



# HINDUSTHAN NATIONAL GLASS & INDUSTRIES LTD.

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CIN - L26109WB1946PLC013294



SEC/SE/104

June 22, 2020

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 Ltd.,**  
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(s)/Madam,

**Sub :- Submission of Annual Report for F. Y. 2019-2020 and Notice of 74<sup>th</sup> Annual General Meeting, pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

In terms of Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report of the company for financial year 2019-20 and notice of 74<sup>th</sup> Annual General Meeting of the Company, which is scheduled to be held on Wednesday, 15<sup>th</sup> July, 2020 at 11.00 a.m. through video conferencing (VC) or OAVM (Other Audio Visual Means). Aforesaid Annual Report and Notice is also available on our company's website [www.hngil.com](http://www.hngil.com) and is sent today i.e. 22.06.2020 through electronic mode to the members.

This is for your information and record.

Yours faithfully

For **Hindusthan National Glass & Industries Limited**

**(Lalit Lohia)**  
**Company Secretary**

Encl: as above.





# ANNUAL REPORT 2019 - 2020



## 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](http://www.hngil.com)

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## Directors' Profile

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

Shri Sanjay Somany, aged 62 years, is the Chairman & Managing Director of the Company. 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 oversees 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 post of notable positions in industrial 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 (As on 31.03.2020)**

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

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

Shri Mukul Somany, aged 55 years, is the Vice-Chairman & Managing Director of the Company. Being a second-generation entrepreneur, he holds more than 28 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 The All India Glass Manufacturers' 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 Chairman of Corporate Social Responsibility Committee.

**Directorships held in Other Companies (As on 31.03.2020)**

- Spotlight Vanijya Limited
- AMCL Machinery Limited
- Mould Equipment Limited
- Rungamattee Trexim Private Limited
- Saurav Contractors Private Limited

- Brabourne Commerce Private Limited
- The All India Glass Manufacturers' Federation
- Indian Chamber of Commerce, Calcutta
- Niket Advisory & Trading Company LLP (Designated Partner).

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

Shri Dipankar Chatterji, aged 71 years, is an Independent Director of the Company. He is a Chartered Accountant and the senior partner of L. B. Jha & Co., Chartered Accountants. He is also Former Chairman of the Confederation of Indian Industry, Eastern Region and has been 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 also on 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 (As on 31.03.2020)**

- Mangalore Chemicals and Fertilisers Limited
- Zuari Agro Chemicals Limited
- Zuari Global Limited
- Nicco Parks & Resorts Limited
- Obeetee Textiles Private Limited
- Peerless Financial Services Limited
- The Peerless General Finance & Investment Co. Limited.
- Bengal Peerless Housing Development Company Limited
- Magnum Counsellors Private Limited
- Delphi Management Services Private Limited
- Jagaran Microfin Private Limited
- Neotia Healthcare Initiative Limited.

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

Shri Ratna Kumar Daga, aged 80 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

## Directors' Profile

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 (As on 31.03.2020)

- S.R. Continental Limited
  - Trutools (India) Private Limited
  - LSI Financial Services Private Limited
  - Shankar Estates Private Limited
  - Goenka Leasing & Finance Private Limited
  - Indo Financiers Private Limited
  - N T Estates and Investments Private Limited
  - Innovative Impex Private Limited.
- **Smt. Rita Bhimani (DIN: 07106069)**

Smt. Rita Bhimani is the Founder-CEO of Ritam Communications, a Corporate Public Relations Consultancy firm. A Master's degree holder in Journalism from the University of Georgia, U.S.A, Rita Bhimani is one of the veterans of the Public Relations profession where she has spent 50 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 three books on Public Relations – The Corporate Peacock – New Plumes for Public Relations, FACE up! Tenets, Techniques Trends, of Public Relations in the 21st Century, and PR 2020 : the Trending Practice of Public Relations, released in 2018, with a foreword by Dr Shashi Tharoor. In the same year, a coffee table book authored by her titled The Calcutta School of Music : Symphony Centenary commemorating 100 years of the CSM was released by the Governor of West Bengal. She 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 of this film,

which was directed by award winning film maker Goutam Ghose. It premiered at the Nehru Centre, London. Smt. Rita Bhimani is Vice President of the Ananda Shankar Centre for Performing Arts. She was nominated to the Hall of Fame by the Public Relations Council of India in Bangalore and the Public Relations Society of India, an association with which she is still closely associated and has held various offices, conferred on her the PRSI Leadership Award at the National Conference in 2016. And there was one more award this year: In 2019, the Association of Shipping Interests in Calcutta conferred on Rita Bhimani the Women Achiever Award for "her 50 years of invaluable contribution to the Corporate World." At HNG, she is an Independent Director (who has been re-appointed by Board on 11.02.2020 for a period of 5 years w.e.f 03.03.2020 to 02.03.2025, subject to shareholders approval at 74th AGM) and member of the Corporate Social Responsibility Committee and Nomination and Remuneration Committee.

