

Report On

# Corporate Governance



## I. PHILOSOPHY

The Board of Directors at Sejal Glass Limited view their role as the trustee of various stake holders and the society at large and it is their endeavor to adopt the best Corporate Governance Practices which interalia include transparency, accountability and fairness in all its dealings.

The Board believes that appropriate & timely disclosures, transparent accounting policies and a strong and independent Board go a long way in maintaining good corporate governance, preserving shareholders' trust and maximizing long-term corporate value.

Your Company is focused to operate within the well accepted parameters of ethics and integrity and constantly endeavors to adopt best practices of Corporate Governance. The Company is in compliance with the requirements of the Guidelines on Corporate Governance stipulated under Clause 49 of the Listing Agreement with Stock Exchanges.



## II. BOARD OF DIRECTORS

The composition of the Board is as given below:

Name of the Director	Category	Attendance Particulars		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. Amrut S. Gada	Chairman and Managing Director, Promoter Director	4	4	Yes	5	-	-
Mr. Mitesh K. Gada	Executive, Promoter Director	4	4	Yes	5	-	-
Mr. R. Rengarajan	Non Executive, Independent	4	3	Yes	NIL	-	-
Ms. Parul Mehta <sup>1</sup>	Non Executive, Independent	3	2	No	NIL	-	-
Ms. Sonali Tipre <sup>2 &amp; 3</sup>	Non Executive, Independent	2	2	No	NIL	-	-
Mr. Praful Nisar <sup>4</sup>	Non Executive, Independent	1	1	No	NIL	-	-

\*Directorship excluding Private Companies.

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

1. Ms. Parul Mehta resigned from the Directorship of the Company w.e.f. 14/11/2013.
2. Ms. Sonali Tiple was appointed as an Independent Director of the Company w.e.f. 14/11/2013.
3. Ms. Sonali Tiple resigned from the Directorship of the Company w.e.f. 14/02/2014.
4. Mr. Praful Nisar was appointed as an Independent Director of the Company w.e.f. 14/02/2014.

### III. BOARD MEETINGS

During the financial year 2013-2014, the Company held 4 meetings. The dates of the meeting are 30/05/2013, 14/08/2013, 14/11/2013 and 14/02/2014.

### IV. AUDIT COMMITTEE

The Company has complied with the requirements of Clause 49 of the Listing Agreement of the Stock Exchange and Section 292A of the Companies Act, 1956 as regards composition of the Audit Committee.

The Audit Committee comprises of experts specializing in accounting/financial management. The present Audit Committee of the Board comprises of Mr. R. Rengarajan– Chairman, Mr. Mitesh K. Gada – Member, Mr. Praful Nisar - Member  
Mr. Ashwin S. Shetty, G.M. Compliance, Company Secretary acts as Secretary of the Committee.

The Company has held 4 meetings during the financial year 2013–14 i.e., 30/05/2013, 14/08/2013, 14/11/2013 and 14/02/2014 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 2013-14	
		Held	Attended
Mr. R. Rengarajan	Non Executive, Independent	4	3
Mr. Mitesh Gada	Executive Director, Promoter Director	4	4
Ms. Parul Mehta <sup>1</sup>	Non Executive, Independent	4	2
Ms. Sonali Tiple <sup>2 &amp; 3</sup>	Non Executive, Independent	2	2
Mr. Praful Nisar <sup>4</sup>	Non Executive Director, Independent	1	1

1. Ms. Parul Mehta resigned from the Directorship of the Company w.e.f. 14-11-2013.
2. Ms. Sonali Tiple was appointed as an Independent Director of the Company w.e.f. 14-11-2013.
3. Ms. Sonali Tiple resigned from the Directorship of the Company w.e.f. 14-02-2014
4. Ms. Praful Nisar appointed as an Independent Director of the Company w.e.f. 14-02-2014

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.

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 comprises of Mr. R. Rengarajan – Chairman, Mr. Mitesh K. Gada – Member, Mr. PrafulNisar - 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 In time 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 Company received 1 Complaint and same was resolved.

The committee met four times during the year on 30/05/2013, 14/08/2013, 14/11/2013 and 14/02/2014. The necessary quorum was present for all the meetings.

