Audit Committee of the Board comprises of Mr. Hasmukh N. Shah – Chairman, Mr. Atul S. Bharani – Member, Mr. R. Rengarajan – Member and Mr. Dhirraj S. Gada – Member.

Mr. Ashwin S. Shetty, G.M. Compliance, Company Secretary acts as Secretary of the Committee.

The Chairman and Managing Director, Executive Directors, Internal Auditors and Statutory Auditors are the invitees to the Audit Committee Meetings.

The Company has held 4 meetings during the financial year 2011 – 12 i.e., 27/05/2011, 12/08/2011, 14/11/2011 and 09/02/2012 and the attendance of the each member of Audit Committee Meetings held during the year are as follows:

Name of the Director	Category	Number of Audit Committee Meetings during the year 2011-12	
		Held	Attended
Mr. Hasmukh N. Shah	Non Executive, Independent	4	4
Mr. Dhirraj S. Gada	Joint Managing Director, Promoter Director	4	4
Mr. Atul S. Bharani	Non Executive, Independent	4	1
Mr. R. Rengarajan	Non Executive, Independent	4	3

The Audit Committee Meetings were also attended by the Statutory / Internal Auditors, wherever necessary.

The Audit Committee is responsible for overseeing the Company's financial reporting process, reviewing the quarterly / half yearly / annual financial statements, reviewing with the management the financial statements and adequacy of internal audit function, recommending the appointment / re-appointment of statutory auditors and cost auditor and fixation of audit fees, appointment of CFO, reviewing the significant internal audit findings/ related party transactions, reviewing the Management Discussion and Analysis of financial condition and result of operations and also statutory compliance issues. The Committee acts as a link between the management, external and internal auditors and the Board of Directors of the Company.

The Committee has discussed with the external auditors their audit methodology, audit planning and significant observations / suggestions made by them. The Committee has also discussed major issues related to risk management and compliances.

In addition, the Committee has discharged such other role / function as envisaged under clause 49 of the Listing Agreement of the Stock Exchange and the provisions of Section 292A of the Companies Act, 1956.

## V Shareholders' /Investors' Grievance Committee:

The Shareholders' /Investors' Grievance Committee has been constituted to attend to and to redress the investors' grievances. The committee comprises of Mr. Atul S. Bharani– Chairman, Mr. R. Rengarajan – Member and Mr. Miitesh K. Gada – Member.

Mr. Ashwin S. Shetty, G.M Compliance, Company Secretary is the "Compliance officer" as per the Securities & Exchange Board of India SEBI (Regulations) and Listing Agreement.

The Shareholders' /Investors' Grievance Committee looks into the redressal of Shareholders and Investors Complaints/Grievances. The committee also looks into the matter concerning the issue of duplicate Share Certificate, complaints regarding transfer of shares, non receipt of dividend and Annual Report, Dematerialization of Share Certificate etc. The Committee also oversees the performance of Registrar & Transfer Agents and recommends measures for overall improvement in the quality of investor services.

The Company and Link Intime Private Limited, Registrar & Share Transfer Agent (RTA), attend to all grievances of the investors received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc.

During the year the company did not receive any complaint.

The committee met four times during the year on 27/05/2011, 12/08/2011, 14/11/2011 and 09/02/2012. The necessary quorum was present for all the meetings.

## VI Remuneration Committee:

The Remuneration Committee comprised of Mr. Atul S. Bharani – Chairman, Mr. Hasmukh N. Shah– Member, Mr. R. Rengarajan– Member.

The Role of the Remuneration Committee is to recommend to the Board, the remuneration package of the Executive Directors. Remuneration of Executive Directors is governed by the external competitive environment, track record, potential and performance of the executive and performance of the Company.

The Company has a credible and transparent policy in determining and accounting for the remuneration of the Executive Directors. Their remuneration is determined in accordance with the experience and nature of responsibilities as well as industry standards. The same is subject to the approval of the Remuneration Committee of the Board of Directors and the members.

The Board shall from time to time provide requisite guidelines / scope of work for the Remuneration Committee and the Committee will discharge such other functions as are required under the provisions of the Listing Agreement and the Companies Act, 1956.

## VII Directors' Remuneration:

The details of remuneration paid to the directors for the year 2011-12 is as follows:

Name of the Director	Sitting Fees (Rs.)	Salary and Perquisites (Rs.)	Total (Rs.)
Mr. Amrrut S. Gada	0	45,00,000	45,00,000
Mr. Dhirraj S. Gada	0	36,00,000	36,00,000
Mr. Miitesh K. Gada	0	30,00,000	30,00,000
Mr. Aashish D. Kariaa	0	27,00,000	27,00,000
Mr. Atul S. Bharani	45,000	0	45,000
Mr. Hasmukh N. Shah	90,000	0	90,000
Mr. R. Rengarajan	65,000	0	65,000
Mr. Dilip K. Patel	20,000	0	20,000

None of the Non-executive Independent Directors has any pecuniary interest in the Company, except for sitting fees and Commission, if any, paid / payable to them by the Company.

The Company at present does not have Stock Option Schemes.

## VIII Advisory Board:

The Advisory Board of the Company consists of eminent people in the field of business and industry. The main purpose of this Advisory Board is to provide management advice about the direction the Company should follow in order to effectively govern the Organization. The members of the Advisory Board are as follows:

Sr. No.	Members of Advisory Board
1.	Mr. Hasmukh Daftary
2.	Mr. Ralf Czeschka
3.	Mr. Mital Chokshi
4.	Ms. Mita Dixit
5.	Mr. S. H. Bathiya

The Committee met once during the year on 22/10/2011.

## IX Management Committee:

The management of the Company has developed and implemented policies, procedures and practices that attempt to translate the Company's future plans into reality. The management also identifies, measures, monitors and minimizes the risk factors in the business and ensures safe, sound and efficient operations. These are

internally supervised and monitored through the monthly Management Committee Meetings (MCM) of the leadership team held regularly at Mumbai as well as the factory premises.

## X General Body Meetings:

### a. The details of last three Annual General Meetings (AGMs) held are as follows:

Year	No. of AGM	Date and Time of AGM	Venue	No. of special resolutions passed
2008-2009	11	15/09/09 at 11.00 A.M.	Walchand Hirachand Hall, Indian Merchants Chamber, IMC Building, IMC Marg, Churchgate, Mumbai - 400 020	3
2009-2010	12	20/09/10 at 11.00 A.M.	'Banquet Hall', Ground Floor, Goregaon Sports Club, Link Road, Malad (West), Mumbai - 400 064	5
2010-2011	13	30/09/11 at 11.00 A.M.	'Banquet Hall', Ground Floor, Goregaon Sports Club, Link Road, Malad (West), Mumbai - 400 064	1

### b. Postal Ballot :

During the year the Company undertook a Postal Ballot for the purpose of obtaining approval of the Shareholders for sale of Architectural Glass Processing Business Undertaking and/or Float Glass Manufacturing Business Undertaking.

Mr. Milind Kalelkar, Practicing Company Secretary was appointed as the scrutinizer for the Postal Ballot process.

The last date of receipt of the Postal Ballot forms was till the close of business hours, i.e., at 5.00 p.m. on May 28, 2011. The Scrutinizer submitted his report to the Chairman on May 29, 2011.

The voting pattern of the Postal Ballot was as follows:

Particulars	No. of postal ballot forms	No. of shares	% of total paid up equity capital
(a) Total postal ballot forms received	334	18,67,68,229	55.66
(b) Less: Invalid postal ballot forms (as per register)	52	14,68,055	0.43
(c) Net valid postal ballot forms (as per register)	282	18,53,00,174	55.23
(d) Postal ballot forms with assent for Resolution	232	18,51,65,683	55.19
(e) Postal ballot forms with dissent for Resolution	50	1,34,491	0.04

The above resolution was carried with requisite majority.

## XI Disclosures:

### (a) Related Party Disclosure :

During the year under review, no transaction of material nature has been entered into by the Company with its promoters, the directors or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of the Company.

### (b) Code of Conduct :

The Company has adopted a Code of Conduct for Directors, including Non-executive Directors and Senior Management of the Company, as per the requirement of Clause 49 I (D) of the Listing Agreement. This code of conduct is applicable to all the Directors and Senior Management of the Company.

**(c) Whistleblower Policy:**

The Company is committed to provide an open, honest and transparent working environment and seeks to eliminate fraudulent activities in its operations. Though, the Company has not adopted Whistle Blower Policy, the Company follows an open door policy wherein all the employees are free to express their feedback, suggestions and or complaints.

**(d) Code of Conduct for Prevention of Insider Trading:**

Pursuant to the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company has adopted a Code of Conduct for Prevention of Insider Trading with effect from August 25, 2008. Mr. Ashwin S. Shetty, G.M Compliance, Company Secretary, is the Compliance Officer. This Code of Conduct is applicable to all Directors and such identified employees of the Company who are expected to have access to unpublished price sensitive information relating to the Company.

**(e) Compliances by Company:**

No penalties were imposed or strictures passed against the Company by the Stock Exchanges, SEBI or any other statutory authority during the last three years in regard to compliance issues by the Company.

## **XII Management, Discussions and Analysis Report:**

The Management Discussion and Analysis Report form a part of the Directors' Report.

## **XIII Means of Communication:**

While the Annual report is sent to household address of shareholders, quarterly results are published in the Free Press Journal and Navshakti and are also published in the Company's website [www.sezalglass.com](http://www.sezalglass.com).

All other communications related to the developments of the Company are communicated to the Stock Exchanges, press and also published on the website of the Company.

## **XIV General Shareholder information**

**1. 14th Annual General Meeting:**

Day, Date and Time: Saturday, September 29, 2012 and 10.00 A.M.

Venue: 173/174, Sezal Encasa, S.V. Road, Kandivali (West), Mumbai - 400 067.

**2. Book Closure: Tuesday September 25, 2012 till Saturday September 29, 2012 (both days inclusive)**

**3. Financial Calendar:**

First Quarter Result: First/Second week of August, 2012

Second Quarter Results: First/Second week of November, 2012

Third Quarter Results: First/Second week of February, 2013

Annual Results: Third/Fourth week of May, 2013

Annual General Meeting: August, 2013

**4. Listing on Stock Exchanges:**

The Company's securities are listed on the National Stock Exchange and the Mumbai Stock Exchange and the annual listing fees for these two stock exchanges have already been paid.

**5. Stock Codes:**

NSE CODE	:	SEZAL
BSE CODE	:	532993
International Securities Identification Number (ISIN)	:	INE955I01036
Corporate Identity Number (CIN) - allotted by the Ministry of Corporate Affairs	:	L26100MH1998PLC117437

#### 6. Custodial Fees to Depositories:

The Annual Custodial Fees for the Financial Year 2012 - 13 has been paid to the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

#### 7. 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
April 2011	4.65	3	4.55	3.04
May 2011	4.8	3.6	4.75	3.39
June 2011	5.25	3.35	5.2	3.17
July 2011	4.05	3.25	4.04	3.28
August 2011	3.5	2.5	3.5	2.38
September 2011	2.95	2.55	3.05	2.45
October 2011	2.8	2.1	2.71	2.2
November 2011	20.4	2.4	26.5	2.27
December 2011	16.55	13.5	18	11.6
January 2012	15	13	16.4	12.5
February 2012	18.05	13.5	20	12.51
March 2012	19.95	15.25	20.15	15.15

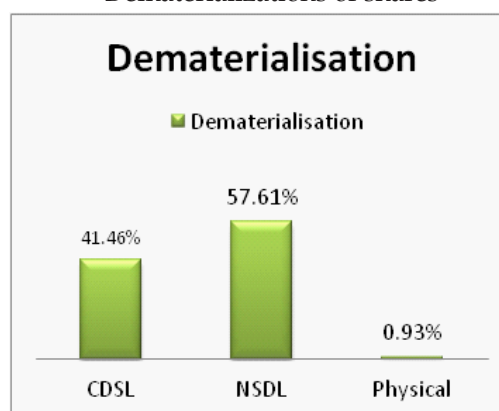
Source: NSE and BSE Websites.

\*The Equity Share of Re. 1/- (Rupee One only) each is consolidated into 1 (One) Equity Share of Re. 10/- (Rupees Ten only) each vide Ordinary Resolution passed at the 13th Annual General Meeting held on September 30, 2011.