### Directorships held in Other Companies (As on 31.03.2020)

- Asian Hotels (East) Limited.
  - Robust Hotels Private Limited.
- **Shri Amal Chandra Saha (DIN: 00443348)**

Shri Amal Chandra Saha was born on 02.04.1940. He was educated in the two best colleges of Bengal at that time; Belur Ramkrishna Mission Vidya Mandir and Calcutta Presidency College. He stood 3rd in order of merit in the University of Calcutta in 1959 in Intermediate Arts and graduated in 1961 with honours in Economics from Presidency College, Calcutta. He joined State Bank group in 1964 as a Probationary Officer and was allotted to State Bank of Saurashtra which at that time was a subsidiary of State Bank of India. He served for 28 years in State Bank of Saurashtra, in various capacities and finally became Deputy General Manager in that Bank. At that point of time Shri Amal Chandra Saha was deputed by Central Government to work as General Manager in UCO Bank. The idea was to strengthen the top management of UCO Bank. Shri Amal Chandra Saha worked in that Bank as General Manager for 3 & ½ (Three and half) Years from 1992 to middle of 1995. After that he changed over to Private sector. First he worked as Managing Director of M/s. Khaitan Lefin Pvt Ltd., an NBFC in Sree Krishna Khaitan Group for about 3 years. Then he worked as Financial Advisor to Mr. Subhas Chandra, Chairman of ZEE TV Group of Companies for 6 years from middle of 1999 to middle of 2005.

At HNG, He is an Independent Director and also a member of Audit Committee.

### Directorships held in Other Companies (As on 31.03.2020)

- LSI Financial Services Private Limited.





# Management Discussion and Analysis Report

## Container Glass Industry – Present & Future

The glass bottles and containers market was valued at USD 60.9 billion in 2019, and it is expected to reach a value of USD 77.2 billion by 2025, at a CAGR of 4.03% over the forecast period 2020-2025. Alcoholic Beverages, Food and Pharmaceutical will continue to drive the global glass market. Glass packaging is also witnessing rise for Cosmetics and Fragrance industries, owing to being best packaging alternative for this segment. Asia-Pacific excluding the Japan (APEJ) has the largest demand market, followed by Europe and the Americas. In terms of production too, APEJ is the major producer and exporter of glass containers followed by Europe .

The Asia-Pacific region is expected to register a significant growth rate compared to other nations owing to an increase in demand for pharmaceutical and chemical industries, which prefers glass packaging because of the inert nature of glass bottles. China, India and Australia among others are the prominent nations majorly contributing to the growth of the Asia Pacific glass packaging market.

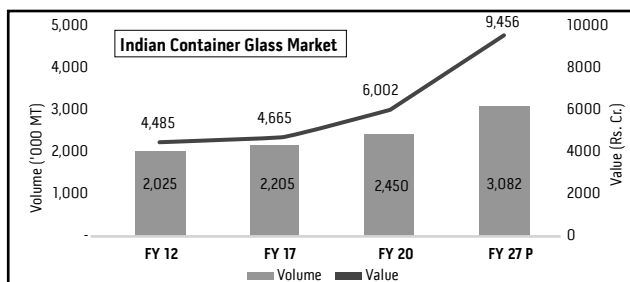
COVID-19 Pandemic outbreak has left the world economy in a precarious situation, badly impacting Productivity. Straining US – China relationship, which was already going through a rough patch due to trade war tussle and also contributed to war some situation. The longer-term impact on container glass industry, with China being a major player, will have implications once the situation becomes clearer.

Premium Food & Beverage brands mostly prefer container glass over other packaging options such as plastics, as glass is sustainable, chemically inert, non-porous and impermeable. Various consumer surveys have also indicated container glass to be the most preferred option as it has a long shelf life and doesn't affect the taste of a product.

Some of the factors of Container Glass Industry, which limits the growth perspective due to volatile prices of Energy and Raw materials, Higher Logistics costs, Issues of Breakage and Growing use of Alternate Packaging like Plastics, Paper and Flexible packaging etc.

## Indian Container Glass Industry

Total size of India container Glass Market is 6000 Cr and same is expected to grow at 7% CAGR to 9456 Cr by F.Y. 27. Current running capacities are in tune of 29 Lacs MT and it is likely to grow at 3.5% CAGR up to F.Y. 27 in spite of the small aberration caused due to COVID-19 pandemic. All the players are likely to take cautious approach towards capacity expansion due to bitter experience in last business cycle in 2012-13.



Demand, Consumption, Capacity Utilization and Profitability of the Container glass players are likely to be impacted in F.Y. 20-21 due to COVID-19 pandemic. Beer and IMFL segment likely to remain flat or grow at a very lower rate due to COVID-19 pandemic after-effect. However, there will be surge in Food and Pharma segment.

## Management Discussion and Analysis Report

### New Opportunity- Restrictions on Plastic Bottle/Alternate Packaging

Besides increasing awareness about the hazards of using alternate packing like PET/Plastic bottles among the public as well as among the government institutions, this Pandemic of COVID-19 has also brought opportunities in positioning glass as the best suited packaging alternative to various segments producing health and wellness products.

This shall boost the demand of processed food industry. Pull demand of Organic food, wellness and nutraceuticals would provide for additional growth in food segment and is thereby a preferential platform for promotion of glass packaging. Life-saving drugs and promotion of Pharmaceutical products would provide for good growth in Pharma segment. It is expected that Government of India will maintain focused approach in boosting this segment. Kerala Government has already moved, to shift 750 ml IMFL to glass packaging from PET (750 ml constitutes 35% of IMFL in Kerala). The above move of Kerala government is expected to have positive influence on other state liquor policies. Such steps will bolster Indian glass bottle market in coming days. Many companies in India have started indicating the willingness to shift from alternate packaging to glass. Parle is in advance stages of launching its regular PET packaged Appy Fizz in glass packaging.

