HINDUSTHAN NATIONAL GLASS & INDUSTRIES LTD.
Registered Office : 2, Red Cross Place, Post Box : 2722, Kolkata - 700 001, India
Tel. : 2254 3100, Fax : (91) (33) 2254 3130
E-mail : hngkol@hngil.com, Website : www.hngil.com
CIN - L26109WB1946PLC013294

HNG/SE/043 October 1, 2018

1. The Dy.Manager (Listing)
   BSE Limited
   Phiroze Jeejeebhoy Towers,
   Dalal Street, Mumbai 400 023.
   (Scrip Code: 515145)

2. The Manager, Listing Department
   National Stock Exchange of India Limited
   Exchange Plaza, Bandra Kurla Complex
   Bandra (E), Mumbai 400 051
   (Scrip Code: HINDNATGLS)

3. The Secretary,
   The Calcutta Stock Exchange Ltd.,
   7, Lyons Range,
   Kolkata-700 001
   (Scrip Code: 10018003)

Dear Sir/Madam,

Sub: Submission of Annual Report for the year ended 31st March, 2018

Pursuant to Regulation 34(1) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of Annual Report of the Company for the financial year ended 31st March, 2018, for your information and records.

Kindly acknowledge receipt.

Thanking you,

Yours faithfully,
For Hindusthan National Glass & Industries Ltd.

Vikash Agarwal

(Vikash Kumar Agarwal)
Company Secretary

Encl: as above.

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018 (Standalone)

Rs in Lakhs

I

Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (audited figures after adjusting for qualifications)
Turnover/ Total Income	198,571	Not Applicable
Total Expenditure	228,386	
Net Profit/ (Loss)	(29,451)	
Earnings Per Share	(33.36)	
Total Assets	331,541	
Total Liabilities	316,876	
Net Worth	(5,689)	
Any other financial item (as felt appropiate by the management)	Nil	

II

a. Details of Audit Qualification:
(i) Qualification regarding payment of managerial remuneration, due to inadequacy of profit, in excess of limits laid down in the Companies Act, 2013.
(ii) Qualification regarding levy of entry tax.
(iii) Qualification regarding Going Concern.

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of qualification:
(i) Thrice, since March 2016.
(ii) Twice, since March 2017
(iii) Once, pertaining only to the year ended March 31, 2018.

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable

(i) Management's estimation on the impact of audit qualification: Not Applicable in all the above cases

(ii) If management is unable to estimate the impact, reasons for the same:

(a) During the year, the company has made payment of remuneration of Rs. 642 Lakhs to the Chairman and Managing Director & Vice chairman and Managing Director of the company which has exceeded the maximum limit as prescribed under schedule V of the Companies Act 2013. The shareholders through Postal Ballot have already approved the remuneration vide resolution dated 30th March 2015. However, due to no profit or inadequate profit, the remuneration as approved by the shareholders has exceeded the limit as prescribed under Schedule V of the Companies Act 2013. Necessary applications had already been made to the central government for obtaining approval for payment of excess managerial remuneration to both VC and MD and the same is awaited.
(b) The effect of the decision of Supreme Court on entry tax matter is yet to be given by the various state governments and the amount of said levy is yet to be determined. Accordingly, the same has not been recognised by the company.
(c) The company has submitted projections to the lenders which are under consideration. The company and its promoters are in the process of regularising the situations. Considering the ameliorative measures taken by the company, expected improvement in the performance of the Company over a period of time and its asset coverage, the accounts of the Company have been prepared on a going concern basis.
Due to reasons given herein above, the impact of all the above matters could not be ascertained and given effect by us.

(iii) Auditors' Comments on (i) or (ii) above:
(a) Pending the approval from the Central Government with regard to the remuneration payable to the Managing Directors and Vice chairman, the impact of the above is presently not ascertainable and as such could not be commented upon by us.
(b) As the various state government and judicial forums is yet to take final decision, the impact of the above is not ascertainable and as such could not be commented upon by us.
(C) As the lenders are yet to take final decision, the impact of the above is not ascertainable and as such could not be commented upon by us.

III

Sanjay Somany Chairman & Managing Director	
Ratna Kumar Daga Chairman Audit Committee	
Bimal Kumar Garodia Sr. Vice President & Chief Financial Officer	
For Doshi Chatterjee Bagri & Co. LLP Chartered Accountants FRN: 325197E/E300020 Mridula Jhunjhunwala Partner M No. 056856	Doshi Chatterjee Bagri & Co LLP Kolkata Chartered Accountants

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018 (Consolidated)

Rs in Lakhs

I

Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (audited figures after adjusting for qualifications)
Turnover/ Total Income	198,571	Not Applicable
Total Expenditure	228,386	
Net Profit/ (Loss)	(29,451)	
Earnings Per Share	(32.28)	
Total Assets	332,816	
Total Liabilities	316,876	
Net Worth	(4,411)	
Any other financial item (as felt appropiate by the management)	Nil	

II

a. Details of Audit Qualification:
(i) Qualification regarding payment of managerial remuneration, due to inadequacy of profit, in excess of limits laid down in the Companies Act, 2013.
(ii) Qualification regarding levy of entry tax.
(iii) Qualification regarding Going Concern.

b. Type of Audit Qualification: Qualified Opinion
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For Doshi Chatterjee Bagri & Co. LLP Chartered Accountants FRN: 325197E/E300020 Mridula Jhunjhunwala Partner M No. 056856	Doshi Chatterjee Bagri & Co LLP Kolkata Chartered Accountants

Annual Report 2017-18

IS BACK

HINDUSTHAN NATIONAL GLASS & INDUSTRIES LIMITED

Forward looking statements

In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realised, although we believe that we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

This Annual Report is available online at www.hngil.com

CONTENTS

Directors' Profile

- **Shri Sanjay Somany (DIN: 00124538)**

  Shri Sanjay Somany, aged 60 years, is the Chairman & Managing Director of the Company and Ex-Managing Director of Glass Equipment (India) Limited. Having gained more than three decades of experience in glass industry, Shri Somany has led the evolution of HNG to the forefronts of technological excellence. He presently oversee the operations and management of the Company. A Commerce Graduate, Shri Somany, also holds a diploma in diesel engineering. Previously, he has also held a host of notable positions in industry bodies, such as the President of All India Glass Manufacturers' Federation. At HNG, Shri Somany is member of the Treasury Management Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee.

  Directorships held in other companies

  • Spotlight Vanijya Limited • AMCL Machinery Limited • Mould Equipment Limited • Khazana Marketing Private Limited • Brabourne Commerce Private Limited • Spotme Tracon Private Limited • Niket Advisory & Trading Company LLP (Designated Partner) • The All India Glass Manufacturers' Federation

- **Shri Mukul Somany (DIN: 00124625)**

  Shri Mukul Somany, aged 53 years, is the Vice-Chairman & Managing Director of the Company. A second-generation entrepreneur, he holds more than 26 years of experience in the glass industry. At HNG, he has been the driving force behind Company's acquisitions, marketing and branding strategies over the years. He also oversees the administration function in the Company. He holds a Bachelors of Commerce (Hons.) degree. In the past he has held reputed posts in the industry federations, notably being the President of All India Glass Manufacturer's Federation (AIGMF), Executive Committee Member of Eastern Region Confederation of Indian Industry (CII) & Member of CII National Council. He was the Ex-Chairman, Eastern Region of CII and also a Member of the Bengal Rowing Club. At HNG, Shri Somany is a member of the Audit Committee, Treasury Management Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee.

  Directorships held in other companies

  • Spotlight Vanijya Limited • AMCL Machinery Limited • Mould Equipment Limited • Rungamattee Trexim Private Limited • Saurav Contractors Private Limited • Brabourne Commerce Private Limited • Niket Advisory & Trading Company LLP (Designated Partner) • The All India Glass Manufacturers' Federation • Indian Chamber of Commerce • Confederation of Indian Industry • The Bengal Rowing Club (Member) • Confederation of Indian Industry • Calcutta Cricket & Football Club (Member)

- **Shri Ratna Kumar Daga (DIN: 00227746)**

  Shri Ratna Kumar Daga, aged 78 years, is an Independent Director of the Company. He has vast experience in the field of engineering and finance. During his tenure as the Chairman of Indian Institute of Materials Management, Kolkata, the professional body made significant strides in its activities. Calcutta Junior Chamber was adjudged the best unit in India under his Presidentship. He then headed a three-member team to Sri Lanka to conduct leadership development courses. As a President of Federation of Small and Medium Industries (FOSMI), he led a business delegation comprising 15-member team to Singapore, Malaysia and Hong Kong. He holds a Post Graduate degree in Business Management from the UK. He is the Honorary Secretary of Satyanand Yoga Kendra (Kolkata branch) of Bihar School of Yoga. At HNG, Shri Daga is the Chairman of the Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee and member of Treasury Management Committee.

  Directorships held in other companies

  • Somany Ceramics Limited • S.R. Continental Limited • Trutools (India) Private Limited • LSI Financial Services Private Limited • Shankar Estates Private Limited • Goenka Leasing & Finance Private Limited • Onkar Plaza Private Limited • Indo Financiers Private Limited • N T Estates and Investments Private Limited • Innovative Impex Private Limited

Directors' Profile

- **Shri Dipankar Chatterji (DIN: 00031256)**

  Shri Dipankar Chatterji, aged 70 years, is an Independent Director of the Company. He is a Chartered Accountant and the senior partner of the firm, L. B. Jha & Co. Chartered Accountants. He is also Former Chairman of the Confederation of Indian Industry (CII- eastern region) and is currently a Member of the National Council of CII. He was Member of the Central Council of the Institute of Chartered Accountants of India and the Chairman of the Audit Practices Committee of the ICAI. He was appointed as member of the Padmanabhan Committee (set up to review Reserve Bank of India's supervision over banks) and the committee set up to advice on NABARD's supervisory role over RRBs and Cooperative Banks, and other committees and task forces. He was the Former President of Indo American Chamber of Commerce (eastern region). At HNG, Shri Chatterji is a member of the Audit Committee, Treasury Management Committee and Nomination & Remuneration Committee.

  Directorships held in other companies

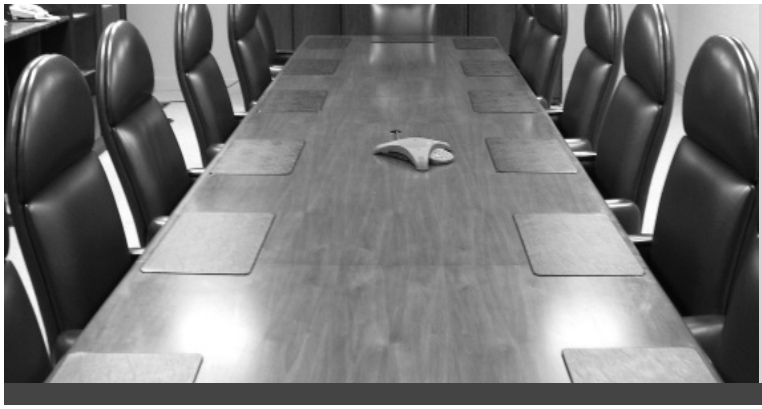
  • West Bengal Industrial Development Corporation Limited • TRF Limited • Peerless Financial Services Limited • Neotia Healthcare Initiative Limited • Bengal Peerless Housing Development Company Limited • The Peerless General Finance & Investment Company Limited • Delphi Management Services Private Limited • Obeetee Textiles Private Limited • Magnum Counsellors Private Limited • Jagaran Microfin PrivateLimited • Indian Copper Development Centre

- **Smt. Rita Bhimani (DIN: 07106069)**

  Smt. Rita Bhimani is the Founder-CEO of Ritam Communications, a Corporate Public Relations Consultancy firm. Master's degree holder from the University of Georgia, U.S.A, Rita Bhimani is one of the veterans of the Public Relations profession where she has spent 41 years. She was nominated to the Board of Directors of the International Public Relations Association, a worldwide body of PR professionals, and was the Chairman of its Education and Research Committee in which capacity she conducted workshops around the world on Educating the PR Educators – in Helsinki, Toronto, Melbourne and Mumbai. She has authored two books on Public Relations – The Corporate Peacock – New Plumes for Public Relations and FACE up! Tenets, Techniques Trends, of Public Relations in the 21st Century. Smt. Rita Bhimani is a prolific columnist for mainline dailies and magazines. She is a soft-skills trainer and is frequently invited to speak at conferences on HR, PR and Marketing in Bangladesh. She is a well-known anchorperson for industry meets and book releases and a speaker at professional conferences. She is a visiting faculty member at the Pailan School of International Studies where she teaches a three year degree course in Media Studies. She was commissioned by the Ministry of External Affairs, Public Diplomacy Division, to do a documentary on Raja Rammohun Roy. She was the creative producer and she got the award winning film maker Goutam Ghose to direct the film which was premiered at the Nehru Centre, London. Smt. Rita Bhimani is Vice President of the Ananda Shankar Centre for Performing Arts, and is one of the Regional Advisory Committee of the ICCR, Kolkata. She was nominated to the Hall of Fame by the Public Relations Council of India in Bengaluru and the Public Relations Society of India, an association with which she is still closely associated and has held various offices, has honoured her with honorary membership. At HNG she is a member of the Corporate Social Responsibility Committee and Nomination & Remuneration Committee.

  Directorships held in other companies

  - Asian Hotels (East) Ltd.



Management Discussion and Analysis

Glass Bottle Industry Structure and developments:

Globally

The global demand for glass bottles continues to surge like the effervescence of carbonated drinks. Consumers in developed markets such as Europe still prefer buying beer, wine or non-alcoholic beverages in glass bottles, which continue to be identified for their characteristic advantage in terms of hygiene, aesthetic appeal, durability, and being impermeable.

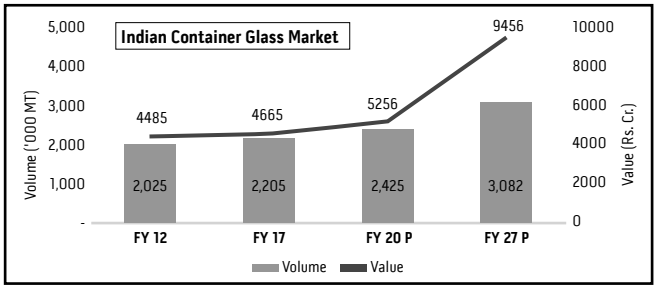
Manufacturers of food and beverage products are actively adopting glass bottles as their packaging solutions, considering how these bottles can keep the item intact and also retain its true flavour over a long time period. Being diffusion-resistant, glass bottles have also been viewed as vital containers for storing volatile compounds, highly-reactive detergents and bleaching agents. Such products are predominantly used by consumers in the form of pharmaceuticals, domestic surfactants, and cosmetic goods.

The demand for glass bottles will soar steadily over the next five years. By 2022, the global glass bottles market is anticipated to have reached a value of US$ 71 billion, reflecting a CAGR of 4.9%. The report also projects that Asia-Pacific excluding Japan (APEJ) will remain at the forefront of market expansion during the forecast period.

APEJ will remain the largest market for glass bottles through 2022. The region will particularly exhibit higher participation of companies, considering the competitive advantage of manufacturing glass bottles in low-wage countries such as China and India. APEJ glass bottles market is anticipated to grow robustly by registering a CAGR of 6.6%.

North America, on the other hand, will be exhibiting a moderate growth in its glass bottle sales. Despite the booming food & beverage consumption in the US, North America's glass bottles sales are anticipated to procure close to US$ 15 billion revenues by the end of 2022. Europe is also anticipated to show sluggish growth in terms of glass bottle sales across packaging applications. Japan's glass bottle market will have reached a value of US$ 2.3 billion by 2022.

India



Glass container market in India is estimated at Rs 4,700 Crores in 2017 & expected to grow at a CAGR of 7% in the period FY 18-27. The actual volume growth for the market is expected to 3-4% in this period. Beer and IMFL (Indian made Foreign Liquor) market is expected to revive over the next few years leading to uptake in demand. Realisation growth will also improve as capacity utilisation will increase due to higher demand as compared to capacity addition.

Management Discussion and Analysis

Outlook

The glass industry is facing competition from alternative medium, the use of glass is of critical importance in the present day. There is an increasing awareness about the ill effects of alternate packing of PET/Plastic bottles in the public domain as well as among the government institutions.

Opportunity - Ban on plastic Bottle

Various states like Maharashtra & Kerala have proactively taken steps to ban Plastic bottles. In Maharashtra, there is a blanket ban on all Plastic bottles below 500 ml and additional charges are imposed under Extended Producer Responsibility so as to take back all plastic bottles post usage for recycling purpose. In Kerala also, state government has decided to discontinue sales of liquor in plastic bottles in a phased manner and to start with, it has been proposed to use glass bottles for 25% of all IMFL sales in the state.

The gradual shift of liquor sales from PET to 100% glass bottles in other states are also under consideration. Such steps will only bolster Indian glass bottle market in coming days.

Challenges, Risks and Concerns

Threat - Alcohol Prohibition

Alcohol prohibition in high liquor consuming states in India such as Bihar and Supreme Court order on prohibition on the sale or serving of alcohol on all National and state highways has resulted in low demand of glass bottles. However, alcohol prohibition is unlikely in the long term and it has not lasted more than a few years in any Indian states except Gujarat. It is expected that this trend will continue as alcohol contributes 25-40% of the state governments' revenues. In case of any directives from the government to control alcohol consumption, prohibition will be partial or in states where volume contribution is lower. The highway ban imposed in April 2017 impacted 35-40% of outlets but the impact was short lived as many outlets reopened after cities were excluded and now, only 4-5% outlets are impacted.

Challenges - Impact of GST

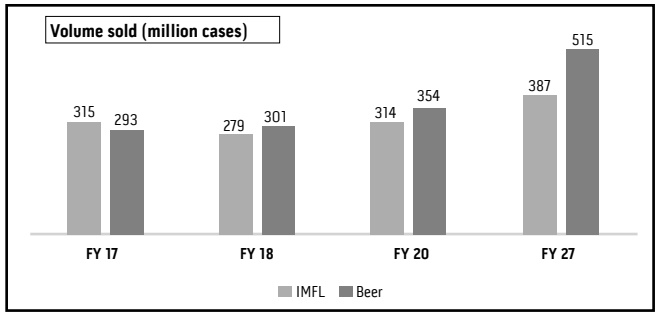
The newly introduced GST regime has impacted soft drinks and Pharma industry while Alcobev sector has experienced minimal impact in the short term. Aerated beverages have a GST of 40% against pre GST incidence of taxation at 34-35% and also GST on new glass bottles has moved to 18% (an increase of 3.5% to 5.5%). In Pharma, certain raw materials and many medicine salts / compounds have moved from 5% VAT category to 12% GST category. Some food and medicine supplements which have moved form 12.5%-15% to 18% - 28% brackets, are anticipating increase in prices. In Alcohol segment, GST on raw materials like molasses is at 28% (an increases of 12.5% compared to pre-GST taxation). New tax rates expected to push up production cost and cost pressure on manufacturers may impact realisation of glass bottles.

Segment Wise Analysis

1) Alcobev

IMFL segment saw de-growth in H1 – FY 18 due to unfavourable events (highway ban) which was revoked in the 2nd half of the year. In the coming years, favourable demographics & higher disposable income are expected to propel growth in per capita consumption.

Share of glass packaging in IMFL is expected to increase because of the following factors:



1) Prestige segments which constitute 40% of IMFL volume uses 100% glass packaging. The share of this segment is expected to grow to 67% of volume by 2027 and hence the overall share of glass packaging in IMFL will also increase.

2) In the popular segment, the share of glass bottles has reduced due to emergence of cheap alternate PET bottles. However, revenue leakages and ill effects on health are forcing state governments to turn back to 100% glass packaging in liquor.

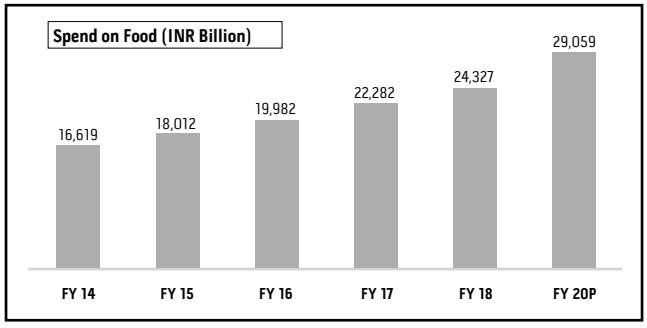
Management Discussion and Analysis

Beer segment was relatively less impacted by highway ban and grew marginally in FY 2018 from the previous year. Health conscious consumers have shifted from IMFL to Beer due to less alcohol content in the latter. There is also significant increase in the no. of women consumers in beer during last 4-5 years. Share of glass packaging in Beer is quite high 85% (approximately) and is expected to maintain the same in coming years as well.

2) Food

Spending on food in India is expected to grow at 10% CAGR with evolving consumer preferences, rising income & growing rural opportunity. Rural FMCG market is growing at 16% CAGR from 9 Billion USD in FY 09 to 100 Billion USD in FY 25. Along with that, organised food retail which is only 8% of Indian retail market, is expected to witness high growth to 24% by FY 2020.

Adequate policy support from Government is also driving foreign investments



1) 100% FDI is allowed in single brand retails and 51% in multi brand retail.
2) 30 mega food parks are planned in the 12th five-year plan.
3) Financial assistance given for technology upgrade of food processing industries.
4) Food security bill and direct cash transfer subsidies reach about 40% of households in India.

Value added dairy market has grown at 16% CAGR in FY 12-17 to ₹ 74,481 Cr. In FY 17 due to rising affluent class which has led to a heightened consumer interest in this segment. This shift has made the space attractive for new players as profitability is approximately 3 times of liquid milk segment.

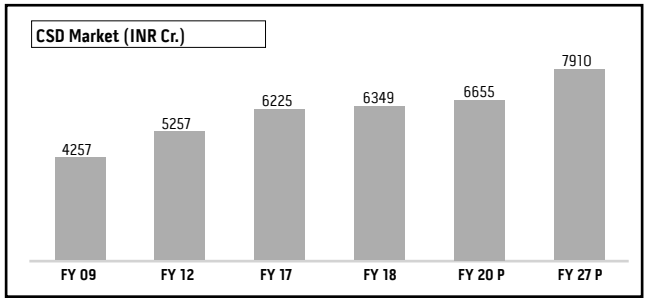
Rapid urbanisation, increasing disposable income and growth of modern retails outlets have encouraged consumers to experiment with western cuisines, which has resulted in strong growth of sauces, dressings and condiments.

Share of glass packaging in food segment is estimated around 10% and in dairy is is estimated around 15% and is not expected to change significantly in future, though it is the most preferred choice for premium milk shakes, yogurts and flavoured milk.

3) Soft Drinks

Carbonate Soft Drink (CSD) market is experiencing slowdown driven by availability of healthier alternatives and unfavourable policy decisions. From 48% in FY 11, CSD share of overall soft drinks market has fallen to 35% in FY 17. Besides, carbonated drinks have been levied with a GST of 40% compared to 12% for fruit based drinks, thus putting them at a great disadvantage.

As a result, traditional CSD players are increasing the share of non-carbonated drinks in their portfolio. According to Coca Cola CEO, the company is planning to bring down its current portfolio of 70% aerated beverages in India to 50% and introduce healthy drinking options.

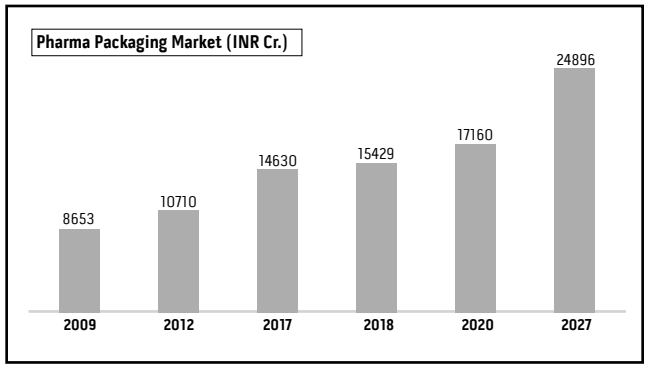


With growing cost pressure and ease of use, Coca Cola and Pepsi are shifting their containers from glass bottles to PET bottles. Share of glass packaging has fallen from 34% in FY 09 to 22% at present and is further expected to decrease but will not totally phase out. This is because the existing glass bottles are asset to the company due to strong supply chain for procurement of used bottles.

Management Discussion and Analysis

4) Pharmaceuticals

Indian pharmaceutical sector is estimated to account for 3.1 – 3.6% of the global pharmaceutical industry in value terms and 10 % in volume terms. It is expected to grow to US$100 billion by 2025. India's cost of production is significantly lower than that of the US and almost half of that of Europe. It gives a competitive edge to India over others. Increase in the size of middle class households coupled with the improvement in medical infrastructure and increase in the penetration of health insurance in the country will also influence in the growth of pharmaceuticals sector. Indian pharma companies are capitalising on export opportunities in regulated and semi-regulated markets. In FY17, India exported pharmaceutical products worth US$ 16.8 billion, with the number expected to reach US$ 40 billion by 2020. During April 2017–January 2018, India exported pharmaceutical products worth US$ 10.76 billion.



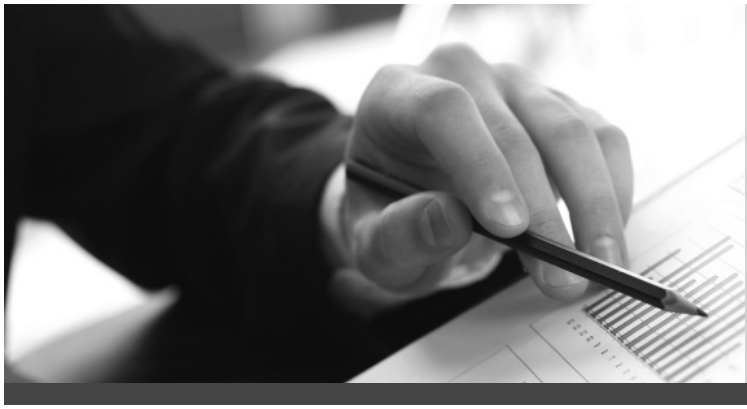
Pharma Packaging market is growing at 6-7% driven by growth in pharma industry and its need for bulk drugs, formulations and trial drug packaging. Share of glass packaging in liquid formulations is still high given potential risks of storing medicines in plastic bottles. However, overall share of glass packaging has come down from 34% in 2009 to 23% in 2017 and is further expected to fall to 14% by 2027. However, liquid formulations and vials will remain glass dominant.

5) Cosmetics

The country's cosmetics and cosmeceutical market is expected to register annual growth of 25 % touching USD 20 billion by 2025 from present USD 6.5 billion from a global market of USD 274 billion.

The rising awareness of beauty products, increasing premium on personal grooming, changes in consumption patterns and lifestyles and improved purchasing power among women are expected to boost the industry.

The market will maintain healthy growth due to rising preference for specialised cosmetic products such as organic, herbal and ayurvedic products. Principal areas that are expected to grow include colour cosmetics, fragrances, specialised skin care and make-up cosmetics. The Indian industry is growing rapidly at a rate of 13-18 %, more than that of US or European markets. Body care is the largest category and growing at about 4 % CAGR while colour cosmetics was the fastest growing category, at 12 %. The premium segment is expected to grow at 6.3 % per annum.



Board's Report

Dear Members,

We hereby present the Annual Report together with the Audited Accounts of our business and operations for the financial year ended 31st March, 2018.

FINANCIAL HIGHLIGHTS **(₹ in Lakhs)**

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Gross sales (including excise duty)	195,512	205,330
Profit before interest, depreciation and tax	11,827	19,116
Interest and finance charges	25,185	23,800
Profit/Loss before depreciation and tax	(13,358)	(4,684)
Depreciation	16,093	17,487
Exceptional Profit	-	9,459
Profit/Loss before tax & after exceptional profit	(29,451)	(12,712)
Profit/Loss for the year (Before Other Comprehensive Income)	**(29,451)**	**(12,712)**
Balance brought forward from previous year	(47,603)	(34,890)
Amount available for appropriation	(77,054)	(47,603)
Balance carried forward to the next year	**(77,054)**	**(47,603)**

RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

During the financial year, at standalone level your Company reported total income of ₹ 1,98,935 Lakhs in 2017-18 compared to ₹ 2,07,128 Lakhs in 2016-17. Your Company recorded an EBITDA of ₹ 11,827 Lakhs and a net loss of ₹ 29,451 Lakhs during the year under review. During the year direct export turnover was ₹ 11,065 Lakhs compared to ₹ 12,006 Lakhs during the preceeding year.

The financial position of the Company continues to be under severe stress. The situation further deteriorates due to increase in Power & Fuel and Raw Material costs. Due to paucity of funds your company could not be able to do any maintenance capex and also fails to meet its debt obligation. Your company is in discussion with the Lenders and is working on various resolution plan and hope to find out a solution acceptable to all stakeholders.

DIVIDEND & RESERVE

Your Directors do not recommend any dividend for the year ended 2017-18. Further, during the year under review no amount was transferred to General Reserve.

ISSUE OF SHARES

During the year under review, the Company pursuant to Special Resolution approved by the Shareholders at the Annual General Meeting held on 18th September, 2017 had issued 22,15,000 Equity Shares of ₹ 2 each at an issue price of ₹ 207 per equity share aggregating to ₹ 45,85,05,000 to persons falling under promoter group on preferential allotment basis.

Board's Report

Pursuant to the Regulation 78 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 Equity Shares allotted to Promoters will be locked in for a period of three years.

SUBSIDIARY COMPANY

As on 31st March, 2018, your Company does not have any subsidiary company.

The Company has joint venture agreement with Trakya Cam Sanayi II AS in HNG Float Glass Limited.

In accordance with Section 136 of the Companies Act 2013, the audited financial statements, including the consolidated audited financial statements and the related information of the Company are available on the website of the company i.e. www.hngil.com. These documents are also available for inspection during business hours by the shareholders of the Company at the Registered Office.

TRUST SHARES

Pursuant to the amalgamation of Ace Glass Containers Limited with the Company, 21,41,448* shares and 13,68,872* shares having face value of ₹ 10 each (corresponding to 1,07,07,240 shares and 68,44,360 shares having face value of ₹ 2 each) were issued to HNG Trust and Ace Trust respectively. During the year under review, the company failed to repay Principal and Interest amount due to L & T Finance Ltd and subsequently 37,94,360 shares of Ace Trust and 1,55,640 shares of HNG Trust shares respectively pledged in favour of L & T Finance Ltd were invoked by them. At present HNG Trust & Ace Trust are holding 76,41,600 & 30,50,000 shares respectively. In terms of an undertaking given to the BSE Limited, the Company is required to make disclosures pertaining to utilisation of proceeds of shares allotted to the said Trusts until they are extinguished. Entire Shareholding of Ace Trust and 75,06,850 Shares of HNG Trust has been pledged in compliance of Corrective Action Plan (CAP) approved by the Joint Lender Forum.

*The Company's shares were sub-divided from ₹ 10 per share to ₹ 2 per share w.e.f. 13th November, 2009.

DIRECTORS & KEY MANAGERIAL PERSONNEL

Pursuant to the sad demise of Shri Chandra Kumar Somany, the Board of Directors of the Company in its meeting held on 12th August, 2017 appointed Shri Sanjay Somany as the Chairman of the Board of Directors.

During the year under review Shri Sanjay Somany was re-appointed as the Chairman & Managing Director of the Board of Directors of the Company and Shri Mukul Somany was re-appointed as the Vice Chairman & Managing Director of the Company on a honarary basis for a period of 3 years w.e.f. 1st April, 2018.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Shri Sanjay Somany (DIN: 00124538), Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, have offered himself for re-appointment. Your Director recommends his re-appointment.

Shri Narayanaswami Sitaraman, an Independent Director left for heavenly abode on 24th April, 2018.The Board places on record its sincere appreciation for the guidance and valuable services rendered by him during his association with the Company.

Shri Ratna Kumar Daga (DIN: 00227746), Shri Dipankar Chatterji (DIN: 00031256), & Smt. Rita Bhimani (DIN: 07106069) are the Independent Directors of the Company.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed under Section 149(6) of the Companies Act 2013. Role, responsibilities and duties of Independent Director, are being uploaded in the Company's website at the link http://www.hngil.com/report/TermsofAppointmentofIndependent Director.pdf.

Pursuant to the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board, its Committees, culture, execution and performance of specific duties, obligations and governance. The Company has devised a Policy for performance evaluation of Independent Directors and Board which include criteria for performance evaluation of the non-executive directors and executive directors.

The performance evaluation of the Independent Directors, Chairman and the Non Independent Directors was carried out. The Board of Directors expressed their satisfaction with the evaluation process.

The following policies of the Company are attached herewith and marked as **"Annexure I"** :

A. Nomination & Remuneration Policy

B. Board Evaluation Policy.

Board's Report

The details of Key Managerial Personnel of the Company are as follows:-

Sl No.	Name of Key Managerial Personnel	Designation
1	Shri Sanjay Somany	Chairman & Managing Director
2	Shri Mukul Somany	Vice Chairman & Managing Director
3	Shri Bimal Kumar Garodia	Chief Financial Officer
4	Shri Ajay Kumar Rai	Company Secretary

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, the Directors hereby confirm that –

a) In the preparation of the annual accounts for the year ended 31st March, 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures.

b) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the loss of the Company for the year ended on that date.

c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d) The Directors have prepared the annual accounts on a 'going concern basis'.

e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to Rule 3 of the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the Ministry of Corporate Affairs website.

Equity shares in respect of which the dividend for the year 2008-2009 and 2009-2010 remained unclaimed for seven consecutive years has been transferred to the IEPF Authority in compliance with Section 124 of the Companies Act, 2013 read with rule 6 of the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2017 after giving individual notices to concerned Shareholders and advertisements in newspapers.

CORPORATE GOVERNANCE

The Company has been practising the principles of good corporate governance with a view to achieve transparent, accountable and fair management. The report on Corporate Governance along with the Certificate of the Auditors M/s M. Rathi & Co., confirming the compliance of Corporate Governance as stipulated in Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations & Disclosures Requirement) Regulations, 2015 forms an integral part of the Annual Report.

Our Corporate governance report for the financial year 2018 forms part of this Annual Report.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

The contracts/arrangements/transactions entered by the Company during the financial year with the related parties were in the ordinary course of business and on an arm's length basis. All the related party transactions are with the approval of the Audit Committee and are periodically placed before the Board for review. During the year under review the Company has not entered into any contract/arrangement/transactions with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: http://www.hngil.com/report/policyonrelatedpartytransactions.pdf.

Board's Report

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Corporate Social Responsibility Committee has been formulated and comprises of Shri Sanjay Somany, Shri Mukul Somany and Smt. Rita Bhimani as members. Since, the Company has suffered losses in the previous financial years as well as in the current financial year no expenditure was incurred on CSR activities.

The CSR Policy may be accessed on the Company's website at the link http://www.hngil.com/report/corporatesocialresponsibility policy.pdf.

DEBT MANAGEMENT

During the year under review, due to liquidity crunch your Company has failed to comply with all the terms and conditions stipulated in the Corrective Action Plan (CAP) and could not be able to meet the debt obligation. The Company has been categorised as Non Performing Asset (NPA) w.e.f. 31st March, 2018.

The Company is in discussion with the lenders and your Directors are confident that a Resolution Plan will be derived which will be acceptable by all the stakeholders.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis under Schedule V read along with the Regulation 34(3) of the SEBI (Listing Obligations & Disclosures Requirement) Regulations is presented in a separate section forming part of the Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements have been prepared in accordance with the provisions of the Companies Act, 2013 and with Indian Accounting Standard 110 read with Indian Accounting Standard 28 notified by the Ministry of Corporate Affairs and forms part of this Annual Report.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the Financial Statements of Subsidiaries/ Associate Companies/Joint Ventures is given in **Form AOC-1.**

RISK MANAGEMENT

Risk management is embedded in your Company's operating framework. The Company manages and monitors various risks and uncertainties that can have some adverse impact on the Company's business. Your company believes that managing risks helps in maximising returns. Your Company is giving major thrust in developing and strengthening its internal audit so that risk threat can be mitigated. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks.

The Company has a formal Risk Management Policy. The Board of Directors from time to time review the same.

INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

Your Company has a comprehensive and effective internal control and risk–mitigation system, including internal financial control, for all the major processes to ensure reliability of financial reporting, timely feedback on operational and strategic goals, compliance with policies, procedures, law and regulations, safeguarding of assets and economical and efficient use of resources. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

The Audit Committee of the Board of Directors of the Company actively reviews the adequacy and effectiveness of the Internal Control Systems and suggests improvements to them. The Company has a robust Management Information System (MIS), which is an integral part of the control mechanism.

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

The Shareholders of the Company at the Annual General Meeting (AGM) held on 18th September, 2017, appointed M/s Doshi Chatterjee Bagri & Co LLP, Chartered Accountants (Firm Registration Number 325197E/E300020), as Statutory Auditor of the Company from the conclusion of 71st AGM till the conclusion of 76th AGM of the Company subject to ratification by members at every AGM.

Board's Report

Pursuant to the amendment in the Companies Act, 2017 and notification dated 7th May,2018 by the Ministry of Corporate Affairs (MCA), ratification of the Statutory Auditor is no longer required to be passed by shareholders at the ensuing AGM and therefore approval of the shareholders for the same is not sought.

Pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 M/s. Jitendra K. Agarwal & Associates, Chartered Accountants (Firm Registration No.318086E), is appointed as the Joint Statutory Auditor of the Company, to hold office from the conclusion of this 72nd Annual General Meeting until the conclusion of the 77th Annual General Meeting along with the existing Statutory Auditors M/s. Doshi Chatterjee Bagri & Co LLP, Chartered Accountants.

The Statutory Auditors have not reported any incidence of fraud to the Audit Committee of the Company during the year under review.

Auditors Report

The para-wise management response to the qualifications / observations made in the Independent Auditors Report is stated as under:

a) Attention is drawn to para 9 a of the Independent Auditors Report regarding Basis for Qualified Opinion. The clarification of the same is provided in Note No. 2.38.1 of the Accounts of the Standalone Accounts.

b) Attention is drawn to para 9 b of the Independent Auditors Report regarding Basis for Qualified Opinion. The clarification of the same is provided in Note No. 2.43 of the Accounts of the Standalone Accounts.

c) Attention is drawn to para 9 c of the Independent Auditors Report regarding Basis for Qualified Opinion. The clarification of the same is provided in Note No. 2.40 of the Accounts of the Standalone Accounts.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder, the Company has appointed Shri Babu Lal Patni, Practising Company Secretary to conduct the Secretarial Audit for the financial year 2017-18. The Secretarial Audit for the financial year ended 31st March, 2018 does not contain any qualification, reservation or adverse remark and is annexed herewith and marked as **"Annexure II"** to this report.

DISCLOSURES

Audit Committee

The Audit Committee comprises of two Independent Directors namely Shri Ratna Kumar Daga (Chairman), Shri Dipankar Chatterji and Shri Mukul Somany, Non-Independent Director as members. All the recommendations made by the Audit Committee were accepted by the Board during the financial year 2017-18.

Presently, the composition of the Audit Committee is as follows:

Sl. No	Name	Designation
1	Shri Ratna Kumar Daga	Chairman
2	Shri Dipankar Chatterji	Member
3	Shri Narayanaswami Sitaraman (upto 24th April, 2018)	Member
4	Shri Mukul Somany (w.e.f 4th May,2018)	Member

Vigil Mechanism/Whistle Blower Policy

The Company has a Vigil Mechanism, which also incorporates a Whistle Blower Policy for Directors and Employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. Disclosures can be made by a Whistle Blower through an email to the Chairman of the Audit Committee.

The Policy may be accessed on the Company's website at the link http://www.hngil.com/report/whistleblowerpolicy.pdf

Meetings of the Board

During the year under review 5(five) meetings of the Board of Directors were held. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013. Details of compositions and other information are provided in the Corporate Governance Report.

Extract of Annual Return

Extract of Annual Report in Form MGT-9 is provided separately as **"Annexure III"** and forms the part of Board's Report.

Board's Report

Particulars of Loans, Guarantees or Investment made guarantee given and securities provided

Particulars of Loans given, Investments made, Guarantee given and securities provided along with the purpose for which the Loan or Guarantee or Security is proposed to be utilized by the recipient are provided in the Standalone Financial Statements.

Change in nature of business

During the year under review, there has been no change in the nature of business of the Company.

Remuneration from subsidiary

None of the Executive Directors of the Company has received any remuneration or commission from its subsidiary.

Significant or Material order

No significant or material order was passed by the Regulators or Courts or Tribunals, which impact the going concern status and Company's operations in future.

Material changes and commitments

Due to severe liquidity crunch the Company is not able to meet its debt obligation.

Sexual Harassment

During the year under review no case was reported pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Business Responsibility Reporting

The Business Responsibility Reporting as required by Regulation 34(2) of the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015, is not applicable to your company for the financial year ending 31st March, 2018.

ANNUAL LISTING FEES

The Company's shares continue to be listed at the National Stock Exchange of India Limited, BSE Limited and The Calcutta Stock Exchange Limited.

The annual listing fee for the year 2018-19 has been paid to all these Exchanges.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of Section 197(12) of the Act read with Rule 5(1) (2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule 2014, a Statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set-out and other details as required in the said rule are provided as **"Annexure IV"**

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The statements containing the required particulars under the Act are provided as **"Annexure V"** and forms a part of this report.

PERSONNEL AND INDUSTRIAL RELATIONS

Your Company takes pride in the commitment, competence and dedication shown by its employees in all the areas of business.

People are the Company's key assets. The focus in 2017-18 was on enhancing employee engagement and driving performance excellence to achieve the Company's long term vision. Your Company is consolidating the human resource operations and the internal systems to enhance the operations of the Company. The Company continued to actively drive the Ethics and Compliance agenda via trainings, programmes and employee engagements focussing on non-retaliation and zero tolerance to non-compliance. HR function is a critical pillar to support the organization's growth and its sustainability in the long run.

ACKNOWLEDGEMENTS

Your Directors would like to place on record their appreciation to the employees at all levels for their contribution to the Company's performance but for whose hard work, and support, your Company's achievements would not have been possible. Your Directors also wish to thank its customers, dealers, agents, suppliers, investors and bankers for their continued support and faith reposed in the Company.

For and on behalf of the Board

Sanjay Somany
Chairman & Managing Director
(DIN: 00124538)

Place : Kolkata
Date : 28th June, 2018

Annexure I to the Board's Report

IA. Nomination & Remuneration Policy

1. Introduction

The Company considers human resources as its invaluable assets. This policy on nomination and remuneration of Directors, Key Managerial Personnel (KMPs) and other employees has been formulated in terms of the provisions of the Companies Act, 2013 and the listing agreement in order to pay equitable remuneration to the Directors, KMPs and employees of the Company and to harmonise the aspirations of human resources consistent with the goals of the Company.

2. Objective and purpose of the policy

The objectives and purpose of this policy are:

2.1. To formulate the criteria for determining qualification, competencies, positive attributes and independence for appointment of a Director (Executive/Non-Executive) and recommend to the Board, policies relating to the remuneration of the Directors, Key Managerial Personnel and other employees. This includes, reviewing and approving corporate goals and objectives relevant to the compensation of the Vice Chairman & Managing Directors (VC & MD) and Executive Director (ED), evaluating the VC & MD's and ED's performance in light of those goals and objectives, and, either as a committee or together with the other independent directors (as directed by the Board), determine and approve the VC & MD's and ED's compensation level based on this evaluation, and making recommendations to the board with respect to executive officer compensation, and incentive-compensation that are subject to Board approval;

2.2. The policy also addresses the following items: Committee member qualifications; Committee member appointment and removal; Committee structure and operations; and Committee reporting to the Board.

2.3. To formulate the criteria for evaluation of performance of all the Directors on the Board;

2.4. To devise a policy on Board diversity; and

2.5. To lay out remuneration principles for employees linked to their effort, performance and achievement relating to the Company's goals.

3. Constitution of the Nomination and Remuneration Committee

The Board has constituted the "Nomination and Remuneration Committee" of the Board on May 20, 2014. This is in line with the requirements under the Companies Act, 2013 ("Act").

The Board has authority to reconstitute this Committee from time to time.

Definitions

'Board' means Board of Director of the Company. **'Directors'** means Directors of the Company.

'Committee' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable listing agreements and/or regulations.