Shareholding Pattern



Dematerializations of shares



#### 8. Shareholding Pattern as on 31st March, 2012

	Category	Total No. of Shares	Percentage
A	Promoters' Holding		
1	Promoters		
	Indian Promoters	17076808	50.8996
	Foreign Promoters	NIL	NIL
2	Person Acting in Concert	1225500	3.6528
	Total	18302308	54.5524
B	Non- Promoters' Holding		
3	Institutional Investors	NIL	NIL
a.	Mutual Funds and UTI	NIL	NIL
b.	Banks, Financial Institutions, Insurance Companies	NIL	NIL
c.	FII's	50630	0.1509
	Total	50630	0.1509
4	Others		
a.	Private Corporate Bodies	4444062	13.2461
b.	Indian Public	10449440	31.1459
c.	NRIs/OCBs	44723	0.1333
d.	Clearing Members	258405	0.7702
e.	Trusts	432	0.0012
	Total	15197062	45.2967
	Grand Total	33550000	100

#### 9. Distribution of Shareholdings as on March 31, 2012

CATEGORIES	TOTAL NUMBER OF SHAREHOLDERS	PERCENTAGE	TOTAL NUMBER OF SHARES HELD	PERCENTAGE
1 -- 5000	10417	86.7650	11809570	3.5200
5001 -- 10000	598	4.9808	4828750	1.4393
10001 -- 20000	335	2.7903	5250720	1.5650
20001 -- 30000	141	1.1744	3541560	1.0556
30001 -- 40000	60	0.4998	2162280	0.6445
40001 -- 50000	84	0.6997	3938780	1.1740
50001 -- 100000	135	1.1244	10888980	3.2456
Above 100000	236	1.9657	293079360	87.3560
Total	12006	100.00	335500000	100.00

#### 10. Liquidity:

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

#### 11. Plant Location:

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

#### 12. Registered Office:

201/202, Abhilasha, S.V Road, Kandivali (West), Mumbai 400 067 Tel: 022 - 28633383/84/85, Fax: 022 - 28633390, Website: www.sezalglass.com

### 13. Corporate Office:

173/174, Sezal Encasa, Near Seasons Hotel, S. V. Road, Kandivali (West), Mumbai - 400 067. Tel: 022 - 28665100, Fax: 022 - 28665102, Email: investor.relations@sezalglass.co.in

### 14. Registrar & Transfer Agent (RTA):

Link Intime India Private Limited, C- 13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078, Tel: 022 - 25946960, Fax: +91 - 22 - 25946969, Email: sgldf@linkintime.co.in

### 15. Other constituents of the Sezal Group within the meaning of "Group" under SEBI (Substantial Acquisition of Share and Takeovers) Regulations, 1997 include:

- Sezal Realty & Infrastructure Limited
- Sezal Finance Limited
- Sezal Insurance Broking Limited
- Sezal Glass Craft Private Limited
- Sezal International Limited
- Sezal Entertainment & Media India Limited
- Sezal Firebaan Glass Private Limited
- Sezal Infraprojects Private Limited
- Inventure Sezal Realtors Private Limited
- Synergy Float Glass Private Limited
- Bonanza Float Glass Private Limited

### 16 Declaration/Certification:

#### a. Code of Conduct:

The Board has laid down a Code of Conduct applicable to all the Directors and Senior Managers of the Company. Necessary certification to this effect is appended to this Corporate Governance Report.

#### b. CEO / CFO Certification:

As per requirements of Corporate Governance Code, the Managing Director and Chief Financial Officer have furnished the necessary Certificate to the Board of Directors with respect to financial statements and cash flow statements for the year ended March 31, 2012.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: August 14, 2012

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

### Declaration by the Managing Director on compliance with Code of Conduct

I, Amrrut S. Gada, Chairman & Managing Director of Sezal Glass Limited, do hereby confirm that all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct for business ethics, as applicable to them, for the Financial Year ended on March 31, 2012.

Place: Mumbai  
Date: August 14, 2012

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

**Certification by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) under  
Clause 49 of the Listing Agreement**

**To the Board of Directors of Sezal Glass Ltd.**

Dear Sirs,

- a) We have reviewed the financial statements and the cash flow of Sezal Glass Ltd. ('the Company') for the year ended March 31, 2012 and to the best of our knowledge and belief:
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into between the Company during the year which are fraudulent, illegal or violate 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 the internal control over financial reporting during the year;
  - ii) Significant changes in accounting policies during the year and that the same have been disclosed suitably in the notes to the financial statements; and
  - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

Yours truly  
Amrrut S. Gada

Chairman & Managing Director

A. Venkataramanan

C.F.O

Mumbai  
Tuesday, August 14, 2012

## CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of

SEZAL GLASS LIMITED

201/202, 2nd Floor, ABHILASHA,

S. V. Road, Kandivali (West),

Mumbai - 400 067

We have examined all relevant records of SEZAL 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, 2012, 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, excepting that **the composition of the Board of Directors of the Company was not in accordance of the norms/ conditions as laid down under Clause 49 of the Listing Agreement during the period from January, 2012 till the end of the financial year under consideration.** However, this is to state that the Company has, as on the date of this Certificate, complied with the said mandatory norms/ conditions under that Clause, with regard to the composition of the Board.

For M. G. KALELKAR & ASSOCIATES

Company Secretaries

MILIND G KALELKAR

Proprietor

FCS-3854, CP-1877

Place : Mumbai

Date : 14-08-2012

## AUDITORS' REPORT

To the members of  
**SEZAL GLASS LIMITED**

We have audited the attached Balance Sheet of **SEZAL GLASS LIMITED** as at March 31, 2012, the Statement of Profit and Loss 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report, are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report comply with the Accounting Standards 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, 2012 from being appointed as a Director in terms of Section 274(1) (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, read together with the other notes appearing thereon in Schedule 22 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, 2012;
  - (ii) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date and
  - (iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For S S PURANIK & ASSOCIATES  
Chartered Accountants  
FRN 127731W

SHRIPAD S PURANIK  
Partner  
M.Ship No. 030670

Mumbai,  
May 30, 2012

**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. The fixed assets register needs to be 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, while the Company sold its Float Glass Manufacturing Plant which formed substantial part of its fixed assets. However, the sale of Float Glass Manufacturing Plant, which was an independent business activity of the Company, has not affected 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 granted unsecured loans amounting to Rs.1619.04 in addition to the Rs.258.23 Lacs as at the beginning of the year, to Companies, firms or other parties listed in the Register under section 301 of the Companies Act, 1956. Out of these loans, a refund of Rs.64.37 Lacs has been received and the balance outstanding as at the end of the year was Rs.1554.67 Lacs. Maximum balance in these accounts during the year was Rs.1554.67 Lacs.
  - b) The Company had taken loans amounting to Rs.NIL 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 amounting to Rs.155.50 Lacs. Out of these loans, a sum of Rs.8.00 Lacs was outstanding as at the end of the year. Maximum balance in these accounts during the year was Rs.155.50 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, and as reported by the Internal Auditors of the Company, the internal control procedures with regard to the purchases of inventory and with regard to sale of goods, collection from customers, inventory management, Cash management, credit notes monitoring need to be strengthened, to be commensurate with the size of the Company and the nature of its business. Measures should be taken to improve upon the weaknesses observed in the Internal audit reports.
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. In our opinion and according to the information and explanations given to us, the Company has an internal audit system, commensurate with its size and nature of its business, post sale of its Float Glass Manufacturing business. The compliance report of internal audit observations was not available which must be strictly followed.
  8. According to the information and explanations given to us and to the best of our knowledge and belief, consequent upon notification of the Companies (Cost Accounting Records) Rules, 2011, the Central Government has prescribed audit of the cost records maintained by the Company under Section 209(1)(d) of the Companies Act, 1956 for the products of the Company from the current financial year. We are informed that this being the first year, the company is in the process of developing the records required under Companies (Cost Accounting Records) Rules, 2011. We are therefore unable to comment and determine whether they are adequate, accurate or complete.
  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 Provident Fund; Income Tax i.e. Tax Deducted at source (TDS) has not been paid for the entire year except for TDS on Interest on Fixed deposit (till February 2012) and a small amount of TDS from payments to few parties; Central Sales Tax (processing division) has not been paid since August, 2011; Central Sales Tax (Sezal Encasa) has not been paid for the year as well as for prior year; Maharashtra VAT and Service Tax has not been paid for the entire year.*
    - 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 2012 for the period of more than six months from the date they became payable, *except Income Tax Deducted at Source (TDS) amounting to Rs.75.54 Lacs, Central Sales tax - Rs.52.61 Lacs and VAT 0.67 Lacs.*

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 accumulated losses at the end of the financial year and it has incurred cash losses in the financial year under report. The Company suffered cash losses during the immediately preceding financial year also.
  11. *In our opinion and according to the explanations given to us, there have been delays in repayment of quarterly Instalments of Term Loans (Principle) taken from the bank as follows:-Rs.25 Lacs (June 11) delayed by 40 days; Rs.25 Lacs (Sept 11) paid as Rs.5 Lacs delay 42 days, Rs.10 Lacs delay 56 days, Rs.10 Lacs delay 80 days; Rs.29 Lacs (Dec 11) paid as Rs.26 Lacs delay 2 days & Rs.3 Lacs delay 10 days. March instalment of Rs.5 lacs was unpaid as at the balance sheet date. There have been delays in monthly payment of Interest on the above said Term Loans ranging from 1 day to 80 days. Interest for March 2012 amounting to Rs.7.77 Lacs was yet to be paid as at the Balance Sheet date. In respect of Term Loans of Float Glass Division, interest payment has been delayed by 32 days for Rs.478.85 Lacs & by 1 day for Rs.504.47 Lacs.*

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. According to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year, to the parties covered in the register maintained under section 301 of the Companies Act, 1956, being the core promoters and promoter Companies.
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 not raised any money by way of a public issue.
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  
FRN 127731W

SHRIPAD S PURANIK  
Partner  
M.Ship No. 030670

Mumbai,  
May 30, 2012

## BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars		Note No.	As at 31st March, 2012 ₹	As at 31st March, 2011 ₹
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	3	335,500,000	335,500,000
	(b) Reserves and surplus	4	1,975,311,716	2,501,333,579
	(c) Money received against share warrants	26.1	-	14,500,000
<b>2</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	5	323,647,256	5,085,133,090
	(b) Long-term provisions	6	3,164,612	6,091,075
<b>3</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	7	140,696,057	957,369,935
	(b) Trade payables	8	175,051,966	1,209,599,613
	(c) Other current liabilities	9	322,059,177	597,523,080
	(d) Short-term provisions	10	5,992,945	26,017,258
	<b>TOTAL</b>		<b>3,281,423,728</b>	<b>10,733,067,630</b>
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible assets	11	1,416,620,569	8,353,099,375
	(ii) Capital work-in-progress		113,612,929	50,330,739
	(b) Non-current investments	12	37,284,029	894,486
	(c) Deferred tax assets (net)	27.5	293,536,079	312,203,176
	(d) Long-term loans and advances	13	169,578,837	305,687,857
	(e) Other non-current assets	14	215,498,716	180,000,000
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	15	186,370,867	581,918,395
	(b) Trade receivables	16	238,948,757	324,047,893
	(c) Cash and Bank balances	17	29,548,462	26,951,210
	(d) Short-term loans and advances	18	397,062,699	550,544,055
	(e) Other current assets	19	183,361,784	47,390,445
			<b>3,281,423,728</b>	<b>10,733,067,630</b>

See accompanying notes forming part of the financial statements

In terms of our report attached.

For S S Puranik &amp; Associates

Chartered Accountants

FRN no.127731W

Shripad S Puranik

"Partner"

M. No. 030670

Place : Mumbai

Date : 30th May 2012

For and on behalf of the Board of Directors

Amrrut S Gada

Chairman &amp; Managing Director

Dhirraj S Gada

Jt. Managing Director

A. Venkataramanan

Chief Financial Officer

Ashwin S Shetty

Company Secretary

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars		Note No.	For The Year Ended 31st March, 2012 ₹	For The Year Ended 31st March, 2011 ₹
I	CONTINUING OPERATIONS			
1	Revenue from operations	20	448,606,563	392,385,120
2	Other Income	21	85,955,484	5,566,122
	Total Revenue	(A)	534,562,047	397,951,242
3	Expenses			
(a)	Cost of materials consumed	22.a	212,411,959	190,190,122
(b)	Labour Cost		7,561,277	10,895,562
(c)	Purchases of stock-in-trade	22.b	96,981,298	88,259,348
(d)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	22.c	(5,582,558)	(8,996,548)
(e)	Employee benefits expense	23	58,716,700	50,117,770
(f)	Finance costs	24	17,345,140	23,193,463
(g)	Depreciation and amortisation expense	11.B	23,428,689	22,455,194
(h)	Other expenses	25	122,781,572	86,746,996
	Total Expenses	(B)	533,644,077	462,861,907
4	Profit / (Loss) before extraordinary items and tax (A - B)		917,970	(64,910,664)
5	Prior Period Items		6,630,273	2,699,964
6	Profit / (Loss) before tax (4 - 5)		(5,712,303)	(67,610,628)
7	Tax expense:			
(a)	Current tax expense relating to prior years		(9,735,162)	-
(b)	Deferred tax		(18,667,096)	323,161,682
			(28,402,258)	323,161,682
8	Profit / (Loss) from continuing operations (6 - 7)		(34,114,561)	255,551,054
II	DISCONTINUING OPERATIONS			
9	(i) Profit / (Loss) from discontinuing operations (before tax)	27.6	(364,000,042)	(899,538,831)
	(ii) Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations	27.6	(128,292,015)	-
10	Profit / (Loss) from discontinuing operations	27.6	(492,292,057)	(899,538,831)
III	TOTAL OPERATIONS			
11	Profit / (Loss) for the year (8 + 10)		(526,406,617)	(643,987,777)
10. i	Earnings per share (of ₹10/- each):			
(a)	Basic			
(i)	Continuing operations	27.4.a	(1.02)	8.86
(ii)	Total operations	27.4.b	(15.69)	(22.32)
(b)	Diluted			
(i)	Continuing operations	27.4.e	(1.01)	8.55
(ii)	Total operations	27.4.f	(15.58)	(21.54)
10. ii	Earnings per share (excluding extraordinary items) (of ₹10/- each):			
(a)	Basic			
(i)	Continuing operations	27.4.c	(0.82)	8.95
(ii)	Total operations	27.4.d	(15.49)	(22.23)
(b)	Diluted			
(i)	Continuing operations	27.4.g	(1.01)	(21.45)
(ii)	Total operations	27.4.h	(15.38)	(21.54)

See accompanying notes forming part of the financial statements

In terms of our report attached.