### Challenges

1. COVID-19 Impact on Business Profitability:
  - a. COVID-19 pandemic and subsequent measures including lockdown has badly hit end user consumption as well as container glass production. Raw material prices may witness sudden shoot-up in near future in this changed business economics, which might enforce container glass industry to increase bottle price.
  - b. Higher tax imposition by several states on Liquor / Beer products will pose serious challenge to maintain profitability in changing macro-economic environment.
  - c. Overall F.Y. 20-21 sales volume may decrease.
2. Soda Ash Prices are likely to remain flat owing to demand supply mismatches. As per the information available, most of the manufacturers are sitting on high inventory levels and operating plants at reduced capacities. Demand from Flat glass industry is at all-time low whereas Container glass plants are slowly starting the operation.
3. Indian Rupee has drastically depreciated in last 2-3 months due to slowdown in economic activities due to present COVID-19. It has direct bearing on the import of all chemicals and commodities. However, in last few weeks Government has focused on giving boost to economic activities by announcing Stimulus Packages. Stimulus Packages in conjunction with announcement of opening up the economy has resulted into appreciation of the Rupee against Dollar. It is too difficult to predict the Rs. Movement when covid-19 numbers are increasing at Rapid rate.
4. Uncertainty in Brent Crude prices and its direct impact of Power and Fuel cost in Glass industry. In the last two-three months, it has been in favour of Glass industry. All fuel prices were at their rock bottom level. Once again, Brent crude has started inching towards \$50-60 / bbl make in last few days it has come down to \$40/ bbl.

### Threat

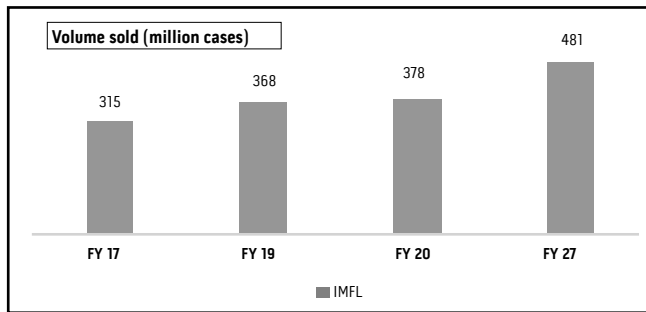
1. Domestic Soda Ash players – RSPL, GHCL & DCW have filed for Anti-Dumping Duty (ADD) imposition against soda ash Imports from Turkey and USA and Anti-Subsidy Duty imposition on Soda Ash against Turkey. Soda is one of the key ingredients for glass bottle production and any imposition of ADD & Anti-subsidy will have direct impact on Company's bottom line.
2. There is a likelihood of Covid cess imposition @ 15% on import of all chemicals in India. This has both positive & negative impact for chemical industry. Government will certainly take cognizance of both aspects before levying such taxation on imports. In case, it happens, it will directly affect bottom-line.
3. Threat from alternate packaging like PET, Multilayer Brick, Metal Cans, etc.

## Management Discussion and Analysis Report

### Sectoral Analysis

#### Liquor

Liquor segment has witnessed a growth of 3% in F.Y. 20 and about 3.5% growth trend is expected to continue in coming years. F.Y. 21 will remain challenging due to COVID-19 pandemic after effects. Whiskey, Brandy and Rum, the top three segments, grew at 2.6%, 2.5% & 2.4% respectively. Dec-Feb provided some impetus to the sales as people consumed more due to the winter.



India remains a whiskey drinking country and consumers prefer drinks made here because of relatively low price tags. Companies, however, are selling more premium drinks aided by a new class of drinkers with more disposable income.

Since Diageo acquired USL more than five years ago, the contribution of the premium segment to its overall sales has gone up to two-thirds from 45-50% in 2014. Diageo's overall net sales in India grew 2% in F.Y. 20 but premium segment went up 5.1% during the quarter to December 2019. Pernod Ricard, reported net sales growth of 5% for the six months ended

December 2019, compared to 24% a year ago.

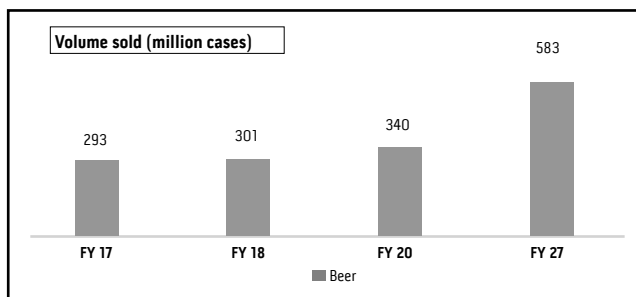
Alcohol consumption in India has doubled in the last 25 years. Focus is going to be more on premium segment apart from increased penetration of routine category to increase per capita consumption in India.

F.Y. 20 sales has been impacted by weaker macro-economic environment, national election, weather condition (flooding) etc. leading to some temporary down trading in India. The brakes on growth come on the heels of a relatively good F.Y. 19.

Share of glass packaging in IMFL is expected to increase due to following factors.

- 1) Premium segments which constitute more than 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 Mass / 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 glass packaging in liquor in phased manner.

#### Beer



The beer market grew 6.9% in F.Y. 20 compared with 5.7% in F.Y. 19. However, the year had remained challenging and the pace was significantly slower than the pre-demonetisation period in 2016, when sales increased 10% annually on an average. Also, last year saw disruptions such as Lok Sabha elections in April-May that also coincided with the Indian Premier League cricket tournament and crucial summer months, which have both historically boosted demand for beer. South India accounted for the largest market share of the India beer market due to hot weather condition. North India and Western India are expected to be the fastest growing markets.

United Breweries and AB InBev that together control three-fourth of India's beer market expect it to grow in single digit for F.Y. 21, dragged by increasing taxation and regulations. Despite a weak volume growth forecast, companies expect higher value growth due to price hikes. Beer consumers now needs to adapt to the new reality, especially in pricing (due to taxes and regulation) and further in F.Y. 20 beer companies expect to continue on the growth trajectory.