'Company' means Hindusthan National Glass & Industries Ltd.

'Independent Director' means a Director referred to in Section 149(6) of the Companies Act, 2013 and rules.

'Key Managerial Personnel (KMP)' means –

i. The Managing Director or the Chief Executive Officer or the manager and in the absence, a Whole-time Director;

ii. The Company Secretary, and

iii. The Chief Financial Officer

'Senior Management' means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the

Annexure I to the Board's Report

Companies Act, 2013 and Listing Agreement as may be amended from time to time shall have the meaning respectively assigned to them therein.

General

This policy is divided in three parts :

Part – A covers the matters to be dealt with and recommended by the Committee to the Board;

Part - B covers the appointment and nomination; and

Part - C covers remuneration and perquisites etc.

This policy shall be included in the Report of the Board of Directors.

Part – A

Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

The following matters shall be dealt by the Committee:-

a) Size and composition of the Board:

Review the size and composition of the Board to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interest of the Company as a whole;

b) Directors:

Formulate the criteria determining qualifications, positive attributes and independence of a Director and recommending candidates to the Board, when circumstances warrant the appointment of a new Director, having regard to the range of skills, experience and expertise, on the Board and whole will best compliment the Board;

c) Succession plans:

Establishing and reviewing Board and senior executive succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management;

d) Evaluation of performance:

Make recommendations to the Board on appropriate performance criteria for the Directors.

Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company.

Identify ongoing training and education programs for the Board to ensure that Non-Executive Directors are provided with adequate information regarding the options of the business, the industry and their legal responsibilities and duties.

e) Board diversity:

The Committee is to assist the Board in ensuring Board nomination process with the diversity of gender, thought, experience, knowledge and perspective in the Board, in accordance with the Board Diversity Policy.

f) Remuneration framework and policies:

Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.

Formulate remuneration policy of the Company to ensure that the level and composition or remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully relationship of remuneration to performance is clear and meets appropriate performance benchmarks and remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

Annexure I to the Board's Report

Part – B

Policy for appointment and removal of Director, KMPs and Senior Management

Appointment criteria and qualifications

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or senior management level and recommend to the Board his/her appointment.
2. A person to be appointed as Director, KMP or senior management level should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the concerned position.
3. A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors/areas relevant to the Company, ability to contribute to the Company's growth, complimentary skills in relation to the other Board members.
4. The Company shall not appoint or continue the employment of any person as Managing Director/Executive Director who has attained the age of seventy years.
5. A whole-time KMP of the Company shall not hold office in more than one company except at its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors of the Company.

Term/Tenure

1. Managing Director/Whole-time Director

The Company shall appoint or re-appoint any person as its Managing Director and CEO or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. Independent Director

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for five years or more in the Company as on April 1, 2015 or such other date as may be determined by the Committee as per regulatory requirement, he/she shall be eligible for appointment for one more term of five years only.

At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time (Executive) Director of a listed company.

Removal

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director or KMP subject to the provisions and compliance of the said Act, rules and regulations.

Retirement

The whole-time Directors, KMP and senior management personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Whole-time Directors, KMP and senior management personnel in the same position/remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

Annexure I to the Board's Report

PART - C

Policy relating to the remuneration for Directors, KMPs and other employees.

General

1. The remuneration/compensation/commission etc. to Directors will be determined by the Committee and recommended to the Board for approval.
2. The remuneration and commission to be paid to the Vice Chairman & Managing Director shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder.
3. Increments to the existing remuneration/compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director.
4. Where any insurance is taken by the Company on behalf of its Managing Director, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Remuneration to KMPs and other employees

The policy on remuneration for KMPs (other than Vice Chairman & Managing Director) and other employees will be governed as per the HR Policy of the Company and increment will be paid accordingly.

Remuneration to Non-Executive / Independent Directors

1. Remuneration

The remuneration payable to each Non-Executive Director is based on the remuneration structure as determined by the Board and is revised from time to time, depending on individual contribution, the Company's performance, and the provisions of the Companies Act, 2013 and the rules made thereunder.

The remuneration to the Non-executive Directors (including Independent Directors) may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1.5% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

2. Stock options

The Independent Directors shall not be entitled to any stock option of the Company.

Policy Review

This policy is framed based on the provisions of the Companies Act, 2013 and rules thereunder and the requirements of the Clause 49 of the Equity Listing Agreement with the Stock Exchanges.

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

This policy shall be reviewed by the Nomination & Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification on the policy as recommended by the Committee would be given for approval of the Board of Directors.

IB. Board Evaluation Policy

1. Introduction

1.1 The challenge for Board is to prevent crisis in the organisation they govern. Performance evaluation is a key means by which board can recognise and correct corporate governance problems and add real value to their organisations.

Annexure I to the Board's Report

1.2 Board and Director's evaluation involves board members undertaking a constructive but critical review of their own performance, identifying strengths, weaknesses and implementing plans for further professional development. The provision of feedback on board performance and governance processes is the most crucial element of Director's evaluation.

1.3 To enable Directors of the Company to evaluate their individual performance as well as the collective performance of the Board, the Board has developed a framework for evaluating board's effectiveness. This Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement.

2. Purpose

2.1 The primary objective of the Policy is to provide a framework and set standards for the evaluation of the Board as a whole, its Committees and Directors. The Company aims to achieve a balance of merit, experience and skills on the Board.

2.2 The Board's policy is to assess the effectiveness of the Board as a whole and its Board Committees. Individual Board members are assessed on their effective contribution and commitment to their role and responsibilities as directors. The Board evaluation process shall be carried out by the Nomination and Remuneration Committee of the Board of Directors ("The NR Committee").

3. Objectives of evaluation

3.1 The objective to undertake evaluation of Board and individual directors are as under:

(a) To demonstrate commitment to performance management;

(b) To review problems in the dynamics of the Board room or between the Board and Management;

(c) To enhance good corporate governance;

(d) To provide Directors with guidance for their learning and growth; and

(e) To develop appropriate skills, competencies and motivation on the Board.

4. Scope of Evaluation

4.1 **Evaluation of the Board as a whole**

Regular evaluation of the Board as a whole can be seen as a process that ensures Directors develop a shared understanding of their governance role and responsibilities. It serves as an excellent familiarisation tool for Boards.

4.2 **Individual Directors' Evaluation**

Individual evaluation provides the Board with an opportunity to probe particular issues in depth.

5. Method of Evaluation

5.1 Depending on the degree of formality, the objectives of the evaluation, and the resources available, the evaluation process will involve a range of qualitative and quantitative techniques.

5.2 To evaluate individual directors, either self or peer evaluation techniques is to be used. The aim of self-evaluation is to encourage Directors to reflect on their contributions to Board activities and have them identify their personal strengths and weaknesses. An objective view is best gained through peer evaluation, whereby directors identify each other's individual strengths and weaknesses. By having members of the Board evaluate each other, it is possible to gain a more rounded picture of the strengths and weaknesses of each director and their contribution to the effectiveness of the Board. It can also be used to identify skill gaps on the Board.

6. Process for Evaluation of the Board as a whole and its Board Committees

6.1 Each of the Directors will complete all sections of the Board Self Evaluation Form honestly and sincerely. The Directors will also be required to provide comments to explain the ratings allocated. A rating scale of "1" to "5" is employed, wherein "1" denotes a strong rating and "5" a critical condition.

Annexure I to the Board's Report

6.2 The above Forms will be submitted by the Directors to the NR Committee on an annual basis, within 30 days of the end of every financial year.

6.3 Based on the Forms submitted, the NR Committee shall assess and discuss the performance of the Board as a whole and its Committees every year, and ascertains key areas for improvement and the requisite follow-up actions.

7. Process for Evaluation of Individual Directors

7.1 The evaluation/assessment of the Directors of the Company is to be conducted on an annual basis and to satisfy the requirements of the Listing Agreement.

7.2 The Non-Executive Directors ("NEDs"), led by the NR Committee's Chairman shall assess the performance of the Chairman and other Directors. The Chairman shall meet with each individual Director to discuss the evaluation and any matter relating to the functioning of the Board.

7.3 Each Non-Executive Director's ("NED") contribution will be assessed by the Chairman and the results of the assessment will be discussed with the NR Committee Chairman.

7.4 Criteria for assessment of NEDs include attendance record, intensity of participation at meetings, quality of interventions and special contributions.

7.5 Each of the Directors (other than director being evaluated) will complete all sections of Individual Director Assessment Form and Non-Executive Director Assessment Form honestly and sincerely. The Directors will also be required to provide comments to explain the ratings allocated. A rating scale of "1" to "5" is employed, wherein "1" denotes strong rating and "5" a critical condition.

7.6 The following criteria may assist in determining how effective the performances of the Directors have been:

- leadership & stewardship abilities
- contributing to clearly define corporate objectives & plans
- communication of expectations & concerns clearly with subordinates
- obtain adequate, relevant & timely information from external sources.
- review & approval achievement of strategic and operational plans, objectives, budgets
- regular monitoring of corporate results against projections
- identify, monitor & mitigate significant corporate risks
- assess policies, structures & procedures
- review management's succession plan
- effective meetings
- assuring appropriate Board size, composition, independence, structure
- clearly defining roles & monitoring activities of Committees
- review of corporation's ethical conduct

7.7 Evaluation on the aforesaid parameters will be conducted by the Independent Directors for each of the Executive/ Non-Independent Directors in a separate meeting of the Independent Directors.

7.8 The Executive Director/Non-Independent Directors along with the Independent Directors will evaluate/assess each of the Independent Directors on the aforesaid parameters. Only the Independent Director being evaluated will not participate in the said evaluation discussion.

8. Reporting to Board

At the end of the evaluation process, the Chairman of NR Committee shall submit a report to the Board members on the results of the evaluation process.

Annexure II to the Board's Report

FORM No MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Hindusthan National Glass & Industries Limited,
2 Red Cross Place,
Kolkata-700001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Hindusthan National Glass & Industries Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Hindusthan National Glass & Industries Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Hindusthan National Glass & Industries Limited ("the company") for the financial year ended on 31st March, 2018 according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')-

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the Audit Period).

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period).

   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period).

   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: (Not applicable to the Company during the Audit Period).

vi) I have been informed that no other sector/ industry specific law is applicable to the Company.

   I have also examined compliance with the applicable clauses of the following:

   i) Secretarial Standards issued by The Institute of Company Secretaries of India.

   ii) The Listing Agreements entered into by the Company with The National Stock Exchange of India Ltd, The BSE Ltd. and The Calcutta Stock Exchange Ltd.

   iii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Annexure II to the Board's Report

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members` views, if any, are captured and recorded as part of the minutes.

I further report that there are adequate systems and process in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that

(i) During the year the Company has issued 2215000 Equity Shares of Rs 2 each at an issue price of ₹ 207 per equity share aggregating to ₹ 458505000 to persons falling under promoter group on preferential basis in terms of Special Resolution passed at the Annual General Meeting held on 18th September, 2017.

(ii) The Lenders of the Company has approved the corrective action plan, the terms and condition of which are under implementation.

BABU LAL PATNI
Company Secretary in practice
FCS No : 2304
C.P. No. : 1321

Place: Kolkata
Dated: 23rd April, 2018

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To,
The Members,
Hindusthan National Glass & Industries Limited,
2 Red Cross Place,
Kolkata-700001

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis of my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules, and regulations and happenings of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

BABU LAL PATNI
Company Secretary in practice
FCS No : 2304
C.P. No. : 1321

Place: Kolkata
Dated: 23rd April, 2018

Annexure III to the Board's Report

Form No. MGT - 9

EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March , 2018
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN	L26109WB1946PLC013294
ii)	Registration Date	23rd February, 1946
iii)	Name of the Company	Hindusthan National Glass & Industries Limited
iv)	Category/Sub Category of the Company	Public Company Limited by Shares
v)	Address of the Registered office and contact details	2, Red Cross Place, Kolkata - 700 001, West Bengal, India Phone : (033) 2254-3100, Fax : (033) 2254-3130 E-mail : cosec@hngil.com
vi)	Whether listed Company	Yes
vii)	Name, Address and contact details of Registrar and Transfer Agent, if any	Maheshwari Datamatics Pvt . Ltd 23, R.N Mukherjee Road, 5th Floor Kolkata - 700 001, West Bengal Phone : (033) 2243-5029, Fax : (033) 2248-4787 E-mail : mdpldc@yahoo.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl No.	Name and Description of main products / services	NIC Code of the Product/services	% to total turnover of the company
1	Glass manufacturing Services	23103	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ associate	% of shares held	Applicable Section

Not Applicable

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category wise shareholding

Category of Shareholders	No of Shares held at the beginning of the year [As on 1st April, 2017]				No of Shares held at the end of the year [As on 31st March, 2018]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1,46,68,285	-	1,46,68,285	16.7947	1,56,48,285	-	1,56,48,285	17.4737	0.6790
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	4,64,55,555	-	4,64,55,555	53.1902	4,76,90,555	-	4,76,90,555	53.2537	0.0635
e) Banks/Fi	-	-	-	-	-	-	-	-	-

Annexure III to the Board's Report

Category of Shareholders	No of Shares held at the beginning of the year [As on 1st April, 2017]				No of Shares held at the end of the year [As on 31st March, 2018]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	**6,11,23,840**	**-**	**6,11,23,840**	**69.9849**	**6,33,38,840**	**-**	**6,33,38,840**	**70.7274**	**0.7425**
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	**6,11,23,840**	**-**	**6,11,23,840**	**69.9849**	**6,33,38,840**	**-**	**6,33,38,840**	**70.7274**	**0.7425**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Alternate Investment Funds									
Foreign Portfolio Investors	63,48,025	-	63,48,025	7.2683	63,48,025	-	63,48,025	7.0885	(0.1798)
Provident Funds / Pension Funds	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Sub-total(B)(1):-	**63,48,025**	**-**	**63,48,025**	**7.2683**	**63,48,025**	**-**	**63,48,025**	**7.0885**	**(0.1798)**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	33,11,596	4,400	33,15,996	3.7967	74,35,035	4,400	74,39,435	8.3072	4.5105
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	17,69,782	7,347	17,77,129	2.0348	16,69,253	7,072	16,76,325	1.8719	(0.1629)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1,46,96,600	-	1,46,96,600	16.8272	1,07,46,600	-	1,07,46,600	12.0002	(4.8270)

Annexure III to the Board's Report

Category of Shareholders	No of Shares held at the beginning of the year [As on 1st April, 2017]				No of Shares held at the end of the year [As on 31st March, 2018]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (Specify)									
Non Resident Indians	1,979	-	1,979	0.0023	1,564	-	1,564	0.0017	(0.0006)
Clearing Members	74,996	-	74,996	0.0859	1,056	-	1,056	0.0012	(0.0847)
Investor Education and Protection Fund Authority	-	-	-	-	1,720	-	1,720	0.0019	0.0019
Sub-total(B)(2):-	**1,98,54,953**	**11,747**	**1,98,66,700**	**22.7469**	**1,98,55,228**	**11,472**	**1,98,66,700**	**22.1841**	**(0.5628)**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**2,62,02,978**	**11,747**	**2,62,14,725**	**30.0152**	**2,62,03,253**	**11,472**	**2,62,14,725**	**29.2726**	**(0.7426)**
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	**8,73,26,818**	**11,747**	**8,73,38,565**	**100.0000**	**8,95,42,093**	**11,472**	**8,95,53,565**	**100.0000**	**0.0000**

ii) **Shareholding of Promoters-**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 1st April , 2017]			Shareholding at the end of the year [As on 31st March , 2018]			% change in share holding during the Year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Brabourne Commerce Private Limited	2,14,14,485	24.5189	100.0000	2,17,49,485	24.2866	98.4597	(0.2323)
2	Spotlight Vanijya Limited	1,61,99,975	18.5485	100.0000	1,61,99,975	18.0897	100.0000	(0.4588)
3	Rungamattee Trexim Private Limited	44,20,550	5.0614	100.0000	45,90,550	5.1260	96.2967	0.0646
4	Spotme Tracon Private Limited	44,20,545	5.0614	100.0000	45,90,545	5.1260	96.2967	0.0646
5	Mukul Somany	36,91,370	4.2265	100.0000	40,21,370	4.4905	91.7938	0.2640
6	Sanjay Somany	27,82,865	3.1863	100.0000	31,12,865	3.4760	89.3988	0.2897
7	Chandra Kumar Somany(HUF)	18,61,870	2.1318	100.0000	18,61,870	2.0791	100.0000	(0.0527)
8	Sudha Somany	15,09,070	1.7278	100.0000	18,29,070	2.0424	82.5048	0.3146
9	Rashmi Somany	11,04,250	1.2643	100.0000	11,04,250	1.2331	100.0000	(0.0312)
10	Amita Somany	8,93,000	1.0225	100.0000	8,93,000	0.9972	100.0000	(0.0253)
11	Sanjay Somany (HUF)	8,22,635	0.9419	100.0000	8,22,635	0.9186	100.0000	(0.0233)
12	Chandra Kumar Somany	8,04,750	0.9214	100.0000	8,04,750	0.8986	100.0000	(0.0228)
13	Bharat Somany	7,47,800	0.8562	100.0000	7,47,800	0.8350	100.0000	(0.0212)
14	Mukul Somany (HUF)	4,50,675	0.5160	100.0000	4,50,675	0.5032	100.0000	(0.0128)
15	Saurav Contractors Private Limited	--	--	--	2,80,000	0.3127	0.0000	0.3127
16	Khazana Marketing Private Limited	--	--	--	2,80,000	0.3127	0.0000	0.3127
	Total	**6,11,23,840**	**69.9849**	**100.0000**	**6,33,38,840**	**70.7273**	**96.5029**	**0.7424**

The Equity Shares allotted to the Promoters on Preferential Allotment Basis is locked in for a period of 3 years from the approval granted i.e. 4th February,2021 pursuant to Regulation 78 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

Annexure III to the Board's Report

iii) Change in Promoters Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the Year (As on 1st April, 2017)		Cumulative shareholding during the Year (1st April , 2017 –31st March ,2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Khazana Marketing Private Limited				
	At the beginning of the year	–	–	–	–
	26/10/2017 – Allotment	2,80,000	0.3127	2,80,000	0.3127
	At the end of the year	–	–	2,80,000	0.3127
2	Rungamattee Trexim Private Limited				
	At the beginning of the year	44,20,550	5.0614	–	–
	26/10/2017 – Allotment	1,70,000	0.1898	45,90,550	5.1260
	At the end of the year	–	–	45,90,550	5.1260
3	Chandra Kumar Somany				
	At the beginning of the year	18,61,870	2.1318	–	–
	Changes during the year	No Changes during the year			
	At the end of the year	–	–	18,61,870	2.0791
4	Brabourne Commerce Private Limited				
	At the beginning of the year	2,14,14,485	24.5189	–	–
	26/10/2017 – Allotment	3,35,000	0.3741	2,17,49,485	24.2866
	At the end of the year	–	–	2,17,49,485	24.2866
5	Mukul Somany (HUF)				
	At the beginning of the year	4,50,675	0.5160	–	–
	Changes during the year	No Changes during the year			
	At the end of the year	–	–	4,50,675	0.5032
6	Spotme Tracon Private Limited				
	At the beginning of the year	44,20,545	5.0614	--	--
	26/10/2017 – Allotment	1,70,000	0.1898	45,90,545	5.1260
	At the end of the year	–	–	45,90,545	5.1260
7	Spotlight Vanijya Limited				
	At the beginning of the year	1,61,99,975	18.5485	--	--
	Changes during the year	No Changes during the year			
	At the end of the year	--	--	1,61,99,975	18.0897
8	Saurav Contractors Private Limited				
	At the beginning of the year	--	--	--	--
	26/10/2017 – Allotment	2,80,000	0.3127	2,80,000	0.3127
	At the end of the year	–	–	2,80,000	0.3127
9	Sudha Somany				
	At the beginning of the year	15,09,070	1.7278	--	--
	26/10/2017 – Allotment	3,20,000	0.3573	18,29,070	2.0424
	At the end of the year	–	–	18,29,070	2.0424
10	Sanjay Somany (HUF)				
	At the beginning of the year	8,22,635	0.9419	–	–
	Changes during the year	No Changes during the year			
	At the end of the year	–	–	8,22,635	0.9186

Annexure III to the Board's Report

Sl. No.		Shareholding at the beginning of the Year (As on 1st April, 2017)		Cumulative shareholding during the Year (1st April , 2017 –31st March ,2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
11	Chandra Kumar Somany (HUF)				
	At the beginning of the year	8,04,750	0.9214	–	–
	Changes during the year	No Changes during the year			
	At the end of the year	–	–	8,04,750	0.8986
12	Amita Somany				
	At the beginning of the year	8,93,000	1.0225	–	–
	Changes during the year	No Changes during the year			
	At the end of the year	–	–	8,93,000	0.9972
13	Rashmi Somany				
	At the beginning of the year	11,04,250	1.2643	–	–
	Changes during the year	No Changes during the year			
	At the end of the year	–	–	11,04,250	1.2331
14	Bharat Somany				
	At the beginning of the year	7,47,800	0.8562	–	–
	Changes during the year	No Changes during the year			
	At the end of the year	–	–	7,47,800	0.8350
15	Sanjay Somany				
	At the beginning of the year	27,82,865	3.1863	–	–
	Changes during the year	3,30,000	0.3685	31,12,865	3.4760
	At the end of the year	–	–	31,12,865	3.4760
16	Mukul Somany				
	At the beginning of the year	36,91,370	4.2265	--	--
	26/10/2017 – Allotment	3,30,000	0.3685	40,21,370	4.4905
	At the end of the year	–	–	40,21,370	4.4905

iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For each of the Top 10 shareholders	Shareholding at the beginning of the Year (As on 1st April, 2017)		Cumulative shareholding during the Year (1st April , 2017 – 31st March, 2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Goyal Commercial Private Limited				
	At the beginning of the year	4,08,437	0.4676	–	–
	06/10/2017 - Transfer	1,876	0.0021	4,10,313	0.4698
	10/11/2017 - Transfer	7,159	0.0080	4,17,472	0.4662
	17/11/2017 - Transfer	7,991	0.0089	4,25,463	0.4751
	09/02/2018 - Transfer	2,802	0.0031	4,28,265	0.4782
	16/02/2018 - Transfer	1,209	0.0014	4,29,474	0.4796
	23/02/2018 - Transfer	2,489	0.0028	4,31,963	0.4824
	02/03/2018 - Transfer	1,800	0.0020	4,33,763	0.4844
	At the end of the year	–	–	4,33,763	0.4844

Annexure III to the Board's Report

Sl. No.	For each of the Top 10 shareholders	Shareholding at the beginning of the Year (As on 1st April, 2017)		Cumulative shareholding during the Year (1st April , 2017 – 31st March, 2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2	L & T Finance Limited *				
	At the beginning of the year	–	–	–	–
	16/03/2018 - Transfer	39,50,000	4.4108	39,50,000	4.4108
	At the end of the year	–	–	39,50,000	4.4108
3	Dilip S. Damle				
	At the beginning of the year	77,97,240	8.9276	–	–
	16/03/2018 - Transfer	(1,55,640)	0.1738	76,41,600	8.5330
	At the end of the year	–	–	76,41,600	8.5330
4	I.T. Gallery Private Limited				
	At the beginning of the year	4,44,712	0.5092	–	–
	Changes during the year	No Changes during the year			
	At the end of the year	–	–	4,44,712	0.4966
5	Jaganath Vyapaar Private Limited				
	At the beginning of the year	3,04,214	0.3483	–	–
	Changes during the year	No Changes during the year			
	At the end of the year	–	–	3,04,214	0.3397
6	Pushkar Banijya Limited				
	At the beginning of the year	2,64,638	0.3030	–	–
	Changes during the year	No Changes during the year			
	At the end of the year	–	–	2,64,638	0.2955
7	Ironwood Investment Holdings				
	At the beginning of the year	63,48,025	7.2683	–	–
	Changes during the year	No Changes during the year			
	At the end of the year	–	–	63,48,025	7.0885
8	Dilip. S. Damle				
	At the beginning of the year	68,44,360	7.8366	–	–
	16/3/2018-Transfer	(37,94,360)	4.2370	30,50,000	3.4058
	At the end of the year	–	–	30,50,000	3.4058
9	Prachi Projects Private Limited #				
	At the beginning of the year	2,12,100	0.2428	–	–
	Changes during the year	No Changes during the year			
	At the end of the year	–	–	2,12,100	0.2368
10	Shrinathji Dealers Private Limited				
	At the beginning of the year	2,82,447	0.3234	–	–
	Changes during the year	No Changes during the year			
	At the end of the year	–	–	2,82,447	0.3154

Annexure III to the Board's Report

Sl. No.	For each of the Top 10 shareholders	Shareholding at the beginning of the Year (As on 1st April, 2017)		Cumulative shareholding during the Year (1st April , 2017 – 31st March, 2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
11	VZ Vanijya LLP *				
	At the beginning of the year	5,61,223	0.6426	–	–
	07/04/2017 - Transfer	94,990	0.1088	6,56,213	0.7513
	14/04/2017 - Transfer	1,29,690	0.1485	7,85,903	0.8998
	05/05/2017 - Transfer	38,174	0.0437	8,24,077	0.9435
	28/07/2017 - Transfer	1,09,500	0.1254	9,33,577	1.0689
	3/31/2018	–	–	9,33,577	1.0425

* Not in the list of Top 10 shareholders as on 01/04/2017 The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2018.

Ceased to be in the list of Top 10 shareholders as on 31/03/2018. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2017.

v) Shareholding of Directors and Key Managerial Personnel:

Sl No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the Year (As on 1st April, 2017)		Cumulative shareholding during the Year (1st April, 2017 – 31st March, 2018)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Shri Sanjay Somany (Chairman & Managing Director)				
	a) At the beginning of the year	27,82,865	3.1863	-	-
	b) Changes during the year	No Changes during the year			
	c) At the end of the year	-	-	31,12,865	3.4760
2	Shri Mukul Somany (Vice Chairman & Managing Director)				
	a) At the beginning of the year	36,91,370	4.2265	-	-
	b) Changes during the year	No Changes during the year			
	c) At the end of the year	-	-	40,21,370	4.4905
3	Shri Bimal Kumar Garodia (Sr. Vice President & Chief Financial Officer)				
	a) At the beginning of the year	5			
	b) Changes during the year	No change			
	c) At the end of the year			5	

Note: Apart from the aforesaid Directors & KMP, none of the Directors and KMPs hold any share in the Company.

Annexure III to the Board's Report

V) INDEBTEDNESS – Indebtedness of the Company including interest outstanding/accrued but not due for payment: **(in ₹)**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	25,251,814,338.00	457,597,921.00	-	25,709,412,259.00
ii) Interest due but not paid	83,975,429.00	-	-	83,975,429.00
iii) Interest accrued but not due	106,137,444.00	-	-	106,137,444.00
Total (i+ii+iii)	**25,441,927,211.00**	**457,597,921.00**	**-**	**25,899,525,132.00**
Change in Indebtedness during the financial year			-	-
* Addition	689,722,478.00	(457,597,921.00)	-	232,124,557.00
* Reduction	1,300,179,302.00		-	1,300,179,302.00
Net Change	**(610,456,824.00)**	**(457,597,921.00)**	**-**	**(1,068,054,745.00)**
Indebtedness at the end of the financial year			-	-
i) Principal Amount	24,641,357,514.00	-	-	24,641,357,514.00
ii) Interest due but not paid	602,740,164.00	-	-	602,740,164.00
iii) Interest accrued but not due	483,605.00	-	-	483,605.00
Total (i+ii+iii)	**25,244,581,283.00**	**-**		**25,244,581,283.00**

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: **(in ₹)**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Shri Sanjay Somany	Shri Mukul Somany	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	29,681,496	29,681,496	59,362,992
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	45,090	77,431	122,521
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify	-	-	-
5	Others, please specify Employer's contribution towards Provident Fund, club membership expenses.	2,401,200	2,401,200	4,802,400
	Total (A)	**32,127,786**	**32,160,127**	**64,287,913**
	*Ceiling as per the Act	27,499,000	27,499,000	54,998,000

Note: *The Central Government vide its letter dated 30th May, 2017 approved a total Remuneration of Rs 18,00,000 per annum for the period of 3 years w.e.f 01.04.2015 to 31.03.2018 to both the Vice Chairman and Managing Director against which the company has made necessary applications to the Central Government for review of the order and enable the company to pay managerial remuneration as per the approval received from the shareholders through Postal Ballot.*

Annexure III to the Board's Report

B. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Name of Independent Director				Non-Executive Directors	Total Amount
1		Shri Narayanaswami Sitaraman	Shri Ratna Kumar Daga	Shri Dipankar Chatterji	Smt. Rita Bhimani	Shri Chandra Kumar Somany (upto 17.05.2017)	
	Fee for attending board committee meetings	2,60,000	2,80,000	2,80,000	80,000	-	9,00,000
	Commission					-	
	Others, please specify					-	
	Total (B)	2,60,000	2,80,000	2,80,000	80,000	-	9,00,000
	Total Managerial Remuneration					-	6,51,87,913
	Overall Ceiling as per the Act	Sitting fees paid is within the limit prescribed as per Section 197 of the Act.					

C. Remuneration To Key Managerial Personnel Other Than Md /Manager / WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Shri Bimal Kumar Garodia (Sr .Vice President & Chief Financial Officer)	Shri Ajay Kumar Rai (Company Secretary & Legal Counsel)	
1	Gross salary	5,106,773	2,017,663	7,124,436
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	32,400		32,400
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	**5,139,173**	**2,017,663**	**7,156,836**

Annexure III to the Board's Report

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal Made , if any (give details)
A. **COMPANY**					
Penalty					
Punishment					
Compounding					
B. **DIRECTORS**					
Penalty			NIL		
Punishment					
Compounding					
C. **OTHER OFFICERS IN DEFAULT**					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board

Sanjay Somany
Chairman & Managing Director
(DIN: 00124538)

Place : Kolkata
Date : 28th June, 2018

Annexure IV to the Board's Report

A. INFORMATION PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULES 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sl. No.	Name	Age (Years)	Qualification & Experience in years	Date of Appointment	Designation (Nature of Duties)	Gross Remuneration (₹)	Last Employment held (Designation)	% of Equity Shares held by an employee
1	Shri Sanjay Somany	60	B. Com. Dip. In Diesel Engg. 38 years	01.10.2005	Chairman and Managing Director (To Manage the affairs of the Company on day to day basis)	32,127,786	Glass Equipment (India) Ltd. (Managing Director)	3.1863
2	Shri Mukul Somany	53	B. Com (Hons.) 31 years	01.10.2005	Vice Chairman and Managing Director (To manage the affairs of the Company on day to day basis)	32,160,127	None	4.2265

Notes:

1) Remuneration includes Salary, Commission, and contribution to P.F and perquisites.

2) Shri Sanjay Somany and Shri Mukul Somany are related to each other.

3) All appointments of the above employees are contractual.

Disclosure on the Remuneration of the Managerial Personnel

a. The median remuneration of employees of the company during the financial year was ₹ 4.10 lakh (INR)

b. There were 990 Staff & 2298 Permanent Workers on the rolls of Company as on 31st March, 2018.

c. There is no increase in the remuneration paid to Executive and Non-Executive Directors.

d. Ratio of remuneration of Shri Sanjay Somany and Shri Mukul Somany to median remuneration of employees of are 78.36, 78.48 respectively.

e. Affirmation that the remuneration is as per the remuneration policy of the Company – Yes

Annexure IV to the Board's Report

B. INFORMATION PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULES 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Details of top 10 employees in terms of remuneration drawn

Sl No	Name	Designation	Remuneration received	Qualifications	Experience	Date of commencement of employment	Age	The last employment held before joining the company
1	Bimal Kumar Garodia	SR. VP & CFO	54,80,671	FCA, FCS, FICWA	26	26.04.2008	50	Bajaj Eco-Tech Products Ltd (VP (Finance) & Company Secretary)
2	Vinay Saran	SR. VP-Marketing	51,13,875	B.SC, MBA	32	12.02.2007	52	Indo Rama Synthetics Limited (GM Marketing & Product Head)
3	Ajay Kr.Rai	VP-SMC	41,73,692	BE Mech	24	02.02.2012	43	Baxter India Pvt. Ltd. (Plant Manager)
4	Somnath Sengupta	VP-Management Audit	39,94,763	CA, ICWA, B.Sc (Hons)	28	01.07.2011	53	Eveready Industries (GM Internal Audit)
5	Pawan Kumar Sharma	VP-Tech Centre	35,12,100	B. E (Mech) , MBA	22	17.07.1995	42	
6	Shiv Raj Bansal	VP-Commercial	33,32,321	C.A., M.Com.	32	01.02.2011	58	M/s Motherson Sumi
7	Samaresh Chakrabarti	VP-Operation	33,00,000	B.E (Mech)	27	03.6.2017	49	Alpla India Pvt. Ltd.
8	Naresh Gupta	VP-Marketing	32,00,057	B.Sc.	39	02.11.2015	59	Radico Khaitan Ltd. (AVP - Supply Chain (Procurement))
9	Ajoy Kumar Chakravarti	VP-Operation	30,57,451	B.E (Electrical)	32	11.12.2012	53	UAL Industries Ltd.
10	Vikas Singh	AVP-Operation	30,00,000	B.E (Mech), PGDBM	21	11.15.2016	44	Baxter India Pvt. Ltd.

For and on behalf of the Board

Sanjay Somany
Chairman & Managing Director
(DIN: 00124538)

Place : Kolkata
Date : 28th June, 2018

Annexure V to the Board's Report

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014

Information pursuant to section 134(3)(m) and rules made therein and forming a part of the Board's Report for the year ended 31st March, 2018.

1. Energy Conservation

Energy conservation continues to remain the key focus area for the Company. New initiatives and developments undertaken in this direction are:

Plant	Initiatives & Developments
Rishra	1. Cold repairing of Furnace No-1 will improve melting energy. 2. Ceramic welding at Furnace No-2 and repairing with fused silica blocks at Throat Gabble wall & two side walls will reduce heat loss. 3. Higher per cent cullet has been used in batch to reduce energy consumption in melting. 4. Modification at LPG vaporizers & arresting the leakages at pipe lines have been done to reduce energy consumption.
Bahadurgarh	1. Modified 04 No. air dryers after replacing 90KW reciprocating compressors with 60KW screw compressor. Saved around 1200 units/day. 2. MCB 34 & CC2 Slip ring type motor replaced with EE3 induction motor along with VFD. Daily saving of~ 1800 KWH/day 3. Installed 190 LED lights in first phase. Saved ~ 229 KWH /day around units/day. 4. Cooling water system of F3,4 & 5 modified resulted in daily saving of ~ 360 KWH /day. 5. IS Machine 41 modified with blank side vertiflow system with daily saving of ~ 1500 KWH/Day. 6. Regular decongestion of regenerators is being carry out to improve heat regeneration. 7. Optimized furnace combustion with dual fuel firing –Gas and LSHS.
Rishikesh	1. Automation of electrode cooling water pump system. (Saving 100 Kwh / day). 2. ETP plant 15 HP VSM replaced with 7.5 HP submersible pump (Saving 60 kwh / day). 3. Submersible pump atomization (Saving 100 kwh / day). 4. STP installation 60 KLD. 5. Ceramic welding done at Fur#8 to arrest unwanted heat loss from leakages at crown.
Sinnar	1. Providing LP air (3.5 bar) to F-12 atomisation air to furnace result in reduction load on instrument air compressor. 2. F-12 cooling water pump impeller trimming done. 3. Impeller diameter reduction by 24 mm and reduce power consumption resulted in monthly saving of ₹ 1,46,700. 4. L-125 single liner belts extended to pack all types of bottles at elevator. 5. Shrink wrapping machine bottom insulation with ceramic fibre blanket to avoid heat loss resulting in saving of ₹ 2.11 Lakhs/annum 6. Reduce reciprocating compressor discharge temp.: Reciprocating compressor-3 after cooler replaced to get thermal efficiency. 7. Reduction of lighting power consumption: resulting in saving of ₹ 3.83 Lakhs/annum 8. Air gun fixed at F-12 IS M/C for equipment cleaning in place of manual operated valve to reduce air wastage resulting in saving of ₹ 5.11 Lakhs/annum 9. L-103 mould cooling blower ducting modification done resulting in saving of ₹ 2.29 Lakhs/annum
Naidupeta	1. Power purchased through IEX platform led to a saving of ₹ 113 Lakhs for the fiscal 2017 - 18 2. The power factor of the grid power supply has been increased & maintained above 0.9951 3. All 4 nos. lighting transformers are put in service with 20% saving leading to units per 248 units per day and annually 90520 units amounting to ₹ 5.79 Lakhs 4. Ceramic welding of the Gable wall done for improving the life of the Furnace 5. The outlet water of the ETP is recycled for development of green belt which has extended up to 82 acres as on date. 40 kL waste water recycled per day for gardening purpose

Annexure V to the Board's Report

Plant	Initiatives & Developments
Pondicherry	1. IEX - Purchase Power is being establised from Aug 2017 onwards there by saving of 9.4 lac so for. 2. Cold End - Thyristor logic provided for Shrink wrap machines operations thereby saving of 100 units/day 3. IS Machine - Thyristor logic provided in Mould heating owens thereby saving of 80 units/day 4. IS Machine - Replacement of 22 KW Water recirculation pump inot 11 KW pump thereby savings of 200 unit/ day. 5. Lightings - LED tube lights provided in phased mannar thereby savings of 90 units / days 6. Water system - Cooling water circulation system been optimised and exploiting the pumps as per actual requirement there by saving 700 units per day. 7. Water System - Yield of Borewell pump no. 1 been increased by compressor development and with exhaustive follow up with PASIC the Borewell pump No2 has been changed to a higher capacity there by the daily running hours of borewell been reduced. 8. Running the STP regularly and using the STP water in Sand Plant, Hot Cullet recirculation water and Gardening purpose 9. Compressor - Total 41 no. of Mechanical Auto drain valve fitted from 18 May onwards in all the Bottles, Compressor and Dryers there by Zero air loss in draining.

2. Research and Development

Specific areas in which R & D is carried out by the Company

Plant	Initiatives & Developments
Rishra	1. Batch without Dolomite at Furnace No-6 has been developed to reduce batch cost. 2. Receiving of soda ash as bulk material without bagging to reduce packaging & handling cost. 3. Transporting of sand from Bhuj through water transport to reduce cost. 4. Indigenous Lime stone has been replaced with imported to reduce cost at Rishra plant. 5. Blending of indigenous waste film with polyethylene grains to produce shrink film to reduce wastage.
Bahadurgarh	400ppm iron glass is being produced at Fur#5
Rishikesh	Dirty Pink glass developed successfully at Fur# 6.
Sinner	1. Mould cooling blower cone setting with the help of TC Monthly saving: 27000 KWH (₹ 189000) Saving: 22.68 Lakhs 2. New Flint Glass Recipe (More Forming Friendly and High Weathering Resistant) Introduction in F12. – Started Implementing from 14th June'2017.

3. Future plans of action

Plant	Initiatives & Developments
Rishra	1. Cold repair of F1 to improve energy consumption and productivity 2. Colored fore hearth in line 62 3. Planned to go for 132 KV dedicated power line to utilize the IEX option.
Bahadurgarh	1. Planned to replace 3 stage Centac compressors with 2 stage to save energy 2. Plan to expand F5 capacity from 59 sq. m to 85sq.m with addition of one colored fore hearth. 3. Modification in compressed air system to reduce pressure drop in system. 4. To provide dedicated utility for Furnace 5 to bring down energy cost by reducing P. 5. Modification in the existing rectangular cooling blower ducting with circular ducting to reduce pressure drop and save energy. 6. Plan to install 1500 KW of roof top solar power to reduce energy dependency on conventional system.

Annexure V to the Board's Report

Plant	Initiatives & Developments
Rishikesh	1. Fur# 8 cold repair planned to get desired pull and fuel efficiency. 2. PPC to be installed on Line 81 & 82 to control plunger operation and gob weight automatically for NNPB process. 3. ETP Capacity enhancement from 250 KLD to 400 KLD. 4. New motor for Centac compressor with soft starter.
Sinnar	1. Planned to fixed L-103 Mould cooling blower 250 KW. 2. Auto changeover during power failure. 3. Planned to Captive solar power generation. 4. Planned to Lehr-104 glass wool insulation fixed to avoid heat loss. 5. F-10 CCR insulation fixed to avoid heat loss. 6. Cooling arrangement for mould cooling blower saving: 300 KWH/day, Saving: 7.66 Lakhs/annum 7. Planned to fixed energy efficient motor 250 KW for mould cooling blower 8. Utilisation of 2 stage compressor in place of 3 stage compressor for FPS air by setting set pressure by 3.1 bar to 4.2 bar, Saving: 3000 KWH/Day , saving: 76 Lakhs/annum. 9. LED AND solar lights in place of HPIT Philips lamp. 10. AHU chillar ducting for F-10 CCR pacakged AC, Saving: 100 KWH/Day , Saving:2.55 Lakhs/annum 11. Centrifugal compressor suction pipe cooling modification.
Pondicherry	1. Compressor - Planning for commissioning/interfacing of compressor air flow meter with SCADA to monitor the performance of compressor online. 2. Furnace - Thyristor logic to be planned for pre heating of FO Oil. 3. Furnace - Ceramic welding to be planned on or before Aug 2018 to extend the furnace life. 4. Power House - Upgradation of 22 KV line voltage into 110 KV line voltage to ensure un interrupted Power supply, and avoiding dependency of DG sets. 5. IS Machine - PPC to be installed on Line 91 & 94 to control plunger operation and gob weight automatically for NNPB process 6. IS Machine - Replacement of 22 KW pump into 11 KW Pump for water re circualtion system
Naidupeta	1. Lehr outlet final zone temperature to be maintained by removing the exhaust blowers of Lehr. 2. Metal Liner blowers of the Furnace to be stopped. 3. Ceramic welding to be planned in June 2018 to extend the furnace life 4. Provision of VFD to Cooling Tower circulation will lead to saving of 1.16 Lakhs units annually amounting to ₹ 7.40 Lakhs

4. Expenditure on R & D

During the year, the company has not incurred any expenditure.

5. Technology Absorption, Adoption and Innovation

- NNPB Job developments specially for 650 ML beer bottles. Total 11 Products has been validated across the group and also 2 jobs have been commercialized.
- IS Machines Upgradation
- NNPB Job developments specially for 650 ML beer bottles at Line No-21 & 24.
- TFA on Line no.21 and 24
- Technical assistance from Sheppe to develop hot end bottle handling.
- KCR Improvement tools had been incorporated to increase further KCR Values across plants
- 6S has been implemented across the plant to develop clean manufacturing practices.
- Development of indigenous Hot end coating hood and Cold end coating has been completed.
- Light weighting of around 12 prime jobs completed and process is continuing for other prime jobs
- Conversion of reciprocating air dryers to screw dryer has been done successfully to get better efficiency.

Annexure V to the Board's Report

- Mixed fossil fuel FO & Pet coke ,has been practiced at Fur No-1, 2 & 6 to get better life of Furnace.
- Installation of energy efficient lighting across the plants.
- Optimized glass composition with improved physical specifications of raw materials to maximize the pull of Fur-2 vis-à-vis low specific energy consumption.
- Successful Commissioning and validation of Process Control System (TFA) on 6 lines i.e. 2 machines each at Bahardurgarh, Rishra and Pondicherry plant for effective NNPB operation.
- Development and commercialization of light weight Beer bottles @360grams and many other SKUs like Water, Tomato Ketchup, Fruit juices in NNPB operation across the group.
- KCR Improvement tools are being optimally utilised to improve productively.
- Installation & commissioning of SBR Technology based STP plant at RSK plant for effective handling and treatment of Sewage.
- Installation of energy efficient lighting across the plants.
- Optimized glass composition with improved physical specifications of raw materials to optimize the melting energy.
- Improvement in WRI (working range index) of glass to make it more suitable for NNPB process.
- Installation and commissioning of Truck tippler system for bulk unloading of imported soda.
- Saving in billing: Switchover from open access to 100 % MSEDCL power and net saving in last 7 month Saving: 122.11 Lakhs.
- Reduction of Contract demand: Reduced CD from 15 W to 10 MW and avaling load factor incentive w.e.f. 1/01/2018 Saving : 55 Lakhs.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign exchange earnings and outgo are detailed below: (₹ in lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Earnings in foreign exchanges	4,393.20	3,518.88
Expenditure incurred in foreign exchanges		
Raw Materials	20,031.95	16,827.20
Capital Goods	1,711.48	2,145.92
Components, Spare parts and Repairs	2,839.26	3,858.15
Other Expenses	1,320.54	2,993.52

For and on behalf of the Board

Sanjay Somany
Chairman & Managing Director
(DIN: 00124538)

Place : Kolkata
Date : 28th June, 2018

Corporate Governance Report

1. Company's philosophy on Code of Governance

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the wide sense. HNG believes that transparent and ethical practices, in line with accepted norms of Corporate Governance are essential for long term success. The Company lays strong emphasis on management accountability, established control systems and individual integrity at all levels. It seeks to ensure that business objectives are balanced with corporate responsibility to create sustainable value for all stakeholders including shareholders, employees, customers, government and the lenders. It is our endeavour to achieve higher standards and provide oversight and guidance to the management in strategy implementation, risk management and fulfillment of stated goals and objectives.