For S S Puranik &amp; Associates

Chartered Accountants

FRN no.127731W

Shripad S Puranik

"Partner"

M. No. 030670

Place : Mumbai

Date : 30th May 2012

For and on behalf of the Board of Directors

Amrrut S Gada

Chairman &amp; Managing Director

Dhirraj S Gada

Jt. Managing Director

A. Venkataramanan  
Chief Financial OfficerAshwin S Shetty  
Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	As At 31st March, 2012		As At 31st March, 2011	
	₹	₹	₹	₹
A. Cash flow from operating activities				
Net Profit / (Loss) before tax		(498,004,359)		(967,149,459)
Add Extraordinary items		6,630,273		2,699,964
Exceptional items		128,292,015		-
		(363,082,072)		(964,449,495)
<u>Adjustments for:</u>				
Depreciation and amortisation	99,174,577		400,905,287	
Finance costs	245,976,608		667,381,664	
Interest income	(52,975,104)		(9,931,623)	
Dividend income	(20,000)		(15,000)	
Net (gain) / loss on sale of investments	105,451		-	
Rental income from operating leases	(6,440,329)		-	
Liabilities / provisions no longer required written back	(24,431,464)		-	
Discounts Received	(4,261,855)		-	
Net unrealised exchange (gain) / loss	-		-	
		257,127,883		1,058,340,328
Operating profit / (loss) before working capital changes		(105,954,188)		93,890,833
<u>Changes in working capital:</u>				
Adjustments for (increase) / decrease in operating assets:				
Inventories	395,547,528		(284,049,520)	
Short-term loans and advances	153,481,357		(38,619,082)	
Long-term loans and advances	136,109,019		(311,363,785)	
Other current assets	(135,971,339)		(46,171,768)	
Other non-current assets	(35,498,716)		(164,373,269)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	(1,010,116,183)		362,044,953	
Other current liabilities	(275,463,903)		234,108,389	
Short-term provisions	(20,024,313)		757,566	
Long-term provisions	(2,926,463)		(564,560)	
		(705,502,022)		(353,147,101)
Cash flow from extraordinary items		(811,456,210)		(259,256,268)
Cash generated from operations		(6,630,273)		(2,699,964)
Net income tax (paid) / refunds		(818,086,483)		(261,956,232)
<b>Net cash flow from / (used in) operating activities (A)</b>		(9,735,162)		(120,457)
		(827,821,645)		(262,076,689)
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(35,215,995)		(495,807,427)	
Proceeds from sale of fixed assets	6,666,830,773			
Movement in long-term Investments	(36,494,994)		(294,486)	
Interest received	52,975,104		9,931,623	
Dividend received	20,000		15,000	
Rental income from operating leases	6,440,329		-	
		6,654,555,217		(486,155,290)
<b>Net cash flow from / (used in) investing activities (B)</b>		6,654,555,217		(486,155,290)
C. Cash flow from financing activities				
Proceeds from issue of equity shares	-		20,000,000	
Share Premium Received	-		242,500,000	
Repayment of Fixed Deposits	(383,072,124)			
Fixed Deposits			18,932,000	
Inter Corporate Deposits			46,416,855	
Repayment of long-term borrowings	(4,761,485,834)		274,660,390	
Movement in other short-term borrowings	(433,601,754)		731,420,491	
Finance cost	(245,976,608)		(667,381,664)	
<b>Net cash flow from / (used in) financing activities (C)</b>		(5,824,136,320)		666,548,072
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		2,597,252		(81,683,907)
Cash and cash equivalents at the beginning of the year		26,951,210		108,635,118
Cash and cash equivalents at the end of the year (Refer Note 17)		29,548,462		26,951,210

Notes:

(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.

**See accompanying notes forming part of the financial statements**

In terms of our report attached.

**For S S Puranik & Associates**

Chartered Accountants

FRN no.127731W

**Shripad S Puranik**

"Partner"

M. No. 030670

Place : Mumbai

Date : 30th May 2012

**For and on behalf of the Board of Directors****Amrrut S Gada**

Chairman &amp; Managing Director

**A. Venkataramanan**  
Chief Financial Officer**Dhirraj S Gada**  
Jt. Managing Director**Ashwin S Shetty**  
Company Secretary

## Notes on Financial Statements for the Year ended 31st March, 2012

Note	Particulars
1	<b>Corporate information</b> The Company is engaged in the business of processing of value added Glass in various forms viz. Tempering, Designing, Insulating and Laminated Glass. The Company started manufacturing of Float Glass during the previous year. This activity was discontinued w.e.f 1st June, 2011. The Company also has Trading and Retail division offering a wide range of home interior products.
2	<b>Significant accounting policies</b>
2.1	<b>Basis of accounting and preparation of financial statements</b> The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP"), 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.
2.2	<b>Use of Estimates</b> The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.
2.3	<b>Inventories</b> Finished Goods are valued at lower of cost plus appropriate share of production overheads or net realisable value which ever is less. Raw materials and Consumable stores and stock of traded goods, 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.
2.4	<b>Cash and cash equivalents (for purposes of Cash Flow Statement)</b> Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.
2.5	<b>Cash flow statement</b> The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard (AS-3) on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the Company.
2.6	<b>Depreciation and amortisation</b> Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on additions and deletions to Fixed Assets is provided on pro-rata basis for the number of days the asset has been put to use.
2.7	<b>Revenue recognition</b> Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales are net off Excise Duty, Sales tax and value added tax. Export Sales are accounted by converting the Foreign Currency amount at the rate of exchange fixed by the Customs Authority. On realization of export proceeds, the difference between the amount realized and the amount booked is charged off / back to Statement of Profit and Loss as Loss / Gain due to exchange rate difference.
2.8	<b>Other income</b> Interest income is accounted on the basis of proportionate period of investment, considering the amount of investment and the rate of interest. Dividend income is accounted when the right to receive it is established.

## Notes on Financial Statements for the Year ended 31st March, 2012

Note	Particulars
2.9	<p><b>Tangible fixed assets</b></p> <p>The Fixed assets are stated at cost, inclusive of inward freight, duties and taxes (Net off input credits 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, but fail to deliver the required results to the satisfaction of the Company's management, the same are not capitalized and are carried forward to the next year as Capital WIP. Revenue expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial activity are treated as pre operative expenses to be charged off after the commencement of commercial activity. The Company revalued its Land and Buildings as on 31st March, 2011. The revalued assets are carried at the revalued amounts less accumulated depreciation and impairment losses, if any. Increase in the net book value on such revaluation is credited to "Revaluation reserve account" except to the extent such increase is related to and not greater than a decrease arising from a revaluation / impairment that was previously recognised in the Statement of Profit and Loss, in which case such amount is credited to the Statement of Profit and Loss. Decrease in book value on revaluation is charged to the Statement of Profit and Loss except where such decrease relates to a previously recognised increase that was credited to the Revaluation reserve, in which case the decrease is charged to the Revaluation reserve to the extent the reserve has not been subsequently reversed / utilised. Whenever a revalued asset is sold or disposed off, the balance revaluation reserve pertaining to such asset is reversed and transferred to General Reserve.</p> <p>Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.</p> <p><b>Capital work-in-progress:</b> Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental and allocable expenses and attributable interest.</p>
2.10	<p><b>Intangible assets</b></p> <p>Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any.</p>
2.11	<p><b>Foreign currency transactions and translations</b></p> <p>Initial recognition Transactions in foreign currencies entered into by the Company are accounted at the exchange rates applied by the customs authorities to the respective transactions. Measurement of foreign currency monetary items at the Balance Sheet date "Foreign currency monetary items (other than derivative contracts) of the Company and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year end at the exchange rates prevailing on that date. Revenue and expenses are translated at the exchange rates prevailing during the year. Exchange differences arising out of these translations are charged to the Statement of Profit and Loss."</p> <p>Treatment of exchange differences Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.</p>
2.12	<p><b>Government grants, subsidies and export incentives</b></p> <p>Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge.</p>
2.13	<p><b>Investments</b></p> <p>Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.</p>

## Notes on Financial Statements for the Year ended 31st March, 2012

Note	Particulars
2.14	<p><b>Employee benefits</b> Employee benefits include provident fund, gratuity fund, compensated absences and medical expense reimbursements.</p> <p>Defined contribution plans The Company's contribution to Provident Fund and Gratuity Fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.</p> <p><u>Defined benefit plans</u> For defined benefit plans in the form of Gratuity and Compensated Absences, the cost of providing benefits is determined on the actuarial valuation basis. The actuarial valuations being carried out at each Balance Sheet date, Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.</p> <p><u>Short-term employee benefits</u> The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under : (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and (b) in case of non-accumulating compensated absences, when the absences occur.</p> <p><u>Long-term employee benefits</u> Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.</p>
2.15	<p><b>Borrowing costs</b> Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.</p>
2.16	<p><b>Segment reporting</b> The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.</p> <p>The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.</p> <p>Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities"</p>

## Notes on Financial Statements for the Year ended 31st March, 2012

Note	Particulars
2.17	<p><b>Earnings per share</b></p> <p>Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.</p> <p>Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.</p>
2.18	<p><b>Taxes on income</b></p> <p>“Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.</p> <p>Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company</p> <p>Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to ‘realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability. “</p>
2.19	<p><b>Joint venture operations</b></p> <p>The accounts of the Company reflect its share of the Assets, Liabilities, Income and Expenditure of the Joint Venture Operations which are accounted on the basis of the audited accounts of the Joint Ventures on line-by-line basis with similar items in the Company’s accounts to the extent of the participating interest of the Company as per the Joint Venture Agreements, wherever applicable.</p>
2.20	<p><b>Impairment of assets</b></p> <p>The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.</p>
2.21	<p><b>Provisions and contingencies</b></p> <p>A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the financial statements.</p>

## Notes on Financial Statements for the Year ended 31st March, 2012

## Note 3 SHARE CAPITAL

Particulars	As at 31st March, 2012		As at 31 March, 2011	
	Number of shares	₹	Number of shares	₹
(a) Authorised Share Capital Equity shares of ₹10 each with voting rights (Previous year Equity shares of ₹1 each with voting rights)	60,000,000	600,000,000	600,000,000	600,000,000
(b) Issued Share Capital Equity shares of ₹10 each with voting rights (Previous year Equity shares of ₹1 each with voting rights)	33,550,000	335,500,000	335,500,000	335,500,000
(c) Subscribed and fully paid up Equity shares of ₹10 each with voting rights (Previous year Equity shares of ₹1 each with voting rights)	33,550,000	335,500,000	335,500,000	335,500,000
<b>Equity Shares</b>				
At the beginning of the period	335,500,000	335,500,000	28,800,000	288,000,000
Sub-division during the year	-	-	288,000,000	288,000,000
Reverse share split during the year	33,550,000	335,500,000	-	-
Fresh issue during the year	-	-	20,000,000	20,000,000
Shares issued against conversion of Share Warrants	-	-	27,500,000	27,500,000
	33,550,000	335,500,000	335,500,000	335,500,000

During the financial year 2011-2012, the shares were consolidated (reverse share split) on 11.11.2011

(ii) The details of Shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Sezal Realty and Infrastructure Limited	4,761,000	14.19%	47,610,000	14.19%
Brand Equity Treaties Limited	2,000,000	5.96%	20,000,000	5.96%
Amrrut S Gada	1,820,500	5.43%	18,205,000	5.43%

(iii) Share warrants of ₹1,45,00,000 outstanding as at 1.4.2011 have been forfeited during the year (Refer Note 26.1)

## Note 4 : RESERVES AND SURPLUS

Particulars	As at 31st March, 2012	As at 31 March, 2011
(a) Securities Premium account		
Opening balance	1,406,552,893	1,164,052,893
Add : Premium on shares issued during the year	-	242,500,000
Less : Utilised during the year	-	-
Closing balance	1,406,552,893	1,406,552,893
(b) Revaluation Reserve		
Opening balance	1,626,900,998	-
Add: Addition on revaluation during the year	-	1,626,900,998
Less: Revaluation Reserve of Float Division Transferred to General Reserve on Sale of that Division	617,373,489	-
Depreciation on Revalued Assets withdrawn during the year (Refer Note 11.B)	14,115,246	-
Closing balance	995,412,263	1,626,900,998
(c) General Reserve		
Opening balance	17,693,900	17,693,900
Add: Transferred from Revaluation Reserve	617,373,489	-
Add: Transferred from Share application for Forfeiture of Share Warrants money	14,500,000	-
Closing balance	649,567,389	17,693,900
(d) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(549,814,212)	94,173,565
Add: Profit / (Loss) for the year	(526,406,617)	(643,987,777)
Closing balance	(1,076,220,829)	(549,814,212)
Total (a + b + c + d)	1,975,311,716	2,501,333,579