However, higher disposable income, rising preference of consumer for low alcohol beverage and increasing youth population is well equipped to adapt to this changed scenario. Drinking in bars is fast becoming a social phenomenon in Metro and Tier 2 cities and same is leading to increased beer consumption. Besides, the rising number of pubs and bars are another factor



## Management Discussion and Analysis Report

which increased beer consumption. Some state governments, for instance Maharashtra, Uttar Pradesh and Kerala, offered separate licenses for beer sale, further boosting growth prospects for the industry.

The beer industry has seen various mergers and acquisitions in India, which has consolidated the Market place and lead to increased Market competition during the last five years, which has led to deep market penetration. For instance, US-based Molson Coors Brewing Company acquiring Mount Shivalik Breweries (Thunderbolt beer manufacturer), Ab InBev acquisition of SAB Miller in 2016. All Leading companies are increasing their manufacturing footprints to ensure product availability to its customer and increases in their market share. Carlsberg and Som distillers have put up capacities in East to increase their penetration in this zone.

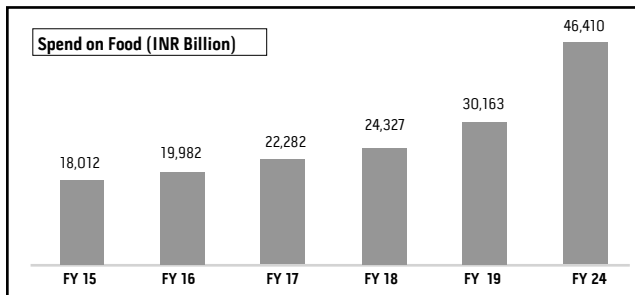
With emergence of Craft Beers, the growth in beer consumption has increased rapidly. B9 Beverages & Simba is leading player in this segment. B9 Beverages with launch of Bira Craft Beer about five years ago, has managed about 5% share in key markets despite the dominance of MNC players and had growth of 15.4% in F.Y. 19. B9 Beverages has raised \$20 million in a bridge round from existing backers Sequoia Capital and Sofina. The fresh funding indeed will boost Bira 91's confidence and growth plan. As per the latest development, the company was looking to launch 40-50 different limited release beers in the next one year.

Due to continuous nationwide lockdown on account of COVID-19 Pandemic, all business houses have been effected, while business of beverage companies have been effected worstly. Due to the shutdown of bars, pubs and alcohol shops, the revenue for such businesses has almost come down to zero for the past two months.

Share of glass packaging in Beer is quite high i.e. 85% and is likely to continue in the future also. Reuse of Old bottles is likely to reduce going forward as the market is mainly led by MNC players. Increase in Manufacturing footprints leads to Increases creation of Glass pool , which ultimately increased Glass bottle demand.

### Food

Spending on food in India is expected to grow at 9-10% CAGR matching the expansion rate in 2019, evolving consumer preferences, rising income & growing rural opportunity. The rural slowdown has bottomed out, demand is expected to stabilise.



F.Y. 21 , growth in rural FMCG revenue will recover to 11-12% from lows of about 9% in F.Y. 20, largely driven by better agriculture GDP growth. Besides, higher spending by the government on rural infrastructure could benefit rural incomes and thereby demand for FMCG product.

Indian organic food market to grow at a CAGR of 20% reaching a value of US\$ 2,091 Million by 2024.

Along with offering profitable business opportunities, the dairy industry in India serves as a tool of socio-economic development.

The private participation in the Indian dairy sector has also increased over the past few years. Both national and international players are entering the dairy industry, attracted by the size and potential of the Indian market. The focus is being given to value-added products such as cheese, yogurt, probiotic drinks, etc. These players are also improving their milk procurement network which is further facilitating the development of the dairy industry in India. Looking forward, the market is expected to reach a value of INR 25,491 Billion by 2025, exhibiting a CAGR of around 16% during 2020-2025.

Share of glass packaging in food segment is 10% and in dairy is 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. Glass offtake in this segment has grown @10% in last fiscal and same is likely to continue in future. Government is pushing the food processing segment aggressively and taking all needful measures to provide impetus to this segment. This will ultimately lead to increase in Glass bottle demand. COVID-19 pandemic impact has further grew awareness for usage of glass packaging for health products.

### Pharmaceuticals

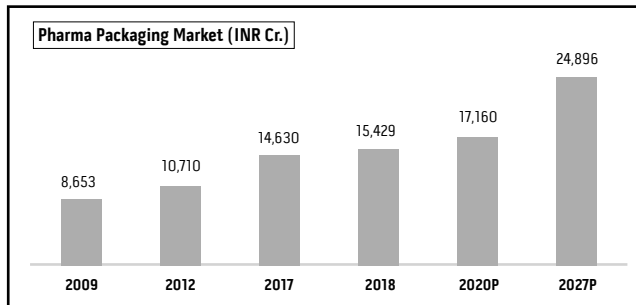
India is the third-largest pharmaceuticals in terms of volume and thirteenth most significant in terms of value as it has a large raw material base and availability of a skilled workforce. Indian pharmaceutical sector is estimated to account for 3.5% of the global pharmaceutical industry in value terms and 10% in volume terms. It is expected to grow to US\$100 billion by

## Management Discussion and Analysis Report

2025. India's domestic pharmaceutical market turnover reached ₹ 1.4 lakh crore (US\$ 20.03 billion) in 2019, growing 9.8 per cent year-on-year (in ₹) from ₹ 129,015 crore (US\$ 18.12 billion) in 2018.