During the financial year 2017-18, the Company kept its commitment towards the required norms and disclosures on Corporate Governance under Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations").

2. Board of Directors

The Board is entrusted with the ultimate responsibility of the management, directions and performance of the Company. The Company formed an active, well-informed Board comprising of Independent Directors in compliance of Listing Regulations, to uphold the Company's commitment to high standards of ethical values and business integrity.

- **Composition, category and size of the Board :**

  The composition and category of the Board of Directors as on 31st March, 2018 is given below.

  Out of the total 6 (Six) Directors on the Board:

  - 2 (Two) are Executive Directors
  - 4 (Four) are Independent Directors including 1 (One) Woman Independent Director.

The Chairman of the Company is an Executive Director.

Report on Corporate Governance

Attendance of each Director at the Board Meetings, last Annual General Meeting (AGM), and Number of other Directorships and other Board Committee memberships in various Companies:

Name of the Director	Category of Director	Attendance at meetings held during 2017-18		Directorship in other companies^	Number of Board Committees in which he is Chairman/Member#		
		Board	AGM		Chairman	Member	Total
Shri Chandra Kumar Somany (Promoter)*	(Chairman) Non-Executive, Non Independent	-	-	Not Applicable			
Shri Sanjay Somany (Promoter)#	(Chairman & Managing Director) Executive	4	Yes	5	1	_	1
Shri Mukul Somany (Promoter)	(Vice Chairman & Managing Director) Executive	5	No	5	1	1	2
Shri Ratna Kumar Daga	Independent, Non-Executive	5	Yes	2	2	-	2
Shri Dipankar Chatterji	Independent, Non-Executive	5	Yes	7	4	3	7
Smt. Rita Bhimani	Independent, Non-Executive	4	No	1	-	-	-
Shri Narayanaswami Sitaraman $	Independent, Non-Executive	5	Yes	1	-	1	1

* Ceased to be the Director of the Company pursuant to death w.e.f 17th May, 2017.

#Appointed as Chairman w.e.f 12th August, 2017.

$ Appointed w.e.f 13th April, 2017.

^excludes directorship of companies u/s 8 of the Companies Act, 2013, Private Limited Companies, Foreign Companies.

Memberships/Chairmanships of only Audit Committee and Stakeholders' Relationship Committee in other public limited companies have been considered.

- Shri Sanjay Somany, Chairman & Managing Director and Shri Mukul Somany, Vice Chairman & Managing Director, are brothers. Other Directors are not related to one another.
- **Board meetings held during the year :**

  In the financial year 2017-18, 5 (Five) Board meetings were held. The interval between two meetings was well within the maximum period mentioned under Companies Act, 2013 and the Listing Regulations:

Sl. No.	Date of meeting	During the quarter	No. of Directors present
1	15th May, 2017	April 2017–June 2017	6
2	12th August, 2017	July 2017–September 2017	5
3	07th November, 2017	October 2017–December 2017	6
4	12th February, 2018	January 2018-March 2018	6
5	23rd February, 2018	January 2018-March 2018	5

During the financial year 2017-18 one meeting of the Special Committee of the Board of Directors of the company was held on 26th October, 2017 to allot 22,15,000 equity shares issued on Preferential Allotment Basis to the promoters of the Company and one resolution by circulation was approved by the Directors on 13th April, 2017.

The Board meetings are normally convened on the directions received from the Chairman/Managing Director of the Company. A detailed agenda along with relevant notes and other material information are sent in advance separately to each member of the Board, and in exceptional cases tabled at the meeting with the approval of the Board. This ensures timely and informed decisions by the Board. The minutes of the Committees of the Board are regularly placed before the Board.

Report on Corporate Governance

The Board also periodically reviews compliance by the company with the applicable laws/statutory requirements concerning the business and affairs of the Company.

The important decisions taken at the Board/ Board Committee meetings are communicated to the concerned departments.

- **Availibility of information to the Board Members**

  The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of Listing Regulations to the Board and the Committees of Board to the extent it is applicable and relevant.

- **Independent Directors Meeting**

  During the year, a separate meeting of the Independent Directors was held on 12th February, 2018 without the attendance of the non- independent directors and the members of the management, inter-alia, to discuss the performance of Non-independent Directors including that of the Chairman of the Company, taking into account the views of the Executive Directors, assess the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties and other related matter.

  All the Independent Directors were present in the Meeting.

- **Familiarisation Programmes for Independent Directors**

  The Independent Directors are provided with necessary documents/brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved.

  The details of such familiarization programmes for Independent Directors are posted on the website of the Company at http://www.hngil.com/downloads/FamiliarizationProgrammeHNGIL250515.pdf

3. Audit Committee

- **Terms of Reference**

  The Company constituted an Audit Committee in the year 2000. The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Regulation 18 of the Listing Regulations and Sec.177 of the Companies Act, 2013, as applicable, besides other terms as referred by the Board of Directors.

  1. The recommendation for appointment, remuneration and terms of appointment of Statutory Auditors of the Company.
  2. Review and monitor the auditor's independence and performance and effectiveness of audit process.
  3. Examination of the Financial Statement and the Auditor's Report thereon.
  4. Approval or subsequent modification of transactions of the Company with the related parties.
  5. Scrutiny of inter-corporate loans and investments.
  6. Valuation of undertakings or assets of the Company, wherever it is necessary.
  7. Evaluation of internal financial controls and risk management systems.
  8. Monitoring the end use of funds raised through public offers and related matters.
  9. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.

- **Composition, meetings and attendance during the year**

  In the financial year 2017-18, 10 (Ten) meetings of the Audit Committee were held and the attendance of each member of the Committee is given below.

Report on Corporate Governance

- **Dates of meetings:**

25th April , 2017	15th May, 2017	14th June, 2017	12th August, 2017
20th September, 2017	07th November, 2017	18th November, 2017	6th February, 2018
12th February, 2018	23rd February, 2018		

Members of the Audit Committee have the requisite financial and management expertise. The Chairman of the Audit Committee attended the 71st Annual General Meeting of the Company.

- Total strength of the Audit Committee: **Three**

Designation	Members	Category	Number of meetings held	Number of meetings Attended
Chairman	Shri Ratna Kumar Daga	Non-Executive, Independent Director	10	10
Member	Shri Dipankar Chatterji	Non-Executive, Independent Director	10	10
Member	Shri Narayanaswami Sitaraman (13.04.2017 to 24.04.2018)	Non-Executive, Independent Director	10	10
Member	Shri Mukul Somany (w.e.f 4th May,2018)	Executive Director	--	--

The Chairman of the Board, Chief Financial Officer, Internal Auditor and Statutory Auditor are invited to attend all the meetings.

The Company Secretary & Legal Counsel acts as the Secretary to the Committee.

- **Internal Control and Governance Process**

The Company has In-house Management Team to review and report on Internal Control Systems. The Report of the In house Management Team is reviewed by the Audit Committee periodically.

The Committee mandatorily reviews information such as Internal Audit Reports related to internal control weakness, management discussion & analysis of financial condition and result of operations, statement of significant related party transactions and such other matters as prescribed.

4. Nomination & Remuneration Committee

- **Terms of Reference –** To formulate and determine the Company's policy regarding remuneration packages for Directors including any compensation payments.

- **Composition, Meetings and Attendance during the year**

In the financial year 2017-18, 2 (Two) meetings of the Nomination & Remuneration Committee was held on 08th April, 2017 and 12th February, 2018.

Report on Corporate Governance

Total strength of the Nomination & Remuneration Committee : **Three**

Designation	Members	Category	Number of meetings held	Number of meetings Attended
Chairman	Shri Ratna Kumar Daga	Non-Executive, Independent Director	2	2
Member	Shri Narayanaswami Sitaraman #	Non-Executive, Independent Director	1	1
Member	Shri Dipankar Chatterji	Non-Executive, Independent Director	2	2
Member	Smt. Rita Bhimani (w.e.f 4th May, 2018)	Non-Executive, Independent Director	--	--

Shri Narayanaswami Sitaram was appointed as the member of the Nomination & Remuneration Committee w.e.f 12th August, 2017 and ceased to be a member w.e.f 24th April, 2018.

- **Nomination & Remuneration Policy of the Company**

  A Nomination & Remuneration Policy of the Company is attached as "Annexure IA" and forms part of the Board's Report.

Details of the remuneration paid to the Directors during 2017-18

- **To Non-Executive Directors**

  The Independent and Non-Executive Directors are entitled to a sitting fee of ₹ 20,000/- for attending each meeting of the Board, ₹ 15,000/- for attending each Meeting of the Audit Committee and ₹ 10,000/- for attending each Meeting of the Nomination & Remuneration Committee. No remuneration is paid for attending the meetings of the Stakeholders' Relationship Committee, Corporate Social Responsibility (CSR) Committee and Treasury Management Committee respectively.

- **The details of sitting fees paid and commission payable during 2017-18 are as follows:** (In ₹)

Directors	Business relationship with HNG	Sitting fees	Commission	Total
Shri Chandra Kumar Somany*	Promoter			
Shri Narayanaswami Sitaraman#	None	2,60,000	--	2,60,000
Shri Ratna Kumar Daga	None	2,80,000	_	2,80,000
Shri Dipankar Chatterji	None	2,80,000	_	2,80,000
Smt. Rita Bhimani	None	80,000	--	80,000

* Ceased to be the Director of the Company w.e.f 17th May,2017.

Ceased to be the Director of the Company w.e.f 24th April,2018.

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- **To Executive Directors**

  The details of remuneration paid to Executive Directors during 2017-18 as per their respective agreements are as follows:

(In ₹)

Break-up of Remuneration	Shri Sanjay Somany	Shri Mukul Somany
	Chairman & Managing Director	Vice Chairman & Managing Director
Salary	29,681,496	29,681,496
Provident fund	2,401,200	2,401,200
Perquisites	45,090	77,431
Commission	--	--
Total	32,127,786	32,160,127

Note :

a. As per agreement dated 7th May, 2015, Shri Sanjay Somany & Shri Mukul Somany are eligible for a Commission @ 1.5% of the net profit computed in accordance with provisions of the Companies Act, 2013 restricted to annual basic salary drawn in that particular year. Due to the inadequacy of profits during the financial year 2017-18, no commission was paid to Executive/Non-Executive Directors of the Company.

b. No stock option is available to the Executive Directors or the employees of the Company.

- **Performance Evaluation**

  Pursuant to the provisions of the Companies Act, 2013 and Schedule V of the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015, the Board has formed a framework for formal Annual Evaluation of performance of Committee and Board of Directors and it was approved by the Board of Directors at its Meeting held on 11th February, 2015. The primary objective of the Policy is to provide a framework and set standards for the evaluation of the Board as a whole, its Committees and Directors. The Company aims to achieve a balance of merit, experience and skills on the Board. The Board's policy is to assess the effectiveness of the Board as a whole and its Board Committees. Individual Board members are assessed on their effective contribution and commitment to their role and responsibilities as Directors.

5. Stakeholders' Relationship Committee

Composition, meetings and attendance during the year

Total strength of the Stakeholders' Relationship Committee: **Three**

During the year under review only one meeting were held on 23rd October, 2017

Designation	Members	Category
Chairman	Shri Ratna Kumar Daga	Non-Executive, Independent Director
Member	Shri Sanjay Somany	Executive Director
Member	Shri Mukul Somany	Executive Director

Terms of Reference-

The Committee mainly looks into the matters of Shareholders/Investors qrievances.

Shri Ajay Kumar Rai, Company Secretary & Legal Counsel is also the Compliance Officer of the Company.

Shareholders' complaints and pending share transfer

No investor grievance was pending at the beginning and at the end of the financial year 2017-18 and there was no investor grievances during the year under review also.

Report on Corporate Governance

6. Corporate Social Responsibility (CSR) Committee

Total strength of the Corporate Social Responsibility (CSR) Committee: **Three**

Designation	Members	Category
Chairman	Shri Mukul Somany	Executive Director
Member	Shri Sanjay Somany	Executive Director
Member	Smt Rita Bhimani	Independent, Non–executive Director

The Role and Responsibility of the Committee are as follows:

(a) To frame the CSR Policy and to review the same time to time.

(b) To ensure effective implementation and monitoring of the CSR activities as per the approved policy.

(c) To ensure compliance with the various laws, rules and regulations.

(d) The Committee shall identify any one or more of the activities as specified in the policy and as may be approved by the Govt. from time to time.

During the year under review, no meeting was held. Since, the Company is incurring losses no expenditure was incurred on account of CSR activities.

7. Subsidiary

As on 31st March, 2018, the Company does not have any subsidiary.

8. Whistle Blower Policy

The Whistle Blower Policy of the Company is in place. The details of such policy are posted on the website of the Company at http://www.hngil.com/report/whistleblowerpolicy.pdf

9. General Body Meetings

The Details of day, date, venue and timings of the last three Annual General Meetings held are as follows :

General Meeting	Venue	Day and date	Time
71st Annual General Meeting	CII-Suresh Neotia Centre of excellence for leadership, DC-36, Sector – I, Salt lake city, Kolkata - 700 064	Monday,18th September, 2017	10:00 a.m.
70th Annual General Meeting	CII-Suresh Neotia Centre of excellence for leadership, DC-36, Sector – I, Salt lake city, Kolkata - 700 064	Wednesday, 28th September, 2016	10:00 a.m.
69th Annual General Meeting	CII-Suresh Neotia Centre of excellence for leadership, DC-36, Sector – I, Salt lake city, Kolkata - 700 064	Monday, 28th September, 2015	10:00 a.m.

Details regarding Special Resolutions passed during the previous three AGMs are given below:

Shareholders' Meeting	Special Business requiring Special Resolution
71st Annual General Meeting	1. Issuance of Equity Shares to the Promoters on Preferential Basis.
70th Annual General Meeting	1. No Special Resolution was passed.
69th Annual General Meeting	1. Option to lenders for conversion of entire debt into fully paid-up Equity Shares and Issue of Equity shares to Lenders.

Extra-Ordinary General Meeting and Postal Ballot

In the financial year 2017-18, no extra-ordinary general meeting was held and no resolution was passed through Postal Ballot.

Report on Corporate Governance

10. Disclosures

There were no materially significant related party transactions made by the Company with its Promoters, Directors or the management and its subsidiaries or relatives, among others, that may have potential conflict with the interests of the Company at large and are carried at arm's length basis or fair value. The Register of Contracts containing the transactions in which the Directors are interested is placed before the Board regularly for its approval. As required under the Listing Regulations, the Company has formulated a policy on dealing with related party transaction and the same is available on the website of the Company (http://www.hngil.com/report/policyonrelatedpartytransactions.pdf).

Related party transactions are in the ordinary course of business and are reported to the Audit Committee. Such transactions are disclosed in note no 2.38 of Notes on Financial Statements in the Annual Report.

During the last three years, there were no strictures or penalties imposed on the Company by either the Securities and Exchange Board of India (SEBI) or the Stock Exchanges, or any other statutory authority for non-compliance of any matter related to the capital market.

The Company conducts periodic reviews and reporting to the Board of Directors regarding risk assessment by senior executives with a view to minimise risk.

During the financial year 2017-18, the Company didn't make any public or right issue.

The Company made preferential Issue during the financial year 2017-18.

The Financial Statements for 2017-18 were prepared in accordance with the applicable Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013.

The Chairman & Managing Director, Vice Chairman & Managing Director and the Chief Financial Officer of the Company have certified to the Board in accordance with SEBI (Listing Obligations & Disclosures Requirement) Regulations, 2015 pertaining to CEO/CFO certification for the financial year ended 31st March, 2018.

Pursuant to the requirement of Regulation 26(3) of SEBI (Listing Obligations & Disclosures Requirement) Regulations, 2015, the Company has adopted a 'Code of Conduct for Directors and Senior Management'. The Directors and designated employees of the Company have complied with the provisions of the said Code of Conduct. The Code of Conduct is also hosted on our website. All members of the Board and Senior Management personnel have affirmed compliance to the Code as on 31st March, 2018.

Two sets of Codes - Code of Practice and procedures for fair Disclosure of Unpublished Price Sensitive Information & Code of Conduct to regulate, monitor and trading by insiders have been adopted by the Board in accordance with SEBI (Prohibition of Insider Trading) Regulation 2015.

The Management Discussion and Analysis forms a part of this Annual Report.

Information with respect to 'Foreign Exchange Risk and Hedging Activities' form an integral part of the Notes to the Financial Statements.

11. Means of Communication

The quarterly, half-yearly and the annual financial results are published in the proforma prescribed under the Listing Regulations, in one English Newspaper (normally in Business Standard) having wide circulation and another in the vernacular language in Bengali (normally in Dainik Jugshanka). However, only the annual results are sent to the shareholders of the Company. Moreover, the quarterly/annual results and official news releases along with various other information are generally sent to the Stock Exchanges as well as also hosted on Company's website i.e www.hngil.com.

Report on Corporate Governance

12. General shareholder information

Incorporation	The Company was incorporated in Calcutta, in the Province of Bengal, on February 23, 1946.
Corporate Identification Number (CIN)	L26109WB1946PLC013294
Date, time and venue of AGM	Tuesday, the 18th September, 2018 at 10.00 a.m.
	Venue : CII-Suresh Neotia Centre of excellence for leadership, DC-36, Sector – I, Salt Lake City, Kolkata - 700 064
Financial calendar (Tentative)	April 2018 to March 2019
1st quarter results by	2nd week of August, 2018
2nd quarter results by	2nd week of November, 2018
3rd quarter results by	2nd week of February, 2019
4th quarter results by	3rd / 4th Week of May, 2019
Date of Book Closure	Tuesday, 11th September, 2018 to Tuesday, 18th September, 2018 (both days inclusive)

- **Listing on Stock Exchanges**

  Your Company's shares are listed on the following Stock Exchanges

1] The Calcutta Stock Exchange Limited,
7, Lyons Range,
Kolkata - 700 001
Email:cseadmn@cseindia.com
Website : www.cse-india.com
Scrip code : 10018003

2] BSE Limited,
25, Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001
Email:corp.relations@bseindia.com
Website : www.bseindia.com
Scrip code : 515145

3] National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai- 400051
Email : cmlist@nse.co.in
Website :www.nseindia.com
Scrip symbol:HINDNATGLS

- **Listing fees** Paid for the year 2018-19 for all the above Stock Exchanges.
- **High / Low share price data**

  1] According to the data provided by The Calcutta Stock Exchange Ltd., there was no transaction in the Company's equity shares during the year under review at the said Stock Exchange.

  2] The details of transactions in the Company's equity shares at the BSE Limited and National Stock Exchange of India Limited during the year and the respective high / low price data are as given below:

At BSE Limited

Month	High (in ₹)	Low (in ₹)	Volume (shares)
April, 2017	116.00	96.50	97,699
May, 2017	120.90	84.05	29,517
June, 2017	99.90	83.45	4,616
July, 2017	98.90	88.30	11,338
August, 2017	94.90	74.20	58,280
September, 2017	95.75	79.00	9,496
October, 2017	137.20	88.05	35,070
November, 2017	145.00	108.10	78,703
December, 2017	184.85	125.65	44,319
January, 2018	193.60	151.05	39,444
February, 2018	159.65	121.15	9,741
March, 2018	140.50	100.00	26,948

Source: www.bseindia.com

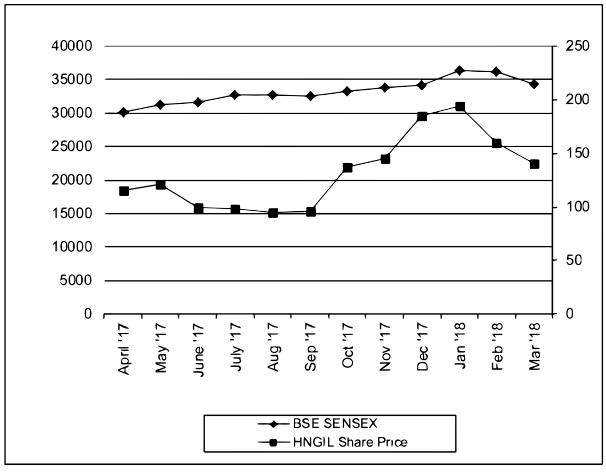
At National Stock Exchange of India Limited

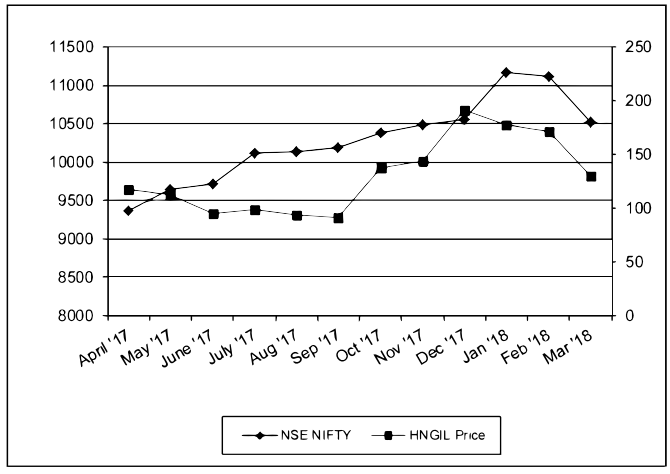
Month	High (in ₹)	Low (in ₹)	Volume (shares)
April, 2017	116.90	103.50	99,496
May, 2017	112.85	83.95	59,100
June, 2017	94.95	75.90	21,708
July, 2017	98.90	85.45	13,582
August, 2017	94.00	74.00	63,754
September, 2017	91.85	75.95	20,337
October, 2017	138.00	84.10	57,665
November, 2017	143.95	117.00	78,472
December, 2017	191.80	130.00	1,28,003
January, 2018	177.00	151.25	68,712
February, 2018	171.00	118.40	21,196
March, 2018	129.75	96.70	55,091

Source: www.nseindia.com

Report on Corporate Governance

Performance in comparison to broad-based indices such as BSE Sensex and NSE Nifty.





Registrar and Share Transfer Agent	In compliance with the SEBI directive, the Company has appointed M/s Maheshwari Datamatics Private Limited, as its Registrar and Share Transfer Agent for all matters relating to shares both in physical as well as in dematerialised mode. However, documents relating to shares are also received at the Company's Registered Office at 2, Red Cross Place, Kolkata 700 001, Tel. No : (033) 2254 3100, Fax No: (033) 2254 3130, e-mail address: cosec@hngil.com
Share Transfer System	The transfer of shares in physical form is processed and completed by M/s Maheshwari Datamatics Private Limited within prescribed times from the date of receipt thereof, provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective depository participants.

- **Distribution of shareholding as on 31st March, 2018**

No. of equity shares held	Holders	%	Shares	%
1 to 5,000	3,749	97.1999	5,68,232	0.6345
5,001 to 10,000	17	0.4408	1,38,817	0.155
10,001 to 20,000	24	0.6222	3,57,958	0.3997
20,001 to 30,000	26	0.6741	5,94,902	0.6643
30,001 to 40,000	6	0.1556	2,21,619	0.2474
40,001 to 50,000	2	0.0519	92,997	0.1038
50,001 to 1,00,000	4	0.1037	2,96,638	0.3314
1,00,001 to above	29	0.7518	8,72,82,402	97.4639
Grand Total	**3,857**	**100**	**8,95,53,565**	**100**
No of shareholders in:				
Physical Mode	15	0.3889	11,472	0.0128
Electronic Mode				
NSDL	2,283	59.1911	8,30,96,840	92.7901
CDSL	1,559	40.4200	64,45,253	7.1971
Total	**3,857**	**100**	**8,95,53,565**	**100**

Report on Corporate Governance

- **Shareholding Pattern as on 31st March, 2018**

Category	No. of shares	%
Promoters & Associates	633,38,840	70.7273
Institutions - F.P.I	63,48,025	7.0885
Domestic Companies	74,39,435	8.3072
Resident Individuals	124,22,925	13.8721
Foreign residents and NRI's	1,564	0.0017
Trust	1,720	0.0019
Clearing Member	1,056	0.0012
Total	**895,53,565**	**100**

- **Dematerialisation of shares and liquidity**

As on 31st March, 2018, 8,95,42,093 shares comprising of 99.98 % of the paid up capital of the Company are in dematerialised mode. Chandra Kumar Somany Group, promoter of the Company, holds around 70.73% of the Paid up Capital of the Company as on 31st March , 2018 and 69.98 % as on 31st March, 2017, of which all the shares are held in dematerialised mode.

- **Details of Secured Non-Convertible Debentures**

Sl. No	Name of the Debenture Holder	ISIN	Issue Amount	Coupon Rate
1	Life Insurance Corporation of India (Listed on the BSE limited)	INE952A07045	100,00,00,000	10.40% p.a.
2	Life Insurance Corporation of India (Listed on the BSE limited)	INE952A07037	100,00,00,000	10.40% p.a.

- **Demat ISIN Number of Company's Equity Shares for NSDL and CDSL** INE952A01022
- **Outstanding GDRSs/ADRs/ Warrants or any convertible instruments, conversion date and the likely impact on equity.** None
- **Plant locations**

The Company has seven plants, located at:

1. 2, Panchu Gopal Bhaduri Sarani,
   Rishra - 712 248, Dist. Hooghly,
   West Bengal, Phone : (033) 2600 0200,
   Fax (033) 2600 033
2. 14, RIICO Industrial Area
   Neemrana, Distt. Alwar
   Pin - 301705 (Rajasthan)
   Tel - 01494 - 246712, 513935
   Fax - 01494 - 246713
3. Thondamanatham Village,
   Vezhudavoor S. O.
   Puducherry - 605 502
   Phone : (0413) 2677319,
   Fax (0413) 2677366/2677666
4. Sy. No. 12-299
   APIIC Industrial Park, Venkatagiri Road,
   Menakuru village, Naidupeta
   SPSR Nellore district 524421, Andhra Pradesh
   Phone: 91-8623-211001
5. Bahadurgarh - 124507,
   Dist : Jhajjar, Haryana.
   Phone : (01276) 221400,
   Fax (01276) 221666
6. P.O. Virbhadra,
   Rishikesh - 249201,
   Dist. Dehradun, Uttarakhand
   Phone : (0135) 2470700,
   Fax (0135) 2470777
7. Nashik Glass Work,
   F1, MIDC Malegaon,
   Dist. Sinnar, Nashik - 422113
   Phone : (025511) 228900,
   Fax (025511) 228999

Report on Corporate Governance

- **Address for correspondence** — Company Secretary & Legal Counsel
  Hindusthan National Glass & Industries Ltd
  2, Red Cross Place, Kolkata 700 001.
  Telephone No. (033) 2254 3100
  Fax No. (033) 2254 3130
  Email cosec@hngil.com
- **E-mail ID for investors' grievance** — cosec@hngil.com

B. B. Non-mandatory requirements specified under Part E of Schedule II of the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 :

- The Board — At present, the Chairman of the Company Shri Sanjay Somany does have a separate office in the Company. The Registered Office supports the Chairman in discharging his responsibilities.
- Shareholders' Right — Half-yearly results including summary of the significant events are currently not being sent to the shareholders of the Company. However, quarterly results are posted at the Company's website, in addition to being published into two newspaper, one in English and another in Vernacular language.
- Separate Posts of Chairman and MD — The Company has not separated position for Chairman and Managing Director.
- Reporting of Internal Auditors — The Internal Auditors report to the Audit Committee of the Company, to ensure independence of the Internal Audit function.
- Treasury Management Committee — The Board of Directors at its meeting held on 9th May , 2005, constituted a Treasury Management Committee to approve and authorise transactions involving the day-to-day management of the funds with more efficiency. The Committee comprises of Shri Sanjay Somany, Shri Mukul Somany, Shri Ratna Kumar Daga and Shri Dipankar Chatterji as its members. During 2017-18, 5 meetings of the Treasury Management Committee were held.

For and on behalf of the Board

Sanjay Somany
Chairman & Managing Director
(DIN: 00124538)

Place : Kolkata
Date : 28th June, 2018

Report on Corporate Governance

Declaration

All the Board Members and the Senior Management personnel have affirmed their compliance with the 'Code of Conduct for Directors and Senior Management' for the financial year 2017-18 in terms of Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Place : Kolkata
Date : 28th June, 2018

Sanjay Somany
Chairman & Managing Director

Mukul Somany
Vice Chairman & Managing Director

CEO & CFO Compliance Certificate

We, hereby certify that:-

1. We have reviewed the financial statements and the cash flow statement of the Company for the year ended 31st March , 2018 and to the best of our knowledge and belief:
   i. These statements does 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.
2. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2018 are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps have been taken to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
   i. significant changes, if any, in internal control over financial reporting during the year under reference;
   ii. significant changes in the accounting policies during the year and the same has been disclosed 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 system over financial reporting.

Place : Kolkata
Date : 28th June, 2018

Sanjay Somany
Chairman & Managing Director
(Chief Executive Officer)

Mukul Somany
Vice Chairman & Managing Director
(Chief Executive Officer)

Bimal Kumar Garodia
Sr. Vice President & Chief Financial Officer

Report on Corporate Governance

COMPLIANCE CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018

[as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members of
Hindusthan National Glass & Industries Limited

1. I have reviewed the compliance of conditions of Corporate Governance by Hindusthan National Glass & Industries Limited (hereinafter referred to as 'the Company'), for the year ended on 31st March, 2018, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paras C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations').
2. In my opinion and to the best of my information and according to the examinations of the relevant records and the explanations given to me and the management representation letter of even date, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paras C, D and E of Schedule V of the Listing Regulations, during the year ended on 31st March, 2018.
3. The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. I further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M. Rathi & Co.**
Company Secretary in Practice

Kumkum Rathi
FCS No : 6016
C.P.No. : 6209

Place : Kolkata
Dated : 28th June, 2018

Independent Auditor's Report

To the Members of
Hindusthan National Glass & Industries Limited

Report on the Ind AS Standalone Financial Statements

We have audited the accompanying standalone financial statements of Hindusthan National Glass & Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information in which are incorporated the Reports for the year ended on that date audited by the branch auditors of the company's branches at Puducherry, Nashik and Rishikesh (herein after referred to as Standalone Ind AS financial statements).

Management's Responsibility for the Ind AS Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone Ind AS financial statements.

Basis for Qualified Opinion

a) As stated in Note no. 2.38.1 of the Standalone Ind AS financial statements, due to inadequacy of profit, managerial remuneration to the extent of ₹ 1,818 Lakhs has exceeded the limits laid down in the Companies Act, 2013. In absence of Central Government's approval for the same, we are unable to ascertain the impact and comment upon the same.

b) As stated in Note No. 2.43 of the Standalone Ind AS Financial Statements, no provision for entry tax amounting to ₹ 2,059 Lakhs and interest thereon has been made by the company pending determination of the final leviable amount.

c) As stated in Note No. 2.40 of the Standalone Ind AS Financial Statements, the lenders had restructured the Term Loans with certain stipulations. The company has defaulted in repayment of principal and interest thereon for quarter ended

Independent Auditor's Report

31st March 2018 and part of quarter ended 31st December 2017. During the current quarter, lenders have also suggested additional reorganizing/restructuring measures to be taken by the company which are being considered by the company. At present, Company's Net Worth has completely eroded and with present position of cash flows, the company may not be able to meet its repayment obligations to its lenders in foreseeable future. Company's profitability and consequent repayment of loan are now dependent upon mutual settlement with the lenders and outcome of reorganizing/restructuring measures. In view of the aforesaid we are unable to comment whether the company is a going concern.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the State of affairs of the Company as at 31st March 2018, its Loss, Total Comprehensive Income, the changes in Equity and its Cash Flows for the year ended on that date.

Other Matter

We did not audit the financial statements/ information of Puducherry, Rishikesh and Nashik included in the standalone Ind AS financial statements of the Company whose financial statement/ financial information reflect total assets of ₹ 1,14,853.85 Lakhs as at 31st March 2018 and total revenues of ₹ 74719.54 Lakhs for the year ended on that date, as considered in the standalone financial statements. The financial statements/ information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches is based solely on the Report of such branch auditors.

Report on Other Legal and Regulatory Requirements

As required by, the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure B", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

a) We have sought and 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 as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;

c) The report on the accounts of the branch offices of the Company audited under section 143(8) of the Act by Branch auditors have been sent to us and have been properly dealt with by us in preparing this report;

d) In our opinion, the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account and with the reports received from the branches not visited by us;

e) In our opinion, the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows comply with the Indian Accounting Standards specified under section 133 of the Act;

f) On the basis of the written representations received from the directors as on March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164(2) of the Act;

g) With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial control over financial reporting;

Independent Auditor's Report

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. Pending litigations (Other than those already recognized in the accounts) having material impact on the financial position of the Company have been disclosed in the standalone Ind AS financial statements as required in terms of the accounting standards and provisions of the Companies Act, 2013- refer Note no. 2.34.A of the standalone Ind AS financial statements;

ii The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year.

For **Doshi Chatterjee Bagri & Co LLP**
Chartered Accountants
Firm's ICAI Registration No. : 325197E/E300020

MRIDULA JHUNJHUNWALA
Partner
Membership No: 056856

Place : Kolkata
Date : 16th May 2018

Annexure to the Independent Auditor's Report

"Annexure A" referred to in our report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Hindusthan National Glass & Industries Limited ("the Company") as at March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of Internal Financial Controls and both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures

Annexure to the Independent Auditor's Report

selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's Internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting Issued by the Institute of Chartered Accountants of India.

For **Doshi Chatterjee Bagri & Co LLP**
Chartered Accountants
Firm's ICAI Registration No. : 325197E/E300020

MRIDULA JHUNJHUNWALA
Partner
Membership No: 056856

Place : Kolkata
Date : 16th May 2018

Annexure to the Independent Auditor's Report

"Annexure B" referred to in our report of even date

i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

b. All the property, plant and equipment have not been physically verified by the management during the year but there is regular programme of verification, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verifications.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds, comprising all the immovable properties of land and buildings are held in the name of the Company as at the Balance Sheet date.

ii) The inventory except stock lying with third parties, in few of the units and in transit has been physically verified by the management at regular intervals during the year. In our opinion and according to the information and explanations given to us, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material to the extent verified.

iii) The Company has not granted any loans secured or unsecured to companies, firms, Limited Liability Partnerships or parties covered in the register maintained under Section 189 of the Act. Accordingly, clause 3(iii) of the Order is not applicable to the Company.

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees and security made.

v) The Company has not accepted any deposits from public covered under Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder.

vi) According to the information and explanations given to us, the maintenance of cost records under section 148(1) of the Act has not been prescribed and as such, paragraph 3(vi) of the Order is not applicable to the Company.

vii) a. According to the information and explanations given to us, during the year, the Company has generally been regular in depositing to the appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales-tax, service tax, duty of Customs, duty of excise, value added tax, cess and other statutory dues as applicable to it. No undisputed amounts payable in respect of aforesaid statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us, the details of disputed dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise & Value Added Tax, if any, as at 31st March 2018 are as follows:

₹ in Lakhs

Name of Statute	Nature of the Dues	Amount	Forum where the dispute Is pending	Period to which Amount relates
Finance Act, 1994	Service Tax	296.43	Commissioner of Central Excise Appeal / Assisstant Commissioner Central Excise Appeal	2007-08 to 2012-13
The Central Excise Act, 1944	Excise Duty	572.55	Commissioner of Central Excise Appeal / Assisstant Commissioner Central Excise Appeal	2007-08 & 2012-13
West Bengal VAT & The Central Sales Tax Act, 1956	Sales Tax	534.75	SCCT/JCCT	2002-03 to 2014-15
The Central Excise Act, 1944	Excise Duty	199.94	CESTAT & SZB, Chennai	2009-10 to 2013-14
The Central Excise Act, 1944	Excise Duty	13.07	Dy. Commissioner Central Excise, Puducherry	1993 to 1997
The Central Excise Act, 1944	Excise Duty	3.73	CESTAT & SZB, Chennai	2007 to 2011
The Central Excise Act, 1944	Excise Duty	0.66	Dy. Commissioner Central Excise, Puducherry	2007-08

Annexure to the Independent Auditor's Report

₹ in Lakhs

Name of Statute	Nature of the Dues	Amount	Forum where the dispute Is pending	Period to which Amount relates
Maharashtra Value Added Tax, 2005	VAT	114.00	Joint Commissioner, Sales Tax Appeal, Nashik	2005-06 to 2006-07
The Central Excise Act	Excise Duty	29.09	CESTAT / Supreme Court	1995-96 to 2010-11
The Central Excise Act	Excise Duty	114.46	CESTAT, Bangalore	Oct 2011 to Mar 2012
The Central Excise Act	Excise Duty	8.71	Commissioner of Customs & Central Excise, Guntur	Aug 2013 to Mar 2015
The Central Excise Act	Excise Duty	1.66	Commissioner of Customs & Central Excise, Tirupathi	Aug 2013 to Mar 2015

(viii) (a) The company has defaulted in repayment of loans/borrowings to banks, financial institution and debenture holder. The period and amount of default are as under:

Name of the Bank	November		December		January		February		March	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
HDFC	–	152.90	112.50	158.00	–	158.00	–	142.71	112.50	158.00
Syndicate Bank	–	107.36	187.50	110.94	–	110.94	–	100.20	187.50	110.94
DBS Bank	–	–	512.00	–	2205.00	–	–	–	–	290.03
LT Finance	–	–	156.25	–	–	–	–	–	156.25	69.54
State Bank of India	–	–	496.00	–	–	–	–	–	1996.00	897.67
Axis Bank	–	–	375.00	–	–	–	–	–	440.00	113.48
Exim Bank	–	–	91.74	75.03	–	83.06	–	75.02	91.75	83.06
Edelweiss Asset Reconstruction Co. Ltd.	–	–	172.86	180.63	–	180.63	–	163.15	172.86	180.63
Rabo Bank	–	–	975.00	–	–	–	–	–	–	307.59
Standard Chartered Bank	–	–	–	42.04	–	42.04	–	37.96	–	42.04
Life Insurance Corporation	–	–	–	–	–	–	–	1040.00	–	–
Bank of Baroda	–	–	–	–	–	–	–	–	–	28.02

(b) List of LC bills not honoured as on 31st March 2018 by the company:

Name of the bank	November, 2017	December, 2017	January, 2018	February, 2018	March, 2018
HDFC Bank	1263.77	174.24	337.34	220.56	296.01
Syndicate Bank	267.19	310.12	161.49	364.11	64.80
Axis Bank	–	–	–	–	11.19

ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instrument). In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.

x) During the course of our examination of books of account carried out in accordance with generally accepted auditing practices in India, we have neither come across any incidence of material fraud by the Company or material fraud on the Company by its officers or employees nor have we been informed of any such cases by the management.

Annexure to the Independent Auditor's Report

xi) According to the information and explanations given to us and based on our examination of the records of the Company, during the year the Company has paid remuneration of ₹ 606 Lakhs to the Chairman and Managing Director and Vice Chairman and Managing Director which has exceeded the limits prescribed under Section 197 of the Act read with Schedule V of the Act. The company has applied to the Central Government for approval for such managerial remuneration paid in excess of prescribed limits including ₹ 1,212 Lakhs for previous years.

xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Ind AS financial statements as required by the applicable accounting standards.

xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of 22,15,000 Equity Shares during the year. The requirements of Section 42 of Companies Act, 2013 have been complied with and the Funds have been used for the purpose for which these were raised.

xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Doshi Chatterjee Bagri & Co LLP**
Chartered Accountants
Firm's ICAI Registration No. : 325197E/E300020

MRIDULA JHUNJHUNWALA
Partner
Membership No: 056856

Place : Kolkata
Date : 16th May 2018

Balance Sheet as at 31st March 2018

₹ in Lakhs

Particulars	Note No.	As at 31st March 2018	As at 31st March 2017
ASSETS			
1. Non-current assets			
(a) Property, Plant and Equipment	2.1.A	2,14,421.97	2,29,148.11
(b) Capital work-in-progress		12,462.37	10,038.06
(c) Intangible assets	2.1.B	209.56	269.70
(d) Financial assets			
(i) Investments	2.2	3,627.29	3,627.29
(ii) Loans	2.3	–	116.50
(iii) Other financial assets	2.4	2,275.53	2,913.17
(e) Other non-current assets	2.5	825.14	1,105.23
		2,33,821.86	**2,47,218.06**
2. Current assets			
(a) Inventories	2.6	48,501.69	60,092.24
(b) Financial assets			
(i) Trade receivables	2.7	39,459.79	39,997.09
(ii) Cash and cash equivalents	2.8.A	680.95	532.15
(iii) Bank balances other than (ii) above	2.8.B	81.33	91.04
(iv) Loans	2.9	26.10	18.68
(v) Other financial assets	2.10	1,207.93	715.96
(c) Current Tax Assets (Net)	2.11	331.07	302.17
(d) Other current assets	2.12	7,430.42	9,625.17
		97,719.28	**1,11,374.50**
Total assets		**3,31,541.14**	**3,58,592.56**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	2.13	1,791.07	1,746.77
(b) Other Equity	2.14	12,873.91	37,731.21
Total equity		**14,664.98**	**39,477.98**
LIABILITIES			
1. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	2.15	1,64,758.64	1,88,909.33
(ii) Other financial Liabilities	2.16	330.46	385.74
(b) Provisions	2.17	1,012.91	1,195.44
(c) Deferred tax liabilities (Net)	2.18	–	–
(d) Other non-current liabilities	2.19	711.98	1,146.22
		1,66,813.99	**1,91,636.73**
2. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	2.20	59,753.50	52,856.27
(ii) Trade payables	2.21	45,451.00	45,244.04
(iii) Other financial liabilities	2.22	37,368.92	20,452.61
(b) Other current liabilities	2.23	6,787.93	8,595.30
(c) Provisions	2.24	700.82	329.63
		1,50,062.17	**1,27,477.85**
Total liabilities		**3,16,876.16**	**3,19,114.58**
Total equity and liabiltiies		**3,31,541.14**	**3,58,592.56**

Summary of Significant Accounting Policies 1
Notes on Financial Statements 2.1 to 2.51
The notes are an integral part of the Financial Statements.

As per our report of even date

For **Doshi Chatterjee Bagri & Co LLP**
Chartered Accountants
FRN : 325197E/E300020

Mridula Jhunjhunwala
Partner
Membership No. 056856
Place : Kolkata
Date : 16th May 2018

For and on behalf of the Board

Sanjay Somany
Chairman and Managing Director
DIN: 00124538

Mukul Somany
Vice Chairman and Managing Director
DIN: 00124625

Bimal Kumar Garodia
Sr. Vice President and
Chief Financial Officer

Ajay Kumar Rai
Company Secretary
& Legal Counsel

Statement of Profit and Loss for the year ended 31st March 2018

₹ in Lakhs

Particulars	Note No.	Year Ended 31st March 2018	Year Ended 31st March 2017
REVENUE			
I. Revenue from Operations	2.25	1,98,060.52	2,06,433.69
II. Other Income	2.26	510.38	694.30
III. Total Income (I+II)		**1,98,570.90**	**2,07,127.99**
EXPENSES			
Cost of Materials Consumed	2.27	58,969.61	59,694.62
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	2.28	8,124.88	(5,794.89)
Excise duty on sale of goods		5,327.06	20,373.76
Employee Benefit Expenses	2.29	19,967.70	21,114.80
Other Expenses	2.30	94,718.11	92,623.68
IV. Total Expenses		**1,87,107.36**	**1,88,011.97**
V. Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) and Exceptional Items (III-IV)		11,463.54	19,116.02
VI. Depreciation and Amortization expense	2.1.A & 2.1.B	16,093.43	17,486.88
VII. Finance costs	2.31	25,185.28	23,799.96
VIII. Profit/(loss) before exceptional items and tax (V-VI-VII)		(29,815.17)	(22,170.82)
IX. Exceptional Items	2.32	–	9,459.33
X. Profit/(loss) before tax (VIII+IX)		**(29,815.17)**	**(12,711.49)**
XI. Tax expense:			
(1) Current tax		–	–
(2) Income Tax for Earlier Years		(363.85)	–
(3) Deferred tax		–	–
Tax expense		**(363.85)**	**–**
XII. Profit/(Loss) for the year after tax (X-XI)		**(29,451.32)**	**(12,711.49)**
XIII. Other Comprehensive Income			
A (i) Items that will not be reclassified to Profit or Loss			
Re-measurement gains/ (losses) on defined benefit plans		53.27	(74.24)
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		–	–
B (i) Items that will be reclassified to Profit or Loss		–	–
(ii) Income tax relating to items that will be reclassified to Profit or Loss		–	–
Other comprehensive income for the year after taxes		**53.27**	**(74.24)**
XIV. Total Comprehensive Income for the year (XII+XIII) (Comprising Profit/ (Loss) and Other Comprehensive Income for the year)		**(29,398.05)**	**(12,785.73)**
XV. Earnings per equity share			
(1) Basic	2.33	(33.36)	(14.55)
(2) Diluted	2.33	(33.36)	(14.55)
Number of shares used in computing earnings per share			
(1) Basic		8,82,91,318	8,73,38,565
(2) Diluted		8,82,91,318	8,73,38,565

Summary of Significant Accounting Policies 1
Notes on Financial Statements 2.1 to 2.51
The notes are an integral part of the Financial Statements.