## Notes on Financial Statements for the Year ended 31st March, 2012

## Note 5 : LONG TERM BORROWINGS

Particulars	As at 31st March, 2012 ₹	As at 31st March, 2011 ₹
<b>(a) Term loans</b>		
Secured		
From banks	65,435,256	4,443,060,091
Unsecured		
Public Deposits	77,662,000	99,663,000
Inter-corporate Deposits	158,350,000	469,739,897
From related parties (Refer Note 27.3.a)	800,000	15,550,000
From Others	21,400,000	57,120,103
<b>Total</b>	<b>323,647,256</b>	<b>5,085,133,090</b>

Nature of Security	Terms of Repayment
i) Term Loan amounting to ₹31,35,271/- (March 31, 2011 - ₹Nil) is secured by exclusive and specific charge on the assets acquired out of the loan	Repayable in 35 Equal Monthly Installments commencing from Jan 2012. Last installment due in Nov 2014. Rate of interest 10.32% p.a. as at year end. (Previous year - Not Applicable)
ii) Term Loan amounting to ₹1,95,330/- (March 31, 2011 - ₹4,81,139) is secured by exclusive and specific charge on the assets acquired out of the loan	Repayable in 36 Equal Monthly Installments commencing from Feb 2010. Last installment due in Jan 2013. Rate of interest 10.50% p.a. as at year end. (Previous year - 10.50% p.a.)
iii) Term Loan amounting to ₹11,58,716/- (March 31, 2011 - ₹28,54,216) is secured by exclusive and specific charge on the assets acquired out of the loan	Repayable in 36 Equal Monthly Installments commencing from Feb 2010. Last installment due in Jan 2013. Rate of interest 10.50% p.a. as at year end. (Previous year - 10.50% p.a.)
iv) Term Loan amounting to ₹1,15,541/- (March 31, 2011 - ₹2,74,485) is secured by exclusive and specific charge on the assets acquired out of the loan	Repayable in 35 Equal Monthly Installments commencing from Jan 2010. Last installment due in Nov 2012. Rate of interest 10.50% p.a. as at year end. (Previous year - 10.50% p.a.)
v) Term Loan amounting to ₹86,078/- (March 31, 2011 - ₹2,12,030) is secured by exclusive and specific charge on the assets acquired out of the loan	Repayable in 36 Equal Monthly Installments commencing from Feb 2010. Last installment due in Jan 2013. Rate of interest 10.50% p.a. as at year end. (Previous year - 10.50% p.a.)
vi) Term Loan amounting to ₹49,65,93/- (March 31, 2011 - ₹12,23,236) is secured by exclusive and specific charge on the assets acquired out of the loan	Repayable in 36 Equal Monthly Installments commencing from Feb 2010. Last installment due in Jan 2013. Rate of interest 10.50% p.a. as at year end. (Previous year - 10.50% p.a.)
vii) Term Loan amounting to ₹2,48,294/- (March 31, 2011 - ₹6,11,617) is secured by exclusive and specific charge on the assets acquired out of the loan	Repayable in 36 Equal Monthly Installments commencing from Feb 2010. Last installment due in Jan 2013. Rate of interest 10.50% p.a. as at year end. (Previous year - 10.50% p.a.)
viii) Term Loan amounting to ₹88,282/- (March 31, 2011 - ₹2,17,464) is secured by exclusive and specific charge on the assets acquired out of the loan	Repayable in 36 Equal Monthly Installments commencing from Feb 2010. Last installment due in Jan 2013. Rate of interest 10.50% p.a. as at year end. (Previous year - 10.50% p.a.)

### Notes on Financial Statements for the Year ended 31st March, 2012

ix) Term Loan amounting to ₹88,282/- (March 31, 2011 - ₹2,17,464 is secured by exclusive and specific charge on the assets acquired out of the loan	Repayable in 36 Equal Monthly Installments commencing from Feb 2010. Last installment due in Jan 2013. Rate of interest 10.50% p.a. as at year end. (Previous year - 10.50% p.a.)
x) Term Loan amounting to ₹1,78,446/- (March 31, 2011 - ₹3,97,351 is secured by exclusive and specific charge on the assets acquired out of the loan	Repayable in 35 Equal Monthly Installments commencing from Feb 2010. Last installment due in Dec 2012. Rate of interest 10.50% p.a. as at year end. (Previous year - 10.50% p.a.)
xi) Term Loan amounting to ₹4,83,17,418/- (March 31, 2011 - ₹4,86,01,483) is secured against mortgage of Factory Land and Building situated at Village Dadra, Silvassa and Hypothecation of Plant & Machinery of Processing Division.	Repayable in 26 Equal Quarterly Installments commencing from Sep 30, 2010. Last installment due in Dec 31, 2016.
xii) Term Loan amounting to ₹1,41,51,795/- (March 31, 2011 - ₹1,23,13,682) is secured against mortgage of Factory Land and Building situated at Village Dadra, Silvassa and Hypothecation of Plant & Machinery of Processing Division.	Repayable in 26 Equal Quarterly Installments commencing from Sep 30, 2010. Last installment due in Dec 31, 2016.
xiii) Term Loan amounting to Nil (March 31, 2011 - ₹7,07,34,222) is secured against mortgage of Factory Land and Building situated at Village Dadra, Silvassa and Hypothecation of Plant & Machinery of Processing Division.	Repayable in 26 Equal Quarterly Installments commencing from Sep 30, 2010. Last installment due in Dec 31, 2016.
xiv) Term Loan amounting to Nil (March 31, 2011 - ₹33,25,00,000) is secured by first charge on the entire fixed assets of the company on first pari passu basis with all Term loan / Corporate loan lenders and second pari passu charge over the entire Current Assets of the company.)	Repayable in 26 Equal Quarterly Installments commencing from Sep 30, 2010. Last installment due in Dec 31, 2016.
xv) Term Loan amounting to Nil (March 31, 2011 - ₹23,04,73,426) is secured by first charge on the entire fixed assets of the company on first pari passu basis with all Term loan / Corporate loan lenders and second pari passu charge over the entire Current Assets of the company.)	Repayable in 26 Equal Quarterly Installments commencing from Sep 30, 2010. Last installment due in Dec 31, 2016.
xvi) Term Loan amounting to Nil (March 31, 2011 - ₹46,05,61,833) is secured by first charge on the entire fixed assets of the company on first pari passu basis with all Term loan / Corporate loan lenders and second pari passu charge over the entire Current Assets of the company.)	Repayable in 26 Equal Quarterly Installments commencing from Sep 30, 2010. Last installment due in Dec 31, 2016.
xvii) Term Loan amounting to Nil (March 31, 2011 - ₹27,48,68,736) is secured by first charge on the entire fixed assets of the company on first pari passu basis with all Term loan / Corporate loan lenders and second pari passu charge over the entire Current Assets of the company.)	Repayable in 26 Equal Quarterly Installments commencing from Sep 30, 2010. Last installment due in Dec 31, 2016.
xviii) Term Loan of amounting to Nil (March 31, 2011 - ₹23,07,43,269) is secured by first charge on the entire fixed assets of the company on first pari passu basis with all Term loan / Corporate loan lenders and second pari passu charge over the entire Current Assets of the company.)	Repayable in 26 Equal Quarterly Installments commencing from Sep 30, 2010. Last installment due in Dec 31, 2016.

### Notes on Financial Statements for the Year ended 31st March, 2012

<p>xix) Term Loan amounting to Nil (March 31, 2011 - ₹23,67,12,051) is secured by first charge on the entire fixed assets of the company on first pari passu basis with all Term loan / Corporate loan lenders and second pari passu charge over the entire Current Assets of the company.)</p>	<p>Repayable in 26 Equal Quarterly Installments commencing from Sep 30, 2010. Last installment due in Dec 31, 2016.</p>
<p>xx) Term Loan of amounting to Nil (March 31, 2011 - ₹12,92,30,768) is secured by first charge on the entire fixed assets of the company on first pari passu basis with all Term loan / Corporate loan lenders and second pari passu charge over the entire Current Assets of the company.)</p>	<p>Repayable in 26 Equal Quarterly Installments commencing from Sep 30, 2010. Last installment due in Dec 31, 2016.</p>
<p>xxi) Term Loan amounting to Nil (March 31, 2011 - ₹46,03,31,561) is secured by first charge on the entire fixed assets of the company on first pari passu basis with all Term loan / Corporate loan lenders and second pari passu charge over the entire Current Assets of the company.)</p>	<p>Repayable in 26 Equal Quarterly Installments commencing from Sep 30, 2010. Last installment due in Dec 31, 2016.</p>
<p>xxii) Term Loan amounting to Nil (March 31, 2011 - ₹63,65,87,381) is secured by first charge on the entire fixed assets of the company on first pari passu basis with all Term loan / Corporate loan lenders and second pari passu charge over the entire Current Assets of the company.)</p>	<p>Repayable in 26 Equal Quarterly Installments commencing from Sep 30, 2010. Last installment due in Dec 31, 2016.</p>
<p>xxiii) Term Loan of amounting to Nil (March 31, 2011 - ₹5,53,56,223) is secured by first charge on the entire fixed assets of the company on first pari passu basis with all Term loan / Corporate loan lenders and second pari passu charge over the entire Current Assets of the company.)</p>	<p>Repayable in 26 Equal Quarterly Installments commencing from Sep 30, 2010. Last installment due in Dec 31, 2016.</p>
<p>xxiv) Term Loan amounting to Nil (March 31, 2011 - ₹6,99,77,230) is secured by first charge on the entire fixed assets of the company on first pari passu basis with all Term loan / Corporate loan lenders and second pari passu charge over the entire Current Assets of the company.)</p>	<p>Repayable in 26 Equal Quarterly Installments commencing from Sep 30, 2010. Last installment due in Dec 31, 2016.</p>
<p>xxvi) Term Loan of amounting to Nil (March 31, 2011 - ₹11,49,05,000) is secured by first charge on the entire fixed assets of the company on first pari passu basis with all Term loan / Corporate loan lenders and second pari passu charge over the entire Current Assets of the company.)</p>	<p>Repayable in 26 Equal Quarterly Installments commencing from Sep 30, 2010. Last installment due in Dec 31, 2016.</p>
<p>xxvii) Term Loan of amounting to Nil (March 31, 2011 - ₹15,46,86,847) is secured by first charge on the entire fixed assets of the company on first pari passu basis with all Term loan / Corporate loan lenders and second pari passu charge over the entire Current Assets of the company.)</p>	<p>Repayable in 26 Equal Quarterly Installments commencing from Sep 30, 2010. Last installment due in Dec 31, 2016.</p>
<p>xxviii) Term Loan of amounting to Nil (March 31, 2011 - ₹15,87,97,309) is secured by first charge on the entire fixed assets of the company on first pari passu basis with all Term loan / Corporate loan lenders and second pari passu charge over the entire Current Assets of the company.)</p>	<p>Repayable in 26 Equal Quarterly Installments commencing from Sep 30, 2010. Last installment due in Dec 31, 2016.</p>

### Notes on Financial Statements for the Year ended 31st March, 2012

xxix) Corporate Term Loan of amounting to Nil (March 31, 2011 - ₹19,99,79,820) is secured by first charge on the entire fixed assets of the company on first pari passu basis with all Term loan / Corporate loan lenders and second pari passu charge over the entire Current Assets of the company.)	Repayable in 16 Equal Quarterly Installments commencing from Jun 30, 2011. Last installment due in Mar 31, 2015.
xxx) Corporate Term Loan of amounting to Nil (March 31, 2011 - ₹7,70,67,636) is secured by first charge on the entire fixed assets of the company on first pari passu basis with all Term loan / Corporate loan lenders and second pari passu charge over the entire Current Assets of the company.)	Repayable in 28 Equal Quarterly Installments commencing from Jun 30, 2011. Last installment due in Mar 31, 2018.
xxxi) Corporate Term Loan of amounting to Nil (March 31, 2011 - ₹3,12,00,000) is secured by first charge on the entire fixed assets of the company on first pari passu basis with all Term loan / Corporate loan lenders and second pari passu charge over the entire Current Assets of the company.)	Repayable in 26 Equal Quarterly Installments commencing from Sep 30, 2011. Last installment due in Mar 31, 2018.
xxxii) Corporate Term Loan amounting to Nil (March 31, 2011 - ₹15,54,45,250) is secured by first charge on the entire fixed assets of the company on first pari passu basis with all Term loan / Corporate loan lenders and second pari passu charge over the entire Current Assets of the company.)	Repayable in 28 Equal Quarterly Installments commencing from Jun 30, 2011.
xxxiii) Corporate Term Loan amounting to Nil (March 31, 2011 - ₹5,20,00,000) is secured by first charge on the entire fixed assets of the company on first pari passu basis with all Term loan / Corporate loan lenders and second pari passu charge over the entire Current Assets of the company.)	Repayable in 26 Equal Quarterly Installments commencing from Sep 30, 2011. Last installment due in Mar 31, 2018.
xxxiv) Corporate Term Loan amounting to Nil (March 31, 2011 - ₹7,28,00,000) is secured by first charge on the entire fixed assets of the company on first pari passu basis with all Term loan / Corporate loan lenders and second pari passu charge over the entire Current Assets of the company.)	Repayable in 28 Equal Quarterly Installments commencing from Jun 30, 2011. Last installment due in Mar 31, 2018.
xxxv) Corporate Term Loan of amounting to Nil (March 31, 2011 - ₹12,00,00,000) is secured by first charge on the entire fixed assets of the company on first pari passu basis with all Term loan / Corporate loan lenders and second pari passu charge over the entire Current Assets of the company.)	Repayable in 26 Equal Quarterly Installments commencing from Dec 31, 2011. Last installment due in Mar 31, 2018.
Installments falling due in respect of all the above Loans within a period of 12 months and not having an unconditional right as on the Balance Sheet date to defer its settlement for 12 months after the reporting date. have been grouped under "Current maturities of long-term debt" (Refer Note 9)	
The Company does not have any continuing defaults in repayment of the loans and interest thereon as at the reporting date	

## Notes on Financial Statements for the Year ended 31st March, 2012

Particulars	As at 31st March, 2012 ₹	As at 31st March, 2011 ₹
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**Note 6 : LONG TERM PROVISIONS**

(a) Provision for employee benefits:		
(i) Provision for Gratuity (Net) (Refer Note 27.1.b)	1,434,452	1,650,474
(ii) Provision for Leave Encashment	1,730,160	2,012,498
(b) Provision - Others:	-	2,428,103
Total	3,164,612	6,091,075

**Note 7 : SHORT TERM BORROWINGS**

(a) Loans repayable on demand		
From banks		
Secured	107,783,199	892,150,607
Unsecured	32,912,858	65,219,328
Total	140,696,057	957,369,935
Nature of Security (Short Term Borrowings)		
Cash Credit / Bank Gaurantee / Letter of Credit:		
2011-12		
1. Primary Security - Hypothecation of entire current assets of the company		
2. Collateral - First charge on the entire Fixed Assets of the processing plant		
3. Guarantee - Personal Guarantee of Shri. Amrrut Gada, Shri. Dhirraj Gada		
Shri. Miitesh Gada, Shri. Kanji V Gada & Shri. Shantilal Gada.		