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 F.Y. 19, India exported pharmaceutical products worth US\$ 19.2 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 21% in 2018 and is further expected to fall in future until government brings some regulation to curtail plastic usage in Oral formulations and Suspensions due to plastic ill

effect. Some glass players in India are optimistic about phasing out of plastic usage by this year end and have recently added additional capacity

### Soft Drinks

The market size of carbonated drinks in India is approx ₹ 18,500 crore.

Carbonate Soft Drink (CSD) market is experiencing slowdown driven by availability of healthier alternatives and unfavourable policy decisions.

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 F.Y. 09 to 22% at present and is further expected to decrease.

Glass usage in CSD Business has witnessed a negative growth of 13%. This is in continuation of its trend from 3-4 years and same is likely to continue.

### Cosmetics

Indian Cosmetics market is expected to register 25% growth & likely to touch \$20 billion by 2025 from present \$ 8.5 billion. In comparison, the global cosmetics market is growing at 5.3% CAGR and will reach USD 450 billion 2025. This means that by 2025, India will constitute 5% of the total global cosmetics market and become one of the top 5 global markets by revenue. The Indian retail cosmetics market was valued over \$ 10,441 million in 2018 and is projected to grow at a CAGR of over 16%, to reach around \$ 25,987 million by 2024.

The rising awareness of beauty products, increasing premium on personal grooming, changes in consumption patterns, 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 is expected to grow at 13%. The premium segment is expected to grow at 6.3% per annum.

## Management Discussion and Analysis Report

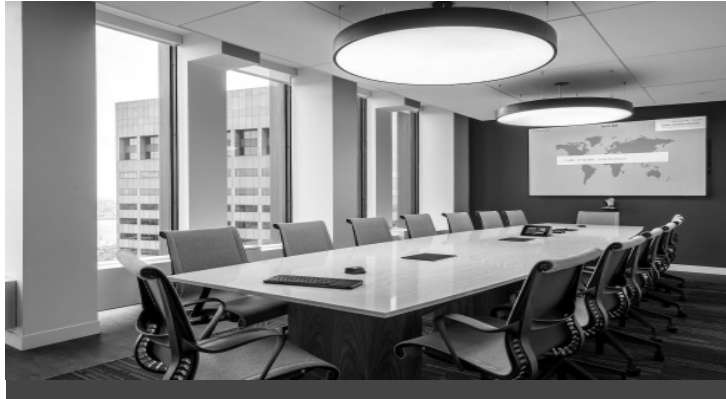
Details of significant changes (i.e. change of 25% or more as compared to the immediately previous Financial Year) in key financial ratios, along with detailed explanations therefor, including:

There has been significant changes in the Financial Ratios of the Company. The key Financial Ratio are as below:-

Particulars	F.Y 2019-20	F.Y 2018-19	Reason for Difference
(i) Debtors Turnover	14.86%	15.83%	Lower due to lower Dispatch
(ii) Inventory Turnover	18.06%	17.99%	Due to increased inventory
(iii) Interest Coverage Ratio	55.77%	-6.06%	Increased realization of Goods Sold & reduction in Power & Fuel Cost.
(iv) Current Ratio	54.96%	62.64%	Due to increase in current maturity of borrowing.
(v) Debt Equity Ratio* and**	-	-	Due to reduction in Networth
(vi) Operating Profit Margin (%)	5.60%	-0.63%	Increased realization of Goods sold & reduction in Power & Fuel Cost.
(vii) Net Profit Margin (%) or sector-specific equivalent ratios, as applicable.	-4.44%	-11.12%	Increased realization of Goods sold & reduction in Power & Fuel Cost.
(viii) details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof.	The Company's Net Worth as per the financials has fallen and is at negative ₹ 12,472 lacs as compared to the previous financial year being ₹ 2155 lacs.		Due to Accrued Losses.

\*Including Current Maturities -5.10% for F.Y. 2019-20 and -0.90% for F.Y. 2018-19.

\*\*Excluding Current Maturities -7.89% for F.Y. 2019-20 and -1.15% for F.Y. 2018-19.



# 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, 2020.

**FINANCIAL HIGHLIGHTS\***

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Gross sales (including excise duty)	228,637	239,194
Profit before interest, depreciation and tax	27,852	23,839
Interest and finance charges	23,317	25,257
Profit/Loss before depreciation and tax	4,535	(1,417)
Depreciation	14,846	15,853
Exceptional Profit	-	9,517
Profit/Loss before tax & after exceptional profit	(10,311)	(17,270)
<b>Profit/Loss for the year (Before Other Comprehensive Income)</b>	<b>(10,303)</b>	<b>(17,295)</b>
Balance brought forward from previous year	(94,938)	(77,660)
Amount available for appropriation	(100,256)	(94,938)
<b>Balance carried forward to the next year</b>	<b>(100,256)</b>	<b>(94,938)</b>

\*figures have been regrouped and rounded off.

**RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS**

During the financial year, your Company reported total income of ₹ 228,637 Lakhs in F.Y. 2019-20 compared to ₹ 239,194 Lakhs in F.Y. 2018-19. Your Company recorded an EBITDA of ₹ 27,852 Lakhs and a net loss of ₹ 10,303 Lakhs during the year under review. During the year, direct export turnover was ₹ 8,992 Lakhs compared to ₹ 14,955 Lakhs for F.Y. 2018-19.