As per our report of even date

For **Doshi Chatterjee Bagri & Co LLP**
Chartered Accountants
FRN : 325197E/E300020

Mridula Jhunjhunwala
Partner
Membership No. 056856
Place : Kolkata
Date : 16th May 2018

For and on behalf of the Board

Sanjay Somany
Chairman and Managing Director
DIN: 00124538

Mukul Somany
Vice Chairman and Managing Director
DIN: 00124625

Bimal Kumar Garodia
Sr. Vice President and
Chief Financial Officer

Ajay Kumar Rai
Company Secretary
& Legal Counsel

Statement of Changes in Equity for the year ended 31st March 2018

(a) Equity Share Capital

₹ in Lakhs

Particulars	Note No.	Number of Shares	Amount
Equity Shares of ₹ 2/- each issued, subscribed and fully paid up	2.13		
As at 1st April 2016		8,73,38,565	1,746.77
Changes in Equity Share Capital		–	–
As at 31st March 2017		8,73,38,565	1,746.77
Changes in Equity Share Capital		22,15,000	44.30
As at 31st March 2018		8,95,53,565	1,791.07

(b) Other Equity

₹ in Lakhs

Particulars	Share application money pending allotment	Reserves and Surplus					Other Comprehensive Income - Remeasurement of defined benefit plans	Total
		Capital Reserve	Security Premium Reserve	Debenture Redemption Reserve	General Reserve	Retained earnings		
Balance at 1st April 2016	**–**	**5,595.85**	**5,823.09**	**5,208.34**	**69,365.54**	**(34,890.43)**	**(584.40)**	**50,517.99**
Issue of Equity Shares	–	–	–	–	–	–	–	–
Share Application Money Received during the year	–	–	–	–	–	–	–	–
Shares Allotted during the year	–	–	–	–	–	–	–	–
Transfer/Adjustments during the year	–	–	–	(208.34)	208.34	(1.05)	–	(1.05)
Profit/(Loss) for the year	–	–	–	–	–	(12,711.49)	–	(12,711.49)
Other comprehensive income for the year	–	–	–	–	–	–	(74.24)	(74.24)
Total comprehensive income for the year	**–**	**–**	**–**	**(208.34)**	**208.34**	**(12,712.54)**	**(74.24)**	**(12,786.78)**
Balance at 31st March 2017	**–**	**5,595.85**	**5,823.09**	**5,000.00**	**69,573.88**	**(47,602.97)**	**(658.64)**	**37,731.21**
Issue of Equity Shares	–	–	4,540.75	–	–	–	–	4,540.75
Share Application Money Received during the year	4,585.05	–	–	–	–	–	–	4,585.05
Shares Allotted during the year	(4,585.05)	–	–	–	–	–	–	(4,585.05)
Transfer/Adjustments during the year	–	–	–	–	–	–	–	–
Profit/(Loss) for the year	–	–	–	–	–	(29,451.32)	–	(29,451.32)
Other comprehensive income for the year	–	–	–	–	–	–	53.27	53.27
Total comprehensive income for the year	**–**	**–**	**4,540.75**	**–**	**–**	**(29,451.32)**	**53.27**	**(24,857.30)**
Balance at 31st March 2018	**–**	**5,595.85**	**10,363.84**	**5,000.00**	**69,573.88**	**(77,054.29)**	**(605.37)**	**12,873.91**

Refer Note No. 2.14 for nature and purpose of reserves

Summary of Significant Accounting Policies 1
Notes on Financial Statements 2.1 to 2.51
The notes are an integral part of the Financial Statements.

As per our report of even date

For **Doshi Chatterjee Bagri & Co LLP**
Chartered Accountants
FRN : 325197E/E300020

Mridula Jhunjhunwala
Partner
Membership No. 056856
Place : Kolkata
Date : 16th May 2018

For and on behalf of the Board

Sanjay Somany
Chairman and Managing Director
DIN: 00124538

Mukul Somany
Vice Chairman and Managing Director
DIN: 00124625

Bimal Kumar Garodia
Sr. Vice President and
Chief Financial Officer

Ajay Kumar Rai
Company Secretary
& Legal Counsel

Statement of Cash Flow for the year ended 31st March 2018

₹ in Lakhs

Particulars	Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(Loss) before tax		(29,815.17)	(12,711.49)
Non-cash adjustments to reconcile profit/(loss) before tax to net cash flows			
Depreciation/Amortisation		16,093.43	17,486.88
Loss/(profit) on sale/discard of Property, Plant and Equipment		298.46	884.27
Bad Debts and Impairment allowances for trade receivables		98.39	16.78
Interest Income		(128.82)	(146.96)
Dividend Income on Non current Investments		(1.67)	(1.67)
Net Loss/(Gain) on sale of Current Investments		–	(163.21)
Finance Costs		25,185.28	23,799.96
Liability no longer required written back		(903.13)	(259.98)
Operating Profit before exceptional items and working capital changes		**10,826.77**	**28,904.58**
Less: Exceptional items			
Profit on sale of investment in subsidiary **(Refer Note No. 2.32)**		–	(9,459.33)
Operating Profit before working capital changes		**10,826.77**	**19,445.25**
Movement in working capital :			
Increase/(Decrease) in Trade Payables and Other Liabilities		(1,012.57)	1,958.46
Decrease/(Increase) in Trade Receivables		438.90	1,884.15
Decrease/(Increase) in Inventories		11,590.55	(9,333.07)
Decrease/(Increase) in Loans and Advances		2,711.04	2,710.92
Cash generated from/(used in) Operations		**24,554.69**	**16,665.71**
Direct taxes (paid)/Refunds (net)		334.95	(49.02)
Net Cash Flow from/(used in) Operating activities (A)		**24,889.64**	**16,616.69**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment, Intangible assets, Capital Work in Progress and Capital Advances		(4,981.43)	(7,556.47)
Proceeds from sale of Property, Plant and Equipment		498.35	200.48
Proceeds from sale of investment in subsidiary		–	16,597.11
Sale/(Purchase) of current investment		–	163.21
Redemption /(Investment) in bank deposits with maturity more than 3 months		9.71	(21.54)
Interest received		201.30	223.07
Dividend received from Non Current Investments		1.67	1.67
Net Cash Flow from/(used in) Investing activities (B)		**(4,270.40)**	**9,607.53**

Statement of Cash Flow for the year ended 31st March 2018

₹ in Lakhs

Particulars	Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings		–	1,845.36
Repayment of borrowings		(4,001.33)	(4,077.80)
Proceeds from Issue of Equity Shares		4,585.05	–
Interest paid		(21,054.16)	(24,248.95)
Net Cash Flow from/(used in) Financing activities (C)		**(20,470.44)**	**(26,481.39)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		148.80	(257.17)
Cash and cash equivalents at the beginning of the year		532.15	789.32
Cash and cash equivalents at the end of the year		**680.95**	**532.15**
Components of Cash and Cash Equivalents			
Balances with banks:			
In current accounts		669.94	438.83
In deposit accounts (With original maturity of less than 3 months)		1.10	80.20
In dividend accounts		0.69	1.50
Cash in hand		9.22	11.62
Total cash and cash equivalents	**2.8.A**	**680.95**	**532.15**

Summary of Significant Accounting Policies 1
Notes on Financial Statements 2.1 to 2.51
The notes are an integral part of the Financial Statements.

As per our report of even date

For **Doshi Chatterjee Bagri & Co LLP**
Chartered Accountants
FRN : 325197E/E300020

Mridula Jhunjhunwala
Partner
Membership No. 056856
Place : Kolkata
Date : 16th May 2018

For and on behalf of the Board

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Vice Chairman and Managing Director
DIN: 00124625

Bimal Kumar Garodia
Sr. Vice President and
Chief Financial Officer

Ajay Kumar Rai
Company Secretary
& Legal Counsel

Notes to Financial Statements as at and for the year ended 31st March 2018

1. Summary of Significant Accounting Policies

1. Corporate Information

Hindusthan National Glass & Industries Limited having domicile presence in the State of West Bengal, India, has been incorporated under the Companies Act in the year 1946. It is engaged in the manufacture of container glass. The company's shares are listed and publicly traded on the National Stock Exchange Limited (NSE), the Bombay Stock Exchange Limited (BSE) and The Calcutta Stock Exchange Limited (CSE).

2. Statement of Compliance

The Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act") with effect from April 1, 2016 and therefore Ind AS issued, notified and made effective till the financial statements are authorized have been considered for the purpose of preparation of these financial statements.

3. Significant Accounting Policies

A. Basis of Preparation

The Financial Statements have been prepared under the historical cost convention on the accrual basis except for Free hold and Lease hold land under Property, Plant and Equipment which on the date of transition have been fair valued to be considered as deemed costs and certain financial instruments that are measured in terms of relevant Ind AS at fair values/ amortized costs at the end of each reporting period.

Historical cost convention is generally based on the fair value of the consideration given in exchange for goods and services.

As the operating cycle cannot be identified in normal course, the same has been assumed to have duration of 12 months. All Assets and Liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in Ind AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The Standalone Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

a) Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.

b) Level 2 : inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.

c) Level 3 : inputs for the asset or liability which are not based on observable market data.

B. Property, Plant and Equipment

Property, plant and equipment (PPE) are stated at cost of acquisition or deemed cost on the date of transition less accumulated depreciation and impairment losses, if any. Cost of an asset comprises of cost of acquisition or construction and includes, where applicable, inward freight, duties and taxes, installation expenses, professional fees, borrowing costs, initial estimates of the cost of dismantling, cost of replacing parts of the property, plant and equipments and other costs directly attributable to the bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner and purposes. Capital Spare parts which are integral part of the plant and equipment are capitalised. When significant parts of plant and equipment are required to be replaced at intervals, the same are capitalised and old component is derecognised.

Notes to Financial Statements as at and for the year ended 31st March 2018

Capital work in progress includes machinery to be installed, construction and erection materials, borrowing costs, unallocated pre-operative and other expenditures directly attributable towards construction and erection of the assets.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Depreciation on PPE commences when the assets are ready for their intended use.

(i) Depreciation has been provided (a) as per the useful life specified under Schedule II to the Companies Act, 2013 on assets installed/acquired up to March 31, 1990 on written down value method and in respect of additions thereafter on straight line method; (b) in case of certain items of Plants and Equipments where useful life ranging from 5 to 30 years has been considered based on technical assessment, which is different from the useful life prescribed under Schedule II of the Companies Act, 2013.

(ii) Certain Plant and Equipments have been considered as continuous process plant as defined under Schedule II to the Companies Act, 2013 on the basis of technical evaluation.

(iii) Subsequent costs are depreciated over the remaining life of the plant and equipment.

(iv) Depreciation on incremental cost of arising on account of exchange difference is amortised on straight line method over the remaining life of the asset.

Based on above, the estimated useful lives of assets for the current period are as follows:

Asset	Useful lives (estimated by the management) (Years)
Factory building	30
Other than factory building	60
Carpeted Roads	10
Plants and equipments	3-35
Furniture and fixture	10
Computers	3-5
Office equipment	5
Vehicles	8-10

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

C. Intangible Assets

Intangible assets are stated at cost comprising of purchase price inclusive of duties and taxes, where applicable, less accumulated amount of amortization and impairment losses. Such assets, are amortized over the useful life using straight line method and assessed for impairment whenever there is an indication of the same.

Accordingly, cost of computer software packages has been allocated / amortized over a period of 3 to 5 years on straight line basis.

D. Derecognition of Tangible and Intangible Assets

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

E. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of an asset to the Company. All other leases are classified as operating leases.

Finance leases are capitalized at the inception of the lease at lower of its fair value and the present value of the minimum lease payments and a liability is recognized for an equivalent amount. Any initial direct cost of the lessee is added to the

Notes to Financial Statements as at and for the year ended 31st March 2018

amount recognized as an asset. Each Lease payment is apportioned between finance charge and reduction of the lease liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the outstanding amount of the liabilities.

Payments made under operating leases are recognized as expenses on a straight-line basis over the term of the lease unless the lease arrangement are structured to increase in line with expected general inflation or another systematic basis which is more representative of the time pattern of the benefits availed. Contingent rentals, if any, arising under operating leases are recognized as an expense in the period in which they are incurred.

F. Impairment of Tangible and Intangible Assets

Tangible and Intangible assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognized in the statement of profit and loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets fair value less cost of disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the Statement of Profit and Loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

G. Financial Assets and Liabilities

Financial assets and financial liabilities (financial instruments) are recognized when Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss.

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the company or otherwise these are classified as non current.

The classification of financial instruments whether to be measured at Amortized Cost, at Fair Value Through Profit and Loss (FVTPL) or at Fair Value Through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition.

(i) Cash and cash equivalents

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

(ii) Financial Assets and Financial Liabilities measured at amortized cost

Financial Assets held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost.

The above Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (including all fees and points paid or received, transaction costs and other premiums or discounts) through the expected life of

Notes to Financial Statements as at and for the year ended 31st March 2018

the Financial Asset or Financial Liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(iii) Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognized directly in other comprehensive income.

(iv) For the purpose of para (ii) and (iii) above, principal is the fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.

(v) Financial Assets or Liabilities at Fair value through profit or loss (FVTPL)

Financial Instruments which do not meet the criteria of amortized cost or fair value through other comprehensive income are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognized in the statement of profit and loss.

Derivatives and Hedge Accounting

The company enters into derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in foreign exchange rates in respect of financial instruments and forecasted cash flows denominated in certain foreign currencies. The Company uses hedging instruments that are governed by the policies of the Company which are approved by the Board of Directors and provide principles on the use of such financial derivatives consistent with the risk management strategy of the Company. The hedge instruments are designated and documented as hedges and effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis.

Any derivative that is either not designated as a hedge, or is so designated but is ineffective as per Ind AS 109 "Financial Instruments", is categorized as a financial asset, at fair value through profit or loss. Transaction costs attributable to the same are also recognized in statement of profit and loss.

Changes in the fair value of the derivative hedging instrument designated as a fair value hedge are recognized in the statement of profit and loss.

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and presented within equity as cash flow hedging reserve to the extent that the hedge is effective.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. Any gain or loss recognised in other comprehensive income and accumulated in equity till that time remains and thereafter to the extent hedge accounting being discontinued is recognised in Statement of Profit & Loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the statement of profit and loss.

Impairment of financial assets

A financial asset is assessed for impairment at each reporting date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

The company measures the loss allowance for a financial assets at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

However, for trade receivables or contract assets that result in relation to revenue from contracts with customers, the company measures the loss allowance at an amount equal to lifetime expected credit losses.

Notes to Financial Statements as at and for the year ended 31st March 2018

De-recognition of financial instruments

The Company derecognizes a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognized in statement of profit and loss.

On derecognition of assets measured at FVTOCI the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

Financial liabilities are derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of Profit and Loss.

H. Inventories

(i) Inventories are valued at lower of the cost or estimated net realizable value. Cost of inventories is ascertained on 'weighted average' basis. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

(ii) Cost in respect of raw materials and stores and spares includes expenses incidental to procurement of the same. Cost in respect of finished goods and those under progress represents prime cost, and includes appropriate portion of overheads and excise duty.

I. Foreign Currency Transactions

Presentation currency:

These financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the company.

Transactions and balances:

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transactions. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction. Foreign exchange gain/loss to the extent considered as an adjustment to Interest Cost are considered as part of borrowing cost. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expense in the profit and loss account.

"The Company has been applying paragraph 46A of AS 11 under Indian GAAP whereby exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset are adjusted to the cost of the asset and depreciated over the remaining life of the asset. Ind AS 101 gives an option whereby a first time adopter can continue its Indian GAAP policy for the aforesaid accounting for exchange differences arising from translation of long-term foreign currency monetary items. The Company has adopted the aforesaid option under Ind AS 101."

J. Equity Share Capital

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as Securities Premium.

Costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

Notes to Financial Statements as at and for the year ended 31st March 2018

K. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognized for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities is not recognized and are disclosed by way of notes to the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

Contingent Assets are disclosed in the financial statements by way of notes to accounts when an inflow of economic benefits is probable.

L. Employee Benefits

Short term Employee benefits are accrued in the year services are rendered by the employees.

Provident & Family Pension Fund: In accordance with the provisions of the Employee Provident Funds and Miscellaneous Provisions Act, 1952, eligible employees of the company are entitled to receive benefits with respect to provident fund, a defined contribution plan, in which both the company and employee contribute monthly to Provident Fund Scheme by the Central Government/Trust at a determined rate. The company contributes to the Employee's Pension Scheme, 1995 for certan categories of employees. The Company's contribution is charged off to the Statement of Profit and Loss.

Gratuity: Employee benefits under defined benefit plans are determined at the close of each year at the present value of the amount payable using actuarial valuation techniques.

Contributions under the scheme for defined benefit under the Payment of Gratuity Act, 1972, is determined on the basis of actuarial valuation and are funded to SBI Life Insurance Company Limited and Birla Sun Life Insurance Company Limited and recognized as year's expenditure. Actuarial gain and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income. Remeasurements are not classified to the statement of Profit and Loss in subsequent periods. Other costs recognized in the Statement of Profit or Loss. Bifurcation of liabilities into Current and Non current are done based on actuarial valuation report.

Leave Encashment Benefits: Leave encashment benefits payable to employees while in service, retirement and on death while in service or on termination of employment. With respect to accumulated leaves outstanding at the year-end are accounted for on the basis of actuarial valuation at the balance sheet date. The present value of such obligation is determined by the projected unit credit method as at the balance sheet date through which the obligations are settled. The resultant actuarial gain or loss on change in present value of defined benefit obligation or change in return of the plan assets is recognized as an income or expense in the Statement of Profit and Loss. Bifurcation of liabilities into Current and Non current are done based on actuarial valuation report.

M. Revenue

Sale of Goods

Revenue is recognized at the fair value of consideration received or receivable when the significant risk, rewards and ownership of goods have been transferred and the amount thereof can be measured reliably. This represents the net invoice value of goods supplied to third parties after deducting trade discounts, returns, volume rebates and outgoing sales tax and is inclusive of packing charges and excise duty there against.

Interest, Dividend and Claims

Dividend income is recognized when the right to receive payment is established. Interest has been accounted using effective interest rate method. Insurance claims/ other claims are accounted as and when admitted / settled.

Notes to Financial Statements as at and for the year ended 31st March 2018

Export Benefits

Export benefits arising on account of entitlement for duty free imports are accounted for through import of materials. Such benefits under Duty Entitlement Pass Book (DEPB) are accounted for on accrual basis. Other export benefits are accounted for on the basis of certainties as to its utilization and related realisation.

N. Borrowing Cost

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant and Equipment (PPE) which are capitalized to the cost of the related assets. A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

O. Research and Development

Research and development cost (other than cost of fixed asset acquired) are charged as an expense in the year in which they are incurred.

P. Government Grants

Government grants are recognized on systematic basis when there is reasonable certainty of realization of the same. Revenue grants including subsidy/rebates are credited to Statement of Profit and Loss Account under "Other Income" or deducted from the related expenses for the period to which these are related. Grants which are meant for purchase, construction or otherwise acquire non current assets are recognized as Deferred Income and disclosed under Non Current Liabilities and transferred to Statement of Profit and Loss on a systematic basis over the useful life of the respective asset. Grants relating to non-depreciable assets is transferred to Statement of Profit and Loss over the periods that bear the cost of meeting the obligations related to such grants.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

Q. Taxes on Income

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the income statement except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current income tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Taxable Income differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Notes to Financial Statements as at and for the year ended 31st March 2018

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realized.

R. Earnings Per Share

Basic earnings per share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

S. Non-current assets held for sale

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

The Company classifies non-current assets as held for sale if their carrying amount will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

T. Cash dividend and non-cash distribution to equity holders

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. Distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

U. Measurement of EBITDA

The company presents earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.

Notes to Financial Statements as at and for the year ended 31st March 2018

2.1.A PROPERTY, PLANT AND EQUIPMENT

₹ in Lakhs

Particulars	Property, Plant and Equipment								Total
	Freehold Land	Leasehold Land	Buildings	Leasehold Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	
(A) Gross Carrying Value									
As at 1st April 2016	**34,713.42**	**5,379.78**	**66,643.07**	**9.18**	**2,90,173.38**	**640.01**	**3,545.63**	**544.39**	**4,01,648.86**
Additions	–	–	159.98	–	6,247.18	1.28	31.52	17.98	**6,457.94**
Disposals / deductions	–	–	(1.31)	–	(5,381.92)	(0.14)	(395.90)	(1.23)	**(5,780.50)**
Other adjustments									
Foreign Exchange differences	–	–	–	–	(1,146.30)	–	–	–	**(1,146.30)**
As at 31st March 2017	**34,713.42**	**5,379.78**	**66,801.74**	**9.18**	**2,89,892.34**	**641.15**	**3,181.25**	**561.14**	**4,01,180.00**
Additions	–	–	684.78	–	1,089.81	5.42	54.05	42.26	**1,876.32**
Disposals / deductions	(29.83)	–	(439.27)	–	(1,802.61)	–	(634.74)	(28.03)	**(2,934.48)**
Other adjustments									
Foreign Exchange differences	–	–	–	–	227.65	–	–	–	**227.65**
As at 31st March 2018	**34,683.59**	**5,379.78**	**67,047.25**	**9.18**	**2,89,407.19**	**646.57**	**2,600.56**	**575.37**	**4,00,349.49**
(B) Accumulated Depreciation									
As at 1st April 2016	**–**	**226.25**	**11,518.90**	**1.38**	**1,44,187.55**	**395.91**	**2,437.03**	**486.74**	**1,59,253.76**
Charge for the year	–	31.84	1,921.59	0.15	15,094.51	45.57	352.69	27.54	**17,473.89**
Deductions	–	–	(0.34)	–	(4,344.87)	(0.13)	(349.25)	(1.17)	**(4,695.76)**
As at 31st March 2017	**–**	**258.09**	**13,440.15**	**1.53**	**1,54,937.19**	**441.35**	**2,440.47**	**513.11**	**1,72,031.89**
Charge for the year	–	65.49	1,915.60	0.15	13,729.94	43.77	261.08	18.52	**16,034.55**
Deductions	–	–	(35.87)	–	(1,502.13)	–	(574.18)	(26.74)	**(2,138.92)**
As at 31st March 2018	**–**	**323.58**	**15,319.88**	**1.68**	**1,67,165.00**	**485.12**	**2,127.37**	**504.89**	**1,85,927.52**
(C) Net Block (A-B)									
As at 31st March 2017	**34,713.42**	**5,121.69**	**53,361.59**	**7.65**	**1,34,955.15**	**199.80**	**740.78**	**48.03**	**2,29,148.11**
As at 31st March 2018	**34,683.59**	**5,056.20**	**51,727.37**	**7.50**	**1,22,242.19**	**161.45**	**473.21**	**70.48**	**2,14,421.97**

2.1.A.1 Building includes ₹ 1,144.89 lakhs (PY ₹ 1,144.89 Lakhs) for acquiring Equity Shares in a body corporate. By virtue of acquiring the Shares, the Company has right to use and occupy certain office space.

2.1.A.2 Refer Note 2.15.6 and 2.20.1 to Financial Statements in respect of charges created.

2.1.A.3 The Company, being a first-time adopter has opted to use the exemption under Ind AS 101 First Time Adoption of Indian Accounting Standards and has continued the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP i,e. March 31, 2016. The Company has capitalised/decapitalised exchange loss/gain respectively arising on long-term foreign currency loan. Accordingly, exchange loss amounting to ₹ 227.65 Lakhs (March 31, 2017 - exchange gain ₹ 1146.30 Lakhs) has been adjusted to the cost of Plant and Equipments. The unamortised amount as on March 31, 2018 ₹ 5190.75 Lakhs (March 31, 2017 : ₹ 5612.75 Lakhs).

Notes to Financial Statements as at and for the year ended 31st March 2018

2.1.B INTANGIBLE ASSETS

₹ in Lakhs

Particulars	Computer Softwares
(A) Gross carrying value	
As at 1st April 2016	**1,493.92**
Additions	267.33
Disposals / deductions	(112.23)
As at 31st March 2017	**1,649.02**
Additions	–
Disposals / deductions	(253.33)
As at 31st March 2018	**1,395.69**
(B) Accumulated Amortisation	
As at 1st April 2016	**1,478.56**
Charge for the year	12.99
Deductions	(112.23)
As at 31st March 2017	**1,379.32**
Charge for the year	58.88
Deductions	(252.07)
As at 31st March 2018	**1,186.13**
(C) Net Block (A-B)	
As at 31st March 2017	**269.70**
As at 31st March 2018	**209.56**

2.2 INVESTMENTS

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
Non-Current Investments			
Investments valued at cost			
Joint Venture - Fully paid-up Equity Shares of ₹ 10 each			
HNG Float Glass Limited 3,45,93,005 (31st March 2017 - 3,45,93,005) number of shares	2.2.6	3,459.30	3,459.30
Investments at fair value through profit or loss			
Unquoted Equity Instruments			
Other Bodies Corporate - Fully paid-up Equity Shares			
Brabourne Commerce Private Limited of ₹ 10 each 107 (31st March 2017 - 107) number of shares		0.09	0.09
The Calcutta Stock Exchange Association Limited of ₹ 1 each 8,364 (31st March 2017 - 8,364) number of shares		167.28	167.28
Capexil Agencies Limited of ₹ 1000 each 5 (31st March 2017 - 5) number of shares		0.05	0.05
Government Securities at amortised cost			
National Savings Certificates		0.57	0.57
	2.2.3	**3,627.29**	**3,627.29**

Notes to Financial Statements as at and for the year ended 31st March 2018

₹ in Lakhs

		As at 31st March 2018	As at 31st March 2017
2.2.1	Aggregate amount of quoted investment	–	–
2.2.2	Market value of quoted investment	–	–
2.2.3	Aggregate amount of unquoted investment	3,627.29	3,627.29
2.2.4	Particulars of Investment as required in terms of Sec 186(4) of the Companies Act, 2013, have been disclosed under note no. 2.2 above.		
2.2.5	Refer Note 2.46 for information about Fair Value Measurement.		

2.2.6 **Details of investment in Joint Venture**

Name of the entity	Relationship	Principal Activity	Place of incorporation and principal place of Business	Percentage of ownership interest	
				As at 31st March 2018	As at 31st March 2017
(i) HNG Float Glass Limited	Joint Venture	Manufacture of float glass	India	11.23%	11.23%

2.3 NON CURRENT ASSETS - LOANS

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
At amortised cost			
Unsecured, Considered good			
Loan to Body Corporate	2.3.1	–	116.50
		–	**116.50**

2.3.1 Represents Loan granted for business purposes.

2.4 OTHER NON CURRENT FINANCIAL ASSETS

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
Unsecured, Considered good			
At amortised cost			
Deposits with Bank (having maturity of more than 12 months)	2.4.1	2.79	48.59
Security Deposits		2,006.89	1,862.06
Derivative instruments at fair value through profit or loss			
Derivative instruments not designated as hedges			
Receivable on account of Derivative Contract		265.85	1,002.52
		2,275.53	**2,913.17**

2.4.1 Deposit with Banks are pledged with the Government Authorities.

Notes to Financial Statements as at and for the year ended 31st March 2018

2.5 OTHER NON-CURRENT ASSETS

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
Capital Advances		800.63	746.69
Prepaid Expenses		24.51	34.74
State Incentives	2.5.1	–	323.80
		825.14	**1,105.23**

2.5.1 State incentive includes:

(a) ₹ Nil (31st March 2017: ₹ 43.29 Lakhs) for Input VAT Credit - Deferred, which can be utilised only after repayment of corresponding amount of Sales Tax Deferred Loan.

(b) ₹ Nil (31st March 2017 : ₹ 280.51 Lakhs) as Industrial Promotion Assistance.

2.6 INVENTORIES (Valued at lower of cost or Net Realisable Value)

(Value taken and certified by the management)

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
Raw Materials [Including in transit ₹ 2331.25 Lakhs (31st March 2017 ₹ 2006.60 Lakhs)]		7,827.83	9,457.33
Work in Progress		769.62	917.55
Finished Goods		24,145.49	32,122.44
Stores and Spare [Including in transit ₹ 279.46 Lakhs (31st March 2017 ₹ 2035.76 Lakhs)]	2.6.1, 2.6.2 & 2.6.3	14,229.72	16,314.15
Packing Materials [Including in transit ₹ 2.57 Lakhs (31st March 2017 ₹ 43.36 Lakhs)]	2.6.3	1,529.03	1,280.77
		48,501.69	**60,092.24**

2.6.1 Inventories of Stores and Spare Parts include certain slow moving, non-moving and obsolete items. An impairment allowance of ₹ 893.97 Lakhs (31st March 2017 - ₹ 788.05 Lakhs) towards obsolescence for such slow moving, non-moving and obsolete items is carried in the books and the management is of the opinion that the same is adequate and no further impairment is required there against.

2.6.2 Inventories includes items lying with third parties.

2.6.3 Refer Note 2.15.6 and 2.20.1 to Financial Statements in respect of charge created.

2.7 TRADE RECEIVABLES

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
Unsecured			
Considered Good		39,459.79	39,997.09
Considered Doubtful		176.31	243.51
Less: Impairment Allowances for receivables	2.7.4	(176.31)	(243.51)
		39,459.79	**39,997.09**

Notes to Financial Statements as at and for the year ended 31st March 2018

2.7.1 The accounts of some of the customers are pending reconciliation / confirmation.

2.7.2 There are no customers who represent more than 10% of the total balance of trade receivables as at the end of the reporting period.

2.7.3 Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.The ageing of receivables are as follows:

Particulars	As at 31st March 2018	As at 31st March 2017
Within Credit Period	26,414.63	26,458.13
1 to 90 days past due	11,282.10	9,957.33
91 to 180 days past due	1,079.40	1,458.05
More than 180 days past due	859.97	2,367.09

2.7.4 Movement of Impairment allowances for receivables

Particulars	As at 31st March 2018	As at 31st March 2017
Balance at Beginning of the year	243.51	100.80
Add: Impairment Allowances recognised during the year	98.39	16.78
Less: Impairment Allowances written back during the year	–	–
Add/(Less): Impairment Allowances adjusted during the year	(165.59)	125.93
Balance at the end of the year	176.31	243.51

2.7.5 Credit quality of a customer is assessed based on an appraisal of customer creation form and individual credit limits are defined in accordance with this assessment and performance of the customer. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for all the customers. The Company has evaluated the concentration of risk with respect to trade receivables as low, as its customers are located in several geographical locations.

2.8.A CASH AND CASH EQUIVALENTS (As certified by the management)

Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
Balances with banks:			
In Current accounts		669.94	438.83
In Deposit accounts (With original maturity of less than 3 months)	2.8.A.1	1.10	80.20
In Dividend accounts	2.8.A.2	0.69	1.50
Cash in hand		9.22	11.62
		680.95	**532.15**

2.8.A.1 Deposit with Banks are pledged with the Government Authorities.

2.8.A.2 Balance with banks on unpaid dividend account represents monies that can be utilised only to pay dividend to equity shareholders against dividend warrants issued to them.

Notes to Financial Statements as at and for the year ended 31st March 2018

2.8.B OTHER BALANCES WITH BANKS (As certified by the management)

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
In deposit accounts (With original maturity more than 3 months but less than 12 months)	2.8.B.1	81.33	91.04
		81.33	**91.04**

2.8.B.1 Deposit with Banks are pledged with the Government Authorities.

2.9 CURRENT ASSETS - LOANS

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
At Amortised Cost			
Unsecured, Considered good			
Loans and Advances to Employees		26.10	18.68
		26.10	**18.68**

2.10 OTHER CURRENT FINANCIAL ASSETS

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
At Amortised Cost			
Unsecured, Considered good			
Security Deposits		3.21	1.80
Interest Receivable		113.67	186.16
Others	2.10.1	293.51	110.28
Derivative instruments at fair value through Profit or Loss			
Derivative instruments not designated as hedges			
Receivable on account of Derivative Contract	2.22.3	797.54	417.72
		1,207.93	**715.96**

2.10.1 Includes:

(i) Insurance Claim Receivable ₹ 75.75 Lakhs (31st March 2017 - ₹ 45.35 Lakhs)

2.11 CURRENT TAX ASSETS (NET)

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
Advance Income Tax		2,352.93	2,337.79
Less: Provision for Tax		(2,021.86)	(2,035.62)
		331.07	**302.17**

Notes to Financial Statements as at and for the year ended 31st March 2018

2.12 OTHER CURRENT ASSETS

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018		As at 31st March 2017	
Considered Goods					
State Incentives	2.12.2		624.92		566.06
Balances / Deposit with Government Authorities	2.12.1		4,664.07		6,333.46
Prepaid expenses			419.86		607.21
Property, Plant and Equipment held for sale	2.12.3		50.54		69.95
Advance to Suppliers			1,671.03		2,048.49
Considered Doubtful					
Advance to Suppliers		123.55		88.02	
Less: Impairment Allowances for advances	2.12.4	(123.55)	–	(88.02)	–
			7,430.42		**9,625.17**

2.12.1 Includes ₹ Nil (31st March 2017 - ₹ 19.59 Lakhs) deposited against demand raised by the Sales Tax Authority.

2.12.2 State incentive includes:

(a) ₹ 103.83 Lakhs (31st March 2017 - ₹ 87.10 Lakhs) for Input VAT Credit - Deferred, which can be utilised only after repayment of corresponding amount of Sales Tax Deferred Loan.

(b) ₹ 521.09 Lakhs (31st March 2017 - ₹ 478.96 Lakhs) as Industrial Promotion Assistance.

2.12.3 Represents Plant and Equipment, etc. held for sale and is valued at lower of net book value or estimated net realisable value.

2.12.4 **Movement of Impairment Allowances for loans and advances**

₹ in Lakhs

Particulars	As at 31st March 2018	As at 31st March 2017
Balance at Beginning of the year	88.02	57.31
Add: Impairment Allowances recognised during the year	35.53	30.71
Less: Impairment Allowances adjusted during the year	–	–
Balance at the end of the year	**123.55**	**88.02**

2.12.5 **Movement of Impairment Allowances for balances/deposits with government authorities**

₹ in Lakhs

Particulars	As at 31st March 2018	As at 31st March 2017
Balance at Beginning of the year	–	49.95
Add: Impairment Allowances recognised during the year	–	–
Less: Impairment Allowances adjusted during the year	–	49.95
Balance at the end of the year	**–**	**–**

Notes to Financial Statements as at and for the year ended 31st March 2018

2.13 EQUITY SHARE CAPITAL

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018		As at 31st March 2017	
		Number of Shares	Amount	Number of Shares	Amount
Authorised Share Capital - Equity Shares of ₹ 2/- each		2,55,75,00,000	51,150.00	2,55,75,00,000	51,150.00
Issued, Subscribed and fully paid - up Share Capital - Equity Shares of ₹ 2/- each Out of above 3,21,21,725 (31st March 2017 - 3,21,21,725) Equity Shares had been issued pursuant to a Scheme of Amalgamation and Arrangement for consideration other than cash.		8,95,53,565	1,791.07	8,73,38,565	1,746.77
			1,791.07		**1,746.77**

2.13.1 The Company has only one class of Equity shares having a par value of ₹ 2 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after discharge of all liabilities, in proportion of their shareholding.

2.13.2 There has been a change in the number of shares outstanding at the beginning and at the end of the reporting periods.

Particulars	Number of Shares
Opening Number of Shares as on 1st April 2017	8,73,38,565
Add: Number of Shares issued during the year	22,15,000
Closing Number of Shares as on 31st March 2018	8,95,53,565

2.13.3 Details of the Share holders holding more than 5% shares along with number of shares held:

Name of Share Holders	% of holding as at 31st March 2018	Number of Shares held 31st March 2018	% of holding as at 31st March 2017	Number of Shares held 31st March 2017
Brabourne Commerce Private Limited	24.29%	2,17,49,485	24.52%	2,14,14,485
Spotlight Vanijya Limited	18.09%	1,61,99,975	18.55%	1,61,99,975
Dilip S Damle (Trustee HNG Trust and ACE Trust)	11.94%	1,06,91,600	16.76%	1,46,41,600
Ironwood Investment Holdings	7.09%	63,48,025	7.27%	63,48,025
Rungamattee Trexim Private Limited	5.13%	45,90,550	5.06%	44,20,550
Spotme Tracon Private Limited	5.13%	45,90,545	5.06%	44,20,545

2.14 OTHER EQUITY

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
Capital Reserve	2.14.1	5,595.85	5,595.85
Securities Premium Reserve	2.14.2	10,363.84	5,823.09
Debenture Redemption Reserve	2.14.3	5,000.00	5,000.00
General Reserve	2.14.4	69,573.88	69,573.88
Retained Earnings	2.14.5	(77,054.29)	(47,602.97)
Other Comprehensive Income	2.14.6	(605.37)	(658.64)
		12,873.91	**37,731.21**

Refer Statement of Changes in Equity for movement in balances of Reserves.

Notes to Financial Statements as at and for the year ended 31st March 2018

2.14.1 Capital Reserve comprises of: ₹ in Lakhs

i)	Reserve arising on merger of Glass Equipments India Limited and Quality Minerals Limited with effect from 1st April 2014.	2.90	2.90
ii)	Receipts from the trust	5,592.95	5,592.95

In terms of Scheme of Arrangement pursuant to the Order of Hon'ble High Court, Calcutta dated April 7, 2008 and by the Hon'ble High Court, Delhi dated March 19, 2008 (the Scheme) sanctioning the amalgamation of Ace Glass Containers Limited (AGCL) with the Company, 13,68,872 and 21,41,448 equity shares of ₹ 10/- each of the Company issued in lieu of the shares of the Company held by AGCL and shares of AGCL held by the Company were transferred to ACE Trust and HNG Trust respectively in earlier years for the sole benefit of the Company. Out of the shares so transferred 68,44,360 and 77,97,240 equity shares of ₹ 2/- each of the Company (after subdivision of 1 equity share of ₹ 10/- each into 5 equity shares of ₹ 2/- each w.e.f. 13/11/2009) are held by ACE Trust and HNG Trust respectively as on 31st March 2018. In view of the shares being held for the sole benefit of the Company as mentioned above, the book value of ₹ 6,014.85 Lakhs of these investments has been shown as deduction from Share Holders Fund and thereby General Reserve is adjusted to that extent. Receipt from the Trusts on account of beneficial interest is credited to Capital reserve.

2.14.2 Securities Premium Reserve represents the amount received in excess of par value of securities. Section 52 of Companies Act, 2013 specify restriction and utilisation of security premium.

2.14.3 Debenture Redemption Reserve represents the statutory reserve for non-convertible debentures issued by the Company. The company is required to create a debenture redemption reserve out of the profits available for payment of dividend in terms of Section 71 of the Companies Act, 2013 which is equal to 25% of the face value of the debentures issued and outstanding. The reserve will be released on redemption of the debentures.

2.14.4 The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and it will not be reclassified subsequently to Statement of Profit and Loss.

2.14.5 Retained Earnings generally represent the undistributed profits/amount of accumulated earnings of the Company. It includes ₹ 31,060.23 Lakhs (31st March 2017 - 31,138.35 Lakhs) which is not available for distribution as dividend represented by change in carrying amount of Freehold and Leasehold Land upon measurement of Fair Value for deemed cost on the date of transition to Ind AS i.e. 1st April 2015 and revaluation reserve as on the date of the transition. Additional Depreciation due to Fair Value Measurement to the extent provided each year becomes available for distribution as dividend.

2.14.6 Other Comprehensive Income (OCI) represent the balance in equity relating to remeasurement gains/(losses) on defined benefit obligations. This will not be reclassified to Statement of Profit and Loss.

2.15 BORROWINGS

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018		As at 31st March 2017	
		Non Current	Current Maturities	Non Current	Current Maturities
At Amortised Cost					
Secured Loans					
a) Debentures					
(i) 10.40% Redeemable Non Convertible Debentures privately placed with Life Insurance Corporation of India	2.15.1, 2.15.6 (A) and 2.15.6 (E)	19,943.62	–	19,928.61	–

Notes to Financial Statements as at and for the year ended 31st March 2018

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018		As at 31st March 2017	
		Non Current	Current Maturities	Non Current	Current Maturities
b) Term Loans					
From Banks	2.15.2, 2.15.6 (B), 2.15.6 (D) and 2.15.6 (E)	1,34,954.32	26,650.68	1,53,232.78	13,801.12
From a Financial Institution	2.15.3, 2.15.6 (B) and 2.15.6(E)	8,142.73	729.18	8,688.41	362.45
From Other	2.15.4, 2.15.6(C), 2.15.6 (D) and 2.15.6 (E)	1,717.97	936.65	2,342.12	623.91
Unsecured Loans					
c) Term Loans					
From Related Parties	2.15.8 & 2.38.II (e)	–	–	4,575.98	–
d) Deferred Payment Liabilities					
Sales Tax Deferment Loan	2.15.5	–	202.02	141.43	247.29
		1,64,758.64	**28,518.53**	**1,88,909.33**	**15,034.77**

₹ in Lakhs

2.15.1	**Security and repayment details of Non Convertible Debentures at unamortised cost outstanding as on 31st March 2018 are as follows:**	**Repayment in Financial Year 2021-22**
	10.40% Secured Non Convertible Debentures allotted on 03.02.2012 are due for redemption at par at the end of the tenure i.e 03.02.2022. However, there is a put and call option available to the issuer/investor which can be exercised at the end of seventh year from the deemed date of allotment.	10,000.00
	10.40% Secured Non Convertible Debentures allotted on 23.11.2011 are due for redemption at par at the end of the tenure i.e 23.11.2021. However, there is a put and call option available to the issuer/investor which can be exercised at the end of seventh year from the deemed date of allotment.	10,000.00

2.15.2 **Repayment details of Term Loans from Banks at unamortised cost outstanding as on 31st March 2018 are as follows:**

₹ in Lakhs

Financial Year	Foreign Currency Term Loan	Effective Interest: 10.20%- 12.50% p.a	Effective Interest: 12.51% - 14.50% p.a	Total
2017-2018	4,108.55	4,049.48	–	8,158.03
2018-2019	8,869.24	9,773.23	–	18,642.47
2019-2020	11,086.55	11,990.16	–	23,076.71
2020-2021	16,629.82	15,622.18	–	32,252.00
2021-2022	9,977.89	15,247.18	–	25,225.07
2022-2023	–	24,093.71	–	24,093.71
2023-2024	–	20,593.71	–	20,593.71
2024-2025	–	9,967.93	–	9,967.93
Total	**50,672.05**	**1,11,337.58**	**–**	**1,62,009.63**

Notes to Financial Statements as at and for the year ended 31st March 2018

2.15.3 **Repayment details of Term Loans from a Financial Institution at unamortised cost outstanding as on 31st March 2018 are as follows:**

₹ in Lakhs

Financial Year	Effective Interest: 10.20%-12.50%	Total
2017-2018	183.50	183.50
2018-2019	550.00	550.00
2019-2020	642.00	642.00
2020-2021	917.00	917.00
2021-2022	917.00	917.00
2022-2023	2,200.00	2,200.00
2023-2024	2,200.00	2,200.00
2024-2025	1,281.67	1,281.67
Total	**8,891.17**	**8,891.17**

2.15.4 **Repayment details of Term Loan from Other at unamortised cost outstanding as on 31st March 2018 are as follows:**

₹ in Lakhs

Financial Year	Effective Interest: 10.20%-12.50%	Total
2017-2018	312.50	312.50
2018-2019	625.00	625.00
2019-2020	625.00	625.00
2020-2021	625.00	625.00
2021-2022	469.00	469.00
Total	**2,656.50**	**2,656.50**

2.15.5 **Deferred Sales Tax Loan at unamortised cost outstanding as on 31st March 2018 is interest free and is payable as per the repayment schedule as follows:**

₹ in Lakhs

Financial Year	Total
2018-2019	202.02
Total	**202.02**

2.15.6 **Nature of Security for borrowings:**

A) Non-Convertible Debentures are secured by first charge ranking pari-passu on all immovable properties by way of equitable mortgage and hypothecation of all moveable properties both present and future of the Company.