2010-11

Working capital facilities are secured against hypothecation of entire current assets of the company on first parri passu charge basis and second pari passu charge on the entire fixed assets of the company.

The credit facilities are further collaterally secured by Personal Guarantees of Five Promoter Directors of the Company.

**Note 8: TRADE PAYABLES**

Trade payables:		
Acceptances	30,547,473	120,458,155
Other than Acceptances	144,504,493	1,089,141,458
Total	175,051,966	1,209,599,613

**Note 9 : OTHER CURRENT LIABILITIES**

(a) Current maturities of long-term debt (Refer Note (1) below)	82,993,562	62,195,000
(b) Interest accrued but not due on borrowings	9,110,807	5,519,669
(c) Interest accrued and due on borrowings	22,130,112	124,707,344
(d) Unpaid dividends	100,693	100,693
(e) Unpaid matured deposits and interest accrued thereon	1,148,000	1,223,000
(f) Other payables		
(i) Statutory remittances	48,526,751	40,034,863
(ii) Payables on purchase of fixed assets	50,383,911	197,993,621
(iii) Contractually reimbursable expenses	6,095,762	-
(iv) Trade / security deposits received	1,025,000	81,058,445
(v) Advances from customers	29,105,349	43,876,046
(vi) Others	71,439,231	40,814,399
Total	322,059,177	597,523,080

1. Installments falling due in respect of all the Loans within a period of 12 months and not having an unconditional right as on the Balance Sheet date to defer its settlement for 12 months after the reporting date have been grouped under "Current maturities of long-term debt"

**Note 10 : SHORT TERM PROVISIONS**

(a) Provision for employee benefits:		
Provision for bonus	2,336,141	2,120,525
(b) Provision - Others:		
Provision for tax	3,656,804	23,896,733
Total	5,992,945	26,017,258

Notes on Financial Statements for the Year ended 31st March, 2012  
Note 11 A. FIXED ASSETS

Tangible assets Own Assets	Gross block					
	"Balance as at 1st April, 2011"	Additions	Disposals	Revaluation increase	Other adjustments	"Balance as at 31st March, 2012"
	₹	₹	₹	₹	₹	₹
(a) Freehold Land	933,201,316	10,649,160	645,019,726			298,830,750
(b) Buildings	2,227,899,648	150,214,302	1,472,782,898			905,331,052
(c) Plant and Equipment	5,637,707,302	785,328	5,332,453,720			306,038,909
(d) Furniture and Fixtures	33,746,962	72,444	5,391,784			28,427,622
(e) Vehicles	11,403,986	3,506,378	-			14,910,364
(f) Office equipment	9,945,302	264,940	2,611,067			7,599,175
(g) Computers	22,975,709	1,389,520	2,558,142			21,807,087
Total	8,876,880,225	166,882,072	7,460,817,337	-		1,582,944,959
Previous year	975,738,791	6,276,077,629	1,837,193	1,626,900,998		8,876,880,225

Note 11 A. Fixed assets (contd.)

Tangible assets Own Assets	Accumulated depreciation and impairment			Net block	
	"Balance as at 1st April, 2011"	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	"Balance as at 31st March, 2012"	"Balance as at 31st March, 2011"
	₹	₹	₹	₹	₹
(a) Freehold Land	-	-		-	933,201,316
(b) Buildings	66,849,295	24,063,581	57,298,149	33,614,727	2,161,050,353
(c) Plant and Equipment	436,508,410	83,408,244	411,878,423	108,038,231	5,201,198,892
(d) Furniture and Fixtures	6,766,853	1,855,910	746,774	7,875,989	26,980,109
(e) Vehicles	3,291,881	1,145,975	-	4,437,856	8,112,105
(f) Office equipment	1,699,638	376,689	227,196	1,849,131	8,245,664
(g) Computer	8,664,773	2,439,413	595,730	10,508,456	14,310,936
Total	523,780,850	113,289,812	470,746,272	166,324,390	8,353,099,375
Previous year	122,875,562	400,905,287	-	523,780,849	

Note : The company has revalued Land and Buildings as at 31.03.2011 and has credited ₹1,62,69,00,998 to Revaluation Reserve. Depreciation on Building has been calculated on the original cost as the Company has revalued the Building as of 31.3.2011. Consequent to the said revaluation there is an additional charge of depreciation of ₹1,41,15,246 (Previous Year ₹ Nil) and an equivalent amount has been withdrawn from Revaluation Reserve and credited to the Profit and Loss Account. This has no impact on profit for the year. The Company during the year has sold its Float Glass Division at Bharuch on Slump Sale basis with effect from 1st June 2011. The Book Value as at 31st May 2011 has been withdrawn on account of the sale of the undertaking. Depreciation has been charged on those assets for the period 1st April 2011 to 31st May 2011.

## Notes on Financial Statements for the Year ended 31st March, 2012

Note 11 B : FIXED ASSETS (contd.)

Depreciation and amortisation relating to continuing operations:

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
	₹	₹
Depreciation and amortisation for the year on tangible assets as per Note 11	113,289,812	400,905,287
Less: Utilised from revaluation reserve	14,115,246	-
Less: Depreciation on Discontinued Operations	75,745,877	378,450,093
Depreciation and amortisation relating to continuing operations	23,428,689	22,455,194

Notes:

(i) Details of sums added to assets on revaluation during the preceding 5 years:

Particulars	Year 31st March, 2012	Year 31st March, 2011	Previous Years
	₹	₹	₹
<b>LAND</b>			
Opening balance	724,797,837	-	-
Added on revaluation	-	724,797,837	-
Date		31.3.2011	
Transferred to General Reserve on Sale of Float Division	-		-
Date	31.05.2011		
Balance as at 31 March	255,124,632	724,797,837	-
<b>BUILDING</b>			
Opening balance	902,103,161	-	-
Added on revaluation	-	902,103,161	-
Date		31.3.2011	
Written off on revaluation	14,115,246		-
Date	31.3.2012		
Transferred to General Reserve on Sale of Float Division	-		-
Date	31.5.2011		
Balance as at 31 March	740,287,630	902,103,161	-

## Notes on Financial Statements for the Year ended 31st March, 2012

Particulars	As at 31st March, 2012	As at 31st March, 2011
	₹	₹

## Note 12 : NON CURRENT INVESTMENTS

Investments (At cost):		
A. Investments (Quoted)		
(a) Investment in Mutual Fund	-	500,000
(b) 1,56,300 (Nil) Shares of ₹10/- each fully paid up in Inventure Growth and Securities Limited	31,841,378	-
Total - Investments (Quoted) (A)	31,841,378	500,000
B. Investments (Unquoted)		
(a) Investment in equity instruments		
(i) of associates		
25000 (25000) shares of ₹10 each fully paid in Sezal Firebaan Glass Pvt. Ltd.	250,000	250,000
(ii) of other entities		
5000 (5000) Shares of ₹20 each fully paid in The Cosmos Co-Operative Bank Ltd	100,000	100,000
4000 (Nil) Shares of ₹10 each fully paid in Shakti Banquet Pvt. Ltd.	5,000,000	-
(b) Other non-current investments - Gold coins	92,651	44,486
Total - Investments (Unquoted) (B)	5,442,651	394,486
Total (A + B)	37,284,029	894,486
Aggregate amount of Quoted investments	31,841,378	500,000
Aggregate market value of listed and quoted investments	45,960,015	468,500
Aggregate amount of Unquoted investments	5,442,651	394,486

## Note 13 : LONG TERM LOANS &amp; ADVANCES

UNSECURED , CONSIDERED GOOD		
(a) Capital advances	94,914,294	101,665,729
(b) Loans and advances to related parties (Refer Note 27.3)	2,306,719	1,236,866
(c) Advance income tax	7,682,824	21,235,262
(d) Loans and Advances - Inter Corporate Deposit	64,675,000	181,550,000
Total	169,578,837	305,687,857

## Note 14 : OTHER NON CURRENT ASSETS

(a) Others - Advance to Suppliers	215,498,716	180,000,000
Total	215,498,716	180,000,000

## Note 15 : INVENTORIES

(At lower of cost or Net Realisable Value)		
(a) Raw materials	118,728,450	261,476,120
(b) Work-in-progress	6,143,105	27,323,102
(c) Finished goods	6,593,487	215,440,364
(d) Stock-in-trade	44,815,659	40,412,134
(e) Stores and spares	10,090,166	37,266,675
Total	186,370,867	581,918,395

### Notes on Financial Statements for the Year ended 31st March, 2012

Particulars	As at 31st March, 2012	As at 31st March, 2011
	₹	₹

**Note 16 : TRADE RECEIVABLE**

Unsecured, considered good		
Trade receivables outstanding for a period exceeding six months from the date they became due for payment	42,249,886	72,127,033
"Trade receivables outstanding for a period less than six months from the date they became due for payment"	196,698,870	251,920,860
Total	238,948,757	324,047,893

**Note 17 : CASH AND BANK BALANCES**

(a) Cash on hand	3,841,592	2,251,138
(b) Balances with banks		
(i) In current accounts	841,045	3,489,560
(ii) In deposit accounts (Refer Note (i) below)	24,132,875	10,637,072
(iii) In earmarked accounts		
- Unpaid dividend accounts	32,283	49,273
- Balances held as margin money or security against borrowings, guarantees and other commitments (Refer Note (i) below)	700,667	10,524,167
Total	29,548,462	26,951,210
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	29,548,462	26,951,210

**Notes:**

(i) Balances with banks include deposits amounting to ₹2,41,32,875/- including Interest (As at 31 March, 2011 ₹1,06,37,072) and margin monies amounting to ₹7,00,677 (As at 31 March, 2011 ₹1,05,24,167) which have an original maturity of more than 12 months.

**Note 18 : SHORT TERM LOANS AND ADVANCES**

Unsecured, considered good		
(a) Loans and advances to related parties (Refer Note 27.3)	163,363,976	27,372,799
(b) Security deposits	8,795,841	47,694,010
(c) Loans and advances to employees	2,410,736	2,095,443
(d) Prepaid expenses - Unsecured, considered good	596,633	5,265,936
(e) Balances with government authorities		
(i) CENVAT credit receivable	1,507,012	37,766,598
(ii) VAT credit receivable	5,427,495	53,127,293
(iii) Service Tax credit receivable	1,093,650	15,393,517
(iv) MAT Credit Entitlement	1,972,927	1,972,927
(f) Others - Advance to suppliers	44,144,429	359,855,532
- Inter Corporate Deposits	167,750,000	
Total	397,062,699	550,544,055

**Note 19 OTHER CURRENT ASSETS**

(a) Accruals		
(i) Interest accrued on deposits	7,362,064	3,150,000
(ii) Interest accrued on trade receivables	18,708,198	4,653,371
(b) Others		
(i) Insurance claims	-	15,506,274
(ii) Share Application money in Sezal Firebaan Ltd	4,750,000	-
(iii) Receivable from Saint Gobain Glass India Limited	121,160,035	-
(iv) Prepayment Charges Recoverable	7,523,311	-
(v) GIDC payment under protest	13,972,689	-
(iii) Sundry Receivables	9,885,487	24,080,800
Total	183,361,784	47,390,445