#### VI. REMUNERATION COMMITTEE

The Remuneration Committee comprises of Mr. R. Rengarajan Chairman, Mr. Mitesh K. Gada – Member and Mr. Praful Nisar– 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 2013-14 is as follows:

Name of the Director	Sitting Fees (Rs.)	Salary and Perquisites (Rs.)	Total (Rs.)
Mr. Amrut S. Gada	-	45,00,000	45,00,000
Mr. Mitesh K. Gada	-	30,00,000	30,00,000
Mr. R. Rengarajan	45000	-	45000
Ms. Parul Mehta	30000	-	30000
Ms. Sonali Tipre	30000	-	30000
Mr. Praful Nisar	15000	-	15000

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.

## VIII. 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.

## IX. GENERAL BODY MEETINGS:

The details of last three Annual General Meetings (AGM's) held are as follows:

Year	No. of AGM	Date and Time of AGM	Venue	No. of special resolutions passed
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
2011-2012	14	29/09/12 at 11.00 A.M.	173/174, Sejal Encasa, S. V. Road, Kandivali (West), Mumbai – 400 067	4
2012-2013	15	28/09/13 at 11.00 A.M.	173/174, Sejal Encasa, S. V. Road, Kandivali (West), Mumbai – 400 067	Nil

## X. 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.

#### XI. MANAGEMENT, DISCUSSIONS AND ANALYSIS REPORT

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

#### XII. 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.sejalglass.co.in](http://www.sejalglass.co.in).

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.

#### XII. GENERAL SHAREHOLDER INFORMATION

##### 1. 16th Annual General Meeting:

Day, Date and Time: Tuesday, September 30, 2014 and 12.00 Noon.

Venue: 173174, Sejal Encasa, 6th Floor, S.V. Road, Kandivali (West), Mumbai - 400 007

##### 2. Book Closure:

Monday, September 22, 2014 till Tuesday, September 30, 2014 (both days inclusive)

##### 3. Financial Calendar:

**First Quarter Result:** First/Second week of August, 2014

**Second Quarter Results:** First/Second week of November, 2014

**Third Quarter Results:** First/Second week of February, 2015

**Annual Results:** Third/Fourth week of May, 2015

**Annual General Meeting:** September 2015

##### 4. Listing on Stock Exchanges:

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

##### 5. Stock Codes:

NSE CODE : Sejal

BSE CODE : 532993

International Securities

Identification Number (ISIN) : INE955101036

Corporate Identity Number (CIN) allotted by

The Ministry of Corporate Affairs : L26100MH1998PLC117437

##### 6. Custodial Fees to Depositories:

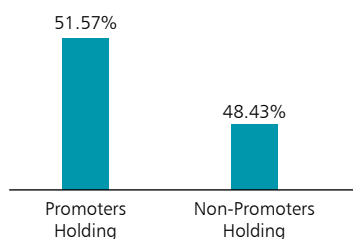
The Annual Custodial Fees for the Financial Year 2013 – 14 has been paid to the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL)

##### 7. Market Price Data: High/ Low in each month of the Financial Year

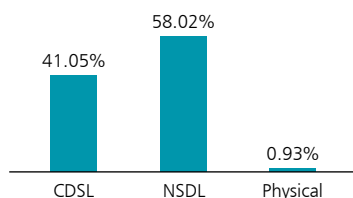
Month	National Stock Exchange (NSE) (In Rs. Per Share)		Bombay Stock Exchange (BSE) (In Rs. Per Share)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April 2013	5.05	3.95	5.08	3.81
May 2013	6.06	5.01	8.29	4.01
June 2013	6.09	6.09	7.79	4.29
July 2013	6.06	6.00	4.28	3.45
August 2013	5.07	5.07	4.62	3.34
September 2013	5.45	4.95	5.27	4.49
October 2013	4.95	4.75	5.00	3.76
November 2013	4.35	4.05	3.75	3.01
December 2013	4.01	3.06	3.96	2.99
January 2014	4.25	3.05	5.05	3.04
February 2014	3.75	3.03	4.35	3.38
March 2014	3.55	3.15	3.87	2.83

Source: NSE and BSE Websites.

## SHAREHOLDING PATTERN



## DEMATERIALIZATION OF SHARES



## 8. Shareholding Pattern as on 31st March, 2014

Category	Total No. of Shares	Percentage
<b>A Promoters' Holding</b>		
1 Promoters		
Indian Promoters	16077838	47.92%
Foreign Promoters	-	-
2 Person Acting in Concert	1225500	3.65%
<b>Total</b>	<b>17303338</b>	<b>51.57%</b>
<b>B Non-Promoters' Holding</b>		
3 Institutional Investors	-	-
a. Mutual Funds and UTI	-	-
b. Banks, Financial Institutions, Insurance Companies	-	-
c. FIs	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
4 Others	-	-
a. Private Corporate Bodies	4050061	12.07%
b. Indian Public	11993671	35.75%
c. NRIs/OCBs	79876	0.24%
d. Clearing Members	122622	0.37%
e. Trusts	432	0.001%
<b>Total</b>	<b>16246662</b>	<b>48.43%</b>
<b>Grand Total</b>	<b>33550000</b>	<b>100%</b>