B) Term loans from Banks and Financial Institution other than a loan of Rs 7500 Lakhs from a Bank (Refer note - 2.15.6(C) below), are secured by first charge ranking pari-passu on all immovable properties by way of equitable mortgage and hypothecation of all moveable properties both present and future of the Company and second charge ranking pari-passu on entire current assets of the Company, both present and future, save and except vehicles acquired under vehicle finance loan which are exclusively hypothecated in favour of respective lenders.

C) Term Loan from Other represent Loan from a Body Corporate. The said Loan and a loan of Rs 7500 Lakhs from a Bank (Refer Note - 2.15.6(B) above) are secured by second charge ranking pari-passu on all immovable properties by way of equitable mortgage and hypothecation of all moveable properties both present and future of the Company.

D) Pledge of treasury shares of the Company held by HNG Trust and ACE Trust.

Notes to Financial Statements as at and for the year ended 31st March 2018

E) Additional Security to lenders who have agreed to Corrective Action Plan (CAP) :

(i) Pledge of 51% of the Company's Shareholding held by Promoter and Promoter Group on pari passu basis with other lenders.

(ii) Personal Guarantee of Mr Sanjay Somany and Mr Mukul Somany.

F) Immovable properties mentioned in 2.15.6(A), (B) & (C) above exclude certain plots of land, the revalued amount on 01.04.2015 of which is ₹ 34.30 Crores.

2.15.7 (a) Pursuant to RBI guidelines for Framework for Revitalizing Distressed Assets in the Economy, which laid out the detailed guidelines on formation of Joint Lenders Forum (JLF) and Corrective Action Plan (CAP), if 75% of lenders by value and 60% by number are agreeable to CAP, then it shall become binding on all the lenders.

In terms of the CAP approved by JLF, the terms and conditions of the outstanding term loans from Banks and Financial Institutions have been restructured with effect from 1st December 2014. This inter-alia includes moratorium for repayment of principal for two years and thereafter the aforesaid loans to be repaid over the period of 5 to 8 years depending on the nature of the loan. The said restructuring is, however subject to fulfillment of certain conditions and creation of securities etc. including those given in Note 2.15.8. The stipulations also includes conditions relating to infusion of equity by promoters in various periods and fresh valuations of its assets by a valuer registered with Institute of Valuers.

Lenders of the Company (comprising of 93% in number and values) except The Hongkong and Shanghai Banking Corporation (HSBC) have agreed to the CAP and have decided to provide the required assistance to the Company. HSBC has not agreed to the terms and conditions of the CAP and has recalled their entire facilities (including working capital facilities). HSBC had filed a suit before the Hon'ble High Court at Calcutta and has also initiated recovery proceedings at Debt Recovery Tribunal (DRT). The DRT vide its order dated 24th February 2017 has stated that original application filed by HSBC is premature and is liable to be dismissed for the reasons mentioned in the order. Subsequent to the order, HSBC vide its letter dated 5th April 2017 has informed to the company that it had assigned all the rights, title and interest in financial assistance granted by them to the company in favour of Edelweiss Asset Reconstruction Company Limited (""EARC""), acting in its capacity as trustee of EARC Trust - SC 245 vide assignment agreement executed in favour of EARC on 22nd March 2017. The amount of term loan recalled by HSBC on 07.01.2015 and outstanding as on Balance sheet date amounting to ₹ 16,767.43 Lakhs have continued to be classified as per terms and conditions of CAP. Confirmation of loan balances from Edelweiss is yet to be received as of 31st March 2018.

The company has paid Principal for the quarter ended September 2017 and interest thereon till October 2017. However Principal for the quarter ended December 2017 & March 2018 and interest (comprising interest on Term loan and cash credit) for November 2017 to March 2018 aggregating to ₹ 13682.34 Lakhs have not been paid. Letter of Credit and interest for November 2017 to March 2018 aggregating to ₹ 3470.82 Lakhs has also not been paid on due dates. Penal interest and other claims aggregating to ₹ 237.17 Lakhs has also not been paid.

The Company and the lenders had discussed the various proposals to formulate a restructuring plan in its meeting held on 6th February 2018. However, the RBI vide its circular dated 12th February 2018 had withdrawn all the existing notifications/guidelines pertaining to restructuring. Consequently a meeting of the lenders was held on 22nd March 2018. In the said meeting, the Company has proposed a revised resolution plan pursuant to the above circular which is under consideration by the lenders.

(b) All the loans restructured as above, in addition to their existing securities, have been further secured by pledge of remaining unencumbered promoter shareholding (being 51% of the Company's shareholding) and Personal guarantee of Mr. Sanjay Somany and Mr. Mukul Somany.

2.15.8 Unsecured Loan from Related parties represents amount brought in by the Promoter's pursuant to the CAP as mentioned in 2.15.7 above. As agreed with the lenders, the loan amount is proposed to be converted as equity/preference shares in terms of CAP within a period of 18 months from the date of infusion of funds. The unsecured loan carries interest @ 9% p.a upto 31st December 2016 and is interest free with effect from 1st January 2017. During the year stipulations have been met by issuing Equity Shares.

Notes to Financial Statements as at and for the year ended 31st March 2018

2.15.9 Pursuant to the CAP, lenders shall have a right to convert into Equity upto 20% of the Term Loan outstanding beyond seven years as per SEBI guidelines/ Loan covenants whichever is applicable.

2.16 OTHER NON CURRENT FINANCIAL LIABILITIES

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
At Amortised Cost			
Retention Money		330.46	385.74
		330.46	**385.74**

2.17 PROVISIONS

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
Provision for Employee Benefits		1,012.91	1,195.44
		1,012.91	**1,195.44**

2.17.1 The provision for employee benefits includes gratuity and vested long service leave entitlements accrued to employees which are payable as per the terms of the appointment. For other disclosures, refer Note 2.44

2.18 DEFERRED TAX LIABILITIES (NET)

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018	Current Year Charge/(Credit) to P/L	As at 31st March 2017
Deferred Tax Liabilities				
Accelerated Tax Depreciation		32,109.42	(1,310.66)	33,420.08
Gross Deferred Tax Liability		**32,109.42**	**(1,310.66)**	**33,420.08**
Deferred Tax Assets				
Provision for Post Retirement Benefits and Other Employment Benefits		873.28	285.45	587.83
Brought Forward Unabsorbed Depreciation		31,176.21	(1,573.28)	32,749.49
Impairment Allowances of Trade Receivable		59.93	(22.83)	82.76
Gross Deferred Tax Asset		**32,109.42**	**(1,310.66)**	**33,420.08**
Net Deferred Tax Liability		**–**	**–**	**–**

2.18.1 Unrecognised unused Tax Losses and unused Tax credits		
(i) Unused Tax Losses and unabsorbed depreciation	29,855.30	17,198.42
(ii) Unused Tax Credits (Minimum Alternate Tax)	3,152.01	3,152.01

2.18.2 Carry forward unabsorbed depreciation has been considered to the extent of deferred tax liability. As a matter of prudence, the remaining amount of unabsorbed depreciation resulting in deferred tax asset has been ignored.

2.18.3 Since Company is into losses and unrecognised unused tax losses and unused tax credits and there is no tax expense, therefore the reconciliation of tax expense has not been provided.

2.18.4 Items of Deferred Tax Assets and Liabilities above have been recognised in Statement of Profit and Loss.

Notes to Financial Statements as at and for the year ended 31st March 2018

2.19 OTHER NON-CURRENT LIABILITIES

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
Other Liabilities			
Advance received from Customers		711.98	1,146.22
		711.98	**1,146.22**

2.20 BORROWINGS

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
Secured Loans			
Working Capital Facilities from Banks (repayable on demand)	2.20.1 & 2.15.7	59,356.26	52,856.27
Buyer's Credit	2.20.1	397.24	–
		59,753.50	**52,856.27**

2.20.1 Working Capital Facilities (Fund Based and Non Fund Based and acceptances as referred to in note no. 2.21.1 below) from banks are secured by -

A) Pari passu first charge hypothecation of entire current assets of the Company, both present and future and pari passu second charge on entire Property, Plant and Equipment of the company in favour of consortium bankers led by State Bank of India.

B) Additional Security to lenders who have agreed to CAP:

(i) Pledge of 51% of the Company's Shareholding held by Promoter and Promoter Group on pari passu basis with other lenders.

(ii) Personal Guarantee of Mr Sanjay Somany and Mr Mukul Somany.

2.21 TRADE PAYABLES

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
Payables for goods and services	2.21.1 & 2.21.2	45,451.00	45,244.04
		45,451.00	**45,244.04**

2.21.1 Payable for goods and services includes acceptances	13,742.20	13,542.21

2.21.2 Disclosure of sundry creditors under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprise Development Act, 2006 (the Act). Total Overdue amount out of principal amount outstanding at the end of the year is ₹ 489.30 Lakhs (31st March 2017 - ₹ 409.14 Lakhs). Based on above the relevant disclosures u/s 22 of the Act are as follows:

₹ in Lakhs

1. Principal amount outstanding at the end of the year	646.29	759.36
2. Interest amount due at the end of the year	104.47	193.56
3. Interest paid to suppliers	–	–
	750.76	**952.92**

2.21.3 Trade payables are non-interest bearing and are normally settled on 60 to 90 days terms.

Notes to Financial Statements as at and for the year ended 31st March 2018

2.22 OTHER CURRENT FINANCIAL LIABILITIES

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018		As at 31st March 2017	
Financial liabilities at fair value through profit or loss					
Derivatives not designated as hedges					
Liability on derivative contracts	2.22.3		8.75		–
Other financial liabilities at amortised cost					
Current maturities of long term debt	2.15 & 2.22.1		28,518.53		15,034.77
Interest accrued but not due on borrowings			4.84		1,061.37
Interest accrued and due on borrowings			6,027.40		839.75
Unpaid dividend	2.22.2		0.69		1.50
Other payables			2,808.71		3,515.22
Creditors on account of Capital Goods		2,717.76		3,348.60	
Others		90.95		166.62	
			37,368.92		**20,452.61**

2.22.1 Refer Note no. 2.15.6 for Securities against the borrowings.

2.22.2 There is no due for payment to Investor Education and Protection Fund.

2.22.3 Derivatives not designated as hedging instruments: The Company uses foreign exchange derivative contracts - forward to manage some of its transaction exposures related to foreign currency denominated borrowings. The foreign exchange forward contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one to six months.

2.23 OTHER CURRENT LIABILITIES

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
Other payables			
Statutory Dues - PF, ESI, Service Tax, TDS, Entry Tax, GST etc.		5,050.02	3,941.33
Excise Duty Liability on Closing Stock		–	3,425.81
Advance from Customers		1,737.91	1,228.16
		6,787.93	**8,595.30**

2.24 PROVISIONS

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
Provision for Employee Benefits		700.82	329.63
		700.82	**329.63**

2.24.1 The provision for employee benefits includes gratuity and vested long service leave entitlements accrued and compensation claim payable to employees which are payable as per the terms of the appointment. For other disclosures, refer Note. 2.44

Notes to Financial Statements as at and for the year ended 31st March 2018

2.25 REVENUE FROM OPERATIONS

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
Sale of Products (including excise duty)			
Finished Goods	2.25.3	1,95,512.36	2,05,330.28
Other Operating Revenue			
Scrap Sales		330.83	229.24
Insurance Claim received		766.58	254.24
Liabilities no longer required written back		903.13	259.98
Others	2.25.1 & 2.25.2	547.62	359.95
Revenue from Operations		**1,98,060.52**	**2,06,433.69**

2.25.1 Includes Industrial Promotion Assistance received under State Incentive Scheme during the period is ₹ 363.42 Lakhs (Previous year: ₹ 277.68 Lakhs) and export incentives of ₹ 94.74 Lakhs (Previous year : ₹ 31.42 Lakhs)

2.25.2 Sale of goods includes excise duty collected from customers of ₹ 5327.06 Lakhs (31st March 2017: ₹ 20,373.76 Lakhs).

2.25.3 Damages, rebate and discount are adjusted with revenue.

2.26 OTHER INCOME

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
Interest Income at amortised cost on deposits and others		128.82	146.96
Dividend Income from Non current Investments	2.26.1	1.67	1.67
Other Non Operating income (net of expense directly attributable to such income)			
Rent and Hire Charges		95.49	141.96
Miscellaneous Income		284.40	239.14
Other Gains and Losses			
Net Gain on sale of Current Investments		–	163.21
Exchange Gain (Net)		–	1.36
		510.38	**694.30**

2.26.1 All dividends from equity investments designated as at Fair Value through Profit or Loss relate to investments held at the end of each reporting period.

Notes to Financial Statements as at and for the year ended 31st March 2018

2.27 COST OF MATERIALS CONSUMED

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
Raw Materials Consumed	2.42	58,969.61	59,694.62
		58,969.61	**59,694.62**
Movement of Raw Material Consumed:			
Opening Stock		9,457.33	6,773.40
Add: Purchases		57,340.11	62,378.55
Less: Closing Stock		7,827.83	9,457.33
Raw Materials Consumed		**58,969.61**	**59,694.62**

2.27.1 Profit or loss on sale of Raw Materials has been adjusted in consumption.

2.27.2 Supplier's Claims adjusted with Raw Material consumption.

2.28 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
Closing Stock			
Finished Goods		24,145.49	32,122.44
Work-in-Progress		769.62	917.55
		24,915.11	**33,039.99**
Less:			
Opening Stock			
Finished Goods		32,122.44	26,453.10
Work-in-Progress		917.55	792.00
		33,039.99	**27,245.10**
		8,124.88	**(5,794.89)**

2.29 EMPLOYEE BENEFIT EXPENSES

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
Salaries and Wages		18,195.18	19,347.77
Contribution to Provident and Other Funds		1,166.35	1,212.65
Workmen and Staff Welfare Expenses		606.17	554.38
		19,967.70	**21,114.80**

2.29.1 Refer note 2.38.1 for Remuneration paid to Chairman & Managing Director and Vice Chairman & Managing Director.

Notes to Financial Statements as at and for the year ended 31st March 2018

2.30 OTHER EXPENSES

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31st March 2018		For the year ended 31st March 2017	
Stores and Spare Parts Consumed	2.30.1		6,717.24		8,059.63
Power and Fuel	2.30.2		65,068.44		57,066.69
Packing Material Consumed and Packing Charges			16,683.94		16,043.59
Rent			1,188.25		1,188.13
Rates and Taxes			295.92		307.31
Repairs:					
Buildings			242.67		200.97
Plant and Equipment			632.46		1,115.89
Others			162.20		281.11
Freight outwards, Transport and Other Selling Expenses (Net of realisation ₹ 3270.43 Lakhs, Previous Year ₹ 7708.51 Lakhs)			2,399.45		2,440.43
Commission on Sales			94.41		105.01
Insurance			463.21		506.93
Excise Duty on Increase/(Decrease) of Stock			(3,815.56)		708.35
Bad Debts Written Off		29.68		–	
Less: Write Back of impairment allowances for trade receivable		(0.30)	29.38	–	–
Balance with government authorities written off		–		49.95	
Less: Write Back of impairment allowances		–	–	(49.95)	–
Impairment Allowances against Trade Receivables			98.39		16.78
Charity and Donation			0.04		1.90
Loss on Sale/Discard of Property Plant and Equipment (Net)			298.46		884.27
Exchange Loss (Net)			405.51		–
Other Miscellaneous Expenses	2.30.3		3,753.70		3,696.69
			94,718.11		**92,623.68**

2.30.1 Profit or loss on sale of Stores has been adjusted in consumption.

2.30.2 Electricity duty waiver benefit under State Incentive Schemes credited to Power and Fuel Account is ₹ 425.17 Lakhs (Previous year : ₹ 278.05 Lakhs)

Notes to Financial Statements as at and for the year ended 31st March 2018

2.30.3 Other Miscellaneous Expenses include :

₹ in Lakhs

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
a) Payment to Auditors including Swachh Bharat Cess		
To Statutory Auditor:		
Audit Fees	15.25	15.29
Tax Audit Fees	5.25	5.26
Certifications etc	3.69	4.31
To Branch Auditor:		
Audit Fees	11.25	11.34
Certifications etc	3.00	3.02
	38.44	**39.22**
b) Directors Travelling Expenses	**26.41**	**26.80**
c) Directors Sitting Fees	**9.01**	**8.53**

2.31 FINANCE COSTS

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
Interest Expense		25,047.63	23,473.28
Other borrowing Costs		137.65	326.68
		25,185.28	**23,799.96**

2.32 EXCEPTIONAL ITEMS

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
Profit on disposal of Non current investments	2.32.1	–	9,459.33
		–	**9,459.33**

2.32.1 HNG Global GMBH has ceased to be the subsidiary of the Company with effect from 1st April 2016 on disposal of its entire shareholding. Profit of ₹ Nil [Previous Year ₹ 9,459.33 Lakhs (Net of ₹ 486.20 Lakhs)] being expenditure recognised has been recognised and included under exceptional items.

2.33 EARNINGS PER SHARE (EPS)

The following reflects the profit/(loss) and share data used in the basic and diluted EPS computation

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Profit /(Loss) after Tax (₹ in Lakhs)	(29,451.32)	(12,711.49)
Net Profit/(Loss) for calculation of Basic and Diluted EPS (₹ In Lakhs) (a)	**(29,451.32)**	**(12,711.49)**
Weighted Average number of Equity shares in calculating Basic and Diluted EPS (b)	8,82,91,318	8,73,38,565
Basic and Diluted EPS (a/b) (In ₹)	(33.36)	(14.55)

2.33.1 As there is uncertainty regarding lender's right of conversion of term loan to Equity shares, computation for diluted Earnings per share has not been worked out for the same.

Notes to Financial Statements as at and for the year ended 31st March 2018

2.34 CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

A. CONTINGENT LIABILITIES

₹ in Lakhs

Sl. No.	Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
(I)	**Claims against the company not acknowledged as debt**			
1	Central Excise/Sales Tax matter under appeals		2,145.22	1,171.22
2	Excise Duty and Octroi demand issued against which the Company has preferred appeals and which in the opinion of the management are not tenable.		517.91	1,675.81
3	Cases pending with labour courts (to the extent ascertainable)		76.53	562.05
4	Other Claims against the Company not acknowledged as debt.		850.43	1,138.88
5	Octroi on Transportation of natural gas through pipeline.		364.81	351.13
6	Local Area Development Tax Demand		2,059.38	–
7	Demand of stamp duty against leasehold land purchased from Haryana Sheet Glass Limited.		37.67	–
8	Income Tax under Appeal for the A Y 2011-12		–	1.30
9	Claim for increased price of land acquired at Bahadurgarh by the Punjab Government and given to the Company against which the claimants have preferred an appeal in the Supreme Court against the order of the High Court.		0.30	–
(II)	**Other money for which the Company is contingently liable**			
10	Interest on Disputed Entry Tax*		3,298.59	255.41
11	Right to Recompense of Lenders as per CAP guidelines		–	7,232.00
(III)	**Guarantees excluding financial guarantees**			
12	Guarantee furnished to bank on behalf of an entity over which directors of the Company has significant influence.	2.34.A.2	1,800.00	1,800.00

* The Hon'ble Supreme Court vide its order dated 11th November, 2016 has upheld the constitutional validity of levy of Entry Tax. This is being given effect to by the various state governments subject to follow up decisions before various judicial forums and appropriate authorities and the amount of said levy is yet to be determined. Pending outcome and final decision, no provision has been made for interest liability and has been shown as contingent liability to the extent determinable.

2.34.A.1 The Company's pending litigation comprises of claims against the Company and proceeding pending with tax/statutory/ government authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, and dislosed the contingent liabilities, where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position. Future cash outflows in respect of item no. (1) to (9) as mentioned above are determinable only on receipt of judgement/decisions pending with various forums/authorities.

2.34.A.2 Disclosure pursuant to Sec 186(4) of Companies Act, 2013.

₹ in Lakhs

On Behalf of	Purpose	Date of Guarantee Issued	As at 31st March 2018	As at 31st March 2017
AMCL Machinery Limited.	Working Capital Loan	25th June 12	1,800.00	1,800.00
			1,800.00	**1,800.00**

Notes to Financial Statements as at and for the year ended 31st March 2018

B. The company is paying Anti-Dumping Duty after the same was imposed by Government of India for five years on Soda Ash originating in from (1) China, EU, Kenya, Pakistan, Iran, Ukraine and USA from 03.07.2012 and (2) Turkey and Russia from 18.04.2013. The company has taken up the matter (Mid Term Review) through Trade Association (AIGMF – All INDIA GLASS MANUFACTURER FEDERATION) for removal of these duties on 21.07.2015. DGAD (Director General Anti-Dumping) has for both cases referred as (1) and (2) above, allowed removal of duty on 23.09.2016. However, the matter was challenged in Gujarat High court and accordingly the duty removal is kept in abeyance. On 5th April 2018, DGAD again refused to initiate Sunset Review, thereby proving the grounds that continuation of Anti-Dumping Duty on Soda Ash is not prudent. Though the matter is again reversed by Gujarat High Court, there is a fair chance for removal of Anti-dumping Duty from 2017. In view of judicial uncertainty in the matter, in the accounts for the year 2017-18, the claim is not accounted for and the same has been shown as Contingent Asset.

C. CAPITAL AND OTHER COMMITMENTS

₹ in Lakhs

Particulars	As at 31st March 2018	As at 31st March 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for: Net of advance of ₹ 731.87 Lakhs (31st March 2017 - ₹ 2216.11 Lakhs)	2,412.57	2,448.44

2.35 CAPITALISATION OF EXPENDITURE

The company had capitalised the following expenses of revenue nature incurred for construction of Property, plant and equipment and trial run, to the cost of Property, plant and equipment/capital work-in-progress (CWIP). Consequently, expenses/revenue disclosed under the respective notes are net of amounts capitalised by the company.

₹ in Lakhs

Particulars	As at 31st March 2018	As at 31st March 2017
(i) Salaries and Wages	–	–
(ii) Power and Fuel	0.05	–
(iii) Miscellaneous expenses	182.12	127.62
(iv) Stores & Spares Consumed	1,335.40	215.95
(v) Payment to Contractors	2.83	–
Total	1,520.40	343.57
Add: Brought Forward from previous year	374.21	98.28
Less: Capitalised during the year	409.11	67.64
Total carried forward	**1,485.50**	**374.21**

2.36 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

a) **Derivatives outstanding as at the balance sheet date**

Particulars	As at 31st March 2018		As at 31st March 2017	
USD	Foreign Currency (in Lakhs)	INR Value (₹ in Lakhs)	Foreign Currency (in Lakhs)	INR Value (₹ in Lakhs)
Nature of Instrument/Nature of Loan				
Cross Currency Coupon Swap-External Commercial Borrowings - Number of Contracts: 31st March 2018 - 2, (31st March 2017 - 2)	160.00	10,434.40	170.00	11,035.55
Derivative Contract to buy US Dollar				
- Buyers Credit	6.19	403.59	–	–
- Hedge of Foreign currency loan	160.00	10,434.40	170.00	11,035.55

Notes to Financial Statements as at and for the year ended 31st March 2018

b) **Particulars of unhedged foreign currency exposure as at the balance sheet date**

Particulars	As at 31st March 2018		As at 31st March 2017	
	Foreign Currency (in Lakhs)	INR Value (₹ in Lakhs)	Foreign Currency (in Lakhs)	INR Value (₹ in Lakhs)
Import payables				
-EUR	17.08	1,373.22	17.55	1,216.34
-GBP	0.84	76.81	0.64	51.63
-JPY	0.84	0.51	0.84	0.49
-USD	23.25	1,516.21	14.02	910.17
-AUD	0.50	25.33	0.51	25.13
-CHF	–	–	0.0014	0.09
Export receivables				
-USD	13.45	877.17	18.21	1,182.16
-EUR	0.06	4.63	–	–
Foreign Currency loans				
-USD	617.00	40,237.66	640.00	41,545.60

2.37 SEGMENT INFORMATION

The Company's exclusive business is manufacturing and selling of Container Glass and as such in the opinion of the management this is the only operating business segment, as per the Indian Accounting Standard (Ind AS) 108 on Operating segment. Thus no separate segment information is disclosed for primary business segment. Secondary information is reported geographically.

Geographical Segment

a) The following table shows the distribution of the Company's Revenue from operations by Geographical market.

₹ in Lakhs

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Domestic Market	1,86,995.98	1,94,427.84
Overseas Market	11,064.54	12,005.85
Total	**1,98,060.52**	**2,06,433.69**

b) The following table shows the distribution of the Company's Trade Receivables by Geographical market.

₹ in Lakhs

Particulars	As at 31st March 2018	As at 31st March 2017
Domestic Market	37,256.70	37,454.41
Overseas Market	2,379.40	2,786.19
Total	**39,636.10**	**40,240.60**

Notes to Financial Statements as at and for the year ended 31st March 2018

2.38 RELATED PARTY DISCLOSURES

I Names of the related parties and nature of relationship

A) Joint Venture Company

HNG Float Glass Limited **(Refer Note 2.2.6)**

B) Key Managerial Personnels and their relatives.

(i) Mr. Chandra Kumar Somany - Chairman and Non Executive Director (Relative of Key Managerial Personnel) (Till 15th May 2017)

(ii) Mrs. Sudha Somany - Wife of Mr. Chandra Kumar Somany

(iii) Mr. Sanjay Somany - Chairman and Managing Director and Key Managerial Personnel

(iv) Mr. Mukul Somany - Vice Chairman and Managing Director and Key Managerial Personnel

(v) Mr. Rakesh Kumar Sharma - Executive Director and Key Managerial Personnel (Till 28th February 2017)

(vi) Mr. Bharat Somany - Relative of the Director

(vii) Mr. Sujit Bhattacharya - Independent Director (Till 31st March 2017)

(viii) Mr. Ratna Kumar Daga - Independent Director

(ix) Mr. Dipankar Chatterji - Independent Director

(x) Mrs. Rita Bhimani - Independent Director

(xi) Mr. Narayanaswami Sitaraman - Independent Director (w.e.f. 13th April 2017)

C) Enterprises over which any person described in [B (i) to (xi)] above is able to exercise significant influence and with whom the Company has transactions during the year.

AMCL Machinery Limited
Mould Equipment Limited
Brabourne Commerce Private Limited
Rungamattee Trexim Private Limited
Saurav Contractors Private Limited
Khazana Marketing Private Limited
Spotme Tracon Private Limited
Spotlight Vanijya Limited

II Related Party Transactions

a) Aggregate amount of Transactions with Joint Venture Company:

₹ in Lakhs

Nature of transactions	Name of the related party	For the year ended 31st March 2018	For the year ended 31st March 2017
Provision for Facilities	HNG Float Glass Limited	62.47	59.23
Recovery of expenses	HNG Float Glass Limited	22.85	49.24
Purchase of Stores & Spares/Fixed Assets	HNG Float Glass Limited	8.97	4.94
Receipt of Services	HNG Float Glass Limited	28.29	26.89

Notes to Financial Statements as at and for the year ended 31st March 2018

b) Aggregate amount of Transactions with Key Managerial Personnel and their relatives: ₹ in Lakhs

Nature of transactions	Ref Note No.	Name of the related party	For the year ended 31st March 2018	For the year ended 31st March 2017
Remuneration (included in Employee Benefit Expenses-Note 2.29)#	2.38.1	Sanjay Somany	320.88	320.88
	2.38.1	Mukul Somany	321.21	321.37
		Bharat Somany	22.31	23.09
		Rakesh Kumar Sharma	–	57.30
Refund of Remuneration		Sanjay Somany	–	163.55
		Mukul Somany	–	163.55
Loan taken from		Chandra Kumar Somany	–	48.18
		Sanjay Somany	–	50.10
		Mukul Somany	–	50.10
Interest paid		Chandra Kumar Somany	–	43.50
		Sanjay Somany	–	44.17
		Mukul Somany	–	44.17
Sitting Fees		Chandra Kumar Somany	–	0.50
		Sujit Bhattacharya - Independent Director	–	2.45
		Ratna Kumar Daga - Independent Director	2.80	2.45
		Dipankar Chatterji - Independent Director	2.80	2.30
		Rita Bhimani - Independent Director	0.80	0.80
		N Sitaraman - Independent Director	2.60	–
Loan Adjusted		Chandra Kumar Somany	667.92	–
		Sanjay Somany	678.22	–
		Mukul Somany	678.22	–
Shares Allotted		Chandra Kumar Somany	–	–
		Sudha Somany	662.40	–
		Mukul Somany	683.10	–
		Sanjay Somany	683.10	–

Compensation of Key Management Personnel

The remuneration of directors and other members of key management personnel during the year are as follows: ₹ in Lakhs

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Short Term Employee Benefits	664.40	722.65
Post Employment Benefits*	–	–

* Excluding contribution to gratuity fund

Notes to Financial Statements as at and for the year ended 31st March 2018

2.38.1 Remuneration paid to Chairman and Managing Director & Vice Chairman and Managing Director amounting to ₹ 606.00 Lakhs for each of the financial years ending 2017-18, 2016-17 & 2015-16 has exceeded the limits prescribed under the provisions of Companies Act, 2013 due to inadequacy of profit. The Company has made an application before the Central Government and necessary approvals in this respect are awaited.

c) Aggregate amount of Transactions with related parties as mentioned in (C) above are as follows: ₹ in Lakhs

Nature of transactions	Ref Note No.	Name of the related party	For the year ended 31st March 2018	For the year ended 31st March 2017
Purchase of Goods		Mould Equipment Limited	8.57	22.62
		AMCL Machinery Limited	0.95	0.85
Purchase of Property, plant and equipment		AMCL Machinery Limited	–	–
		Spotlight Vanijya Limited	–	10.47
Recovery of expenses		AMCL Machinery Limited	7.86	–
		Mould Equipment Limited	6.19	–
		Spotlight Vanijya Limited	–	0.64
Purchase of Stores & Spares		AMCL Machinery Limited	–	0.84
		Mould Equipment Limited	–	3.82
Receipt of Services		Mould Equipment Limited	284.66	262.24
Interest Paid		Brabourne Commerce Private Limited	–	45.32
		Rungamattee Trexim Private Limited	–	22.66
		Saurav Contractors Private Limited	–	37.77
		Khazana Marketing Private Limited	–	37.77
		Spotme Tracon Private Limited	–	22.66
Rent Paid		Spotlight Vanijya Limited	7.00	6.00
		Rungamattee Trexim Private Limited	3.00	3.00
Rent Received		Mould Equipment Limited	16.18	15.86
Loan Taken during the year		Brabourne Commerce Private Limited	–	53.73
		Rungamattee Trexim Private Limited	–	26.86
		Saurav Contractors Private Limited	–	44.77
		Khazana Marketing Private Limited	–	44.76
		Spotme Tracon Private Limited	–	26.86

Notes to Financial Statements as at and for the year ended 31st March 2018

₹ in Lakhs

Loan Adjusted		Brabourne Commerce Private Limited	695.90	–
		Rungamattee Trexim Private Limited	347.95	–
		Saurav Contractors Private Limited	579.91	–
		Khazana Marketing Private Limited	579.91	–
		Spotme Tracon Private Limited	347.95	–
Shares Allotted		Brabourne Commerce Private Limited	693.45	–
		Rungamattee Trexim Private Limited	351.90	–
		Saurav Contractors Private Limited	579.60	–
		Khazana Marketing Private Limited	579.60	–
		Spotme Tracon Private Limited	351.90	–

d) Balance of related parties is as follows:

₹ in Lakhs

Nature of transaction	Ref Note No.	Name of the related party	As At 31st March 2018	As At 31st March 2017
Payable		Mould Equipment Limited	71.50	26.53
Corporate Guarantee given to banks on behalf of		AMCL Machinery Limited	1,800.00	1,800.00
Loan Outstanding	2.15	Chandra Kumar Somany	–	667.92
		Sanjay Somany	–	678.22
		Mukul Somany	–	678.22
		Brabourne Commerce Private Limited	–	695.90
		Khazana Marketing Private Limited	–	579.91
		Spotme Tracon Private Limited	–	347.95
		Rungamattee Trexim Private Limited	–	347.95
		Saurav Contrators Private Limited	–	579.91

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. The Company has provided corporate Guarantees to related parties, as disclosed above, towards their borrowing facilities (refer note 2.34.A.2) and no amount/income is being received by the Company in this regard. For the year ended March 31, 2018, the Company has not recorded any impairment allowances in respect of receivables relating to amounts owed by related parties (March 31, 2017: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Notes to Financial Statements as at and for the year ended 31st March 2018

2.39 LEASES

The company has taken certain land on Finance Lease. Carrying Value of Land taken on Lease is ₹ 5056.20 Lakhs (31st March 2017 - ₹ 5121.69 Lakhs).

The Company has acquired certain assets under financial lease, the cost of which is included in the Gross Blocks of Buildings and Vehicles. The lease term is 75 years (Rishikesh and Head Office) and 95 years (In case of Sinnar) for Building. The lease term is 3-5 years for Vehicles, after which the legal title will pass on the Company. The lease has been recognised as an asset at the present value of the minimum lease payments. Minimum lease payments payable in future at the balance sheet date and their present value are as under:

Assets taken under Finance Lease

₹ in Lakhs

Particulars	As at 31st March 2018		As at 31st March 2017	
	Lease Payments	Present Value	Lease Payments	Present Value
Not more than one year	0.50	0.11	0.50	0.12
Later than one year and not more than five years	2.02	0.32	1.99	0.36
Later than five years	40.81	0.53	41.33	0.59

Assets taken under Operating Leases:

Certian office premises, Office equipments and system storage and support are obtained on operating lease. There is no contingent rent in the lease agreements. The lease term is for 1-3 years and is renewable at the mutual agreement of both the parties. There is no escalation clause in the lease agreements. There are no restrictions imposed by lease agreements. There are no sublease and all the leases are cancelable in nature. The aggregate lease rentals are charged as "Rent" in Note '2.30' of the financial statement.

₹ in Lakhs

Particulars	Lease Payments	
	31st March 2018	31st March 2017
Not more than one year	164.06	216.74
Later than one year and not more than five years	100.92	173.86
Later than five years	–	–

2.40 The Company is incurring losses since Financial Year 2012-2013 which have resulted in reduction of net-worth. Due to depressed market demand and resultant adverse financial performance, the lenders had restructured the term loans w.e.f. December 2014 and laid stipulations thereof which among other things included moratorium in repayment of installments, infusion of equity by Promoters in various periods and fresh valuation of its assets by a Valuer registered with Institute of Valuers. The company has paid Principal for the quarter ended September 2017 and interest thereon till October 2017. However Principal for the quarters ended December 2017 & March 2018 and interest (comprising interest on Term loan and cash credit) for November / December 2017 to March 2018 aggregating to ₹ 13682.34 Lakhs have not been paid. Letter of Credit and interest for November / December 2017 to March 2018 aggregating to ₹ 3470.82 Lakhs has also not been paid on due dates. Penal interest and other claims aggregating to ₹ 237.17 Lakhs has also not been paid. Subsequently, the lenders have asked for fresh projections of profitability and consequent repayment of loans. The company has submitted such projections to the lenders which are under consideration. The company and its promoters are in the process of regularising the above situations. Considering the ameliorative measures taken by the company, expected improvement in the performance of the Company over a period of time and its asset coverage, the accounts of the Company have been prepared on a going concern basis.

Notes to Financial Statements as at and for the year ended 31st March 2018

2.41 FINISHED GOODS STOCK AND SALES

₹ in Lakhs

Particulars	Sales *		Closing Stock	
	For the year ended		As at	As at
	31st March 2018	31st March 2017	31st March 2018	31st March 2017
Bottles	1,95,512.36	2,05,330.28	24,145.49	32,122.44

* Sales include breakages of bottles.

2.42 RAW MATERIAL CONSUMED

₹ in Lakhs

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Silica Sand	10,488.35	9,687.58
Soda Ash	29,182.35	31,121.90
Cullet	11,412.85	11,388.74
Others	7,765.99	7,380.61
Total	**58,849.54**	**59,578.83**
Excluding Raw Materials Processing / ACL Printing Charges	120.07	115.79

2.43 The Hon'ble Supreme Court vide its order dated 11th November 2016 has upheld the constitutional validity of levy of Entry Tax. This is being given effect to by the various state governments subject to follow up decisions before various judicial forums and appropriate authorities and the amount of said levy is yet to be determined. Accordingly, the same has not been recognised by the company. In the event of the levy being held sustainable, amount on overall basis in this respect has been estimated to be ₹ 2059 Lakhs (excluding amount of interest if any there against refer note no. 2.34) and the same will be given effect to on determination thereof.

2.44 GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with the insurance companies.

The Company also extends benefit of compensated absences to the employees, whereby they are eligible to carry forward their entitlement of earned leave for encashment upon retirement/separation. This is an unfunded plan.

The Company has a separate Provident Fund Trust (funded) whereby, all the employees are entitled to benefits as per Provident Fund Act / Trust Deed. Any shortfall for the Trust is borne by the Company, hence the same is treated as a defined benefit scheme.

As per Ind AS "Employee Benefits" (Ind AS - 19), the disclosures of Employee Benefits as defined in the Standard are given below:

a) **Defined Contribution Scheme**

Contribution to Defined Contribution Plan, recognised for the respective years are as under:

₹ in Lakhs

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Employer's Contribution to Provident Fund	456.27	429.06
Employer's Contribution to Pension Fund	370.85	451.94
Employer's Contribution to Superannuation Fund	–	–

Notes to Financial Statements as at and for the year ended 31st March 2018

The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities during the quarter ended December 31, 2011. The actuary has accordingly provided a valuation and based on the below provided assumptions there is no shortfall as at 31st March 2018; 31st March 2017.

The Company contributed ₹ NIL towards provident fund during the year ended March 31, 2018 (₹ NIL during the year ended March 31, 2017).

The details of fund and plan asset position are given below:

₹ in Lakhs

Particulars	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
Plan assets at year end, at fair value	10,764.25	10,186.83	8,936.85
Present value of benefit obligation at year end	9,889.84	9,835.64	8,926.12
Asset / Liability recognised in Balance Sheet	874.41	351.20	10.73

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

Particulars	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
Fixed Income/Debt Securities	9.05%	9.25%	9.30%
Expected guaranteed interest rate	8.55%	8.65%	8.80%

b) **Defined Benefit Plan**

The employee's gratuity fund scheme managed by Insurers is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

I. Change in the present value of the Defined Benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

₹ in Lakhs

Particulars	Gratuity Funded		
	2017-18	2016-17	2015-16
Liability at the beginning of the year	3,069.91	2,799.14	3,150.53
Current Service Cost	221.13	215.60	191.25
Curtailment Cost	–	–	(862.18)
Interest Cost	217.10	196.62	170.66
Actuarial (gain)/loss on obligations due to Change in Financial Assumption	(531.05)	120.21	290.09
Actuarial (gain)/loss on obligations due to Change in Demographic assumption	–	–	–
Actuarial (gain)/loss on obligations due to Unexpected Experience	711.60	93.29	169.05
Benefits paid	(508.08)	(354.96)	(310.26)
Liability at the end of the year	3,180.62	3,069.90	2,799.14

Notes to Financial Statements as at and for the year ended 31st March 2018

₹ in Lakhs

Particulars	Gratuity Unfunded		
	2017-18	2016-17	2015-16
Liability at the beginning of the year	812.17	758.29	507.42
Current Service Cost	68.53	92.04	89.88
Interest Cost	62.51	56.58	40.36
Actuarial (gain)/loss on obligations due to Change in Financial Assumption	(167.02)	50.90	157.56
Actuarial (gain)/loss on obligations due to Change in Demographic assumption	–	–	–
Actuarial (gain)/loss on obligations due to Unexpected Experience	(120.58)	(137.95)	(31.06)
Benefits paid	(2.87)	(7.69)	(5.87)
Liability at the end of the year	652.73	812.17	758.30

₹ in Lakhs

Particulars	Total Defined Benefit Obligations		
	2017-18	2016-17	2015-16
Defined benefit obligation (funded) at the end of the year	3,180.62	3,069.90	2,799.14
Defined benefit obligation (unfunded) at the end of the year	652.73	812.17	758.30
Total Defined benefit obligation at the end of the year	3,833.35	3,882.07	3,557.44

₹ in Lakhs

	Compensated Absences Unfunded		
Particulars	2017-18	2016-17	2015-16
Liability at the beginning of the year	508.73	448.77	551.47
Current Service Cost	250.62	169.83	150.78
Curtailment Cost	–	–	(226.84)
Interest Cost	34.99	30.20	21.47
Actuarial (Gain) / Loss	(182.02)	(47.61)	64.38
Benefits paid	(109.77)	(92.45)	(112.47)
Liability at the end of the year	502.56	508.73	448.79

II. Changes in the Fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows:

₹ in Lakhs

Particulars	Gratuity Funded		
	2017-18	2016-17	2015-16
Fair value of plan assets at the beginning of the year	2,984.65	3,058.05	2,518.86
Interest Income	230.12	229.35	214.11
Return on Plan Assets excluding Interest Income	(53.78)	52.20	1.24
Employer contribution	130.65	–	634.08
Benefits paid	(508.08)	(354.96)	(310.26)
Fair value of plan assets at the end of the year	2,783.57	2,984.65	3,058.05

Notes to Financial Statements as at and for the year ended 31st March 2018

III. Expense recognised in the Statement of Profit and Loss (Under the head "Contribution to provident and other funds" - Refer Note 2.29) and Other Comprehensive Income

₹ in Lakhs

Particulars	Gratuity Funded		
	2017-18	2016-17	2015-16
Current Service Cost	221.13	215.60	191.25
Curtailment Cost	–	–	(862.18)
Net Interest Cost	(13.01)	(32.73)	(43.45)
Expenses recognised in Statement of Profit and Loss	208.12	182.87	(714.38)

₹ in Lakhs

Particulars	Gratuity Funded		
	2017-18	2016-17	2015-16
Actuarial (gain)/loss on obligations due to Change in Financial Assumption	(531.05)	120.21	290.09
Actuarial (gain)/loss on obligations due to Unexpected Experience	711.60	93.29	169.05
Total Actuarial (gain)/losses	**180.55**	**213.50**	**459.14**
Return on Plan Asset, excluding Interest Income	53.78	(52.20)	(1.24)
Net expenses recognised in Other Comprehensive Income	234.33	161.29	457.90

₹ in Lakhs

Particulars	Gratuity Unfunded		
	2017-18	2016-17	2015-16
Current Service Cost	68.53	92.04	89.88
Interest Cost	62.51	56.58	40.36
Expenses recognised in Statement of Profit and Loss	131.04	148.62	130.24

₹ in Lakhs

Particulars	Gratuity Unfunded		
	2017-18	2016-17	2015-16
Actuarial (gain)/loss on obligations due to Change in Financial Assumption	(167.02)	50.90	157.56
Actuarial (gain)/loss on obligations due to Unexpected Experience	(120.58)	(137.95)	(31.06)
Total Actuarial (gain)/losses	**(287.60)**	**(87.05)**	**126.51**
Return on Plan Asset, excluding Interest Income	–	–	–
Net expenses recognised in Other Comprehensive Income	(287.60)	(87.05)	126.51

Notes to Financial Statements as at and for the year ended 31st March 2018

₹ in Lakhs

Particulars	Compensated Absences Unfunded		
	2017-18	2016-17	2015-16
Current Service Cost	250.62	169.83	150.78
Curtailment Cost	–	–	(226.84)
Interest Cost	34.99	30.20	21.47
Net Actuarial (Gain) / Loss to be recognized	(182.02)	(47.61)	64.38
Expenses recognised in Profit and Loss account	103.60	152.42	9.79

IV. Balance Sheet Reconciliation

₹ in Lakhs

Particulars	Gratuity Funded		
	2017-18	2016-17	2015-16
Present value of the defined benefit obligations at the end of the year	3,180.62	3,069.90	2,799.14
Fair value of the plan assets at the end of the year	2,783.57	2,984.65	3,058.05
Amount Recognised in Balance Sheet	397.04	85.25	(258.91)

₹ in Lakhs

Particulars	Gratuity Unfunded		
	2017-18	2016-17	2015-16
Present value of the defined benefit obligations at the end of the year	652.73	812.17	758.30
Fair value of the plan assets at the end of the year	–	–	–
Amount Recognised in Balance Sheet	652.73	812.17	758.30

₹ in Lakhs

Particulars	Compensated Absences Unfunded		
	2017-18	2016-17	2015-16
Present value of the defined benefit obligations at the end of the year	502.56	508.73	448.79
Fair value of the plan assets at the end of the year	–	–	–
Amount Recognised in Balance Sheet	502.56	508.73	448.79

₹ in Lakhs

Particulars	Gratuity Funded		
	2017-18	2016-17	2015-16
Opening Net Liability	85.25	(258.91)	631.66
Expenses as above	442.44	344.17	(256.48)
Employers Contribution	130.65	–	634.08
Amount Recognised in Balance Sheet	397.05	85.25	(258.91)

Notes to Financial Statements as at and for the year ended 31st March 2018

₹ in Lakhs

Particulars	Gratuity Unfunded		
	2017-18	2016-17	2015-16
Opening Net Liability	812.17	758.29	507.42
Expenses as above	(156.56)	61.57	256.75
Employers Contribution	(2.87)	(7.69)	(5.87)
Amount Recognised in Balance Sheet	652.73	812.17	758.30

₹ in Lakhs

Particulars	Compensated Absences Unfunded		
	2017-18	2016-17	2015-16
Opening Net Liability	508.73	448.77	551.47
Expenses as above	103.60	152.42	9.79
Employers Contribution	(109.77)	(92.45)	(112.47)
Amount Recognised in Balance Sheet	502.55	508.73	448.79

V. Compensated Absences

The actuarial liability of Compensated Absences (Unfunded) of accumulated privileged leave of the employees of the company as at 31st March 2018 is ₹ 430.30 Lakhs (31st March 2017 is ₹ 440.59 Lakhs, 31st March 2016 is ₹ 384.70 Lakhs).