## Notes on Financial Statements for the Year ended 31st March, 2012

Notes on Financial Statements for the Year ended 31st March, 2012			
	Particulars	For the year ended	For the year ended
		31st March, 2012	31st March, 2011
		₹	₹
<b>Note 20. Revenue from operations</b>			
(a)	Sale of products	462,899,832	405,874,700
	Less: Excise Duty	31,765,029	27,951,632
	Net Sales (Refer Note (i) below)	431,134,803	377,923,068
(b)	Other operating revenues (Refer Note (ii) below)	17,471,760	14,462,052
	Total	448,606,563	392,385,120
(i)	Sale of products comprises :		
	Manufactured goods		
	Toughened Glass	111,098,306	71,807,746
	Insulating Glass	60,759,176	74,027,287
	Laminated Glass	118,484,932	86,798,369
	Others	23,883,041	44,736,200
	Total - Sale of manufactured goods	314,225,455	277369602
	Traded goods		
	Furniture	23,090,812	14,354,166
	Lights	10,891,298	11,301,203
	Sanitaryware & CP Fittings	32,334,744	50,101,947
	Tiles	49,204,416	13,820,390
	Others	1,388,077	10,975,762
	Total - Sale of traded goods	116,909,348	100,553,466
	Total - Sale of products	431,134,803	377,923,068
(ii)	Other operating revenues comprise:		
	Sale of scrap	2,830,959	4,335,512
	Others	14,640,801	10,126,540
	<b>Total - Other operating revenues</b>	17,471,760	14,462,052
<b>Note 21 OTHER INCOME</b>			
(a)	Interest income (Refer Note (i) below)	52,975,104	5,551,122
(b)	Dividend income from long-term investments	20,000	15,000
(d)	Net gain on foreign currency transactions and translation (other than considered as finance cost)	6,496,493	-
(e)	Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	26,463,887	-
	Total	85,955,484	5,566,122
(i)	<b>Interest income comprises:</b>		
	Interest from banks on Deposit:	6,458,320	-
	Interest from banks on Other Balances	719,464	-
	Interest on loans and advances	-	-
	Interest on overdue trade receivables	14,099,566	3,631,267
	Other interest	31,697,754	1,919,855
	<b>Total - Interest income</b>	52,975,104	5,551,122
(ii)	<b>Other non-operating income comprises:</b>		
	Rental income from properties	6,440,329	-
	Liabilities / provisions no longer required written back	-	-
	Miscellaneous income	20,023,558	-
	<b>Total - Other non-operating income</b>	26,463,887	-

## Notes on Financial Statements for the Year ended 31st March, 2012

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
	₹	₹

**Note 22.a COST OF RAW MATERIAL CONSUMED**

Opening stock	155,424,071	133,153,434
Add: Purchases (including Labour Charges)	185,806,505	212,460,759
	341,230,576	345,614,193
Less: Closing stock	128,818,617	155,424,071
Cost of material consumed	212,411,959	190,190,122
Material consumed comprises:		
Raw material ( Glass )	148,059,854	139,489,900
PVB Film	43,066,665	32,415,538
Other items	21,285,440	18,284,684
Total	212,411,959	190,190,122

**Note 22.b PURCHASE OF TRADED GOODS**

Sanitary Ware	30,487,539	46,483,422
Ceramic tiles	45,912,455	14,887,273
Furniture	19,873,056	11,091,202
Other items	708,248	15,797,451
Total	96,981,298	88,259,348

**Note 22.c CHANGE IN INVENTORY OF FINISHED GOODS,**

WORK-IN-PROGRESS AND STOCK-IN-TRADE			
Inventory at the end of the year:			
Finished goods	6,593,487	3,540,030	
Work-in-progress	6,143,105	10,291,833	
Stock-in-trade	44,815,659	38,137,829	
	57,552,250	51,969,692	
Inventory at the beginning of the year:			
Finished goods	3,540,030	4,985,553	
Work-in-progress	10,291,833	5,293,134	
Stock-in-trade	38,137,829	32,694,457	
	51,969,692	42,973,144	
Net (increase) / decrease	(5,582,558)	(8,996,548)	

**Note 23 EMPLOYEE BENEFIT EXPENSE**

Salaries and wages (Including Directors' Remuneration)	52,703,331	44,194,910
Contributions to provident and other funds	2,612,417	2,669,241
Staff welfare expenses	3,400,952	3,253,619
Total	58,716,700	50,117,770

## Notes on Financial Statements for the Year ended 31st March, 2012

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
	₹	₹

**Note 24 FINANCE COSTS**

(a) Interest expense on:		
(i) Borrowings	14,886,386	21,466,465
(ii) Others		
- Interest on delayed payment of income tax	48,994	-
(b) Other borrowing costs	2,409,761	1,726,999
Total	17,345,140	23,193,463

**Note 25 OTHER EXPENSES**

Consumption of stores and spare parts	11,637,662	3,223,343
Power and fuel	19,890,647	11,563,398
Rent including lease rentals	2,675,973	2,497,439
Repairs and maintenance - Buildings	1,886,761	1,668,446
Repairs and maintenance - Machinery	4,243,290	1,671,239
Repairs and maintenance - Others	2,133,610	1,602,844
Insurance	2,146,249	2,298,523
Rates and taxes	7,192,671	3,053,569
Communication	1,626,448	1,199,083
Travelling and conveyance	5,371,748	4,339,163
Printing and stationery	1,267,894	1,347,637
Freight and forwarding	7,873,964	10,223,986
Sales commission	1,648,553	1,541,008
Business promotion	2,544,183	7,364,597
Donations and contributions	259,754	164,613
Legal and professional	3,674,228	1,841,240
Payment to Auditors (Refer Note (i) below)	651,130	318,333
Bad Debts, Loans and Advances written off	29,107,285	-
Net loss on foreign currency transactions and translation (other than considered as finance cost)	137,910	1,637,474
Net loss on sale of Long Term investments	105,451	-
Miscellaneous expenses	16,706,161	29,191,061
Total	122,781,572	86,746,996
(i) Payments to the auditors includes (net of service tax input credit, where applicable)		
As auditors - statutory audit	750,000	750,000
For taxation matters	282,260	120,000
For other services	135,000	258,333
Total	1,167,260	1,128,333
The statutory Audit Fees have been apportioned between continued and discontinued operations		

## Notes on Financial Statements for the Year ended 31st March, 2012

## Note 26 ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS

Note	Particulars	As at 31st March, 2012	As at 31st March, 2011
26.1	<p>Monies received against share warrants</p> <p>The Company at their Annual General Meeting held on 15th September, 2009 have resolved to create, offer, issue and allot up to 50,00,000 warrants, convertible into 50,00,000 equity shares of ₹10/- each at a premium of ₹30/- on a preferential allotment basis, in accordance with the SEBI Guidelines on preferential issue. Subsequent to the subdivision of face value of the Equity shares from ₹10/- to ₹1/- each, 50,00,000 warrants became 5,00,00,000 warrants of the face value of ₹1/- each. The Promoters had opted to convert 3,55,00,000 warrants into Equity shares on various dates. As the Promoters did not exercise the option to convert the balance 145,00,000 warrants, the right to apply for Equity shares had lapsed on June 2, 2011 as per the terms of the issue. Accordingly, 145,00,000 warrants stand cancelled and consequently the entire amount received thereon from the warrant holders has been forfeited by the Company and transferred to General Reserve</p>		
		₹	₹
26.2	<b>Contingent liabilities and commitments (to the extent not provided for)</b>		
(i)	Contingent liabilities		
	(a) Claims by Larsen & Toubro Limited against the Company not acknowledged as debt	10,039,726	42,500,000
	(b) Guarantees executed in favour of		
	- Dakshin Gujrat Vij Company Ltd	20,171,000	-
	- Gujarat Gas Company Limited	-	117,613,684
	- Quippo Energy Private Limited	-	30,000,000
	- Administration of Dadra and Nagar Haveli Electricity Department	3,625,000	3,625,000
	- Parties against advance	15,000,000	10,625,938
	(c) Other money for which the Company is contingently liable (give details)		
	(i) Claims by Gujarat Gas Company for Minimum Guaranteed Off take	-	1,023,088,698
	(ii) Customs duty payable for default in completing export obligation against advance license	12,382,672	15,986,329
	(iii) Export obligation under EPCG licence availed - US \$ 3,94,202.06 @ `50.875 = US \$ including interest `90,64,966 (Previous year US \$ 93958.62 @ `45 = US \$	29,119,996	4,228,138
	(iv) Claims by parties towards damages	5,893,917	5,893,917
	(v) Penalty Demand by Income tax Department	8,597,477	-
	(vi) Penalty paid to GIDC under protest	13,972,689	-
	(vi) Bank Charges debited to Unpaid dividend account	-	51,555
	Total	118,802,477	1,253,561,704
(ii)	Commitments		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets	-	-
		22,254,467	114,800,000
26.3	<b>Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006</b>		
	In the absence of data on suppliers falling under the category of Micro, Small and Medium Enterprises, the information regarding the transactions is not provided.		
26.4	<b>Value of imports calculated on CIF basis :</b>		
	Raw materials	56,480,282	94,860,804
	Spare parts	3,962,732	1,812,227
	Capital goods	14,798,106	170,161,351

## Notes on Financial Statements for the Year ended 31st March, 2012

Note	Particulars		For the year ended 31st March, 2012	For the year ended 31st March, 2011
			₹	₹

## Note 26 ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS

26.5	Expenditure in foreign currency:			
	Professional / Consultancy Fees		717,661	5,002,681
	Travelling Expenses		187,326	704,506
	Repairs & Maintenance		2,165,707	-
	Interest on FCNR Loans		-	1,328,864
	Loss due to Exchange Rate Fluctuation		137,910	15,145,498

## 26.6 Details of consumption of imported and indigenous items

			₹	%
	(Including Consumables stores)			
	Imported		56,641,865 (107,443,019)	17.46 (5.68)
	Indigenous		267,740,669 (1,784,780,040)	82.54 (94.32)
	Total		324,382,535 (1,892,223,059)	100.00 (100.00)

Note: Figures / percentages in brackets relate to the previous year

26.7	Earnings in foreign exchange :			
			₹	₹
	FOB Value of Exports		10,657,578	131,339,591
	Gain due to Exchange Rate Fluctuation		6,692,526	4,748,910
	Commission Received		1,327,360	-

## Note 27 : DISCLOSURE UNDER ACCOUNTING STANDARDS (contd.)

Note	Particulars
27.1	Employee benefit plans
27.1.a	<u>Defined contribution plans</u> The Company makes Provident Fund contributions in respect of all the qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ` 1841907/- (Year ended 31 March, 2011 ` 3676268) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.
27.1.b	<u>Defined benefit plans</u> The Company offers the following employee benefit schemes to its employees: i. Gratuity ii. Compensated Absences  The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

## Notes on Financial Statements for the Year ended 31st March, 2012

Particulars	Year ended 31st March, 2012		Year ended 31st March, 2011	
	Gratuity	Compensated Expenses	Gratuity	Compensated Expenses
Components of employer expense				
Current service cost	1,504,809	-	1,298,548	-
Interest cost	403,067	-	310,027	-
Expected return on plan assets	198,235	-	193,411	-
Curtailement cost / (credit)	Nil	-	Nil	-
Settlement cost / (credit)	Nil	-	Nil	-
Past service cost	Nil	-	113,701	-
Actuarial losses/(gains)	(3,303,183)	-	(800,063)	-
Total expense recognised in the Statement of Profit and Loss	770,510	1,562,295	900,047	515,651
Actual contribution and benefit payments for year				
Actual benefit payments	530,897.00	-	-	-
Actual contributions	-	-	-	-
Net asset / (liability) recognised in the Balance Sheet				
Present value of defined benefit obligation	(3,048,259)	-	(3,400,642)	-
Fair value of plan assets	1,613,807	-	1,750,168	-
Funded status [Surplus / (Deficit)]	-	-	-	-
Unrecognised past service costs	-	-	-	-
Net asset / (liability) recognised in the Balance Sheet	(1,434,452)	(1,730,160)	(1,650,474)	(2,012,498)

## Note 27 : DISCLOSURE UNDER ACCOUNTING STANDARDS (contd.)

Particulars	Year ended 31 March, 2012 Gratuity	Year ended 31 March, 2011 Gratuity
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	3,400,642	2478429
Current service cost	1,504,809	1298548
Interest cost	403,067	310027
Curtailement cost / (credit)	-	-
Settlement cost / (credit)	-	-
Plan amendments	-	-
Acquisitions	1,573,821	-
Actuarial (gains) / losses	(3,303,183)	(800063)
Past service cost	-	113701
Benefits paid	(530,897)	-
Present value of DBO at the end of the year	3,048,259	3,400,642
<b>Change in fair value of assets during the year</b>		
Plan assets at beginning of the year	1,750,168	1620526
Acquisition adjustment	1,573,821	-
Expected return on plan assets	198,235	193411
Actual company contributions	1,846,599	-
Actuarial gain / (loss)	(3,224,119)	(63,769)
Benefits paid	(530,897)	-
Plan assets at the end of the year	1,613,807	1,750,168
Actual return on plan assets	-	-
<b>Composition of the plan assets is as follows:</b>		
Others (Insurer Managed Funds)	1613807	1750168
<b>Actuarial assumptions</b>		
Discount rate	8.50%	8.40%
Expected return on plan assets	7.50%	7.50%
Salary escalation	7.00%	7.00%
Estimate of amount of contribution in the immediate next year	2000000	2000000

## Notes on Financial Statements for the Year ended 31st March, 2012

### Note 27 : DISCLOSURE UNDER ACCOUNTING STANDARDS (contd.)

Particulars	2011-2012	2010- 2011	2009-2010	2008-2009	2007-2008
Experience adjustments					
Gratuity					
Present value of DBO	3048259	3400642	2478429	1973299	N.A
Fair value of plan assets	1613807	1750168	1620526	289263	N.A
Funded status [Surplus / (Deficit)]	(1434452)	(1650474)	(857903)	(1684036)	N.A
Experience gain / (loss) adjustments on plan liabilities	(3261578)	(752392)	(188102)	-	N.A
Experience gain / (loss) adjustments on plan assets	(3224119)	(63769)	(18469)	-	N.A

	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Actuarial assumptions for long-term compensated absences		
Discount rate	8.50%	7.40%
Expected return on plan assets	7.50%	7.50%
Salary escalation	7.00%	7.00%
Attrition		
The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.		
The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.		