## 9. Distribution of shareholdings as on March 31, 2014

Categories	Total Number of Shareholders	Percentage	Total Number of Shares Held	Percentage
1 - 5000	9690	85.86	1107408	3.30
5001 - 10000	593	5.25	482383	1.44
10001 - 20000	319	2.83	496110	1.48
20001 - 30000	140	1.24	354438	1.06
30001 - 40000	70	0.62	254457	0.76
40001 - 50000	86	0.76	402525	1.20
50001 - 100000	138	1.22	1107755	3.30
Above 100000	250	2.22	29344924	87.47
<b>Total</b>	<b>11286</b>	<b>100</b>	<b>33550000</b>	<b>100</b>

10. Plant Location: Plot No 259/10/1, Village Dadra, Union Territory of Dadra Nagar and Haveli, District, Silvassa – 396 191. Tel: 0261-2669981, Fax: 0261-2669981
11. Registered Office: Sejal Encasa, 173/174, 3rd Floor, Opp. Bata Showroom, S.V. Road, Kandivali (West), Mumbai – 400 007, Tel: 022-28665100, Fax No. 022-28665102, Website: [www.sejalglass.co.in](http://www.sejalglass.co.in), Email: [investor.relations.co.in](mailto:investor.relations.co.in), [compliance@sejalglass.co.in](mailto:compliance@sejalglass.co.in).
12. 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, Website: [www.linkintime.co.in](http://www.linkintime.co.in), Email: [sglfd@linkintime.co.in](mailto:sglfd@linkintime.co.in),

13. Other constituents of the Sejal Group within the meaning of "Group" under SEBI (Substantial Acquisition of Share and Takeover) Regulations, 1997 include:

- Sejal Realty & Infrastructure Limited
- Sejal Finance Limited
- Sejal Insurance Broking Limited
- Sejal Glass Craft Private Limited
- Sejal International Limited
- Sejal Entertainment & Media India Limited
- Sejal Firebaan Glass Private Limited
- Sejal Infraprojects Private Limited
- Inventure Sejal Realtors Private Limited
- Sejal Wealth & Insurance Advisors Limited
- Jaycee Sejal Developers Private Limited
- Bhairaav Sejal Realtor Private Limited
- Primera Vista Lifestyle Private Limited
- Synergy Wood & Glass Private Limited
- Bonanza Float Glass Private Limited
- Sejal Bluecity Developers Private Limited
- Sejal Arjuna Realty Private Limited
- Sejal Bluecity Realtors Private Limited
- Sejal Bluecity Buildcon Private Limited
- Brizeal Realtors And Developers Private Limited
- Sejal Shakti Realtors Limited
- Kress Italian Food Specialties Private Limited
- Brinda Buildcon Private Limited
- Khushi Realtors And Developers Private Limited
- Hitankshi Realtors And Developers Private Limited
- Zeal Realty Private Limited

14. 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, 2014.

For and on behalf of the Board of Directors  
**Amrut S. Gada**  
Chairman and Managing Director

Place: Mumbai

Date: August 14, 2014



## DECLARATION BY THE MANAGING DIRECTOR ON COMPLIANCE WITH CODE OF CONDUCT

I, Amrut S. Gada, Chairman & Managing Director of Sejal 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, 2014.

**Amrut S. Gada**

*Chairman and Managing Director*

Place: Mumbai

Date: August 14, 2014

## 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 Sejal Glass Ltd.

Dear Sirs,

- a) We have reviewed the financial statements and the cash flow of Sejal Glass Ltd. ('the Company') for the year ended March 31, 2014 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

**Amrut S. Gada**

*Chairman and Managing Director*

**A. Venkataramanan**

*CFO*

Place: Mumbai

Date: August 14, 2014

## CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of  
**SEJAL GLASS LIMITED**  
173/174, Sejal Encasa,  
3rd Floor, S.V. Road,  
Kandivali (West),  
Mumbai - 400 007

We have examined all relevant records of SEJAL 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, 2014, 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.

Mumbai  
Dated 14th August, 2014

For **M. G. KALELKAR & ASSOCIATES**  
*Company Secretaries*

**MILIND G KALELKAR**  
*Proprietor*  
FCS-3854, CP-1877