VI. In respect of Gratuity (funded), the funds are managed by the Insurers. Accordingly, the percentage or amount that each major category constitutes the Fair value of total plan assets and effect thereof on overall expected rate of return on asset have not been disclosed.

VII. Principal Actuarial assumptions at the Balance Sheet Date

Particulars	Gratuity Funded		
	2017-18	2016-17	2015-16
Mortality Table	IALM (2006-2008 ULTIMATE	IALM (2006-2008) ULTIMATE	IALM (2006-2008) ULTIMATE
Discount rate (per annum)	7.71%	7.50%	8.00%
Expected rate of return on plan assets (per annum)	7.71%	7.50%	8.50%
Average expected future service (Remaining working Life)	58	58	58
Average Duration of Liabilities	16	16	14
Early Retirement & Disablement (All Causes Combined)			
above age 45	Varying between 8% per annum to 1% per annum depending on duration and age of the employees.		
Between 29-45			
below age 29			
Rate of escalation in salary (per annum)	6.00%	7.80%	7.80%

Notes to Financial Statements as at and for the year ended 31st March 2018

Particulars	Gratuity Unfunded		
	2017-18	2016-17	2015-16
Mortality Table	IALM (2006-2008) ULTIMATE	IALM (2006-2008) ULTIMATE	IALM (2006-2008) ULTIMATE
Discount rate (per annum)	7.71%	7.50%	8.00%
Expected rate of return on plan assets (per annum)	–	–	–
Average expected future service (Remaining working Life)	58	58	58
Average Duration of Liabilities	21	21	21
Early Retirement & Disablement (All Causes Combined)			
above age 45	Varying between 8% per annum to 1% per annum depending on duration and age of the employees		
Between 29-45			
below age 29			
Rate of escalation in salary (per annum)	6.00%	7.80%	7.80%

The estimates of rate of escalation in salary considered in actuarial valuation taken into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

The contributions expected to be made by the Company for the year 2018-19 is yet to be determined.

VIII. A quantitative sensitivity analysis for significant assumption are as shown below:

a) Gratuity Funded

Particulars	2017-18		2016-17	
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 0.5%)	3,067.35	3,302.31	2,945.58	3,204.37
%Change Compared to base due to sensitivity	(3.56%)	3.83%	(4.05%)	4.38%
Salary Growth (-/+ 0.5%)	3,303.10	3,065.67	3,204.37	2,944.35
%Change Compared to base due to sensitivity	3.85%	(3.61%)	4.38%	(4.09%)
Attrition Rate (-/+ 0.5%)	3,184.11	3,177.12	3,068.99	3,070.83
%Change Compared to base due to sensitivity	0.11%	(0.11%)	(0.03%)	0.03%
Mortality Rate (-/+ 10%)	3,195.91	3,165.32	3,070.52	3,069.29
%Change Compared to base due to sensitivity	0.48%	(0.48%)	0.02%	(0.02%)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Notes to Financial Statements as at and for the year ended 31st March 2018

b) Gratuity Unfunded

	2017-18		2016-17	
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 0.5%)	618.15	690.38	761.33	868.05
%Change Compared to base due to sensitivity	(5.30%)	5.77%	(6.26%)	6.88%
Salary Growth (-/+ 0.5%)	690.63	617.64	867.40	761.41
%Change Compared to base due to sensitivity	5.81%	(5.38%)	6.80%	(6.25%)
Attrition Rate (-/+ 0.5%)	653.86	651.61	811.44	812.90
%Change Compared to base due to sensitivity	0.17%	(0.17%)	(0.09%)	0.09%
Mortality Rate (-/+ 10%)	657.05	648.42	811.93	812.41
%Change Compared to base due to sensitivity	0.66%	(0.66%)	(0.03%)	0.03%

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

FINANCIAL INSTRUMENTS DISCLOSURE

2.45 CATEGORIES OF FINANCIAL INSTRUMENTS

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
Financial Assets			
Measured at Amortised Cost			
Investments	2.2	0.57	0.57
Long Term Loans	2.3	–	116.50
Deposit with Bank	2.4	2.79	48.59
Trade receivable	2.7	39,459.79	39,997.09
Cash and Cash Equivalents	2.8.A	680.95	532.15
Other Bank Balances	2.8.B	81.33	91.04
Security Deposits	2.4 & 2.10	2,010.10	1,863.86
Loans and Advances to employees	2.9	26.10	18.68
Other Current Financial Assets	2.10	407.18	296.44
Total financial assets measured at amortised cost		**42,668.81**	**42,964.92**
Measured at Fair Value through Profit or Loss			
Investment	2.2		
Non-current		167.42	167.42
Receivable on account of derivative contract	2.4 & 2.10	1,063.39	1,420.24
Total Financial Assets measured at Fair Value through Profit or Loss		**1,230.81**	**1,587.66**
Financial Liabilities			
Measured at Amortised Cost			
Non Current Borrowings	2.15	1,64,758.64	1,88,909.33
Retention Money	2.16	330.46	385.74
Current Borrowings	2.20	59,753.50	52,856.27
Trade Payable	2.21	45,451.00	45,244.04

Notes to Financial Statements as at and for the year ended 31st March 2018

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
Current maturities of long term debt	2.22	28,518.53	15,034.77
Interest accrued but not due on borrowings	2.22	4.84	1,061.37
Interest accrued and due on borrowings	2.22	6,027.40	839.75
Unpaid dividend	2.22	0.69	1.50
Other Payables	2.22	2,808.71	3,515.22
Total financial liabilities measured at amortised cost		**3,07,653.77**	**3,07,847.99**
Measured at Fair Value through Profit or Loss			
Liability on derivative contracts	2.22	8.75	–
Total financial liabilities measured at Fair Value through Profit or Loss		**8.75**	**–**

2.46 FAIR VALUES

(i) **Class wise fair value of the Company's financial instruments:**

₹ in Lakhs

Particulars	As at 31st March 2018	As at 31st March 2017
Non Current Investments, other than investment in subsidiary and joint venture	167.42	167.42
Cross Currency Swap	1,063.39	1,420.24
Derivative Contract	8.75	–

(ii) **Fair value hierarchy**

The following table provides the fair value measurement hierarchy of the Company's assets

₹ in Lakhs

Particulars	Date of valuation	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Quantitative disclosures of fair value measurement hierarchy for assets as at 31st March 2018:				
Assets measured at fair value:				
Investments (quoted) in mutual funds	31-Mar-18	–	NA	NA
Non Current Investments, other than investment in subsidiary and joint venture	31-Mar-18	NA	NA	167.42
Liability measured at fair value:				
Derivative Contract - Cross Currency Swap	31-Mar-18	NA	1,063.39	NA
Derivative Contract - Forward	31-Mar-18	NA	8.75	NA
Quantitative disclosures of fair value measurement hierarchy for assets as at 31st March 2017:				
Assets measured at fair value:				
Investments (quoted) in mutual funds	31-Mar-17	–	NA	NA
Non Current Investments, other than investment in subsidiary and joint venture	31-Mar-17	NA	NA	167.42
Liability measured at fair value:				
Derivative Contract - Cross Currency Swap	31-Mar-17	NA	1,420.24	NA
Derivative Contract - Forward	31-Mar-17	NA	–	NA

(iii) **Fair Value Technique**

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between participants at the measurement date. The following methods and assumptions were used to estimate the fair values:

a) The fair value of cash and cash equivalents, trade receivables, trade payables, current financial liabilities and borrowings approximate their carrying amount largely due to the short-term nature of these instruments. The board considers that the carrying amounts of financial assets and financial liabilities recognised at cost/amortised costs in the financial statements approximates their fair values.

b) Fair Value of Long term debt approximates their carrying value subject to adjustments made for transaction cost.

c) Investments in liquid and short- term mutual funds are measured using quoted market prices at the reporting date multiplied by the quantity held.

2.47 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial liabilities comprise borrowings, capital creditors and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets include trade and other receivables, cash and cash equivalents, investments at cost/fair value and deposits.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

I) **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and other price risk, such as raw material and fuel price risk . Financial instruments affected by market risk include FVTPL investments, trade payables, trade receivables, etc.

(a) **Foreign currency risk**

The company undertakes transactions denominated in diffetrent foreign currencies primarily in USD and consequently exposed to exchange rate fluctuations. Exchange Rate exposures are managed within approved policy parameters. The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as disclosed under note no. 2.36 above.

Foreign currency sensitivity

The company is principally exposed to foreign currency risks against USD. Sensitivity of profit or loss arises mainly from USD denominated receivables and payables.

As per management assessment of reasonable possible changes in the exchange rate of +/- 5% between USD-INR currency pair, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the period end is presented below:

Particulars	Changes in USD rate	Foreign currency Payable (net)	Effect on profit/(loss) before tax
	%	(₹) in Lakhs	(₹) in Lakhs
31st March 2018			
Weakening of INR	5%	(671.03)	(31.95)
Strengthening of INR	-5%	(607.12)	31.95
31st March 2017			
Weakening of INR	5%	285.59	13.60
Strengthening of INR	-5%	258.39	(13.60)

* The above sensitivity do not include foreign currency risk on borrowings amounting to ₹ 617 Lakhs (31st March 2017 - ₹ 640 Lakhs) which are capitalised with the Property, Plant and Equipment and not charged to Statement of Profit and Loss.

Notes to Financial Statements as at and for the year ended 31st March 2018

(b) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, excluding cross currency interest rate swap . With all other variables held constant, the Company's profit/(loss) before tax is affected through the impact on floating rate borrowings as follows:

Particulars	Increase/decrease in basis points	Effect on profit/(loss) before tax ₹ in Lakhs
31st March 2018		
INR	+50	(763.65)
USD	+50	(253.36)
INR	-50	763.65
USD	-50	253.36
31st March 2017		
INR	+50	(785.64)
USD	+50	(262.91)
INR	-50	785.64
USD	-50	262.91

(c) **Raw Material and Fuel Price Risk**

The company is impacted by the price volatility of certain commodities like raw materials, packing materials and fuel. The Company is impacted by the price volatility of Fuels like Gas, Furnace Oil, etc. To minimize the risk related to fuel price change, the Company uses alternate fuel based on their market prices. The Company swaps and uses alternate fuels based on the cost of energy efficiency and, hence, quantification of sensitivity is not practical. To mitigate the volatility in market price of major raw materials, the company has entered into fixed price contract.

II) **Credit risks**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

Trade receivables

Credit quality of a customer is assessed based on an appraisal of customer creation form and individual credit limits are defined in accordance with this assessment and performance of the customer. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for all the customers. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in Note 2.7. The Company has evaluated the concentration of risk with respect to trade receivables as low, as its customers are located in several geographical locations.

III) **Liquidity Risk**

The Company's objective is to at all times maintain optimum level of liquidity to meet its cash and collateral requirement at all times. The need of the funds of the company are being met by internal accrual and borrowings. The short and medium term requirements are met through the committed lines of credit.

Notes to Financial Statements as at and for the year ended 31st March 2018

2.48 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in line with changes in economic conditions.To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares or sale assets to reduce debt. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company includes within net debt, interest bearing long term loans and borrowings less cash and cash equivalents.

The capital structure of the Company consists of ₹ 14664.98 Lakhs (Refer Note No. 2.13 & 2.14). The company is not subject to any externally imposed capital requirements.

2.49 GEARING RATIO

The Company has long term Debt of ₹ 1,93,277.17 Lakhs as on 31st March 2018 (31st March 2017 : 2,03,944.10 Lakhs). Accordingly the Company has 0.93 gearing ratio as at 31st March 2018 and 0.83 gearing ratio as at 31st March 2017.

Particulars	As at 31st March 2018	As at 31st March 2017
Net Long Term Debt (₹ in Lakhs)	1,92,795.02	1,99,038.08
Total Equity (₹ in Lakhs)	14,664.98	39,477.98
Net Long Term Debt to Value Ratio	0.93	0.83

2.50 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

2.51 These financial statements have been approved by the Board of Directors of the Company on 16th May 2018 for issue to the shareholders for their adoption.

Summary of Significant Accounting Policies 1
Notes on Financial Statements 2.1 to 2.51
The notes are an integral part of the Financial Statements.

As per our report of even date

For **Doshi Chatterjee Bagri & Co LLP**
Chartered Accountants
FRN : 325197E/E300020

Mridula Jhunjhunwala
Partner
Membership No. 056856
Place : Kolkata
Date : 16th May 2018

For and on behalf of the Board

Sanjay Somany
Chairman and Managing Director
DIN: 00124538

Mukul Somany
Vice Chairman and Managing Director
DIN: 00124625

Bimal Kumar Garodia
Sr. Vice President and
Chief Financial Officer

Ajay Kumar Rai
Company Secretary
& Legal Counsel

Independent Auditor's Report

To the Members of
Hindusthan National Glass & Industries Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated financial statements of Hindusthan National Glass & Industries Limited (hereinafter referred to as "the Company") and jointly controlled entity comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of its jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS financial statements are free from material misstatement.

An Audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal financial control relevant to the Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated Ind AS financial statements.

Basis for Qualified Opinion

a) As stated in Note no. 2.38.1 of the Consolidated Ind AS financial statements, due to inadequacy of profit, managerial remuneration to the extent of ₹ 1,818 Lakhs has exceeded the limits laid down in the Companies Act, 2013. In absence of Central Government's approval for the same, we are unable to ascertain the impact and comment upon the same.

Independent Auditor's Report

b) As stated in Note No. 2.43 of the Consolidated Ind AS Financial Statements, no provision for entry tax amounting to ₹ 2,059 Lakhs and interest thereon has been made by the company pending determination of the final leviable amount.

c) As stated in Note No. 2.40 of the Consolidated Ind AS Financial Statements, the lenders had restructured the Term Loans with certain stipulations. The company has defaulted in repayment of principal and interest thereon for quarter ended 31st March 2018 and part of quarter ended 31st December 2017. During the current quarter, lenders have also suggested additional reorganizing/restructuring measures to be taken by the company which are being considered by the company. At present, Company's Net Worth has completely eroded and with present position of cash flows, the company may not be able to meet its repayment obligations to its lenders in foreseeable future. Company's profitability and consequent repayment of loan are now dependent upon mutual settlement with the lenders and outcome of reorganizing/restructuring measures. In view of the aforesaid we are unable to comment whether the company is a going concern.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated Ind As financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs and its jointly controlled entity as at 31st March 2018, and their consolidated loss, consolidated Total Comprehensive Income, consolidated changes in equity and their consolidated Cash Flows for the year ended on that date.

Other Matters

We did not audit the financial statements/ financial information of its jointly controlled entity, included in the consolidated Ind AS financial statements for the year ended 31st March 2018 whose financial statement reflects share of total Comprehensive Income of ₹ 950.50 Lakhs for the year ended as on that date, as considered in the consolidated Ind AS financial statements whose financial statements/financial information have not been audited by us. The aforesaid financial statements and other financial information have been audited by the other auditor whose report have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statement, in so far as it relates to the amounts and disclosures included in respect of the jointly controlled entity, and our report in terms of sub section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid jointly controlled entity, is based solely on the report of the other auditor.

Our opinion on the consolidated Ind AS financial statements, and our report on other legal & regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the financial statements / financial information certified by the Management.

Report on other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

b) In our opinion proper books of accounts as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor;

c) The report of the accounts of its jointly controlled entity audited under section 143(8) of the Act by the other auditor have been sent to us and have been properly dealt with in preparing this report;

d) Except for the possible effect of the matters described in the Basis for Qualified paragraph above, in our opinion, the Consolidated balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated statement of changes in Equity and the Consolidated Statement of Cash Flows deal with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS financial statements;

e) In our opinion, the Consolidated Balance Sheet, Consolidated Statement of Profit and loss including Other Comprehensive income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows comply with the Indian Accounting Standards, specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;

f) On the basis of the written representations received from the directors of the Company as on 31st March 2018 taken on record by the Board of Directors of the Company and the report of the other statutory auditor of its jointly controlled entity, none of the directors of the Company and its jointly controlled entity is disqualified as on 31st March 2018 from being appointed as a director in terms of section 164(2) of the Act;

Independent Auditor's Report

g) With respect to the adequacy of the Internal Financial Controls Over Financial Reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Company and jointly controlled entity. Our report expresses an unmodified opinion the adequacy and operating effectiveness of the internal financial control over financial reporting of the Company and Jointly controlled entity;

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules 2014 in our opinion and to the best of our information and according to the explanations given to us:

   i) Pending litigations (Other than those already recognized in the Consolidated accounts) having material impact on the financial position of the Company have been disclosed in the Consolidated Ind AS financial statement as required in terms of the accounting standards and provisions of the Companies Act, 2013 – refer Note 2.34.A and 2.34.A.1 of the Consolidated Ind AS financial statements;

   ii) The Company do not have any long term contracts including derivative contracts, for which there were any material foreseeable losses;

   iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the jointly controlled entity.

For **Doshi Chatterjee Bagri & Co LLP**
Chartered Accountants
Firm's ICAI Registration No. : 325197E/E300020

MRIDULA JHUNJHUNWALA
Partner
Membership No: 056856

Place : Kolkata
Date : 16th May 2018

Annexure to the Independent Auditor's Report

"Annexure A" referred to in our report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31st 2018, we have audited the internal financial controls over financial reporting of Hindusthan National Glass & Industries Limited ("the Company") and jointly controlled entity, as of the date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and jointly controlled entity are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of Internal Financial Controls and both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Annexure to the Independent Auditor's Report

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company and its jointly controlled entity , have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting Issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under section 143(3)(1) of the Act on adequacy and the operating effectiveness of internal financial control over financial reporting in so far as its relates to jointly controlled entity which is based on corresponding report of auditors of such company.

For **Doshi Chatterjee Bagri & Co LLP**
Chartered Accountants
Firm's ICAI Registration No. : 325197E/E300020

MRIDULA JHUNJHUNWALA
Partner
Membership No: 056856

Place : Kolkata
Date : 16th May 2018

Consolidated Balance Sheet as at 31st March 2018

₹ in Lakhs

Particulars	Note No.	As at 31st March 2018	As at 31st March 2017
ASSETS			
1. Non-current assets			
(a) Property, Plant and Equipment	2.1.A	2,14,421.97	2,29,148.11
(b) Capital work-in-progress		12,462.37	10,038.06
(c) Intangible assets	2.1.B	209.56	269.70
(d) Financial assets			
(i) Investments	2.2	4,901.94	3,951.44
(ii) Loans	2.3	–	116.50
(iii) Other financial assets	2.4	2,275.53	2,913.17
(e) Other non-current assets	2.5	825.14	1,105.23
		2,35,096.51	**2,47,542.21**
2. Current assets			
(a) Inventories	2.6	48,501.69	60,092.24
(b) Financial assets			
(i) Trade receivable	2.7	39,459.79	39,997.09
(ii) Cash and cash equivalents	2.8.A	680.95	532.15
(iii)Bank balances other than (ii) above	2.8.B	81.33	91.04
(iv) Loans	2.9	26.10	18.68
(v) Other financial assets	2.10	1,207.93	715.96
(c) Current Tax Assets (Net)	2.11	331.07	302.17
(d) Other current assets	2.12	7,430.42	9,625.17
		97,719.28	**1,11,374.50**
Total assets		**3,32,815.79**	**3,58,916.71**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	2.13	1,791.07	1,746.77
(b) Other Equity	2.14	14,148.56	38,055.36
Total equity		**15,939.63**	**39,802.13**
LIABILITIES			
1. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	2.15	1,64,758.64	1,88,909.33
(ii) Other financial Liabilities	2.16	330.46	385.74
(b) Provisions	2.17	1,012.91	1,195.44
(c) Deferred tax liabilities (Net)	2.18	–	–
(d) Other non-current liabilities	2.19	711.98	1,146.22
		1,66,813.99	**1,91,636.73**
2. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	2.20	59,753.50	52,856.27
(ii) Trade payables	2.21	45,451.00	45,244.04
(iii) Other financial liabilities	2.22	37,368.92	20,452.61
(b) Other current liabilities	2.23	6,787.93	8,595.30
(c) Provisions	2.24	700.82	329.63
		1,50,062.17	**1,27,477.85**
Total liabilities		**3,16,876.16**	**3,19,114.58**
Total equity and liabiltiies		**3,32,815.79**	**3,58,916.71**

Summary of Significant Accounting Policies 1
Notes on Consolidated Financial Statements 2.1 to 2.51
The notes are an integral part of the Consolidated Financial Statements.

As per our report of even date

For **Doshi Chatterjee Bagri & Co LLP**
Chartered Accountants
FRN : 325197E/E300020

Mridula Jhunjhunwala
Partner
Membership No. 056856
Place : Kolkata
Date : 16th May 2018

For and on behalf of the Board

Sanjay Somany
Chairman and Managing Director
DIN: 00124538

Mukul Somany
Vice Chairman and Managing Director
DIN: 00124625

Bimal Kumar Garodia
Sr. Vice President and
Chief Financial Officer

Ajay Kumar Rai
Company Secretary
& Legal Counsel

Consolidated Statement of Profit and Loss for the year ended 31st March 2018

₹ in Lakhs

Particulars	Note No.	Year ended 31st March 2018	Year ended 31st March 2017
REVENUE			
I. Revenue from Operations	2.25	1,98,060.52	2,06,433.69
II. Other Income	2.26	510.38	694.30
III. Total Income (I+II)		**1,98,570.90**	**2,07,127.99**
EXPENSES			
Cost of Materials Consumed	2.27	58,969.61	59,694.62
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	2.28	8,124.88	(5,794.89)
Excise duty on sale of goods		5,327.06	20,373.76
Employee Benefit Expenses	2.29	19,967.70	21,114.80
Other Expenses	2.30	94,718.11	92,623.68
IV. Total Expenses		**1,87,107.36**	**1,88,011.97**
V. Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) and Exceptional Items (III-IV)		11,463.54	19,116.02
VI. Depreciation and Amortization expense	2.1.A & 2.1.B	16,093.43	17,486.88
VII. Finance costs	2.31	25,185.28	23,799.96
VIII. Profit/(loss) before exceptional items and tax (V-VI-VII)		**(29,815.17)**	**(22,170.82)**
IX. Exceptional Items	2.32	–	10,146.01
X. Profit/(loss) before tax (VIII+IX)		**(29,815.17)**	**(12,024.81)**
XI. Tax expense:			
(1) Current tax		–	–
(2) Income Tax for Earlier Years		(363.85)	–
(3) Deferred tax		–	–
Tax expense		**(363.85)**	**–**
XII. Profit/(Loss) for the year after tax (X-XI) but before share of Profit/(Loss) of Joint Venture		**(29,451.32)**	**(12,024.81)**
XIII. Add: Share of Profit/(Loss) of Joint Venture		950.62	585.48
XIV. Profit/(Loss) for the year after tax (XII+XIII)		**(28,500.70)**	**(11,439.33)**
XV. Other Comprehensive Income			
A (i) Items that will not be reclassified to Profit or Loss			
Re-measurement gains/ (losses) on defined benefit plans		53.27	(74.24)
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		–	–
		53.27	**(74.24)**
Add: Share of Other Comprehensive Income of Joint Venture		(0.12)	(1.53)
B (i) Items that will be reclassified to Profit or Loss		–	–
(ii) Income tax relating to items that will be reclassified to Profit or Loss		–	–
Other comprehensive income for the year after taxes		**53.15**	**(75.77)**
XVI. Total Comprehensive Income for the year (XIV+XV) (Comprising Profit/ (Loss) and Other Comprehensive Income for the year)		**(28,447.55)**	**(11,515.10)**
XVII. Earnings per equity share			
(1) Basic	2.33	(32.28)	(13.10)
(2) Diluted	2.33	(32.28)	(13.10)
Number of shares used in computing earnings per share			
(1) Basic		8,82,91,318	8,73,38,565
(2) Diluted		8,82,91,318	8,73,38,565

Summary of Significant Accounting Policies 1
Notes on Consolidated Financial Statements 2.1 to 2.51
The notes are an integral part of the Consolidated Financial Statements.

As per our report of even date

For **Doshi Chatterjee Bagri & Co LLP**
Chartered Accountants
FRN : 325197E/E300020

Mridula Jhunjhunwala
Partner
Membership No. 056856
Place : Kolkata
Date : 16th May 2018

For and on behalf of the Board

Sanjay Somany
Chairman and Managing Director
DIN: 00124538

Mukul Somany
Vice Chairman and Managing Director
DIN: 00124625

Bimal Kumar Garodia
Sr. Vice President and
Chief Financial Officer

Ajay Kumar Rai
Company Secretary
& Legal Counsel

Consolidated Statement of Changes in Equity for the year ended 31st March 2018

(a) Equity Share Capital

₹ in Lakhs

Particulars	Ref Note No.	Number of Shares	Amount
Equity Shares of ₹ 2/- each issued, subscribed and fully paid up	2.13		
As at 1st April 2016		**8,73,38,565**	**1,746.77**
Changes in Equity Share Capital		–	–
As at 31st March 2017		**8,73,38,565**	**1,746.77**
Changes in Equity Share Capital		22,15,000	44.30
As at 31st March 2018		**8,95,53,565**	**1,791.07**

(b) Other Equity

₹ in Lakhs

Particulars	Reserves and Surplus						Exchange Differences on translating the financial statements of a foreign operation	Other Comprehensive Income - Remeasurement of defined benefit plans	Total
	Share application money pending allotment	Capital Reserve	Security Premium Reserve	Debenture Redemption Reserve	General Reserve	Retained earnings			
Balance at 1st April 2016	–	**5,595.85**	**5,823.09**	**5,208.34**	**69,365.54**	**(35,834.82)**	**283.15**	**(586.49)**	**49,854.66**
Issue of Equity Shares	–	–	–	–	–	–	–	–	–
Share Application Money Received during the year	–	–	–	–	–	–	–	–	–
Shares Allotted during the year	–	–	–	–	–	–	–	–	–
Transfer/Adjustments during the year	–	–	–	(208.34)	208.34	(1.05)	(283.15)	–	(284.20)
Profit/(Loss) for the year	–	–	–	–	–	(11,439.33)	–	–	(11,439.33)
Other comprehensive income for the year	–	–	–	–	–	–	–	(75.77)	(75.77)
Total comprehensive income for the year	–	–	–	**(208.34)**	**208.34**	**(11,440.38)**	**(283.15)**	**(75.77)**	**(11,799.30)**
Balance at 31st March 2017	–	**5,595.85**	**5,823.09**	**5,000.00**	**69,573.88**	**(47,275.20)**	–	**(662.26)**	**38,055.36**
Issue of Equity Shares	–	–	4,540.75	–	–	–	–	–	4,540.75
Share Application Money Received during the year	4,585.05	–	–	–	–	–	–	–	4,585.05
Shares Allotted during the year	(4,585.05)	–	–	–	–	–	–	–	(4,585.05)
Transfer/Adjustments during the year	–	–	–	–	–	–	–	–	–
Profit/(Loss) for the year	–	–	–	–	–	(28,500.70)	–	–	(28,500.70)
Other comprehensive income for the year	–	–	–	–	–	–	–	53.15	53.15
Total comprehensive income for the year	–	–	**4,540.75**	–	–	**(28,500.70)**	–	**53.15**	**(23,906.80)**
Balance at 31st March 2018	–	**5,595.85**	**10,363.84**	**5,000.00**	**69,573.88**	**(75,775.90)**	–	**(609.11)**	**14,148.56**

Refer Note No. 2.14 for nature and purpose of reserves

Summary of Significant Accounting Policies 1
Notes on Consolidated Financial Statements 2.1 to 2.51
The notes are an integral part of the Consolidated Financial Statements.

As per our report of even date

For **Doshi Chatterjee Bagri & Co LLP**
Chartered Accountants
FRN : 325197E/E300020

Mridula Jhunjhunwala
Partner
Membership No. 056856
Place : Kolkata
Date : 16th May 2018

For and on behalf of the Board

Sanjay Somany
Chairman and Managing Director
DIN: 00124538

Mukul Somany
Vice Chairman and Managing Director
DIN: 00124625

Bimal Kumar Garodia
Sr. Vice President and
Chief Financial Officer

Ajay Kumar Rai
Company Secretary
& Legal Counsel

Consolidated Statement of Cash Flow for the year ended 31st March 2018

₹ in Lakhs

Particulars	Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/ (Loss) before tax		(29,815.17)	(12,024.81)
Non-cash adjustments to reconcile profit/(loss) before tax to net cash flows			
Depreciation/Amortisation		16,093.43	17,486.88
Loss/(profit) on sale/discard of Property, Plant and Equipment		298.46	884.27
Bad Debts and Impairment allowances for trade receivables		98.39	16.78
Interest Income		(128.82)	(146.96)
Dividend Income on Non current Investments		(1.67)	(1.67)
Net Loss/(Gain) on sale of Current Investments		–	(163.21)
Finance Costs		25,185.28	23,799.96
Liability no longer required written back		(903.13)	(259.98)
Operating Profit before exceptional items and working capital changes		**10,826.77**	**29,591.26**
Less: Exceptional items			
Profit on sale of investment in subsidiary **(Refer Note No. 2.32)**		–	(10,146.01)
Operating Profit before working capital changes		**10,826.77**	**19,445.25**
Movement in working capital :			
Increase/(Decrease) in Trade Payables and Other Liabilities		(1,012.57)	1,958.46
Decrease/(Increase) in Trade Receivables		438.90	1,884.15
Decrease/(Increase) in Inventories		11,590.55	(9,333.07)
Decrease/(Increase) in Loans and Advances		2,711.04	2,710.92
Cash generated from/(used in) Operations		**24,554.69**	**16,665.71**
Direct taxes (paid)/Refunds (net)		334.95	(49.02)
Net Cash Flow from/(used in) Operating activities (A)		**24,889.64**	**16,616.69**
Cash Flow from Investing activities			
Purchase of Property, Plant and Equipment, Intangible assets, Capital Work in Progress and Capital Advances		(4,981.43)	(7,556.47)
Proceeds from sale of Property, Plant and Equipment		498.35	200.48
Proceeds from sale of investment in subsidiary		–	16,597.11
Sale/(Purchase) of current investment		–	163.21
Redemption /(Investment) in bank deposits with maturity more than 3 months		9.71	(21.54)
Interest received		201.30	223.07
Dividend received from Non Current Investments		1.67	1.67
Net Cash Flow from/(used in) Investing activities (B)		**(4,270.40)**	**9,607.53**

Consolidated Statement of Cash Flow for the year ended 31st March 2018

₹ in Lakhs

Particulars	Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings		–	1,845.36
Repayment of borrowings		(4,001.33)	(4,077.80)
Proceeds from Issue of Equity Shares		4,585.05	–
Interest paid		(21,054.16)	(24,248.95)
Net Cash Flow from/(used in) Financing activities (C)		**(20,470.44)**	**(26,481.39)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**148.80**	**(257.17)**
Cash and cash equivalents at the beginning of the year		532.15	1,521.84
Less: Adjustment of cash balance of Subsidiary included above under cash and cash equivalent at the beginning of the year on account of disposal of subsidiary during the year		–	(732.52)
Cash and cash equivalents at the end of the year		**680.95**	**532.15**
Components of Cash and Cash Equivalents			
Balances with banks:			
In current accounts		669.94	438.83
In deposit accounts (With original maturity of less than 3 months)		1.10	80.20
In dividend accounts		0.69	1.50
Cash in hand		9.22	11.62
Total cash and cash equivalents	**2.8.A**	**680.95**	**532.15**

Summary of Significant Accounting Policies 1
Notes on Consolidated Financial Statements 2.1 to 2.51
The notes are an integral part of the Consolidated Financial Statements.

As per our report of even date

For **Doshi Chatterjee Bagri & Co LLP**
Chartered Accountants
FRN : 325197E/E300020

Mridula Jhunjhunwala
Partner
Membership No. 056856
Place : Kolkata
Date : 16th May 2018

For and on behalf of the Board

Sanjay Somany
Chairman and Managing Director
DIN: 00124538

Mukul Somany
Vice Chairman and Managing Director
DIN: 00124625

Bimal Kumar Garodia
Sr. Vice President and
Chief Financial Officer

Ajay Kumar Rai
Company Secretary
& Legal Counsel

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

1. Summary of Significant Accounting Policies

1. Corporate Information

Hindusthan National Glass & Industries Limited ("the Company") having domicile presence in the State of West Bengal, India, has been incorporated under the Companies Act in the year 1946. It is engaged in the manufacture of container glass.The company's shares are listed and publicly traded on the National Stock Exchange Limited (NSE), and the Bombay Stock Exchange Limited (BSE) and The Calcutta Stock Exchange Limited (CSE).

The Consolidated Financial Statements (CFS) have been prepared in accordance with the Indian Accounting Standard 28 "Investments in Associates and Joint Ventures" as notified under Section 133 of the Companies Act, 2013.

The Joint Venture considered in these consolidated financial statements is:

a) **Joint Venture**

Name of the Company	Country of Incorporation	Percentage of voting power held as at	
		31.03.2018	31.03.2017
HNG Float Glass Limited	India	11.23%	11.23%

2. Statement of Compliance

The Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act") with effect from April 1, 2016 and therefore Ind AS issued, notified and made effective till the Consolidated Financial Statements are authorized have been considered for the purpose of preparation of these Consolidated Financial Statements.

3. Significant Accounting Policies

A. Principles of Consolidation

Investments in associates and joint ventures has been accounted under the equity method as per Ind AS 28 "Investments in Associates and Joint Ventures"

The Company accounts for its share of post acquisition changes in net assets of associates and joint ventures, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Consolidated Statement of Profit and Loss, to the extent such change is attributable to the associate's Statement of Profit and Loss and through its reserves for the balance based on available information.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

a) Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.

b) Level 2 : inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.

c) Level 3 : inputs for the asset or liability which are not based on observable market data.

B. Property, Plant and Equipment

Property, plant and equipment (PPE) are stated at cost of acquisition or deemed cost on the date of transition less accumulated depreciation and impairment losses, if any. Cost of an asset comprises of cost of acquisition or construction and includes, where applicable, inward freight, duties and taxes, installation expenses, professional fees, borrowing costs,

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

initial estimates of the cost of dismantling, cost of replacing parts of the property, plant and equipments and other costs directly attributable to the bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner and purposes. Capital Spare parts which are integral part of the plant and equipment are capitalised. When significant parts of plant and equipment are required to be replaced at intervals, the same are capitalised and old component is derecognised.

Capital work in progress includes machinery to be installed, construction and erection materials, borrowing costs, unallocated pre-operative and other expenditures directly attributable towards construction and erection of the assets.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Depreciation on PPE commences when the assets are ready for their intended use.

(i) Depreciation has been provided (a) as per the useful life specified under Schedule II to the Companies Act, 2013 on assets installed/acquired up to March 31, 1990 on written down value method and in respect of additions thereafter on straight line method; (b) in case of certain items of Plants and Equipments where useful life ranging from 5 to 30 years has been considered based on technical assessment, which is different from the useful life prescribed under Schedule II of the Companies Act, 2013.

(ii) Certain Plant and Equipments have been considered as continuous process plant as defined under Schedule II to the Companies Act, 2013 on the basis of technical evaluation.

(iii) Subsequent costs are depreciated over the remaining life of the plant and equipment.

(iv) Depreciation on incremental cost of arising on account of exchange difference is amortised on straight line method over the remaining life of the asset.

Based on above, the estimated useful lives of assets for the current period are as follows:

Asset	Useful lives (estimated by the management) (Years)
Factory building	30
Other than factory building	60
Carpeted Roads	10
Plants and equipments	3-35
Furniture and fixture	10
Computers	3-5
Office equipment	5
Vehicles	8-10

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

C. Intangible Assets

Intangible assets are stated at cost comprising of purchase price inclusive of duties and taxes, where applicable, less accumulated amount of amortization and impairment losses. Such assets, are amortized over the useful life using straight line method and assessed for impairment whenever there is an indication of the same.

Accordingly, cost of computer software packages has been allocated / amortized over a period of 3 to 5 years on straight line basis.

D. Derecognition of Tangible and Intangible Assets

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

E. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of an asset to the Company. All other leases are classified as operating leases.

Finance leases are capitalized at the inception of the lease at lower of its fair value and the present value of the minimum lease payments and a liability is recognized for an equivalent amount. Any initial direct cost of the lessee is added to the amount recognized as an asset. Each Lease payment is apportioned between finance charge and reduction of the lease liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the outstanding amount of the liabilities.

Payments made under operating leases are recognized as expenses on a straight-line basis over the term of the lease unless the lease arrangement are structured to increase in line with expected general inflation or another systematic basis which is more representative of the time pattern of the benefits availed. Contingent rentals, if any, arising under operating leases are recognized as an expense in the period in which they are incurred.

F. Impairment of Tangible and Intangible Assets

Tangible and Intangible assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognized in the statement of profit and loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets fair value less cost of disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the Statement of Profit and Loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

G. Financial Assets and Liabilities

Financial assets and financial liabilities (financial instruments) are recognized when Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss.

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the Company or otherwise these are classified as non current.

The classification of financial instruments whether to be measured at Amortized Cost, at Fair Value Through Profit and Loss (FVTPL) or at Fair Value Through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition.

(i) Cash and cash equivalents

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

(ii) Financial Assets and Financial Liabilities measured at amortized cost

Financial Assets held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost.

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

The above Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (including all fees and points paid or received, transaction costs and other premiums or discounts) through the expected life of the Financial Asset or Financial Liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(iii) Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognized directly in other comprehensive income.

(iv) For the purpose of para (ii) and (iii) above, principal is the fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.

(v) Financial Assets or Liabilities at Fair value through profit or loss (FVTPL)

Financial Instruments which do not meet the criteria of amortized cost or fair value through other comprehensive income are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognized in the statement of profit and loss.

Derivatives and Hedge Accounting

The Company enters into derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in foreign exchange rates in respect of financial instruments and forecasted cash flows denominated in certain foreign currencies. The Company uses hedging instruments that are governed by the policies of the Company which are approved by the Board of Directors and provide principles on the use of such financial derivatives consistent with the risk management strategy of the Company. The hedge instruments are designated and documented as hedges and effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis.

Any derivative that is either not designated as a hedge, or is so designated but is ineffective as per Ind AS 109 "Financial Instruments", is categorized as a financial asset, at fair value through profit or loss. Transaction costs attributable to the same are also recognized in statement of profit and loss.

Changes in the fair value of the derivative hedging instrument designated as a fair value hedge are recognized in the statement of profit and loss.

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and presented within equity as cash flow hedging reserve to the extent that the hedge is effective.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. Any gain or loss recognised in other comprehensive income and accumulated in equity till that time remains and thereafter to the extent hedge accounting being discontinued is recognised in Statement of Profit & Loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the statement of profit and loss.

Impairment of financial assets

A financial asset is assessed for impairment at each reporting date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

The Company measures the loss allowance for a financial assets at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

However, for trade receivables or contract assets that result in relation to revenue from contracts with customers, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

De-recognition of financial instruments

The Company derecognizes a financial asset or a Company of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognized in statement of profit and loss.

On derecognition of assets measured at FVTOCI the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

Financial liabilities are derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of Profit and Loss.

H. Inventories

(i) Inventories are valued at lower of the cost or estimated net realizable value. Cost of inventories is ascertained on 'weighted average' basis. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

(ii) Cost in respect of raw materials and stores and spares includes expenses incidental to procurement of the same. Cost in respect of finished goods and those under progress represents prime cost, and includes appropriate portion of overheads and excise duty.

I. Foreign Currency Transactions

Presentation currency:

These Consolidated Financial Statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

Transactions and balances:

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transactions. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction. Foreign exchange gain/loss to the extent considered as an adjustment to Interest Cost are considered as part of borrowing cost. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expense in the profit and loss account.

"The Company has been applying paragraph 46A of AS 11 under Indian GAAP whereby exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset are adjusted to the cost of the asset and depreciated over the remaining life of the asset. Ind AS 101 gives an option whereby a first time adopter can continue its Indian GAAP policy for the aforesaid accounting for exchange differences arising from translation of long-term foreign currency monetary items. The Company has adopted the aforesaid option under Ind AS 101."

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

J. Equity Share Capital

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as Securities Premium.

Costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

K. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognized for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities is not recognized and are disclosed by way of notes to the Consolidated Financial Statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

Contingent Assets are disclosed in the Consolidated Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

L. Employee Benefits

Short term Employee benefits are accrued in the year services are rendered by the employees.

Provident & Family Pension Fund: In accordance with the provisions of the Employee Provident Funds and Miscellaneous Provisions Act, 1952, eligible employees of the Company are entitled to receive benefits with respect to provident fund, a defined contribution plan, in which both the Company and employee contribute monthly to Provident Fund Scheme by the Central Government/Trust at a determined rate. The Company contributes to the Employee's Pension Scheme, 1995 for certain categories of employees. The Company's contribution is charged off to the Statement of Profit and Loss.

Gratuity: Employee benefits under defined benefit plans are determined at the close of each year at the present value of the amount payable using actuarial valuation techniques.

Contributions under the scheme for defined benefit under the Payment of Gratuity Act, 1972, is determined on the basis of actuarial valuation and are funded to SBI Life Insurance Company Limited and Birla Sun LifeInsurance Company Limited and recognized as year's expenditure. Actuarial gain and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income. Remeasurements are not classified to the statement of Profit and Loss in subsequent periods. Other costs recognized in the Statement of Profit or Loss. Bifurcation of liabilities in to Current and Non-current are done based on actuarial valuation report.

Leave Encashment Benefits: Leave encashment benefits payable to employees while in service, retirement and on death while in service or on termination of employment. With respect to accumulated leaves outstanding at the year-end are accounted for on the basis of actuarial valuation at the balance sheet date. The present value of such obligation is determined by the projected unit credit method as at the balance sheet date through which the obligations are settled. The resultant actuarial gain or loss on change in present value of defined benefit obligation or change in return of the plan assets is recognized as an income or expense in the Statement of Profit and Loss. Bifurcation of liabilities in to Current and Non-current are done based on actuarial valuation report.