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 do any maintenance of capex and also fails to meet its debt obligation. Your Company is in discussion with the Lenders and is working on various resolution plans and hope to find out a solution acceptable to all stakeholders.

**EFFECT OF COVID-19 PANDEMIC**

The spread of COVID-19 has severely impacted businesses around the globe, including India. There has been severe disruption to regular business operations due to lock-down, disruption in transportation, supply chain and other emergency measures. The Company's offices are under lockdown since 24th March, 2020 and plants are running with curtailed production and manpower as per requisite permission from local administration. As a result the volumes for the month of Mar'2020 and period upto the Board meeting has been impacted. The Company is monitoring the situation closely and operations are being ramped up in a phased

## Board's Report

manner taking into account directives from the Government. The management has considered internal and certain external sources of information up to the date of approval of the financial statements in determining the impact of COVID-19 pandemic on various elements of its financial statements. The management has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates, the management expects to fully recover the carrying amount of inventories, trade receivables, investments and other assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements.

### DIVIDEND & RESERVE

Your Directors do not recommend any dividend for the year ended 2019-20. Further, during the year under review, no amount was transferred to General Reserve.

### ISSUE OF SHARES

The Paid Up Equity Share Capital as at 31st March, 2020 stood at 17,91,07,130 i.e 89553565 equity shares of ₹ 2/- each. The Company has not issued shares with differential voting rights, nor has granted any stock options or sweat equity. As on 31st March, 2020, none of the Directors of the Company, hold instruments convertible into equity shares of the Company.

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 in F.Y. 2017-18 will be locked in for a period of three years.

### SUBSIDIARY COMPANY

As on 31st March, 2020, your Company does not have any Subsidiary Company.

### 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 Rs.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. 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 Lenders 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

Shri Sanjay Somany (DIN:- 00124538) is the Chairman of the Board of Directors w.e.f. 12th August, 2017.

During the year under review, the shareholders at 73rd Annual General Meeting of the Company held on 18th September, 2019, approved appointment of Shri Amal Chandra Saha (DIN:- 00443348) as the Non-Executive Independent Director of the Company for a period of 5 years w.e.f. 18th September, 2019 to 17th September, 2024.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Shri Sanjay Somany (DIN:- 00124538), Chairman and Managing Director of the Company, retires by rotation at the ensuing 74th Annual General Meeting and being eligible, have offered himself for re-appointment. Your Directors recommend his re-appointment, on the basis of recommendations of Nomination and Remuneration Committee.

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 on the Company's website at the link <http://www.hngil.com/report/TermsOfAppointmentofIndependentDirector.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.

## Board's Report

The performance evaluation of the Independent Directors, Chairman and the Non Independent Directors were carried out. The Board of Directors expressed their satisfaction with the evaluation process, on the basis of recommendations from Nomination and Remuneration Committee.

Shri Ratna Kumar Daga (DIN: 00227746), Shri Dipankar Chatterji (DIN: 00031256), Smt. Rita Bhimani (DIN: 07106069) & Shri Amal Chandra Saha (DIN: 00443348) are the Independent Directors of the Company.

The Existing Tenure of Smt. Rita Bhimani (DIN: 07106069) as an Independent Woman Director of the Company ended on 2nd March, 2020. The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail her services as an Independent Director. Accordingly, the Board of Directors of the Company at its meeting held on 11th February, 2020, (based on the recommendation of Nomination and Remuneration Committee at its meeting dated 11th February, 2020), approved her re-appointment as an Independent Director for another tenure of 5 years w.e.f. 3rd March, 2020 to 2nd March, 2025, in accordance with the provisions of Sections 149, 150, 152, read with Schedule IV and any other applicable provisions of the Act and regulations 16(1)(b), 17(1A) and read with other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), subject to approval of shareholders by way of special resolution at ensuing 74th Annual General Meeting of the Company.

### Managerial Remuneration

In reply to our 2 (Two) applications for payment of remuneration exceeding the limits provided in Schedule V of Companies Act, 2013, pertaining to F.Y. 2015-2016 to F.Y. 2017-2018 for Executive Directors namely Shri Sanjay Somany, Chairman & Managing Director (DIN:- 00124538) and Shri Mukul Somany, Vice-Chairman & Managing Director (DIN:- 00124625), the Central Government after taking reference of the Notification No. S.O. 4823 (E) dated 12th September, 2018 has abated both of our pending applications vide its letter No. SRNG35818194/4/2017-CL-VII and SRNG35820075/4/2017-CL-VII, both dated Tuesday, 9th October, 2018. Through such letters, the Central Government have also given directions that, the onus of compliance with the provisions of the Companies Act, 2013 as amended vide the Companies (Amendment) Act, 2017, lies with the Company.

As per opinion received from Central Government, Shri Sanjay Somany, Chairman & Managing Director (DIN:- 00124538) and Shri Mukul Somany, Vice-Chairman & Managing Director (DIN:- 00124625), have refunded the excess remuneration received by them under section 197 read with Schedule V of the Companies Act, 2013, in F.Y. 2015-16, F.Y. 2016-17 and full remuneration for F.Y. 2017-18 to the Company, during the F.Y 2019-20. The Company duly noted the same.

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

- A. Nomination & Remuneration Policy.
- B. Board Evaluation Policy.

Shri Lalit Lohia was appointed as Company Secretary w.e.f. 5th February, 2019 and continuing till date.

Shri Bimal Kumar Garodia is acting as Chief Financial Officer of the Company since 26th April, 2008 and continuing till date.

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

SI 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 Lalit Lohia	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, 2020, 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, 2020 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.