### Note 27 : DISCLOSURE UNDER ACCOUNTING STANDARDS (contd.)

Note	Particulars
27.2	<p>Segment information</p> <p>The Company has identified business segments as its primary segment and geographic segments as its secondary segment. Business segments are primarily Processing Division, Float Glass Manufacturing Plant and Retail Division. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. The Company does not have geographical segments.</p>

## Notes on Financial Statements for the Year ended 31st March, 2012

Notes on Financial Statements for the Year ended 31st March, 2012						
Note	Particulars	For the year ended 31st March, 2012				Total
		Business segments			Eliminations	
		Processing	Float	Encasa		
		₹	₹	₹		
	Revenue	319,985,055 (282,578,249)	512,445,540 (2,414,001,011)	117,285,268 (100,870,216)	13,139,293 (1,189,884)	936,576,570 (2,796,259,591)
	Less: Inter-segment revenue	2,906,751 (316,750)	9,834,732 (171,504)	397,810 (701,630)	13,139,293 (1,189,884)	- -
	Total	317,078,304	502,610,808	116,887,458	-	936,576,570
	Segment result	(282,261,499) (34,890,677)	(2,413,829,507) (452,297,636)	(100,168,586) (4,185,773)	(-) -	(2,796,259,591) (491,374,087)
	Unallocable expenses (net)	(36,584,014)	(897,258,045)	(28,326,651)	(-)	(962,168,709)
						-
	Other income (net)					145,902,603 (30,472,310)
	Profit before taxes					(491,374,087) (962,168,709)
	Tax expense					28,402,258 (323,161,682)
	Net profit for the year					(526,406,617) (643,987,777)

Note	Particulars		For the year ended 31st March, 2012			Total
			Business segments			
			Processing	Float	Encasa	
			₹	₹	₹	₹
	Segment assets	2,234,437,814	-	1,091,642,018	3,326,079,832	
		(1,420,095,428)	(6,555,246,808)	(1,049,442,068)	(9,024,784,305)	
	Unallocable assets				293,536,080	
					(312,203,176)	
	Total assets	2,234,437,814	-	1,091,642,018	3,619,615,912	
		(1,420,095,428)	(6,555,246,808)	(1,049,442,068)	(9,336,987,481)	
	Segment liabilities	2,527,973,894	-	1,091,642,018	3,619,615,912	
		(1,732,298,604)	(6,555,246,808)	(1,049,442,068)	(9,336,987,481)	
	Unallocable liabilities	-	-	-	-	
		-	-	-	-	
	Total liabilities	2,527,973,894	-	1,091,642,018	3,619,615,912	
		(1,732,298,604)	(6,555,246,808)	(1,049,442,068)	(9,336,987,481)	
<u>Other information</u>						
Depreciation and am- ortisation (allocable)	19,679,178	75,745,888	3,749,511	99,174,577		
	(18,864,320)	(378,450,093)	(3,590,874)	(400,905,287)		

The figures pertaining to Float Glass Division are for the period of two months ending 31st May, 2011 since the Float Glass Division was sold off on slump sale basis w.e.f closing business hours of 31st May, 2011

## Notes forming part of the financial statements

## Note 27 Disclosures under Accounting Standards (contd.)

Note	Related party transactions	
27.3.a	Details of related parties:	
	Description of relationship	Names of related parties
	Company in which KMP / Relatives of KMP can exercise significant influence	Bonanza Float Glass Pvt Ltd
	Company in which KMP / Relatives of KMP can exercise significant influence	Hero Multi Pap Pvt. Ltd.
	Company in which KMP / Relatives of KMP can exercise significant influence	Hero Paper Stores
	Company in which KMP / Relatives of KMP can exercise significant influence	Sezal Entertainment & Media India Ltd.
	Company in which KMP / Relatives of KMP can exercise significant influence	Sezal Finance Ltd
	Company in which KMP / Relatives of KMP can exercise significant influence	Sezal Glass Craft Pvt. Ltd.
	Company in which KMP / Relatives of KMP can exercise significant influence	Sejal Glass House
	Company in which KMP / Relatives of KMP can exercise significant influence	Sezal Insurance Broking Ltd
	Company in which KMP / Relatives of KMP can exercise significant influence	Sezal International Ltd
	Company in which KMP / Relatives of KMP can exercise significant influence	Sezal Realty and Infrastructure Ltd.
	Company in which KMP / Relatives of KMP can exercise significant influence	Sezal Firebaan Glass Private Ltd
	Key Management Personnel (KMP)	Amrrut S. Gada
	Key Management Personnel (KMP)	Dhirraj s. Gada
	Key Management Personnel (KMP)	Miitesh K Gada
	Key Management Personnel (KMP)	Aashish Karia

Note: Related parties have been identified by the Management.

## Note 27 Disclosures under Accounting Standards (contd.)

	The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:				
27.3.b	a) Sale / Purchase of Goods, Services And Fixed Assets				
	Particulars	Purchase of goods	Sale of goods	Receiving of services	Leasing or hire purchase arrangements
	<u>Company in which KMP / Relatives of KMP can exercise significant influence</u>				
	Hero Multi Pap	11,138,193	-	-	-
		(-)	(-)	(-)	(-)
	Sezal International Limited	-	-	-	-
		(12,250)	(-)	(-)	(-)
	Sezal Realty & Infrastructure Ltd	-	-	-	8,272,500
		(-)	(-)	(-)	(-)
	Sezal Finance Ltd	-	-	385,565	-
		(-)	(-)	(-)	(-)
	Sezal Entertainment & Media India Ltd	4,740	80,475	-	4,895,739
		(37,036)	(-)	(-)	(-)
	Sezal Firebaan Glass Private Limited	-	4,377,709	-	60,665
		(-)	(-)	(-)	(-)
	<u>Key Management Personnel</u>				
	Amrrut Gada - Proprietor of Sezal Glass House	94,762	3,965,479	-	-
		(1,035,601)	(4,996,470)	(-)	(-)
	Dhirraj Gada	-	1,105,667	-	-
		(-)	(-)	(-)	(-)
	Hero Paper	203,186	-	-	-
		(315,392)	(1,800)	(-)	(-)
	Hitankshi Glass House	-	-	-	-
		(703,692)	(110,442)	(-)	(-)
	Shantibhai Gada	-	1,433,417	-	-
		(-)	(-)	(-)	(-)

## Notes forming part of the financial statements

b) Loans and Advances Given / Taken / Repaid during the year		
Particulars	Loans Given / Taken	Repayment of Loans
<b><u>Loans &amp; Advances Made and Repayment thereof</u></b>		
Hero Multi Pap Private Limited	-	200,000
	(-)	(-)
Sezal Entertainment & Media India Ltd	10,447,156	-
	(-)	(-)
Sezal Fireban Glass Private Limited	6,184,607	-
	(2,500,000)	(-)
<b><u>Inter Corporate Deposits Made</u></b>		
Bhanu Cosmetics Packaging Pvt. Ltd.	-	14,550,000
	(-)	(-)
Sezal Finance Ltd	34,384,500	-
	(2,000,000)	(-)
Sezal International Ltd	8,175,000	-
	(-)	(-)
Sezal Realty & Infrastructure Ltd	70,643,162	-
	(-)	(-)
Sezal Glass Craft Pvt Ltd	755,000	-
	(25,000)	(-)
Dhirraj Gada	500,195	-
	(-)	(-)
Miitesh Gada	400,000	-
	(-)	(-)
Hero Paper	-	-
	(1,000,000)	(-)

## Note 27 Disclosures under Accounting Standards (contd.)

c) Management contracts including for deputation of employees		
Particulars	31st March, 2012	31st March, 2011
	₹	₹
<b><u>Directors Remuneration</u></b>		
Amrrut Gada	4,500,000	4,500,000
Dhirraj Gada	3,600,000	3,600,000
Miitesh Gada	3,000,000	3,000,000
Aashish Karia	2,700,000	2,700,000
<b><u>Other Expenses</u></b>		
Sezal Glass Craft Pvt Ltd	1,020	-
Sezal Insurance Broking Ltd.	8,553	-
Sezal International Limited	1,020	-
Sezal Realty & Infrastructure Ltd	-	529,328
<b><u>Other Income</u></b>		
<b><u>Interest Received on Deposits</u></b>		
Sezal Finance Ltd	3,464,743	-
Sezal Realty and Infrastructure Ltd	9,992,440	-
Sezal Entertainment & Media India Limited	345,116	-

## Notes forming part of the financial statements

Note 27 Disclosures under Accounting Standards (contd.)

Balances Outstanding as on the Reporting Date

	Particulars	31st March, 2012 ₹	31st March, 2011 ₹
(a)	<b>Loans Taken</b> Hero Multi pap Pvt Ltd Bhanu Cosmetics Packaging Pvt. Ltd.	800,000 -	1,000,000 14,550,000
		800,000	15,550,000
(b)	<b>Investments</b> Sezal Firebaan Glass Private Limited	250,000	250,000
(c)	<b>Long Term Loans &amp; Advances Given</b> Sezal Firebaan Glass Private Limited	2,306,719	1,236,866
		2,306,719	1,236,866
(d)	<b>Short Loans &amp; Advances Given</b> Sezal Insurance Broking limited Sezal Realty & Infrastructure Limited Sezal Entertainment and Media India Limited Sezal Glass House Sezal Glass Craft Private Limited Sezal International Limited Sezal Finance Limited White Flag Media & Communication Ltd.	677,743 102,678,970 4,815,605 1,466,348 756,020 8,590,972 38,858,858 5,519,460	669,190 23,942,613 - 44,074 555,393 275,979 1,356,090 529,460
		163,363,976	27,372,799
(e)	<b>Share Application Money - Sezal Firebaan Glass Limited</b>	4,750,000	-
(f)	<b>Trade Receivables</b> Dhirraj Gada Hero Papers Hitankshi Glass Sezal Entertainment & Media India Limited Shantilal Gada Sezal Glass House - Prop. Amrrut Gada	757,814 71,164 463,742 69,410 263,817 3,969,822	- - - - - 2,105,702
		5,595,769	2,105,702
(g)	<b>Trade Payables</b> Hero Multi Pap Private Ltd Bhanu Cosmetics packaging Pvt. Ltd Sezal Entertainment & Media India Limited	4,496,471 571,779 33,026	- 671,779 -
		5,101,276	671,779
(h)	<b>Payable For Expenses</b> Sezal Finance Limited Hero Paper Stores Dilip Patel & Associates	172,459 209,066 310,703	42,696 11,550 -
		692,228	54,246
(i)	<b>Misc Receivables</b> Sezal Glass House Sezal International Limited (Claims) Sezal Realty & Infrastructure Limited Hitankshi Glass House Sezal Entertainment & Media Ltd Sezal Wealth and Advisors Limited	1,422,274 11,023,661 78,000 714,082 5,942,156 20,052	2,322,080 11,023,661 - 714,082 - -
		19,200,225	14,059,823

## Notes forming part of the financial statements

## Note 27 : DISCLOSURE UNDER ACCOUNTING STANDARDS (contd.)

Note	Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
		₹	₹
27.4	<b>Earnings per share</b>		
	<u>Basic</u>		
27.4.a	<u>Continuing operations</u>		
	Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	(34,114,561)	255,551,054
	Weighted average number of equity shares	33,550,000	28,851,370
	Par value per share	10	10
	Earnings per share from continuing operations - Basic	(1.02)	8.86
27.4.b	<u>Total operations</u>		
	Net profit / (loss) for the year attributable to the equity shareholders	(526,406,617)	(643,987,777)
	Weighted average number of equity shares	33,550,000	28,851,370
	Par value per share	10	10
	Earnings per share - Basic	(15.69)	(22.32)
	<u>Basic (excluding extraordinary items)</u>		
27.4.c	<u>Continuing operations</u>		
	Net profit / (loss) for the year from continuing operations attributable to the equity shareholders, excluding extraordinary items	(27,484,288)	258,251,018
	Weighted average number of equity shares	33,550,000	28,851,370
	Par value per share	10	10
	Earnings per share from continuing operations, excluding extraordinary items - Basic	(0.82)	8.95
27.4.d	<u>Total operations</u>		
	Net profit / (loss) for the year attributable to the equity shareholders, excluding extraordinary items	(519,776,345)	(641,287,813)
	Weighted average number of equity shares	33,550,000	28,851,370
	Par value per share	10	10
	Earnings per share, excluding extraordinary items - Basic	(15.49)	(22.23)
	<u>Diluted</u>		
	The diluted earnings per share has been computed by dividing the Net Profit After Tax available for Equity Shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding Warrants, Stock Options and Convertible bonds for the respective periods.		
27.4.e	<u>Continuing operations</u>		
	Profit / (loss) attributable to equity shareholders from continuing operations (on dilution)	(34,114,561)	255,551,054
	Weighted average number of equity shares for Basic EPS	33,550,000	28,851,370
	Add: Effect of warrants, ESOPs and Convertible bonds which are dilutive	246,301	1048116
	Weighted average number of equity shares - for diluted EPS	33,796,301	29,899,486
	Par value per share	10	10
	Earnings per share, from continuing operations - Diluted	(1.01)	8.55