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

M. Revenue

Sale of Goods

Revenue is recognized at the fair value of consideration received or receivable when the significant risk, rewards and ownership of goods have been transferred and the amount thereof can be measured reliably. This represents the net invoice value of goods supplied to third parties after deducting trade discounts, returns, volume rebates and outgoing sales tax and is inclusive of packing charges and excise duty there against.

Interest, Dividend and Claims

Dividend income is recognized when the right to receive payment is established. Interest has been accounted using effective interest rate method. Insurance claims/ other claims are accounted as and when admitted / settled.

Export Benefits

Export benefits arising on account of entitlement for duty free imports are accounted for through import of materials. Such benefits under Duty Entitlement Pass Book(DEPB) are accounted for on accrual basis. Other export benefits are accounted for on the basis of certainties as to its utilization and related realisation.

N. Borrowing Cost

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant and Equipment (PPE) which are capitalized to the cost of the related assets. A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

O. Research and Development

Research and development cost (other than cost of fixed asset acquired) are charged as an expense in the year in which they are incurred.

P. Government Grants

Government grants are recognized on systematic basis when there is reasonable certainty of realization of the same. Revenue grants including subsidy/rebates are credited to Statement of Profit and Loss Account under "Other Income" or deducted from the related expenses for the period to which these are related. Grants which are meant for purchase, construction or otherwise acquire non current assets are recognized as Deferred Income and disclosed under Non Current Liabilities and transferred to Statement of Profit and Loss on a systematic basis over the useful life of the respective asset. Grants relating to non-depreciable assets is transferred to Statement of Profit and Loss over the periods that bear the cost of meeting the obligations related to such grants.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

Q. Taxes on Income

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the income statement except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

Current income tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Taxable Income differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realized.

R. Earnings Per Share

Basic earnings per share are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

S. Non-current assets held for sale

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

The Company classifies non-current assets as held for sale if their carrying amount will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

T. Cash dividend and non-cash distribution to equity holders

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. Distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

U. Measurement of EBITDA

The Company presents earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

2.1.A PROPERTY, PLANT AND EQUIPMENT

₹ in Lakhs

Particulars	Property Plant and Equipment								Total
	Freehold Land	Leasehold Land	Buildings	Leasehold Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	
(A) Gross Carrying Value									
As at 1st April 2016	**35,613.91**	**5,379.78**	**76,027.80**	**9.18**	**3,13,272.21**	**3,131.77**	**3,545.63**	**544.39**	**4,37,524.67**
Additions	–	–	159.98	–	6,247.18	1.28	31.52	17.98	**6,457.94**
Disposals / deductions	–	–	(1.31)	–	(5,381.92)	(0.14)	(395.90)	(1.23)	**(5,780.50)**
Other adjustments									
Foreign Exchange differences	–	–	–	–	(1,146.30)	–	–	–	**(1,146.30)**
Disposal of Subsidiary	(900.49)	–	(9,384.73)	–	(23,098.83)	(2,491.76)	–	–	**(35,875.81)**
As at 31st March 2017	**34,713.42**	**5,379.78**	**66,801.74**	**9.18**	**2,89,892.34**	**641.15**	**3,181.25**	**561.14**	**4,01,180.00**
Additions	–	–	684.78	–	1,089.81	5.42	54.05	42.26	**1,876.32**
Disposals / deductions	(29.83)	–	(439.27)	–	(1,802.61)	–	(634.74)	(28.03)	**(2,934.48)**
Other adjustments									
Foreign Exchange differences	–	–	–	–	227.65	–	–	–	**227.65**
As at 31st March 2018	**34,683.59**	**5,379.78**	**67,047.25**	**9.18**	**2,89,407.20**	**646.57**	**2,600.56**	**575.37**	**4,00,349.49**
(B) Accumulated Depreciation									
As at 1st April 2016	**–**	**226.25**	**13,312.70**	**1.38**	**1,55,750.80**	**1,830.17**	**2,437.03**	**486.74**	**1,74,045.07**
Charge for the year	–	31.84	1,921.59	0.15	15,094.51	45.57	352.69	27.54	17,473.89
Deductions	–	–	(0.34)	–	(4,344.87)	(0.13)	(349.25)	(1.17)	(4,695.76)
Other adjustments									
Disposal of Subsidiary	–	–	(1,793.80)	–	(11,563.25)	(1,434.26)	–	–	(14,791.32)
As at 31st March 2017	**–**	**258.10**	**13,440.15**	**1.53**	**1,54,937.19**	**441.35**	**2,440.48**	**513.11**	**1,72,031.89**
Charge for the year	–	65.49	1,915.60	0.15	13,729.94	43.77	261.08	18.52	16,034.55
Deductions	–	–	(35.87)	–	(1,502.13)	–	(574.18)	(26.74)	(2,138.92)
As at 31st March 2018	**–**	**323.59**	**15,319.88**	**1.68**	**1,67,165.00**	**485.11**	**2,127.38**	**504.89**	**1,85,927.52**
(C) Net Block (A-B)									
As at 31st March 2017	**34,713.42**	**5,121.67**	**53,361.58**	**7.65**	**1,34,955.15**	**199.81**	**740.77**	**48.03**	**2,29,148.11**
As at 31st March 2018	**34,683.59**	**5,056.19**	**51,727.36**	**7.50**	**1,22,242.19**	**161.46**	**473.19**	**70.48**	**2,14,421.97**

2.1.A.1 Building includes ₹ 1,144.89 lakhs (PY ₹ 1,144.89 Lakhs) for acquiring Equity Shares in a body corporate. By virtue of acquiring the Shares, the Company has right to use and occupy certain office space.

2.1.A.2 Refer Note 2.15.6 and 2.20.1 to Financial Statements in respect of charges created

2.1.A.3 The Company, being a first-time adopter has opted to use the exemption under Ind AS 101 First Time Adoption of Indian Accounting Standards and has continued the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP i.e. March 31, 2016. The Company has capitalised/decapitalised exchange loss/gain respectively arising on long-term foreign currency loan. Accordingly, exchange loss amounting to ₹ 227.65 Lakhs (March 31, 2017 - exchange gain ₹ 1146.30 Lakhs) has been adjusted to the cost of Plant and Equipments. The unamortised amount as on March 31, 2018 ₹ 5,190.75 Lakhs (March 31, 2017 : ₹ 5,612.75 Lakhs).

2.1.B INTANGIBLE ASSETS

₹ in Lakhs

Particulars	Computer Softwares
(A) Gross carrying value	
As at 1st April 2016	**2,154.20**
Additions	267.33
Disposals / deductions	(112.23)
Other adjustments	
Disposal of Subsidiary	(660.28)
As at 31st March 2017	**1,649.02**
Additions	-
Disposals / deductions	(253.33)
As at 31st March 2018	**1,395.69**
(B) Accumulated Amortisation	
As at 1st April 2016	**1,955.86**
Charge for the year	12.99
Deductions	(112.23)
Other adjustments	
Disposal of Subsidiary	(477.30)
As at 31st March 2017	**1,379.32**
Charge for the year	58.88
Deductions	(252.07)
As at 31st March 2018	**1,186.13**
(C) Net Block (A-B)	
As at 31st March 2017	**269.70**
As at 31st March 2018	**209.56**

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

2.2 INVESTMENTS

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018		As at 31st March 2017	
Non-Current Investments					
Investment in Joint Venture					
Fully paid-up Equity Shares of ` 10 each					
HNG Float Glass Limited 3,45,93,005 (31st March 2017 - 3,45,93,005) number of shares	2.2.6	2612.00		2612.00	
Share of Profit carried forward		1171.45		587.50	
Share of Profit for the current year		950.50	4733.95	583.95	3783.45
Investments at fair value through profit or loss					
Unquoted Equity Instruments					
Other Bodies Corporate - Fully paid-up Equity Shares					
Brabourne Commerce Private Limited Face Value of ` 10 each 107 (31st March 2017 - 107) number of shares			0.09		0.09
The Calcutta Stock Exchange Association Limited Face Value of ` 1 each 8,364 (31st March 2017 - 8,364) number of shares			167.28		167.28
Capexil Agencies Limited Face Value of ₹ 1000 each 5 (31st March 2017 - 5) number of shares			0.05		0.05
Government Securities at amortised cost					
National Savings Certificates			0.57		0.57
	2.2.3		**4,901.94**		**3,951.44**

₹ in Lakhs

		As at 31st March 2018	As at 31st March 2017
2.2.1	Aggregate amount of quoted investment	-	-
2.2.2	Market value of quoted investment	-	-
2.2.3	Aggregate amount of unquoted investment	4,901.94	3,951.44
2.2.4	Particulars of Investment as required in terms of Sec 186(4) of the Companies Act, 2013, have been disclosed under note no. 2.2 above.		
2.2.5	Refer Note 2.46 for information about Fair Value Measurement.		

2.2.6 Details of investment in Joint Venture :

Name of the entity	Relationship	Principal Activity	Place of incorporation and principal place of Business	Percentage of ownership interest	
				31st March 2018	31st March 2017
(i) HNG Float Glass Limited	Joint Venture	Manufacture of float glass	India	11.23%	11.23%

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

2.2.7 **Information about joint venture**

₹ In Lakhs

Particulars	As at 31st March 2018	As at 31st March 2017
NON CURRENT ASSETS	35,195.04	35,138.98
CURRENT ASSETS	24,224.81	21,996.66
NON-CURRENT LIABILITIES	7,927.21	11,220.80
CURRENT LIABILITIES	9,338.10	12,224.27
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	537.72	225.15
Current Financial Liabilities (excluding trade payables and provisions)	3,569.72	7,216.47
Non Current Financial Liabilities (excluding trade payables and provisions)	7,688.77	11,011.44
REVENUE	56,498.21	54,918.35
PROFIT OR (LOSS) FOR THE YEAR	8,465.04	5,213.46
OTHER COMPREHENSIVE INCOME FOR THE YEAR	(1.07)	(13.58)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	8,463.97	5,199.88
DIVIDENDS RECEIVED FROM JOINT VENTURE DURING THE YEAR	–	–
The above profit or (loss) for the year include the following:		
Depreciation and Amortisation	4,886.75	5,097.71
Interest Income	98.17	8.02
Interest Expense	1,479.71	2,089.26
Income Tax Expense/(income)	(1,144.82)	1,428.68

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

Net Assets of the joint venture	42,154.54	33,690.57
Proportion of the Group's Ownership interest in the joint venture	11.23%	11.23%
Goodwill	–	–
Other adjustments (Please Specify)	–	–
Carrying amount of the Group's Interest in the joint venture	**4,733.95**	**3,783.45**

2.2.8 **Loss of Control over subsidiary**

(a) Gain on disposal of investment in subsidiary (HNG Global GMBH) (disposed with effect from 1st April 2016) :

₹ in Lakhs

Particulars	Amount
Consideration	16,597.11
Carrying amount of net assets sold	6,451.10
Fair Value of retained investment	–
Gain on sale before income tax	10,146.01
Income tax expense on gain	–
Gain on sale after income tax (Refer Note No. 2.32)	**10,146.01**

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

(b) Other Financial Information :

(i) The carrying amounts of assets and liabilities as at the date of disposal of investment are as follows:

₹ in Lakhs

Particulars	HNG Global GmbH 1st April 2016
Property, Plant and Equipment	21,084.50
Capital Work in Progress	13.72
Goodwill	1.65
Intangible assets	182.98
Non-Current assets	–
Current Assets (including cash and cash equivalents of ₹ 732.52 Lakhs)	13,573.98
Total Assets	**34,856.83**
Non-Current Liabilities	14,017.83
Current Liabilities	14,104.75
Foreign Currency Translation Account	283.15
Total Liabilities	**28,405.73**
Net Assets	**6,451.10**

2.3 NON CURRENT ASSETS - LOANS

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
At amortised cost			
Unsecured, Considered good			
Loan to Body Corporate	2.3.1	–	116.50
		–	**116.50**

2.3.1 Represents Loan granted for business purposes.

2.4 OTHER NON CURRENT FINANCIAL ASSETS

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
Unsecured, Considered good			
At amortised cost			
Deposits with Bank (having maturity of more than 12 months)	2.4.1	2.79	48.59
Security Deposits		2,006.89	1,862.06
Derivative instruments at fair value through profit or loss			
Derivative instruments not designated as hedges			
Receivable on account of Derivative Contract		265.85	1,002.52
		2,275.53	**2,913.17**

2.4.1 Deposit with Banks are pledged with the Government Authorities.

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

2.5 OTHER NON-CURRENT ASSETS

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
Capital Advances		800.63	746.69
Prepaid Expenses		24.51	34.74
State Incentives	2.5.1	–	323.80
		825.14	**1,105.23**

2.5.1 State incentive includes:

(a) ₹ Nil (31st March 2017: ₹ 43.29 Lakhs) for Input VAT Credit - Deferred, which can be utilised only after repayment of corresponding amount of Sales Tax Deferred Loan.

(b) ₹ Nil (31st March 2017 : ₹ 280.51 Lakhs) as Industrial Promotion Assistance.

2.6 INVENTORIES (Valued at lower of cost or Net Realisable Value)

(Value taken and certified by the management)

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
Raw Materials [Including in transit ₹ 2331.25 Lakhs (31st March 2017 - ₹ 2006.60 Lakhs)]		7,827.83	9,457.33
Work in Progress		769.62	917.55
Finished Goods		24,145.49	32,122.44
Stores and Spares [Including in transit ₹ 279.46 Lakhs (31st March 2017 - ₹ 2035.76 Lakhs)]	2.6.1, 2.6.2 & 2.6.3	14,229.72	16,314.15
Packing Materials [Including in transit ₹ 2.57 Lakhs (31st March 2017 - ₹ 43.36 Lakhs)]	2.6.3	1,529.03	1,280.77
		48,501.69	**60,092.24**

2.6.1 Inventories of Stores and Spare Parts include certain slow moving, non-moving and obsolete items. An impairment allowance of ₹ 893.97 Lakhs (31st March 2017 - ₹ 788.05 Lakhs) towards obsolescence for such slow moving, non-moving and obsolete items is carried in the books and the management is of the opinion that the same is adequate and no further impairment is required there against.

2.6.2 Inventories includes items lying with third parties.

2.6.3 Refer Note 2.15.6 and 2.20.1 to Financial Statements in respect of charge created.

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

2.7 TRADE RECEIVABLES

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
Unsecured			
Considered Good		39,459.79	39,997.09
Considered Doubtful		176.31	243.51
Less: Impairment Allowances for receivables	2.7.4	(176.31)	(243.51)
		39,459.79	**39,997.09**

2.7.1 The accounts of some of the customers are pending reconciliation / confirmation.

2.7.2 There are no customers who represent more than 10% of the total balance of trade receivables as at the end of the reporting period.

2.7.3 Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.The ageing of receivables are as follows:

₹ in Lakhs

Particulars	As at 31st March 2018	As at 31st March 2017
Within Credit Period	26,414.63	26,458.13
1 to 90 days past due	11,282.10	9,957.33
91 to 180 days past due	1,079.40	1,458.05
More than 180 days past due	859.97	2,367.09

2.7.4 **Movement of Impairment allowances for receivables**

₹ in Lakhs

Particulars	As at 31st March 2018	As at 31st March 2017
Balance at Beginning of the year	243.51	100.80
Add: Impairment Allowances recognised during the year	98.39	16.78
Less: Impairment Allowances written back during the year	–	–
Add/(Less): Impairment Allowances adjusted during the year	(165.59)	125.93
Balance at the end of the year	176.31	243.51

2.7.5 Credit quality of a customer is assessed based on an appraisal of customer creation form and individual credit limits are defined in accordance with this assessment and performance of the customer. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for all the customers. The Company has evaluated the concentration of risk with respect to trade receivables as low, as its customers are located in several geographical locations.

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

2.8.A CASH AND CASH EQUIVALENTS (As certified by the management)

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
Balances with banks:			
In Current accounts		669.94	438.83
In Deposit accounts (With original maturity of less than 3 months)	2.8.A.1	1.10	80.20
In Dividend accounts	2.8.A.2	0.69	1.50
Cash in hand		9.22	11.62
		680.95	**532.15**

2.8.A.1 Deposit with Banks are pledged with the Government Authorities.

2.8.A.2 Balance with banks on unpaid dividend account represents monies that can be utilised only to pay dividend to equity shareholders against dividend warrants issued to them.

2.8.B OTHER BALANCES WITH BANKS (As certified by the management)

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
In deposit accounts (With original maturity more than 3 months but less than 12 months)	2.8.B.1	81.33	91.04
		81.33	**91.04**

2.8.B.1 Deposit with Banks are pledged with the Government Authorities.

2.9 CURRENT ASSETS - LOANS

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
At Amortised Cost			
Unsecured, Considered good			
Loans and Advances to Employees		26.10	18.68
		26.10	**18.68**

2.10 OTHER CURRENT FINANCIAL ASSETS

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
At Amortised Cost			
Unsecured, Considered good			
Security Deposits		3.21	1.80
Interest receivable		113.67	186.16
Others	2.10.1	293.51	110.28
Derivative instruments at fair value through Profit or Loss			
Derivative instruments not designated as hedges			
Receivable on account of Derivative Contract	2.22.3	797.54	417.72
		1,207.93	**715.96**

2.10.1 Includes:

(i) Insurance Claim Receivable ₹ 75.75 Lakhs (31st March 2017 - ₹ 45.35 Lakhs).

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

2.11 CURRENT TAX ASSETS (NET)

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
Advance Income Tax		2,352.93	2,337.79
Less: Provision for Tax		(2,021.86)	(2,035.62)
		331.07	**302.17**

2.12 OTHER CURRENT ASSETS

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018		As at 31st March 2017	
Considered Good					
State Incentives	2.12.2		624.92		566.06
Balances / Deposit with Government Authorities	2.12.1		4,664.07		6,333.46
Prepaid expenses			419.86		607.21
Property, Plant and Equipment held for sale	2.12.3		50.54		69.95
Advance to Suppliers			1,671.03		2,048.49
Considered Doubtful					
Advance to Suppliers		123.55		88.02	
Less: Impairment Allowances for advances	2.12.4	(123.55)	–	(88.02)	–
			7,430.42		**9,625.17**

2.12.1 Includes ₹ Nil (31st March 2017 - ₹ 19.59 Lakhs) deposited against demand raised by the Sales Tax Authority.

2.12.2 State incentive includes:

(a) ₹ 103.83 Lakhs (31st March 2017 - ₹ 87.10 Lakhs) for Input VAT Credit - Deferred, which can be utilised only after repayment of corresponding amount of Sales Tax Deferred Loan.

(b) ₹ 521.09 Lakhs (31st March 2017 - ₹ 478.96 Lakhs) as Industrial Promotion Assistance.

2.12.3 Represents Plant and Equipment, etc. held for sale and is valued at lower of net book value or estimated net realisable value.

2.12.4 **Movement of Impairment Allowances for loans and advances**

₹ in Lakhs

Particulars	As at 31st March 2018	As at 31st March 2017
Balance at Beginning of the year	88.02	57.31
Add: Impairment Allowances recognised during the year	35.53	30.71
Less: Impairment Allowances adjusted during the year	–	–
Balance at the end of the year	**123.55**	**88.02**

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

2.12.5 **Movement of Impairment Allowances for balances/deposits with government authorities**

₹ in Lakhs

Particulars	As at 31st March 2018	As at 31st March 2017
Balance at Beginning of the year	–	49.95
Add: Impairment Allowances recognised during the year	–	–
Less: Impairment Allowances adjusted during the year	–	49.95
Balance at the end of the year	**–**	**–**

2.13 EQUITY SHARE CAPITAL

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018		As at 31st March 2017	
		Number of Shares	Amount	Number of Shares	Amount
Authorised Share Capital - Equity Shares of ₹ 2/- each		2,55,75,00,000	51,150.00	2,55,75,00,000	51,150.00
Issued, Subscribed and fully paid - up Share Capital - Equity Shares of ₹ 2/- each Out of above 3,21,21,725 (31st March 2017 - 3,21,21,725) Equity Shares had been issued pursuant to a Scheme of Amalgamation and Arrangement for consideration other than cash.		8,95,53,565	1,791.07	8,73,38,565	1,746.77
			1,791.07		**1,746.77**

2.13.1 The Company has only one class of Equity shares having a par value of ₹ 2 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after discharge of all liabilities, in proportion of their shareholding.

2.13.2 There has been a change in the number of shares outstanding at the beginning and at the end of the reporting periods.

Particulars	Number of Shares
Opening Number of Shares as on 1st April 2017	8,73,38,565
Add: Number of Shares issued during the year	22,15,000
Closing Number of Shares as on 31st March 2018	8,95,53,565

2.13.3 Details of the Share holders holding more than 5% shares along with number of shares held :

Name of the Shareholders	% of holding as at 31st March 2018	Number of Shares held 31st March 2018	% of holding as at 31st March 2017	Number of Shares held 31st March 2017
Brabourne Commerce Private Limited	24.29%	2,17,49,485	24.52%	2,14,14,485
Spotlight Vanijya Limited	18.09%	1,61,99,975	18.55%	1,61,99,975
Dilip S Damle (Trustee HNG Trust and ACE Trust)	11.94%	1,06,91,600	16.76%	1,46,41,600
Ironwood Investment Holdings	7.09%	63,48,025	7.27%	63,48,025
Rungamattee Trexim Private Limited	5.13%	45,90,550	5.06%	44,20,550
Spotme Tracon Private Limited	5.13%	45,90,545	5.06%	44,20,545

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

2.14 OTHER EQUITY

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
Capital Reserve	2.14.1	5,595.85	5,595.85
Securities Premium Reserve	2.14.2	10,363.84	5,823.09
Debenture Redemption Reserve	2.14.3	5,000.00	5,000.00
General Reserve	2.14.4	69,573.88	69,573.88
Retained Earnings	2.14.5	(75,775.90)	(47,275.20)
Other Comprehensive Income	2.14.6	(609.11)	(662.26)
		14,148.56	**38,055.36**

Refer Consolidated Statement of Changes in Equity for movement in balances of Reserves.

2.14.1 **Capital Reserve comprises of:**

i)	Reserve arising on merger of Glass Equipments India Limited and Quality Minerals Limited with effect from 1st April 2014.	2.90	2.90
ii)	Receipts from the trust	5,592.95	5,592.95

In terms of Scheme of Arrangement pursuant to the Order of Hon'ble High Court, Calcutta dated April 7, 2008 and by the Hon'ble High Court, Delhi dated March 19, 2008 (the Scheme) sanctioning the amalgamation of Ace Glass Containers Limited (AGCL) with the Company, 13,68,872 and 21,41,448 equity shares of ₹ 10/- each of the Company issued in lieu of the shares of the Company held by AGCL and shares of AGCL held by the Company were transferred to ACE Trust and HNG Trust respectively in earlier years for the sole benefit of the Company. Out of the shares so transferred 68,44,360 and 77,97,240 equity shares of ₹ 2/- each of the Company (after subdivision of 1 equity share of ₹ 10/- each into 5 equity shares of ₹ 2/- each w.e.f. 13/11/2009) are held by ACE Trust and HNG Trust respectively as on 31st March 2018. In view of the shares being held for the sole benefit of the Company as mentioned above, the book value of ₹ 6,014.85 Lakhs of these investments has been shown as deduction from Share Holders Fund and thereby General Reserve is adjusted to that extent. Receipt from the Trusts on account of beneficial interest is credited to Capital reserve.

2.14.2 Securities Premium Reserve represents the amount received in excess of par value of securities. Section 52 of Companies Act, 2013 specify restriction and utilisation of security premium.

2.14.3 Debenture Redemption Reserve represents the statutory reserve for non-convertible debentures issued by the Company. The company is required to create a debenture redemption reserve out of the profits available for payment of dividend in terms of Section 71 of the Companies Act, 2013 which is equal to 25% of the face value of the debentures issued and outstanding. The reserve will be released on redemption of the debentures.

2.14.4 The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and it will not be reclassified subsequently to Statement of Profit and Loss.

2.14.5 Retained Earnings generally represent the undistributed profits/amount of accumulated earnings of the Company. It includes ₹ 31,060.23 Lakhs (31st March 2017 - ₹ 31,138.35 Lakhs) which is not available for distribution as dividend represented by change in carrying amount of Freehold and Leasehold Land upon measurement of Fair Value for deemed cost on the date of transition to Ind AS i.e. 1st April 2015 and revaluation reserve as on the date of the transition. Additional Depreciation due to Fair Value Measurement to the extent provided each year becomes available for distribution as dividend.

2.14.6 Other Comprehensive Income (OCI) represent the balance in equity relating to remeasurement gains/(losses) on defined benefit obligations. This will not be reclassified to Statement of Profit and Loss.

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

2.15 BORROWINGS

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018		As at 31st March 2017	
		Non Current	Current Maturities	Non Current	Current Maturities
At Amortised Cost					
Secured Loans					
a) Debentures					
(i) 10.40% Redeemable Non Convertible Debentures privately placed with Life Insurance Corporation of India	2.15.1, 2.15.6 (A) and 2.15.6 (E)	19,943.62	–	19,928.61	–
b) Term Loans					
From Banks	2.15.2, 2.15.6 (B), 2.15.6 (D) and 2.15.6 (E)	1,34,954.32	26,650.68	1,53,232.78	13,801.12
From a Financial Institution	2.15.3, 2.15.6 (B) and 2.15.6(E)	8,142.73	729.18	8,688.41	362.45
From Other	2.15.4, 2.15.6(C), 2.15.6 (D) and 2.15.6 (E)	1,717.97	936.65	2,342.12	623.91
Unsecured Loans					
c) Term Loans					
From Related Parties	2.15.8 & 2.38.II (d)	–	–	4,575.98	–
d) Deferred Payment Liabilities					
Sales Tax Deferment Loan	2.15.5	–	202.02	141.43	247.29
		1,64,758.64	**28,518.53**	**1,88,909.33**	**15,034.77**

₹ in Lakhs

2.15.1	**Security and repayment details of Non Convertible Debentures at unamortised cost outstanding as on 31st March 2017 are as follows:**	**Repayment in Financial Year 2021-22**
	10.40% Secured Non Convertible Debentures allotted on 03.02.2012 are due for redemption at par at the end of the tenure i.e 03.02.2022. However, there is a put and call option available to the issuer/ investor which can be exercised at the end of seventh year from the deemed date of allotment.	10,000.00
	10.40% Secured Non Convertible Debentures allotted on 23.11.2011 are due for redemption at par at the end of the tenure i.e 23.11.2021. However, there is a put and call option available to the issuer/investor which can be exercised at the end of seventh year from the deemed date of allotment.	10,000.00

2.15.2 **Repayment details of Term Loans from Banks at unamortised cost outstanding as on 31st March 2018 are as follows :**

₹ in Lakhs

Financial Year	Foreign Currency Term Loan	Effective Interest: 10.20%- 12.50% p.a	Effective Interest: 12.51% - 14.50% p.a	Total
2017-2018	4,108.55	4,049.48	–	8,158.03
2018-2019	8,869.24	9,773.23	–	18,642.47
2019-2020	11,086.55	11,990.16	–	23,076.71
2020-2021	16,629.82	15,622.18	–	32,252.00
2021-2022	9,977.89	15,247.18	–	25,225.07
2022-2023	–	24,093.71	–	24,093.71
2023-2024	–	20,593.71	–	20,593.71
2024-2025	–	9,967.93	–	9,967.93
Total	**50,672.05**	**1,11,337.58**	**–**	**1,62,009.63**

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

2.15.3 **Repayment details of Term Loans from a Financial Institution at unamortised cost outstanding as on 31st March 2018 is as follows:**

₹ in Lakhs

Financial Year	Effective Interest: 10.20%-12.50%	Total
2017-2018	183.50	183.50
2018-2019	550.00	550.00
2019-2020	642.00	642.00
2020-2021	917.00	917.00
2021-2022	917.00	917.00
2022-2023	2,200.00	2,200.00
2023-2024	2,200.00	2,200.00
2024-2025	1,281.67	1,281.67
Total	**8,891.17**	**8,891.17**

2.15.4 **Repayment details of Term Loan from Other at unamortised cost outstanding as on 31st March 2018 are as follows:**

₹ in Lakhs

Financial Year	Effective Interest: 10.20%-12.50%	Total
2017-2018	312.50	312.50
2018-2019	625.00	625.00
2019-2020	625.00	625.00
2020-2021	625.00	625.00
2021-2022	469.00	469.00
Total	**2,656.50**	**2,656.50**

2.15.5 **Deferred Sales Tax Loan at unamortised cost outstanding as on 31st March 2018 is interest free and is payable as per the repayment schedule as follows:**

₹ in Lakhs

Financial Year	Total
2018-2019	202.02
Total	**202.02**

2.15.6 **Nature of Security for Borrowings:**

A) Non-Convertible Debentures are secured by first charge ranking pari-passu on all immovable properties by way of equitable mortgage and hypothecation of all moveable properties both present and future of the Company.

B) Term loans from Banks and Financial Institution other than a loan of ₹ 7500 Lakhs from a Bank (Refer note - 2.15.6(C) below), are secured by first charge ranking pari-passu on all immovable properties by way of equitable mortgage and hypothecation of all moveable properties both present and future of the Company and second charge ranking pari-passu on entire current assets of the Company, both present and future, save and except vehicles acquired under vehicle finance loan which are exclusively hypothecated in favour of respective lenders.

C) Term Loan from Other represent Loan from a Body Corporate. The said Loan and a loan of ₹ 7500 Lakhs from a Bank (Refer Note - 2.15.6(B) above) are secured by second charge ranking pari-passu on all immovable properties by way of equitable mortgage and hypothecation of all moveable properties both present and future of the Company.

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

D) Pledge of treasury shares of the Company held by HNG Trust and ACE Trust.

E) Additional Security to lenders who have agreed to Corrective Action Plan (CAP) :

(i) Pledge of 51% of the Company's Shareholding held by Promoter and Promoter Group on pari passu basis with other lenders.

(ii) Personal Guarantee of Mr Sanjay Somany and Mr Mukul Somany.

F) Immovable properties mentioned in 2.15.6(A), (B) & (C) above exclude certain plots of land, the revalued amount on 01.04.2015 of which is ₹ 34.30 Crores.

2.15.7 (a) Pursuant to RBI guidelines for Framework for Revitalizing Distressed Assets in the Economy, which laid out the detailed guidelines on formation of Joint Lenders Forum (JLF) and Corrective Action Plan (CAP), if 75% of lenders by value and 60% by number are agreeable to CAP, then it shall become binding on all the lenders.

In terms of the CAP approved by JLF, the terms and conditions of the outstanding term loans from Banks and Financial Institutions have been restructured with effect from 1st December 2014. This inter-alia includes moratorium for repayment of principal for two years and thereafter the aforesaid loans to be repaid over the period of 5 to 8 years depending on the nature of the loan. The said restructuring is, however subject to fulfillment of certain conditions and creation of securities etc. including those given in Note 2.15.8. The stipulations also includes conditions relating to infusion of equity by promoters in various periods and fresh valuations of its assets by a valuer registered with Institute of Valuers.

Lenders of the Company (comprising of 93% in number and values) except The Hongkong and Shanghai Banking Corporation (HSBC) have agreed to the CAP and have decided to provide the required assistance to the Company. HSBC has not agreed to the terms and conditions of the CAP and has recalled their entire facilities (including working capital facilities). HSBC had filed a suit before the Hon'ble High Court at Calcutta and has also initiated recovery proceedings at Debt Recovery Tribunal (DRT). The DRT vide its order dated 24th February 2017 has stated that original application filed by HSBC is premature and is liable to be dismissed for the reasons mentioned in the order. Subsequent to the order, HSBC vide its letter dated 5th April 2017 has informed to the company that it had assigned all the rights, title and interest in financial assistance granted by them to the company in favour of Edelweiss Asset Reconstruction Company Limited ("EARC"), acting in its capacity as trustee of EARC Trust - SC 245 vide assignment agreement executed in favour of EARC on 22nd March 2017.The amount of term loan recalled by HSBC on 07.01.2015 and outstanding as on Balance sheet date amounting to ₹ 16,767.43 Lakhs have continued to be classified as per terms and conditions of CAP. Confirmation of loan balances from Edelweiss is yet to be received as of 31st March 2018.

The company has paid Principal for the quarter ended September 2017 and interest thereon till October 2017. However Principal for the quarter ended December 2017 & March 2018 and interest (comprising interest on Term loan and cash credit) for November 2017 to March 2018 aggregating to ₹ 13682.34 Lakhs have not been paid. Letter of Credit and interest for November 2017 to March 2018 aggregating to ₹ 3470.82 Lakhs has also not been paid on due dates. Penal interest and other claims aggregating to ₹ 237.17 Lakhs has also not been paid.

The Company and the lenders had discussed the various proposals to formulate a restructuring plan in its meeting held on 6th February 2018. However, the RBI vide its circular dated 12th February 2018 had withdrawn all the existing notifications/guidelines pertaining to restructuring. Consequently a meeting of the lenders was held on 22nd March 2018. In the said meeting, the Company has proposed a revised resolution plan pursuant to the above circular which is under consideration by the lenders.

(b) All the loans restructured as above, in addition to their existing securities, have been further secured by pledge of remaining unencumbered promoter shareholding (being 51% of the Company's shareholding) and Personal guarantee of Mr. Sanjay Somany and Mr. Mukul Somany.

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

2.15.8 Unsecured Loan from Related parties represents amount brought in by the Promoter's pursuant to the CAP as mentioned in 2.15.7 above. As agreed with the lenders, the loan amount is proposed to be converted as equity/preference shares in terms of CAP within a period of 18 months from the date of infusion of funds. The unsecured loan carries interest @ 9% p.a upto 31st December 2016 and is interest free with effect from 1st January 2017. During the year stipulations have been met by issuing Equity Shares.

2.15.9 Pursuant to the CAP, lenders shall have a right to convert into Equity upto 20% of the Term Loan outstanding beyond seven years as per SEBI guidelines/ Loan covenants whichever is applicable.

2.16 OTHER NON CURRENT FINANCIAL LIABILITIES

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
At Amortised Cost			
Retention Money		330.46	385.74
		330.46	**385.74**

2.17 PROVISIONS

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
Provision for Employee Benefits		1,012.91	1,195.44
		1,012.91	**1,195.44**

2.17.1 The provision for employee benefits includes gratuity and vested long service leave entitlements accrued to employees which are payable as per the terms of the appointment. For other disclosures, refer Note 2.44

2.18 DEFERRED TAX LIABILITIES (NET)

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018	Current Year Charge/(Credit) to P/L	As at 31st March 2017
Deferred Tax Liabilities				
Accelerated Tax Depreciation		32,109.42	(1,310.66)	33,420.08
Gross Deferred Tax Liability		**32,109.42**	**(1,310.66)**	**33,420.08**
Deferred Tax Assets				
Provision for Post Retirement Benefits and Other Employment Benefits		873.28	285.45	587.83
Brought Forward Unabsorbed Depreciation		31,176.21	(1,573.28)	32,749.49
Impairment Allowances of Trade Receivable		59.93	(22.83)	82.76
Gross Deferred Tax Asset		**32,109.42**	**(1,310.66)**	**33,420.08**
Net Deferred Tax Liability		**–**	**–**	**–**

2.18.1 Unrecognised unused Tax Losses and unused Tax credits		
(i) Unused Tax Losses and unabsorbed depreciation	29,855.30	17,198.42
(ii) Unused Tax Credits (Minimum Alternate Tax)	3,152.01	3,152.01

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

2.18.2 Carry forward unabsorbed depreciation has been considered to the extent of deferred tax liability. As a matter of prudence, the remaining amount of unabsorbed depreciation resulting in deferred tax asset has been ignored.

2.18.3 Since Company is into losses and unrecognised unused tax losses and unused tax credits and there is no tax expense, therefore the reconciliation of tax expense has not been provided.

2.18.4 Items of Deferred Tax Assets and Liabilities above have been recognised in Statement of Profit and Loss.

2.19 OTHER NON-CURRENT LIABILITIES

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
Advance received from Customers		711.98	1,146.22
		711.98	**1,146.22**

2.20 BORROWINGS

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
Secured Loans			
Working Capital Facilities from Banks (repayable on demand)	2.20.1 & 2.15.7	59,356.26	52,856.27
Buyer's Credit	2.20.1	397.24	–
		59,753.50	**52,856.27**

2.20.1 Working Capital Facilities (Fund Based and Non Fund Based and acceptances as referred to in note no. 2.21.1 below) from banks are secured by -

A) Pari passu first charge hypothecation of entire current assets of the company, both present and future and pari passu second charge on entire Property, Plant and Equipment of the company in favour of consortium bankers led by State Bank of India.

B) Additional Security to lenders who have agreed to CAP:

(i) Pledge of 51% of the Company's Shareholding held by Promoter and Promoter Group on pari passu basis with other lenders.

(ii) Personal Guarantee of Mr Sanjay Somany and Mr Mukul Somany.

2.21 TRADE PAYABLES

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
Payables for goods and services	2.21.1 & 2.21.2	45,451.00	45,244.04
		45,451.00	**45,244.04**

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

2.21.1 Payable for goods and services includes acceptances 13,742.20 13,542.21

2.21.2 Disclosure of sundry creditors under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprise Development Act, 2006 (the Act). Total Overdue amount out of principal amount outstanding at the end of the year is ₹ 489.30 Lakhs (31st March 2017 - ₹ 409.14 Lakhs). Based on above the relevant disclosures u/s 22 of the Act are as follows:

₹ in Lakhs

1. Principal amount outstanding at the end of the year	646.29	759.36
2. Interest amount due at the end of the year	104.47	193.56
3. Interest paid to suppliers	–	–
	750.76	**952.92**

2.21.3 Trade payables are non-interest bearing and are normally settled on 60 to 90 days terms.

2.22 OTHER CURRENT FINANCIAL LIABILITIES

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018		As at 31st March 2017	
Financial liabilities at fair value through profit or loss					
Derivatives not designated as hedges					
Liability on derivative contracts	2.22.3		8.75		-
Other financial liabilities at amortised cost					
Current maturities of long term debt	2.15 & 2.22.1		28,518.53		15,034.77
Interest accrued but not due on borrowings			4.84		1,061.37
Interest accrued and due on borrowings			6,027.40		839.75
Unpaid dividend	2.22.2		0.69		1.50
Other payables			2,808.71		3,515.22
Creditors on account of Capital Goods		2,717.76		3,348.60	
Others		90.95		166.62	
			37,368.92		**20,452.61**

2.22.1 Refer Note no. 2.15.6 for Securities against the borrowings.

2.22.2 This is not due for payment to Investor Education and Protection Fund.

2.22.3 Derivatives not designated as hedging instruments:

The Company uses foreign exchange derivative contracts - forward to manage some of its transaction exposures related to foreign currency denominated borrowings. The foreign exchange forward contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one to six months.

2.23 OTHER CURRENT LIABILITIES

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
Other payables			
Statutory Dues - PF, ESI, Service Tax, TDS, Entry Tax, GST etc.		5,050.02	3,941.33
Excise Duty Liability on Closing Stock		–	3,425.81
Advance from Customers		1,737.91	1,228.16
		6,787.93	**8,595.30**

2.24 PROVISIONS

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
Provision for Employee Benefits		700.82	329.63
		700.82	**329.63**

2.24.1 The provision for employee benefits includes gratuity and vested long service leave entitlements accrued and compensation claim payable to employees which are payable as per the terms of the appointment. For other disclosures, refer Note. 2.44

2.25 REVENUE FROM OPERATIONS

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
Sale of Products (including excise duty)			
Finished Goods	2.25.3	1,95,512.36	2,05,330.28
Other Operating Revenue			
Scrap Sales		330.83	229.24
Insurance Claim received		766.58	254.24
Liabilities no longer required written back		903.13	259.98
Others	2.25.1 & 2.25.2	547.62	359.95
Revenue from Operations		**1,98,060.52**	**2,06,433.69**

2.25.1 Includes Industrial Promotion Assistance received under State Incentive Scheme during the period is ₹ 363.42 Lakhs (Previous year: ₹ 277.68 Lakhs) and export incentives of ₹ 94.74 Lakhs (Previous year : ₹ 31.42 lakhs).

2.25.2 Sale of goods includes excise duty collected from customers of ₹ 5327.06 lakhs (31st March 2017: ₹ 20,373.76 lakhs)

2.25.3 Damages, rebate and discount are adjusted with revenue.

2.26 OTHER INCOME

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
Interest Income at amortised cost on deposits and others		128.82	146.96
Dividend Income from Non current Investments	2.26.1	1.67	1.67
Other Non Operating income (net of expense directly attributable to such income)			
Rent and Hire Charges		95.49	141.96
Miscellaneous Income		284.40	239.14
Other Gains and Losses			
Net Gain on sale of Current Investments		–	163.21
Exchange Gain (Net)		–	1.36
		510.38	**694.30**

2.26.1 All dividends from equity investments designated as at Fair Value through Profit or Loss relate to investments held at the end of each reporting period.

2.27 COST OF MATERIALS CONSUMED

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
Raw Materials Consumed	2.42	58,969.61	59,694.62
		58,969.61	**59,694.62**

Movement of Raw Material Consumed:			
Opening Stock		9,457.33	6,773.40
Add: Purchases		57,340.11	62,378.55
Less: Closing Stock		7,827.83	9,457.33
Raw Materials Consumed		**58,969.61**	**59,694.62**

2.27.1 Profit or loss on sale of Raw Materials has been adjusted in consumption.

2.27.2 Supplier's Claims adjusted with Raw Material consumption.

2.28 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
Closing Stock			
Finished Goods		24,145.49	32,122.44
Work-in-Progress		769.62	917.55
		24,915.11	**33,039.99**
Less:			
Opening Stock			
Finished Goods		32,122.44	26,453.10
Work-in-Progress		917.55	792.00
		33,039.99	**27,245.10**
		8,124.88	**(5,794.89)**

2.29 EMPLOYEE BENEFIT EXPENSES

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
Salaries and Wages		18,195.18	19,347.77
Contribution to Provident and Other Funds		1,166.35	1,212.65
Workmen and Staff Welfare Expenses		606.17	554.38
		19,967.70	**21,114.80**

2.29.1 Refer note 2.38.1 for Remuneration paid to Chairman & Managing Director and Vice Chairman & Managing Director

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

2.30 OTHER EXPENSES

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31st March 2018		For the year ended 31st March 2017	
Stores and Spare Parts Consumed	2.30.1		6,717.24		8,059.63
Power and Fuel	2.30.2		65,068.44		57,066.69
Packing Material Consumed and Packing Charges			16,683.94		16,043.59
Rent			1,188.25		1,188.13
Rates and Taxes			295.92		307.31
Repairs:					
Buildings			242.67		200.97
Plant and Equipment			632.46		1,115.89
Others			162.20		281.11
Freight outwards, Transport and Other Selling Expenses (Net of realisation ₹ 3270.43 Lakhs, Previous Year ₹ 7708.51 Lakhs)			2,399.45		2,440.43
Commission on Sales			94.41		105.01
Insurance			463.21		506.93
Excise Duty on Increase/(Decrease) of Stock			(3,815.56)		708.35
Bad Debts Written Off		29.68		–	
Less: Write Back of impairment allowances for trade receivable		(0.30)	29.38	–	–
Balance with government authorities written off		–		49.95	
Less: Write Back of impairment allowances		–	–	(49.95)	–
Impairment Allowances against Trade Receivables			98.39		16.78
Charity and Donation			0.04		1.90
Loss on Sale/Discard of Property Plant and Equipment (Net)			298.46		884.27
Exchange Loss (Net)			405.51		–
Other Miscellaneous Expenses	2.30.3		3,753.70		3,696.69
			94,718.11		**92,623.68**

2.30.1 Profit or loss on sale of Stores has been adjusted in consumption.

2.30.2 Electricity duty waiver benefit under State Incentive Schemes credited to Power and Fuel Account is ₹ 425.17 Lakhs (Previous year : ₹ 278.05 Lakhs)

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

2.30.3 Other Miscellaneous Expenses include :

₹ in Lakhs

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
a) Payment to Auditors including Swachh Bharat Cess		
To Statutory Auditor:		
Audit Fees	15.25	15.29
Tax Audit Fees	5.25	5.26
Certifications etc	3.69	4.31
To Branch Auditor:		
Audit Fees	11.25	11.34
Certifications etc	3.00	3.02
	38.44	**39.22**
b) Directors Travelling Expenses	26.41	26.80
c) Directors Sitting Fees	9.01	8.53

2.31 FINANCE COSTS

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
Interest Expense		25,047.63	23,473.28
Other borrowing Costs		137.65	326.68
		25,185.28	**23,799.96**

2.32 EXCEPTIONAL ITEMS

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
Profit on disposal of Non current investments	2.32.1	–	10,146.01
		–	**10,146.01**

2.32.1 HNG Global GMBH has ceased to be the subsidiary of the Company with effect from 1st April 2016 on disposal of its entire shareholding. Profit of ₹ Nil [Previous Year ₹ 9459.33 Lakhs (Net of ₹ 486.20 Lakhs)] being expenditure recognised has been recognised and included under exceptional items.