## Board's Report

- 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, including any till date amendments, the Company has uploaded the details of unpaid and unclaimed amounts lying with it on the Ministry of Corporate Affairs website.

Equity shares in respect of which, the dividend for the year 2011-12 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 F.Y. 2019-20, along with Its annexures 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>.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Corporate Social Responsibility Committee has been formulated and comprises of Shri Mukul Somany (Chairman), Shri Sanjay 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/POLICYONCORPORATESOCIALRESPONSIBILITY.pdf>

### DEBT MANAGEMENT

During the year under review, the continuous higher financial leverage and lower profitability plagued the financials of the Company. To reduce the leverage, Company has been continuously exploring various options for raising fund including equity/debt or enter into joint venture. Earlier the application made by one of the strategic Investor for entering into a Joint Venture with Company got invalidated by Competition Commission of India (CCI). However the Company had subsequently discussed with some other new lenders and also approached the existing lenders for extension of One Time Settlement (OTS) as per the Agreement entered in September' 2018.

On 5th March' 2019 one of the lender had initiated proceedings in National Company Law Tribunal (NCLT), Kolkata Bench under section 7 of the Insolvency and Bankruptcy Code, 2016. However on 2nd April, 2019 Hon'ble Supreme Court has quashed the RBI's circular on Resolution of Stressed Assets – Revised Framework dated 12th February, 2018.

An Application for withdrawal under Rule 11 of the NCLT Rules, 2016, on behalf of the said lender was filed before the NCLT. The Withdrawal application was taken up for hearing on 30.07.2019 and was allowed by giving permission to withdraw the application without prejudice to the right proceed against the Company.

## Board's Report

Thereafter, the same lender filed fresh application before the National Company Law Tribunal (NCLT), Kolkata Bench on 13th August, 2019 under section 7 of the Insolvency and Bankruptcy Code, 2016. The matter was last heard on 17th February, 2020. One more lender has filed application on 13th January, 2020. Further due to ongoing pandemic situation, no hearing/further hearing has been scheduled so far. The matter being subjudice, the Company has not given any effect of resolution plan in the financial statements.

The discussion with the Lenders is still going on and the resolution process of the same is under discussion between the Lenders and the Management of the Company.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis under Schedule V read with Regulation 34(3) of the SEBI (Listing Obligations & Disclosures Requirement) Regulations 2015 has been presented in a separate section and forms part of this Annual Report.

### CONSOLIDATED FINANCIAL STATEMENTS

During the year under review, the Company has no subsidiary and/or joint venture and/or associate Company and accordingly, your Company is not required to prepare consolidated financial statements, including Form AOC-1 for F.Y. 2019-20.

### 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 address business risks is comprehensive and includes periodic review, mitigating controls and reporting mechanism.

Since, your Company is not among top 500 listed companies based on market capitalisation as on 31st March, 2020, constitution of Risk Management Committee is not required, in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with till date amendments.

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. The Company has a robust Management Information System (MIS), which is an integral part of the control mechanism.

### AUDITORS AND AUDITORS' REPORT

#### Statutory Auditors

As per amendments to the Companies Act, 2013 and rules made therein and as per 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 Annual General Meeting (AGM) and therefore, approval of the shareholders is not sought at the ensuing AGM for our joint Statutory Auditors namely:-

- A) M/s. Doshi Chatterjee Bagri & Co. LLP, Chartered Accountants (Firm Registration Number 325197E/E300020), who were appointed as the Statutory Auditors of the Company, to hold office from the conclusion of 71st Annual General Meeting until the conclusion of the 76th Annual General Meeting.
- B) M/s. JKVS & Co., (Formerly M/s. Jitendra K. Agarwal & Associates) Chartered Accountants (Firm Registration No. 318086E), who were appointed as the Joint Statutory Auditor of the Company, to hold office from the conclusion of 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

## Board's Report

### Auditors Report

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

- a) Attention is being drawn to para 3 of the Independent Auditors Report regarding Basis for Qualified Opinion. The clarification of the same is provided in Note No. 2.13.8.D of the Accounts.
- b) Attention is being drawn to para 4 of the Independent Auditors Report regarding Basis for Qualified Opinion. The clarification of the same is provided in Note No. 2.38 of the Accounts. The Company and its promoters are in process regularising the situation. The Company has prepared its accounts on going concern basis.

### 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 2019-20. The Secretarial Audit for the financial year ended 31st March, 2020, along with self-explanatory qualifications/observations, is annexed herewith and marked as "Annexure II" to this report.

### DISCLOSURES

#### Audit Committee

The Audit Committee comprises of 3(three) Independent Directors namely Shri Ratna Kumar Daga (Chairman and Independent Director), Shri Dipankar Chatterji (Member and Independent Director) & Shri Amal Chandra Saha (Member and Independent Director) and 1 (One) Executive Director, namely Shri Mukul Somany as member. All the recommendations made by the Audit Committee were accepted by the Board, during the financial year 2019-20.

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 Amal Chandra Saha*	Member
4	Shri Mukul Somany	Member

\*Shri. Amal Chandra Saha has been appointed as Audit Committee Member w.e.f 13th August, 2019.

#### 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 (MGT-9)

As required under Section 134(3)(a) of Companies Act, 2013 read with till date amendments, the Annual Return(i.e. MGT-9) for Financial Year 2019-20 is put up on the Company's website and can be accessed at [http://www.hngil.com/downloads/Annual%20Return%20\(MGT-9\)%20for%20the%20FY%202019-20.pdf](http://www.hngil.com/downloads/Annual%20Return%20(MGT-9)%20for%20the%20FY%202019-20.pdf)

#### 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 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.

## Board's Report

### Remuneration from Subsidiary

Since the Company has no Subsidiary, this is not applicable.

