



Amrut S. Gada  
Chairman & Managing Director

Dear Shareholders,

Our nation has been witnessing appreciable growth in almost all sectors of economy. Reserve Bank of India, the most conservative appraiser of the economy, revised the GDP growth for the year 2006-07 upwards from 9.2 percent to 9.4 percent. This compares extremely well with the global GDP growth which declined from 5.4 percent in 2006 to 4.9 percent in 2007 as mentioned in the World Economic Outlook of the International Monetary Fund.

General business outlook for 2007-08 also appears ebullient with the efforts of the Govt to rein inflation bearing fruit. The projection of real GDP growth in 2007-08 is around 8.5 percent. All these factors augur well for the Indian Industry. The annual survey conducted by RBI also yielded optimistic response from the industry on sales volume, order book and net profit. According to that survey business confidence during July 2007 continued to be high.

Your company also shares such robust attitude. We have completed 7 years of operation as on 31.03.2007. During this period your company has moved from strength to strength.

As conveyed to you in my last year's report, the lamination facility commenced its operation and the benefit from it has started accruing. I need not elaborate on Sejal Encasa, one stop Mall for an elegant home. The Mall is capturing the attention of the target clients. The footfall there reveals increasing trend and the Mall, as envisaged, will be the bench mark for such activity.

The float glass project which found a mention in my last year's report is evolving into reality. Necessary location, loan tie up, technology arrangement have been finalized. The construction activity also has commenced at the site. As is the attitude of Sejal, there has not been any compromise in quality in any of the choices for the project. Only the best has been contracted to deliver their best to your company. I am certain that this will ensure the emergence of your company as the National Leader in glass manufacturing in just a few years from now. Indications in this regard are already visible with the active interest shown by the Private Equity Investors and also Strategic Foreign Investors.

Moving to number crunching, I am happy to place before you the following growth achieved by your company during 2006-07 - Sales and Operating Income increased by 29.61% compared to 23.27% of last year. PAT increased by 25.34% during 2006-07 against a reduction during 2005-06. With the establishment of three different SBUS based on the client targeting viz Architectural, Retail, and Float Glass operations, the profit accentuation will be felt more by the share holders 2007-08 onwards.

During last year your company commissioned SBI Capital Markets Ltd and A.C.Nielson to analyze the glass markets and its potential. Both the agencies confirmed the growth capacity of the glass industry. According to them the float glass demand grew at a CAGR of 11% during the last five years and is expected to grow at the rate of 12% from now. The growth drivers are the construction and automobile industries.

I hasten to add here that according to a recent survey conducted by A.C.Nielson, India, with 135 points, rides high as a nation with most optimistic people in the world. This survey indicates that 93 percent in the Indians consider their job prospects to be excellent or good. This confidence will be translated into higher demand for construction and automobiles. Against this back drop, I can state with reasonable confidence that the steps taken by your company are in the proper direction and the share holders will witness the achievements of the company.

Having said this, I also wish to state here that all these giant strides of the company are the culmination of proper planning and analysis. Each and every move has been subjected to elaborate analysis in order to avoid any inherent pit fall. The additional facility, establishing the state of the art mall, or formulating the float project all have been scrutinized thoroughly. On this high note I promise you that the journey ahead will be interesting.

I sincerely thank all of you, other directors, our employees / staff, our bankers and our customers who made this possible.

For Sejal Architectural Glass Limited

( Amrut S. Gada )  
Chairman and Managing Director