2.33 EARNINGS PER SHARE (EPS)

The following reflects the profit/(loss) and share data used in the basic and diluted EPS computation

Particulars		For the year ended 31st March 2018	For the year ended 31st March 2017
Profit /(Loss) after Tax (₹ in Lakhs)		(28,500.70)	(11,439.33)
Net Profit/(Loss) for calculation of Basic and Diluted EPS (₹ in Lakhs)	**(a)**	**(28,500.70)**	**(11,439.33)**
Weighted Average number of Equity shares in calculating Basic and Diluted EPS	(b)	8,82,91,318	8,73,38,565
Basic and Diluted EPS (a/b) (in ₹)		(32.28)	(13.10)

2.33.1 As there is uncertainty regarding lender's right of conversion of term loan to Equity shares, computation for diluted Earnings per share has not been worked out for the same.

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

2.34 CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

A. CONTINGENT LIABILITIES

₹ in Lakhs

Sl. No.	Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
(I)	**Claims against the company, its subsidiary and joint venture not acknowledged as debt**			
1	Central Excise/Sales Tax matter under appeals		2,145.22	1,171.22
2	Excise Duty and Octroi demand issued against which the Company has preferred appeals and which in the opinion of the management are not tenable.		517.91	1,675.81
3	Cases pending with labour courts (to the extent ascertainable)		76.53	562.05
4	Other Claims against the Company not acknowledged as debt.		850.43	1,138.88
5	Octroi on Transportation of natural gas through pipeline.		364.81	351.13
6	Local Area Development Tax Demand		2,059.38	–
7	Demand of stamp duty against leasehold land purchased from Haryana Sheet Glass Limited.		37.67	–
8	Income Tax under Appeal for the A Y 2011-12		–	1.30
9	Claim for increased price of land acquired at Bahadurgarh by the Punjab Government and given to the Company against which the claimants have preferred an appeal in the Supreme Court against the order of the High Court.		0.30	–
(II)	**Other money for which the Company is contingently liable**			
10	Interest on Disputed Entry Tax*		3,298.59	255.41
11	Right to Recompense of Lenders as per CAP guidelines		–	7,232.00
(III)	**Guarantees excluding financial guarantees**			
12	Guarantee furnished to bank on behalf of an entity over which directors of the Company has significant influence.	2.34.A.2	1,800.00	1,800.00

* The Hon'ble Supreme Court vide its order dated 11th November 2016 has upheld the constitutional validity of levy of Entry Tax. This is being given effect to by the various state governments subject to follow up decisions before various judicial forums and appropriate authorities and the amount of said levy is yet to be determined. Pending outcome and final decision, no provision has been made for interest liability and has been shown as contingent liability to the extent determinable.

2.34.A.1 The Company's pending litigation comprises of claims against the Company and proceeding pending with tax/statutory/ government authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, and dislosed the contingent liabilities, where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position. Future cash outflows in respect of item no. (1) to (9) as mentioned above are determinable only on receipt of judgement/decisions pending with various forums/authorities.

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

2.34.A.2 Disclosure pursuant to Sec 186(4) of Companies Act, 2013.

₹ in Lakhs

On Behalf of	Purpose	Date of Guarantee Issued	As at 31st March 2018	As at 31st March 2017
AMCL Machinery Limited.	Working Capital Loan	25-June-12	1,800.00	1,800.00
			1,800.00	**1,800.00**

B. The company is paying Anti-Dumping Duty after the same was imposed by Government of India for five years on Soda Ash originating in from (1) China, EU, Kenya, Pakistan, Iran, Ukraine and USA from 03.07.2012 and (2) Turkey and Russia from 18.04.2013. The company has taken up the matter (Mid Term Review) through Trade Association (AIGMF – All INDIA GLASS MANUFACTURER FEDERATION) for removal of these duties on 21.07.2015. DGAD (Director General Anti-Dumping) has for both cases referred as (1) and (2) above, allowed removal of duty on 23.09.2016. However, the matter was challenged in Gujarat High court and accordingly the duty removal is kept in abeyance. On 5th April 2018, DGAD again refused to initiate Sunset Review, thereby proving the grounds that continuation of Anti-Dumping Duty on Soda Ash is not prudent. Though the matter is again reversed by Gujarat High Court, there is a fair chance for removal of Anti-dumping Duty from 2017. In view of judicial uncertainty in the matter, in the accounts for the year 2017-18, the claim is not accounted for and the same has been shown as Contingent Asset.

C. CAPITAL AND OTHER COMMITMENTS

₹ in Lakhs

Particulars	As at 31st March 2018	As at 31st March 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for: Net of advance of ₹ 731.87 Lakhs (31st March 2017 - ₹ 2216.11 Lakhs)	2,412.57	2,448.44

2.35 CAPITALISATION OF EXPENDITURE

The company had capitalised the following expenses of revenue nature incurred for construction of Property, plant and equipment and trial run, to the cost of Property, plant and equipment/capital work-in-progress (CWIP). Consequently, expenses/revenue disclosed under the respective notes are net of amounts capitalised by the company.

₹ in Lakhs

Sl. No.	Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
(i)	Salaries and Wages		–	–
(ii)	Power and Fuel		0.05	–
(iii)	Miscellaneous expenses		182.12	127.62
(iv)	Stores & Spares Consumed		1,335.40	215.95
(v)	Payment to Contractors		2.83	–
	Total		**1,520.40**	**343.57**
	Add: Brought Forward from previous year		374.21	98.28
	Less: Capitalised during the year		409.11	67.64
	Total carried forward		**1,485.50**	**374.21**

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

2.36 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

a) **Derivatives outstanding as at the balance sheet date**

Particulars	As at 31st March 2018		As at 31st March 2017	
USD	Foreign Currency (in Lakhs)	INR Value (₹ in Lakhs)	Foreign Currency (in Lakhs)	INR Value (₹ in Lakhs)
Nature of Instrument/Nature of Loan				
Cross Currency Coupon Swap-External Commercial Borrowings	160.00	10,434.40	170.00	11,035.55
- Number of Contracts: 31st March 2018 - 2, (31st March 2017 - 2)				
Derivative Contract to buy US Dollar				
- Buyers Credit	6.19	403.59	–	–
- Hedge of Foreign currency loan	160.00	10,434.40	170.00	11,035.55

b) **Particulars of unhedged foreign currency exposure as at the balance sheet date**

Particulars	As at 31st March 2018		As at 31st March 2017	
	Foreign Currency (in Lakhs)	INR Value (₹ in Lakhs)	Foreign Currency (in Lakhs)	INR Value (₹ in Lakhs)
Import payables				
-EUR	17.08	1,373.22	17.55	1,216.34
-GBP	0.84	76.81	0.64	51.63
-JPY	0.84	0.51	0.84	0.49
-USD	23.25	1,516.21	14.02	910.17
-AUD	0.50	25.33	0.51	25.13
-CHF	–	–	0.0014	0.09
Export receivables				
-USD	13.45	877.17	18.21	1,182.16
-EUR	0.06	4.63	–	–
Foreign Currency loans				
-USD	617.00	40,237.66	640.00	41,545.60

2.37 SEGMENT INFORMATION

The Company's exclusive business is manufacturing and selling of Container Glass and as such in the opinion of the management this is the only operating business segment, as per the Indian Accounting Standard (Ind AS) 108 on Operating segment. Thus no separate segment information is disclosed for primary business segment. Secondary information is reported geographically.

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

Geographical Segment

a) The following table shows the distribution of the Company's Revenue from operations by Geographical market.

₹ in Lakhs

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Domestic Market	1,86,995.98	1,94,427.84
Overseas Market	11,064.54	12,005.85
Total	**1,98,060.52**	**2,06,433.69**

b) The following table shows the distribution of the Company's Trade Receivables by Geographical market.

₹ in Lakhs

Particulars	As at 31st March 2018	As at 31st March 2017
Domestic Market	37,256.70	37,454.41
Overseas Market	2,379.40	2,786.19
Total	**39,636.10**	**40,240.60**

2.38 RELATED PARTY DISCLOSURES

I Names of the related parties and nature of relationship

A) Joint Venture Company

HNG Float Glass Limited **(Refer Note 2.2.6)**

B) Key Managerial Personnels and their relatives.

(i) Mr. Chandra Kumar Somany - Chairman and Non Executive Director (Relative of Key Managerial Personnel) (Till 15th May 2017)
(ii) Mrs. Sudha Somany - Wife of Mr. Chandra Kumar Somany
(iii) Mr. Sanjay Somany - Chairman and Managing Director and Key Managerial Personnel
(iv) Mr. Mukul Somany - Vice Chairman and Managing Director and Key Managerial Personnel
(v) Mr. Rakesh Kumar Sharma - Executive Director and Key Managerial Personnel (Till 28th February 2017)
(vi) Mr. Bharat Somany - Relative of the Director
(vii) Mr. Sujit Bhattacharya - Independent Director (Till 31st March 2017)
(viii) Mr. Ratna Kumar Daga - Independent Director
(ix) Mr. Dipankar Chatterji - Independent Director
(x) Mrs. Rita Bhimani - Independent Director
(xi) Mr. Narayanswami Sitaraman - Independent Director (w.e.f. 13th April 2017)

C) Enterprises over which any person described in [B (i) to (xi)] above is able to exercise significant influence and with whom the Company has transactions during the year.

AMCL Machinery Limited
Mould Equipment Limited
Brabourne Commerce Private Limited
Rungamattee Trexim Private Limited
Saurav Contractors Private Limited
Khazana Marketing Private Limited
Spotme Tracon Private Limited
Spotlight Vanijya Limited

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

II Related Party Transactions

a) Aggregate amount of Transactions with Joint Venture Company:

₹ in Lakhs

Nature of transactions	Name of the related party	For the year ended 31st March 2018	For the year ended 31st March 2017
Provision for Facilities	HNG Float Glass Limited	62.47	59.23
Recovery of Expenses	HNG Float Glass Limited	22.85	49.24
Purchase of Stores & Spares / Fixed Assets	HNG Float Glass Limited	8.97	4.94
Receipt of Services	HNG Float Glass Limited	28.29	26.89

b) Aggregate amount of Transactions with Key Managerial Personnel and their relatives:

₹ in Lakhs

Nature of transaction	Ref Note No.	Name of the related party	For the year ended 31st March 2018	For the year ended 31st March 2017
Remuneration (included in Employee Benefit Expenses - Note 2.29)#	2.38.1	Sanjay Somany	320.88	320.88
	2.38.1	Mukul Somany	321.21	321.37
		Bharat Somany	22.31	23.09
		Rakesh Kumar Sharma	–	57.30
Refund of Remuneration		Sanjay Somany	–	163.55
		Mukul Somany	–	163.55
Loan taken from		Chandra Kumar Somany	–	48.18
		Sanjay Somany	–	50.10
		Mukul Somany	–	50.10
Interest paid		Chandra Kumar Somany	–	43.50
		Sanjay Somany	–	44.17
		Mukul Somany	–	44.17
Sitting Fees		Chandra Kumar Somany	–	0.50
		Sujit Bhattacharya - Independent Director	–	2.45
		Ratna Kumar Daga - Independent Director	2.80	2.45
		Dipankar Chatterji - Independent Director	2.80	2.30
		Rita Bhimani - Independent Director	0.80	0.80
		N Sitaraman - Independent Director	2.60	–
Loan Adjusted		Chandra Kumar Somany	667.92	–
		Sanjay Somany	678.22	–
		Mukul Somany	678.22	–
Shares Allotted		Chandra Kumar Somany	–	–
		Sudha Somany	662.40	–
		Mukul Somany	683.10	–
		Sanjay Somany	683.10	–

Compensation of Key Management Personnel

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

The remuneration of directors and other members of key management personnel during the year are as follows:

₹ in Lakhs

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Short Term Employee Benefits	664.40	722.65
Post Employment Benefits*	–	–

* Excluding contribution to gratuity fund

2.38.1 Remuneration paid to Chairman and Managing Director & Vice Chairman and Managing Director amounting to ₹ 606.00 Lakhs for each of the financial years ending 2017-18, 2016-17 & 2015-16 has exceeded the limits prescribed under the provisions of Companies Act, 2013 due to inadequacy of profit. The Company has made an application before the Central Government and necessary approvals in this respect are awaited.

c) Aggregate amount of Transactions with related parties as mentioned in (C) above are as follows:

₹ in Lakhs

Nature of transaction	Name of the related party	For the year ended 31st March 2018	For the year ended 31st March 2017
Purchase of Goods	Mould Equipment Limited	8.57	22.62
	AMCL Machinery Limited	0.95	0.85
Purchase of Property, plant and equipment	Spotlight Vanijya Limited	–	10.47
Recovery of expenses	AMCL Machinery Limited	7.86	–
	Mould Equipment Limited	6.19	–
	Spotlight Vanijya Limited	–	0.64
Purchase of Stores & Spares	AMCL Machinery Limited	–	0.84
	Mould Equipment Limited	–	3.82
Receipt of Services	Mould Equipment Limited	284.66	262.24
Interest Paid	Brabourne Commerce Private Limited	–	45.32
	Rungamattee Trexim Private Limited	–	22.66
	Saurav Contractors Private Limited	–	37.77
	Khazana Marketing Private Limited	–	37.77
	Spotme Tracon Private Limited	–	22.66
Rent Paid	Spotlight Vanijya Limited	7.00	6.00
	Rungamattee Trexim Private Limited	3.00	3.00
Rent Received	Mould Equipment Limited	16.18	15.86
Loan Taken during the year	Brabourne Commerce Private Limited	–	53.73
	Rungamattee Trexim Private Limited	–	26.86
	Saurav Contractors Private Limited	–	44.77
	Khazana Marketing Private Limited	–	44.76
	Spotme Tracon Private Limited	–	26.86
Loan Adjusted	Brabourne Commerce Private Limited	695.90	–
	Rungamattee Trexim Private Limited	347.95	–
	Saurav Contractors Private Limited	579.91	–
	Khazana Marketing Private Limited	579.91	–
	Spotme Tracon Private Limited	347.95	–
Shares Allotted	Brabourne Commerce Private Limited	693.45	–
	Rungamattee Trexim Private Limited	351.90	–
	Saurav Contractors Private Limited	579.60	–
	Khazana Marketing Private Limited	579.60	–
	Spotme Tracon Private Limited	351.90	–

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

d) Balance of related parties is as follows: ₹ in Lakhs

Nature of transaction	Ref Note No.	Name of the related party	As At 31st March 2018	As At 31st March 2017
Payable		Mould Equipment Limited	71.50	26.53
Corporate Guarantee given to banks on behalf of		AMCL Machinery Limited	1,800.00	1,800.00
Loan Outstanding	2.15	Chandra Kumar Somany	–	667.92
		Sanjay Somany	–	678.22
		Mukul Somany	–	678.22
		Brabourne Commerce Private Limited	–	695.90
		Khazana Marketing Private Limited	–	579.91
		Spotme Tracon Private Limited	–	347.95
		Rungamattee Trexim Private Limited	–	347.95
		Saurav Contractors Private Limited	–	579.91

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. The Company has provided corporate Guarantees to related parties, as disclosed above, towards their borrowing facilities (refer note 2.34.A.2) and no amount/income is being received by the Company in this regard. For the year ended March 31, 2018, the Company has not recorded any impairment allowances in respect of receivables relating to amounts owed by related parties (March 31, 2017: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

2.39 LEASES

The company has taken certain land on Finance Lease. Carrying Value of Land taken on Lease is ₹ 5056.20 Lakhs (31st March 2017 - ₹ 5121.69 Lakhs).

The Company has acquired certain assets under financial lease, the cost of which is included in the Gross Blocks of Buildings and Vehicles. The lease term is 75 years (Rishikesh and Head Office) and 95 years (In case of Sinnar) for Building. The lease term is 3-5 years for Vehicles, after which the legal title will pass on the Company. The lease has been recognised as an asset at the present value of the minimum lease payments. Minimum lease payments payable in future at the balance sheet date and their present value are as under:

Assets taken under Finance Lease ₹ in Lakhs

Particulars	As at 31st March 2018		As at 31st March 2017	
	Lease Payments	Present Value	Lease Payments	Present Value
Not more than one year	0.50	0.11	0.50	0.12
Later than one year and not more than five years	2.02	0.32	1.99	0.36
Later than five years	40.81	0.53	41.33	0.59

Assets taken under Operating Leases:

Certian office premises, Office equipments and system storage and support are obtained on operating lease. There is no contingent rent in the lease agreements. The lease term is for 1-3 years and is renewable at the mutual agreement of both the parties. There is no escalation clause in the lease agreements. There are no restrictions imposed by lease agreements. There are no sublease and all the leases are cancelable in nature. The aggregate lease rentals are charged as "Rent" in Note '2.30' of the financial statement.

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

₹ in Lakhs

Particulars	Lease Payments	
	31st March 2018	31st March 2017
Not more than one year	164.06	216.74
Later than one year and not more than five years	100.92	173.86
Later than five years	–	–

2.40 The Company is incurring losses since Financial Year 2012-2013 which have resulted in reduction of net-worth. Due to depressed market demand and resultant adverse financial performance, the lenders had restructured the term loans w.e.f. December 2014 and laid stipulations thereof which among other things included moratorium in repayment of installments, infusion of equity by Promoters in various periods and fresh valuation of its assets by a Valuer registered with Institute of Valuers. The company has paid Principal for the quarter ended September 2017 and interest thereon till October 2017. However Principal for the quarters ended December 2017 & March 2018 and interest (comprising interest on Term loan and cash credit) for November / December 2017 to March 2018 aggregating to ₹ 13682.34 Lakhs have not been paid. Letter of Credit and interest for November / December 2017 to March 2018 aggregating to ₹ 3470.82 Lakhs has also not been paid on due dates. Penal interest and other claims aggregating to ₹ 237.17 Lakhs has also not been paid. Subsequently, the lenders have asked for fresh projections of profitability and consequent repayment of loans. The company has submitted such projections to the lenders which are under consideration. The company and its promoters are in the process of regularising the above situations. Considering the ameliorative measures taken by the company, expected improvement in the performance of the Company over a period of time and its asset coverage, the accounts of the Company have been prepared on a going concern basis.

2.41 FINISHED GOODS STOCK AND SALES

₹ in Lakhs

Particulars	Sales *		Closing Stock	
	For the year ended 31st March 2018	For the year ended 31st March 2017	As at 31st March 2018	As at 31st March 2017
Bottles	1,95,512.36	2,05,330.28	24,145.49	32,122.44

* Sales include breakages of bottles.

2.42 RAW MATERIAL CONSUMED

₹ in Lakhs

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Silica Sand	10,488.35	9,687.58
Soda Ash	29,182.35	31,121.90
Cullet	11,412.85	11,388.74
Others	7,765.99	7,380.61
Total	**58,849.54**	**59,578.83**
Excluding Raw Materials Processing / ACL Printing Charges	120.07	115.79

2.43 The Hon'ble Supreme Court vide its order dated 11th November, 2016 has upheld the constitutional validity of levy of Entry Tax. This is being given effect to by the various state governments subject to follow up decisions before various judicial forums and appropriate authorities and the amount of said levy is yet to be determined. Accordingly, the same has not been recognised by the company. In the event of the levy being held sustainable, amount on overall basis in this respect has been estimated to be ₹ 2059 Lakhs (excluding amount of interest if any there against refer note no. 2.34) and the same will be given effect to on determination thereof.

2.44 GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with the insurance companies.

The Company also extends benefit of compensated absences to the employees, whereby they are eligible to carry forward their entitlement of earned leave for encashment upon retirement/separation. This is an unfunded plan.

The Company has a separate Provident Fund Trust (funded) whereby, all the employees are entitled to benefits as per Provident Fund Act / Trust Deed. Any shortfall for the Trust is borne by the Company, hence the same is treated as a defined benefit scheme.

As per Ind AS "Employee Benefits" (Ind AS - 19), the disclosures of Employee Benefits as defined in the Standard are given below:

a) Defined Contribution Scheme

Contribution to Defined Contribution Plan, recognised for the respective years are as under: ₹ in Lakhs

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Employer's Contribution to Provident Fund	456.27	429.06
Employer's Contribution to Pension Fund	370.85	451.94
Employer's Contribution to Superannuation Fund	–	–

The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities during the quarter ended December 31, 2011. The actuary has accordingly provided a valuation and based on the below provided assumptions there is no shortfall as at 31st March 2018; 31st March 2017.

The Company contributed ₹ NIL towards provident fund during the year ended March 31, 2018 (₹ NIL during the year ended March 31, 2017).

The details of fund and plan asset position are given below:

₹ in Lakhs

Particulars	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
Plan assets at year end, at fair value	10,764.25	10,186.83	8,936.85
Present value of benefit obligation at year end	9,889.84	9,835.64	8,926.12
Asset / Liability recognised in Balance Sheet	874.41	351.20	10.73

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

Particulars	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
Fixed Income/Debt Securities	9.05%	9.25%	9.30%
Expected guaranteed interest rate	8.55%	8.65%	8.80%

b) Defined Benefit Plan

The employee's gratuity fund scheme managed by Insurers is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

I. Change in the present value of the Defined Benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

₹ in Lakhs

Particulars	Gratuity Funded		
	2017-18	2016-17	2015-16
Liability at the beginning of the year	3,069.91	2,799.14	3,150.53
Current Service Cost	221.13	215.60	191.25
Curtailment Cost	–	–	(862.18)
Interest Cost	217.10	196.62	170.66
Actuarial (gain)/loss on obligations due to Change in Financial Assumption	(531.05)	120.21	290.09
Actuarial (gain)/loss on obligations due to Change in Demographic assumption	–	–	–
Actuarial (gain)/loss on obligations due to Unexpected Experience	711.60	93.29	169.05
Benefits paid	(508.08)	(354.96)	(310.26)
Liability at the end of the year	3,180.62	3,069.90	2,799.14

₹ in Lakhs

Particulars	Gratuity Unfunded		
	2017-18	2016-17	2015-16
Liability at the beginning of the year	812.17	758.29	507.42
Current Service Cost	68.53	92.04	89.88
Interest Cost	62.51	56.58	40.36
Actuarial (gain)/loss on obligations due to Change in Financial Assumption	(167.02)	50.90	157.56
Actuarial (gain)/loss on obligations due to Change in Demographic assumption	–	–	–
Actuarial (gain)/loss on obligations due to Unexpected Experience	(120.58)	(137.95)	(31.06)
Benefits paid	(2.87)	(7.69)	(5.87)
Liability at the end of the year	652.73	812.17	758.30

₹ in Lakhs

Particulars	Total Defined Benefit Obligations		
	2017-18	2016-17	2015-16
Defined benefit obligation (funded) at the end of the year	3,180.62	3,069.90	2,799.14
Defined benefit obligation (unfunded) at the end of the year	652.73	812.17	758.30
Total Defined benefit obligation at the end of the year	3,833.35	3,882.07	3,557.44

₹ in Lakhs

Particulars	Compensated Absences Unfunded		
	2017-18	2016-17	2015-16
Liability at the beginning of the year	508.73	448.77	551.47
Current Service Cost	250.62	169.83	150.78
Curtailment Cost	–	–	(226.84)
Interest Cost	34.99	30.20	21.47
Actuarial (Gain) / Loss	(182.02)	(47.61)	64.38
Benefits paid	(109.77)	(92.45)	(112.47)
Liability at the end of the year	502.56	508.73	448.79

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

II. Changes in the Fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows:

₹ in Lakhs

Particulars	Gratuity Funded		
	2017-18	2016-17	2015-16
Fair value of plan assets at the beginning of the year	2,984.65	3,058.05	2,518.86
Interest Income	230.12	229.35	214.11
Return on Plan Assets excluding Interest Income	(53.78)	52.20	1.24
Employer contribution	130.65	–	634.08
Benefits paid	(508.08)	(354.96)	(310.26)
Fair value of plan assets at the end of the year	2,783.57	2,984.65	3,058.05

III. Expense recognised in the Statement of Profit and Loss (Under the head "Contribution to provident and other funds" - Refer Note 2.29) and Other Comprehensive Income

₹ in Lakhs

Particulars	Gratuity Funded		
	2017-18	2016-17	2015-16
Current Service Cost	221.13	215.60	191.25
Curtailment Cost	–	–	(862.18)
Net Interest Cost	(13.01)	(32.73)	(43.45)
Expenses recognised in Statement of Profit and Loss	208.12	182.87	(714.38)

₹ in Lakhs

Particulars	Gratuity Funded		
	2017-18	2016-17	2015-16
Actuarial (gain)/loss on obligations due to Change in Financial Assumption	(531.05)	120.21	290.09
Actuarial (gain)/loss on obligations due to Unexpected Experience	711.60	93.29	169.05
Total Actuarial (gain)/losses	**180.55**	**213.50**	**459.14**
Return on Plan Asset, excluding Interest Income	53.78	(52.20)	(1.24)
Net expenses recognised in Other Comprehensive Income	234.33	161.29	457.90

₹ in Lakhs

Particulars	Gratuity Unfunded		
	2017-18	2016-17	2015-16
Current Service Cost	68.53	92.04	89.88
Interest Cost	62.51	56.58	40.36
Expenses recognised in Statement of Profit and Loss	131.04	148.62	130.24

₹ in Lakhs

Particulars	Gratuity Funded		
	2017-18	2016-17	2015-16
Actuarial (gain)/loss on obligations due to Change in Financial Assumption	(167.02)	50.90	157.56
Actuarial (gain)/loss on obligations due to Unexpected Experience	(120.58)	(137.95)	(31.06)
Total Actuarial (gain)/losses	**(287.60)**	**(87.05)**	**126.51**
Return on Plan Asset, excluding Interest Income	–	–	–
Net expenses recognised in Other Comprehensive Income	(287.60)	(87.05)	126.51

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

₹ in Lakhs

Particulars	Compensated Absences Unfunded		
	2017-18	2016-17	2015-16
Current Service Cost	250.62	169.83	150.78
Curtailment Cost	–	–	(226.84)
Interest Cost	34.99	30.20	21.47
Net Actuarial (Gain) / Loss to be recognized	(182.02)	(47.61)	64.38
Expenses recognised in Profit and Loss account	103.60	152.42	9.79

IV. Balance Sheet Reconciliation

₹ in Lakhs

Particulars	Gratuity Funded		
	2017-18	2016-17	2015-16
Present value of the defined benefit obligations at the end of the year	3,180.62	3,069.90	2,799.14
Fair value of the plan assets at the end of the year	2,783.57	2,984.65	3,058.05
Amount Recognised in Balance Sheet	397.04	85.25	(258.91)

₹ in Lakhs

Particulars	Gratuity Unfunded		
	2017-18	2016-17	2015-16
Present value of the defined benefit obligations at the end of the year	652.73	812.17	758.30
Fair value of the plan assets at the end of the year	–	–	–
Amount Recognised in Balance Sheet	652.73	812.17	758.30

₹ in Lakhs

Particulars	Compensated Absences Unfunded		
	2017-18	2016-17	2015-16
Present value of the defined benefit obligations at the end of the year	502.56	508.73	448.79
Fair value of the plan assets at the end of the year	–	–	–
Amount Recognised in Balance Sheet	502.56	508.73	448.79

₹ in Lakhs

Particulars	Gratuity Funded		
	2017-18	2016-17	2015-16
Opening Net Liability	85.25	(258.91)	631.66
Expenses as above	442.44	344.17	(256.48)
Employers Contribution	130.65	–	634.08
Amount Recognised in Balance Sheet	397.05	85.25	(258.91)

₹ in Lakhs

Particulars	Gratuity Unfunded		
	2017-18	2016-17	2015-16
Opening Net Liability	812.17	758.29	507.42
Expenses as above	(156.56)	61.57	256.75
Employers Contribution	(2.87)	(7.69)	(5.87)
Amount Recognised in Balance Sheet	652.73	812.17	758.30

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

₹ in Lakhs

Particulars	Compensated Absences Unfunded		
	2017-18	2016-17	2015-16
Opening Net Liability	508.73	448.77	551.47
Expenses as above	103.60	152.42	9.79
Employers Contribution	(109.77)	(92.45)	(112.47)
Amount Recognised in Balance Sheet	502.55	508.73	448.79

V. Compensated Absences

The actuarial liability of Compensated Absences (Unfunded) of accumulated privileged leave of the employees of the company as at 31st March 2018 is ₹ 430.30 Lakhs (31st March 2017 is ₹ 440.59 Lakhs, 31st March 2016 is ₹ 384.70 Lakhs).

VI. In respect of Gratuity (funded), the funds are managed by the Insurers. Accordingly, the percentage or amount that each major category constitutes the Fair value of total plan assets and effect thereof on overall expected rate of return on asset have not been disclosed.

VII. Principal Actuarial assumptions at the Balance Sheet Date

Particulars	Gratuity Funded		
	2017-18	2016-17	2015-16
Mortality Table	IALM (2006-2008) ULTIMATE	IALM (2006-2008) ULTIMATE	IALM (2006-2008) ULTIMATE
Discount rate (per annum)	7.71%	7.50%	8.00%
Expected rate of return on plan assets (per annum)	7.71%	7.50%	8.50%
Average expected future service (Remaining working Life)	58	58	58
Average Duration of Liabilities	16	16	14
Early Retirement & Disablement (All Causes Combined)			
above age 45	Varying between 8% per annum to 1% per annum depending on duration and age of the employees.		
Between 29-45			
below age 29			
Rate of escalation in salary (per annum)	6.00%	7.80%	7.80%

Particulars	Gratuity Unfunded		
	2017-18	2016-17	2015-16
Mortality Table	IALM (2006-2008) ULTIMATE	IALM (2006-2008) ULTIMATE	IALM (2006-2008) ULTIMATE
Discount rate (per annum)	7.71%	7.50%	8.00%
Expected rate of return on plan assets (per annum)	–	–	–
Average expected future service (Remaining working Life)	58	58	58
Average Duration of Liabilities	21	21	21
Early Retirement & Disablement (All Causes Combined)			
above age 45	Varying between 8% per annum to 1% per annum depending on duration and age of the employees.		
Between 29-45			
below age 29			
Rate of escalation in salary (per annum)	6.00%	7.80%	7.80%

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

The estimates of rate of escalation in salary considered in actuarial valuation taken into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

The contributions expected to be made by the Company for the year 2018-19 is yet to be determined.

VIII. A quantitative sensitivity analysis for significant assumption are as shown below:

a) Gratuity Funded

	2017-18		2016-17	
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 0.5%)	3,067.35	3,302.31	2,945.58	3,204.37
%Change Compared to base due to sensitivity	(3.56%)	3.83%	(4.05%)	4.38%
Salary Growth (-/+ 0.5%)	3,303.10	3,065.67	3,204.37	2,944.35
%Change Compared to base due to sensitivity	3.85%	(3.61%)	4.38%	(4.09%)
Attrition Rate (-/+ 0.5%)	3,184.11	3,177.12	3,068.99	3,070.83
%Change Compared to base due to sensitivity	0.11%	(0.11%)	(0.03%)	0.03%
Mortality Rate (-/+ 10%)	3,195.91	3,165.32	3,070.52	3,069.29
%Change Compared to base due to sensitivity	0.48%	(0.48%)	0.02%	(0.02%)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

b) Gratuity Unfunded

	2017-18		2016-17	
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 0.5%)	618.15	690.38	761.33	868.05
%Change Compared to base due to sensitivity	(5.30%)	5.77%	(6.26%)	6.88%
Salary Growth (-/+ 0.5%)	690.63	617.64	867.40	761.41
%Change Compared to base due to sensitivity	5.81%	(5.38%)	6.80%	(6.25%)
Attrition Rate (-/+ 0.5%)	653.86	651.61	811.44	812.90
%Change Compared to base due to sensitivity	0.17%	(0.17%)	(0.09%)	0.09%
Mortality Rate (-/+ 10%)	657.05	648.42	811.93	812.41
%Change Compared to base due to sensitivity	0.66%	(0.66%)	(0.03%)	0.03%

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

FINANCIAL INSTRUMENTS DISCLOSURE

2.45 CATEGORIES OF FINANCIAL INSTRUMENTS

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2018	As at 31st March 2017
Financial Assets			
Measured at Amortised Cost			
Investments	2.2	0.57	0.57
Long Term Loans	2.3	–	116.50
Deposit with Bank	2.4	2.79	48.59
Trade receivable	2.7	39,459.79	39,997.09
Cash and Cash Equivalents	2.8.A	680.95	532.15
Other Bank Balances	2.8.B	81.33	91.04
Security Deposits	2.4 & 2.10	2,010.10	1,863.86
Loans and Advances to employees	2.9	26.10	18.68
Other Current Financial Assets	2.10	407.18	296.44
Total financial assets measured at amortised cost		**42,668.81**	**42,964.92**
Measured at Fair Value through Profit or Loss			
Investment	2.2		
Non-current		167.42	167.42
Receivable on account of derivative contract	2.4 & 2.10	1,063.39	1,420.24
Total Financial Assets measured at Fair Value through Profit or Loss		**1,230.81**	**1,587.66**
Financial Liabilities			
Measured at Amortised Cost			
Non Current Borrowings	2.15	1,64,758.64	1,88,909.33
Retention Money	2.16	330.46	385.74
Current - Borrowings	2.20	59,753.50	52,856.27
Trade payable	2.21	45,451.00	45,244.04
Current maturities of long term debt	2.22	28,518.53	15,034.77
Interest accrued but not due on borrowings	2.22	4.84	1,061.37
Interest accrued and due on borrowings	2.22	6,027.40	839.75
Unpaid dividend	2.22	0.69	1.50
Other Payables	2.22	2,808.71	3,515.22
Total financial liabilities measured at amortised cost		**3,07,653.77**	**3,07,847.99**
Measured at Fair Value through Profit or Loss			
Liability on derivative contracts	2.22	8.75	–
Total financial liabilities measured at Fair Value through Profit or Loss		**8.75**	**–**

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

2.46 FAIR VALUES

(i) **Class wise fair value of the Company's financial instruments:**

₹ in Lakhs

Particulars	As at 31st March 2018	As at 31st March 2017
Investments (unquoted) in mutual funds	–	–
Non Current Investments, other than investment in subsidiary and joint venture	167.42	167.42
Cross Currency Swap	1,063.39	1,420.24
Derivative Contract	8.75	–

(ii) **Fair value hierarchy**

The following table provides the fair value measurement hierarchy of the Company's assets

₹ in Lakhs

Particulars	Date of valuation	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Quantitative disclosures of fair value measurement hierarchy for assets as at 31st March 2018:				
Assets measured at fair value:				
Investments (quoted) in mutual funds	31st March 18	–	NA	NA
Non Current Investments, other than investment in subsidiary and joint venture	31st March 18	NA	NA	167.42
Liability measured at fair value:				
Derivative Contract - Cross Currency Swap	31st March 18	NA	1,063.39	NA
Derivative Contract - Forward	31st March 18	NA	8.75	NA
Quantitative disclosures of fair value measurement hierarchy for assets as at 31st March 2017:				
Assets measured at fair value:				
Investments (quoted) in mutual funds	31st March 17	–	NA	NA
Non Current Investments, other than investment in subsidiary and joint venture	31st March 17	NA	NA	167.42
Liability measured at fair value:				
Derivative Contract - Cross Currency Swap	31st March 17	NA	1,420.24	NA
Derivative Contract - Forward	31st March 17	NA	–	NA

(iii) **Fair Value Technique**

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between participants at the measurement date. The following methods and assumptions were used to estimate the fair values:

a) The fair value of cash and cash equivalents, trade receivables, trade payables, current financial liabilities and borrowings approximate their carrying amount largely due to the short-term nature of these instruments. The board considers that the carrying amounts of financial assets and financial liabilities recognised at cost/amortised costs in the financial statements approximates their fair values.

b) Fair Value of Long term debt approximates their carrying value subject to adjustments made for transaction cost.

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

c) Investments in liquid and short- term mutual funds are measured using quoted market prices at the reporting date multiplied by the quantity held.

2.47 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial liabilities comprise borrowings, capital creditors and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets include trade and other receivables, cash and cash equivalents, investments at cost/fair value and deposits.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

I) **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and other price risk, such as raw material and fuel price risk . Financial instruments affected by market risk include FVTPL investments, trade payables, trade receivables, etc.

(a) **Foreign currency risk**

The company undertakes transactions denominated in diffetrent foreign currencies primarily in USD and consequently exposed to exchange rate fluctuations. Exchange Rate exposures are managed within approved policy parameters. The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as disclosed under note no. 2.36 above.

Foreign currency sensitivity

The company is principally exposed to foreign currency risks against USD. Sensitivity of profit or loss arises mainly from USD denominated receivables and payables.

As per management assessment of reasonable possible changes in the exchange rate of +/- 5% between USD-INR currency pair, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the period end is presented below:

Particulars	Changes in USD rate	Foreign currency Payable (net)	Effect on profit/(loss) before tax
	%	(₹) in Lakhs	(₹) in Lakhs
As at 31st March 2018			
Weakening of INR	5%	(671.03)	(31.95)
Strengthening of INR	-5%	(607.12)	31.95
As at 31st March 2017			
Weakening of INR	5%	285.59	13.60
Strengthening of INR	-5%	258.39	(13.60)

* The above sensitivity do not include foreign currency risk on borrowings amounting to ₹ 617 Lakhs (31st March 2017 - ₹ 640 Lakhs) which are capitalised with the Property, Plant and Equipment and not charged to Statement of Profit and Loss.

(b) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, excluding cross currency interest rate swap . With all other variables held constant, the Company's profit/(loss) before tax is affected through the impact on floating rate borrowings as follows:

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

Particulars	Increase/decrease in basis points	Effect on profit/(loss) before tax ₹ in Lakhs
As at 31st March 2018		
INR	+50	(763.65)
USD	+50	(253.36)
INR	-50	763.65
USD	-50	253.36
As at 31st March 2017		
INR	+50	(785.64)
USD	+50	(262.91)
INR	-50	785.64
USD	-50	262.91

(c) **Raw Material and Fuel Price Risk**

The company is impacted by the price volatility of certain commodities like raw materials, packing materials and fuel. The Company is impacted by the price volatility of Fuels like Gas, Furnace Oil, etc. To minimize the risk related to fuel price change, the Company uses alternate fuel based on their market prices. The Company swaps and uses alternate fuels based on the cost of energy efficiency and, hence, quantification of sensitivity is not practical. To mitigate the volatility in market price of major raw materials, the company has entered into fixed price contract.

II) **Credit risks**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

Trade receivables

Credit quality of a customer is assessed based on an appraisal of customer creation form and individual credit limits are defined in accordance with this assessment and performance of the customer. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for all the customers. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in Note 2.7. The Company has evaluated the concentration of risk with respect to trade receivables as low, as its customers are located in several geographical locations.

III) **Liquidity Risk**

The Company's objective is to at all times maintain optimum level of liquidity to meet its cash and collateral requirement at all times. The need of the funds of the company are being met by internal accrual and borrowings. The short and medium term requirements are met through the committed lines of credit.

2.48 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in line with changes in economic conditions.To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares or sale assets to reduce debt. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company includes within net debt, interest bearing long term loans and borrowings less cash and cash equivalents.

The capital structure of the Company consists of ₹ 15939.63 Lakhs (Refer Note No. 2.13 & 2.14). The company is not subject to any externally imposed capital requirements.

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

2.49 GEARING RATIO

The Company has long term Debt of ₹ 1,93,277.17 Lakhs as on 31st March 2018 (31st March 2017 : 2,03,944.10 Lakhs). Accordingly the Company has 0.93 gearing ratio as at 31st March 2018 and 0.83 gearing ratio as at 31st March 2017.

Particulars	As at 31st March 2018	As at 31st March 2017
Net Long Term Debt (₹ in Lakhs)	1,92,795.02	1,99,038.08
Total Equity (₹ in Lakhs)	15,939.63	39,802.13
Net Long Term Debt to Value Ratio	0.93	0.83

2.50 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

2.51 These financial statements have been approved by the Board of Directors of the Company on 16th May 2018 for issue to the shareholders for their adoption.

Summary of Significant Accounting Policies 1
Notes on Consolidated Financial Statements 2.1 to 2.51
The notes are an integral part of the Consolidated Financial Statements.

As per our report of even date

For **Doshi Chatterjee Bagri & Co LLP**
Chartered Accountants
FRN : 325197E/E300020

Mridula Jhunjhunwala
Partner
Membership No. 056856
Place : Kolkata
Date : 16th May 2018

For and on behalf of the Board

Sanjay Somany
Chairman and Managing Director
DIN: 00124538

Mukul Somany
Vice Chairman and Managing Director
DIN: 00124625

Bimal Kumar Garodia
Sr. Vice President and
Chief Financial Officer

Ajay Kumar Rai
Company Secretary
& Legal Counsel

Notes to Consolidated Financial Statements as at and for the year ended 31st March 2018

Form AOC - 1

Statement Pursuant to Section 129 (3) of the Companies Act, 2013, read with Rule 5 of Companies (Accounts) Rules, 2014 related to Associate Companies and Joint Ventures

Part - B

Sr. No.	Name of Associates/Joint Ventures	Shares of Associate/ Joint Ventures held by the company on the year end					Profit/(Loss) for the year			
		Latest Audited Balance Sheet date	No of. Shares	Amount of Investment in Associates/ Joint Venture (₹ In Lakhs)	Extend of Holding%	Networth Attributable to shareholding as per latest audited Balance sheet (₹ in Lakhs)	Considered in Consolidation (₹ In Lakhs)	Not considered in Consolidation	Description of how there is significant influence	Reason why the Associate /Joint Venture is not consoli-dated
	Joint Venture									
1	HNG FLOAT GLASS LIMITED	31st March 2018	3,45,93,005	3,459.30	11.23%	4,733.95	950.50	–	By Virtue of Joint Control	–

For and on behalf of the Board

Place : Kolkata
Date : 16th May 2018

Sanjay Somany
Vice Chairman and Managing Director
DIN: 00124538

Mukul Somany
Vice Chairman and Managing Director
DIN: 00124625

Bimal Kumar Garodia
Sr. Vice President and
Chief Financial Officer

Ajay Kumar Rai
Company Secretary
& Legal Counsel

Notes

Corporate Information

CHAIRMAN & MANAGING DIRECTOR
Sanjay Somany
(DIN: 00124538)

VICE CHAIRMAN & MANAGING DIRECTOR
Mukul Somany
(DIN: 00124625)

DIRECTORS
Ratna Kumar Daga- Independent Director
(DIN: 00227746)

Dipankar Chatterji-Independent Director
(DIN: 00031256)

Rita Bhimani- Independent Director
(DIN: 07106069)

SR. VICE PRESIDENT & CHIEF FINANCIAL OFFICER
Bimal Kumar Garodia

COMPANY SECRETARY & LEGAL COUNSEL
Ajay Kumar Rai

AUDITORS
Doshi Chatterjee Bagri & Co. LLP.
Chartered Accountants

Singhi & Co.
Chartered Accountants

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Website : www.hngil.com
E-mail : cosec@hngil.com

CORPORATE IDENTITY NUMBER
L26109WB1946PLC013294

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Phone : (033) 2243-5029
Fax: (033) 2248-4747
Email : mdpldc@yahoo.com

WORKS
• Rishra • Bahadurgarh • Rishikesh • Puducherry
• Nashik • Neemrana • Naidupeta

BANKS / FINANCIAL INSTITUTIONS
Axis Bank Limited
Bank of Baroda
Co-operatieve Centrale Raiffeisen-Boerenleenbank B.A.
(trading as Rabobank International)
DBS Bank Limited
Export Import Bank of India
Edelweiss Asset Reconstruction Company Limited
HDFC Bank Limited
Life Insurance Corporation of India
L&T Finance
Standard Chartered Bank
State Bank of India
Syndicate Bank

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