## Notes forming part of the financial statements

## Note 27 : DISCLOSURE UNDER ACCOUNTING STANDARDS (contd.)

Note	Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
		₹	₹
27.4.f	<u>Total operations</u> Profit / (loss) attributable to equity shareholders (on dilution) Weighted average number of equity shares for Basic EPS Add: Effect of Warrants, ESOPs and Convertible bonds which are dilutive Weighted average number of equity shares - for diluted EPS Par value per share Earnings per share - Diluted	(526,406,617) 33,550,000 246,301  33,796,301 10 (15.58)	(643,987,777) 28,851,370 1,048,116  29,899,486 10 (21.54)
27.4.g	<u>Diluted (excluding extraordinary items)</u> <u>Continuing operations</u> Profit / (loss) from continuing operations attributable to equity shareholders (on dilution) Weighted average number of equity shares for Basic EPS Add: Effect of Warrants, ESOPs and Convertible bonds which are dilutive Weighted average number of equity shares - for diluted EPS Par value per share Earnings per share, from continuing operations, excluding extraordinary items - Diluted	(34,114,561)  33,550,000 246,301  33,796,301 10 (1.01)	255,551,054  28,851,370 1,048,116  29,899,486 10 8.55
27.4.h	<u>Total operations</u> Profit / (loss) attributable to equity shareholders (on dilution) Weighted average number of equity shares for Basic EPS Add: Effect of Warrants, ESOPs and Convertible bonds which are dilutive Weighted average number of equity shares - for diluted EPS Par value per share Earnings per share, excluding extraordinary items - Diluted	(519,776,345) 33,550,000 246,301  33,796,301 10 (15.38)	(641,287,813) 28,851,370 1,048,116  29,899,486 10 (21.45)
Note	The face value of shares for the previous period is taken at ₹.10/- as the Company has consolidated its Equity shares from ₹ 1/- per share to ₹10/- per share The Share Warrants issued by the Company for ₹1,45,00,000 have lapsed on 2nd June, 2011 since the warrant holders did not exercise their right to convert the same into equity shares of the face value of ₹10 each		
27.5	<u>Deferred tax (liability) / asset</u>		
	<u>Tax effect of items constituting deferred tax liability</u>		
	On difference between book balance and tax balance of fixed assets	59,605,885	446,356,496
	<u>Tax effect of items constituting deferred tax liability</u>	59,605,885	446,356,496
	<u>Tax effect of items constituting deferred tax assets</u>		
	Provision for compensated absences, gratuity and other employee benefits	977,865	621,415
	Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	8,693,458	2,725,365
	Brought forward losses	341,497,714	753,544,824
	MAT Credit	1,972,927	1,668,068
	Tax effect of items constituting deferred tax assets	353,141,964	758,559,672
	<b>Net deferred tax (Liability) / Asset as at Reporting Date</b>	<b>293,536,079</b>	<b>312,203,176</b>

Note The Company has plans to set up processing plant at multiple locations and has projected profits for the future years which would absorb current accumulated losses. To begin with the Company has already acquired equipment for its plant at Dadra thereby increasing the production capacity substantially to meet the demand from customers.

## Notes forming part of the financial statements

## Note 27 : DISCLOSURE UNDER ACCOUNTING STANDARDS (contd.)

27.6	<b>Discontinuing operations</b> During the year, pursuant to the approval of the Shareholders and other authorities as required, the Company has transferred the Float Glass Division at Bharuch to Saint Gobain Glass India Limited on a slump sale basis with effect from the close of business on 31st May, 2011 for a consideration of ₹686 crores less a Net Current Asset of ₹23 crores. The Float Glass Division business has been reported as part of Float Glass Division segment of the Company. The results of the discontinued business during the year until discontinuation were as under:
------	---

	<u>Profit / (Loss) from ordinary activities</u>	<b>For the period 1st April 2011 to 31st May, 2011</b>	<b>For the year ended 31st March, 2011</b>
		₹	₹
	Sale of products	502,610,808	2,414,001,011
	Other operating revenue	45,306,318	14,779,649
	<b>Total revenue (A)</b>	547,917,126	2,428,780,660
	Cost of materials consumed	389,223,666	1,707,031,636
	Purchases of stock-in-trade	-	7,633,796
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(50,599,154)	(116,632,224)
	Employee Cost	22,708,230	117,445,413
	Finance costs	228,631,467	644,188,200
	Depreciation and amortisation expense	75,745,888	378,450,093
	Other expenses	246,207,071	587,921,791
	<b>Total expenses (B)</b>	911,917,168	3,326,038,704
	Profit / (Loss) before tax from ordinary activities (A-B)	(364,000,042)	(897,258,045)
	Add / (Less): Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operation	(128,292,015)	-
		(492,292,057)	(897,258,045)
	Tax expense		
	- on ordinary activities attributable to the discontinuing operations	-	-
	<b>Profit / (Loss) after tax of discontinuing operations</b>	(492,292,057)	(897,258,045)
		<b>As at 31st May, 2011</b>	<b>As at 31st March, 2011</b>
		₹	₹
	Carrying amount of assets as at the Balance Sheet date relating to the discontinued business to be disposed off	7,575,464,278	7,704,815,420
	Carrying amount of liabilities as at the Balance Sheet date relating to the discontinued business to be settled	6,436,399,578	6,498,690,617
		<b>As at 31st May, 2011</b>	<b>As at 31st March, 2011</b>
		₹	₹
	Net cash flow attributable to the discontinued business		
	Cash flows from operating activities	124,052,179	243,711,372
	Cash flows from investing activities	26,566,693	(456,928,451)
	Cash flows from financing activities	(150,531,290)	136,035,362

## Historical Financial Highlights

Prepared as per conventional Method to facilitate comparison

(Rs. in Crores)

Financial Performance	2011-12	2010-11	2009-10	2008-09	2007-08
<b>Profit &amp; Loss Account</b>					
Gross Sales	100.76	279.63	44.90	37.11	44.08
Total Income	108.25	294.19	51.17	51.59	58.94
Depreciation	9.92	40.09	2.65	2.50	2.16
Interest	24.59	66.74	3.81	3.77	3.88
Profit Before Taxation	(49.80)	(96.21)	1.32	3.17	6.42
Profit After Taxation	(52.64)	(63.90)	2.19	2.12	4.65
Earnings Per Share	-	-	0.08	0.08	0.25
<b>Balance Sheet</b>					
Fixed Assets	153.02	840.34	668.16	389.57	131.34
Investments	3.73	0.09	0.06	0.06	0.06
Net Current Assets	99.71	37.09	11.02	30.97	26.04
Net Deffered Tax Assest	29.35	31.22	-	-	-
Loan Funds	54.73	623.62	517.55	276.18	103.59
Net Deffered Tax Liability	-	-	1.10	2.48	2.54
Profit & Loss A/c	-	-	-	-	-
<b>Net Worth</b>	<b>231.08</b>	285.13	160.59	141.95	51.32
Share Capital	33.55	33.55	28.80	28.00	18.81
Share Warrant / Share					
Application Money	-	1.45	4.20	0.00	0.00
Reserve and Surplus	*197.53	*250.13	127.59	113.95	32.51
<b>Net Worth</b>	<b>231.08</b>	285.13	160.59	141.95	51.32

\* Including revaluation reserve

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## GREEN INITIATIVE

To,

The Members,

Re: Intimation of email address for receipt of documents electronically

Your Company, being a responsible corporate citizen, welcomes and support the 'Green Initiative' taken by the Ministry of Corporate Affairs, Government of India (MCA) vide its circular nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011. The above initiative will help in conserving paper which is a natural resource as also result in substantial savings on printing and posting of annual reports and other documents of your Company. In terms of the enabling provisions of these Circulars, the Company will henceforth effect electronic delivery of Annual reports and other corporate communications to the members at their email address registered for the said purpose.

For supporting this initiative, if you hold shares in:

Electronic Form, please intimate your email address to your Depository participant (DP) or if you do not wish to register your email id with DP then intimate your email address on [compliance@sezalglass.com](mailto:compliance@sezalglass.com). The same will be deemed to be your registered email address for serving notices/annual report/other corporate documents etc.

Physical Form, please send a letter duly signed by the first/sole holder as per the specimen signature recorded with Company's Registrar & Transfer Agents (RTA) quoting the full name and folio number at the following address:

Link Intime India Pvt Ltd

Unit: Sezal Glass Ltd.

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

(A format for registering your email id is given below)

Kindly note that if you do not register your email address, a physical copy of the annual report and other corporate documents will be sent to you free of cost as per current practice. Such documents will also be displayed on the Company's website [www.sezalglass.com](http://www.sezalglass.com)

We strongly recommend to you to opt for electronic mode of communication which will go a long way in supporting this 'Green Initiative' and contribute towards making the world cleaner and greener as our contribution to Corporate Social Responsibility.

For Sezal Glass Ltd.

Ashwin S. Shetty

G. M. Compliance, Company Secretary

### Format for registering email id:

I/We, \_\_\_\_\_ holding shares of Sezal Glass Ltd. wish to receive all documents/ notices etc. from the Company through e-mail and the Company is hereby advised to record my/our below mentioned e-mail id for this purpose.

Folio No. : \_\_\_\_\_

E-mail ID : \_\_\_\_\_

Thanking You,

\_\_\_\_\_  
Signature of First Holder

(as per specimen signature registered)

\_\_\_\_\_  
Signature of Joint Holder(s)

(as per specimen signature registered)

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**SEZAL GLASS LTD.**

Registered Office: 201/202, Abhilasha, 2nd Floor, S. V. Road  
Kandivali (West), Mumbai- 400067.

**Attendance Slip**

I hereby record my presence at the Fourteenth Annual General Meeting of the Company at Plot No. 173/174, Sezal Encasa, S. V. Road, Kandivali (West), Mumbai 400 067 on Saturday, September 29, 2012 at 10.00 AM

Name of the Member

Registered Folio No.

No. of Shares

Client Id. No.

DP. Id. No.

Name of the Proxy

Signature of the Member or Proxy

Note: The Member/Proxy/Representative attending the Fourteenth Annual General Meeting of the Company is requested to bring this slip duly filled in and present the same at the entrance to the Meeting.

**SEZAL GLASS LTD.**

Registered Office: 201/202, Abhilasha, 2nd Floor, S. V. Road  
Kandivali (West), Mumbai- 400067.

**Proxy Form**

I / We.....of.....in the  
District of.....being a member / members of the above  
named Company hereby appoint .....of.....  
.....in the District of ..... or failing to him/her.....  
.....of.....in the District of.....  
.....as my/our proxy/proxies to vote for me/us on my/our behalf at the Fourteenth Annual General Meeting of the Company to be held at Plot No. 173/174, Sezal Encasa, S.V. Road, Kandivali (West), Mumbai - 400 067 on Saturday, September 29, 2012 at 10.00 AM and at any adjournment thereof.

Signed this.....day of ..... 2012

Registered Folio No.....

Client Id. No.....

DP. Id. No.....

No. of Shares .....

Affix  
Re.1/-  
Revenue  
Stamp

Signature of the Member

Note: This Proxy Form in order to be effective should be duly filled in, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting. The Proxy need not be a member of the Company.

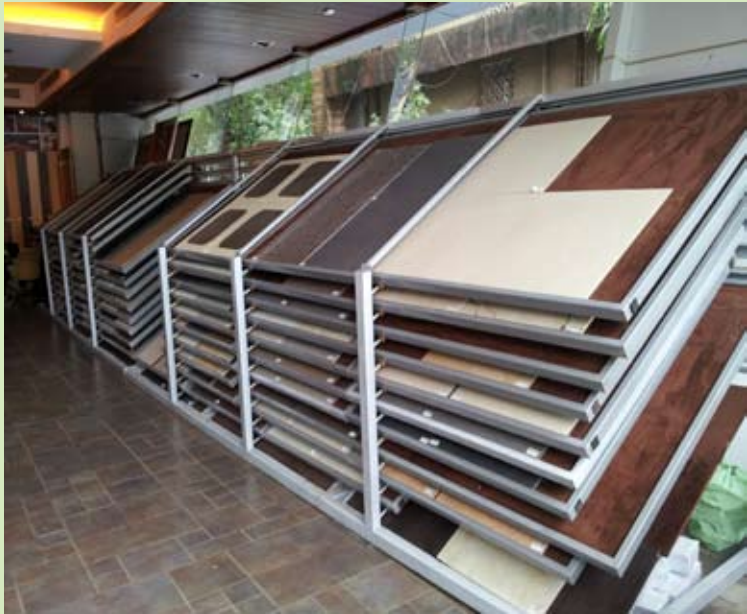
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## NOTES

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Tiles Section - Kandivali Showroom



Display of Sanitary Ware Products - Kandivali Showroom



Company's Factory at Silvassa



# Book Post

**If undelivered, please return to:**

**SEZAL GLASS LTD.**

**201/202, Abhilasha, 2nd floor**

**S. V. Road, Kandivali (West)**

**Mumbai - 400 067.**