### 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 enclosed herewith and marked as "Annexure III".

### 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 F.Y. 2020-21 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 F.Y. 2019-20, 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 May, 2020

## 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 (KMP) 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, KMP and employees of the Company and 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 Chairmen & Managing Directors (VC & MD) and Executive Director (ED), evaluating the VC & MD's and ED's performance in light of those goals and objective 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's 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 Companies Act, 2013 and Listing Agreement, as may be amended from time to time, shall have the meaning respectively, assigned to them therein.

## Annexure I to the Board's Report

### 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 frame work 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 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 frame work 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:-

- (a) 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;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
- (c) 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, KMP 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, KMP 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 Chairman & Managing Director and 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, 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 KMP and other employees

The policy on remuneration for KMP (other than Chairman & Managing Director and 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 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, in consistent 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 maybe 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.

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#### 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 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 Board.
- 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 there sources 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 ascertain 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 intervention 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, 2020

[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, 2020 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, 2020 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;
- v) 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, 2018;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (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, 2018; (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.

## Annexure II to the Board's Report

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

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 during the Audit period:

- (i) In the meeting held on 12th March, 2020, the Board of Directors of the Company has approved raising of Debt Funds of an amount not exceeding Rupees Two Thousand Crore by way of Secured/Unsecured Debentures and Third Party financing, which is within the borrowing limit approved by the shareholders of the Company under section 180(1) (c) of the Companies Act, 2013.
- (ii) In the meeting held on 12th March, 2020 the Board of Directors of the Company has approved issue of further 90,00,000 equity shares of the company to the identified existing lenders subject to the approval of the shareholders and other statutory compliances.
- (iii) In previous year State Bank of India has filed a petition under Rule 7 of the Insolvency and Bankruptcy Code 2016 read with Rule 4 of the Insolvency and Bankruptcy Application to Adjudicating Authority Rules, 2016 against the Company before the National Company Law Tribunal, Kolkata Bench. The matter is pending before the Bench.

Place: Kolkata  
Dated: 25th May, 2020

**BABU LAL PATNI**  
*Company Secretary in practice*  
FCS No : 2304  
C.P. No. : 1321  
UDIN : F002304B000275051

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 II to the Board's 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.

Place: Kolkata  
Dated: 25th May, 2020

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

## Annexure III to the Board's Report

### BUSINESS RESPONSIBILITY REPORT

#### About the Report

The Business Responsibility Report of Hindusthan National Glass & Industries Limited ("HNG") follows the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' as notified by Ministry of Corporate Affairs (MCA), Government of India. This Report has been developed as per SEBI notification SEBI/LAD-NRO/GN/2019/45 that extends the requirement of submitting BRR as a part of annual reports to top 1000 listed companies based on market capitalization. It covers topics across environment protection, human rights, governance and stakeholders Relationships, community contributions to disclose the responsible business practices undertaken by HNG.

#### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sl. No.	Particulars	Details
1.	Corporate Identity Number (CIN) of the Company	L26109WB1946PLC013294
2.	Name of the Company	Hindusthan National Glass & Industries Limited
3.	Registered address	2, Red Cross Place, Kolkata- 700 001
4.	Website	<a href="http://www.hngil.com">www.hngil.com</a>
5.	E-mail id	<a href="mailto:cosec@hngil.com">cosec@hngil.com</a>
6.	Financial Year reported	2019-2020
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacturer of Glass Container (Code:- 23103)
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Container Glass*
9.	Total number of locations where business activity is undertaken by the Company	i) Number of National Locations:-7 (Seven) ii) Number of International Locations (Provide details of major 5):- NIL
10.	Markets served by the Company	India and some other Countries.

\*We have only one business segment i.e. Container Glass.

#### SECTION B: FINANCIAL DETAILS OF THE COMPANY

Sl.No.	Particulars	Details
1.	Paid up Capital (INR)	17,910,7130
2.	Total Turnover (INR)	22,863,681,215
3.	Total profit after taxes (INR)	(1,030,473,125)
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company has suffered losses in the previous financial year as well as in the current financial year therefore; no expenditure was incurred on CSR activities.
5.	List of activities in which expenditure in 4 above has been incurred.	Not applicable. As The Company has suffered losses in the previous financial year as well as in the current financial year, therefore; no expenditure was incurred on CSR activities.

#### SECTION C: OTHER DETAILS

Sl. No.	Particulars	Details
1.	Does the Company have any Subsidiary Company/ Companies?	As on 31 <sup>st</sup> March, 2020 the Company does not have any subsidiary
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not Applicable
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities. [Less than 30%, 30-60%, More than 60%]	Not Applicable

## Annexure III to the Board's Report

### SECTION D: BR INFORMATION

#### ▪ Details of Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies:-

No.	Particulars	Details
1	DIN Number (if applicable)	00124538
2	Name	Shri Sanjay Somany
3	Designation	Chairman & Managing Director

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	00124538
2	Name	Shri Sanjay Somany
3	Designation	Chairman & Managing Director
4	Telephone number	033-2254-3100
5	e-mail id	ssomany@hngil.com

#### ▪ Principle-wise (as per NVGs) BR Policy/policies

a) Details of compliance

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies	Y	Y*	Y	Y	Y	Y	Y*	Y*	Y
2	Has the policy being formulated in Consultation with the relevant stakeholders?	Y	Y*	Y	Y	Y	Y	Y*	Y*	Y
		The policies have been formulated in consultation with the Management of the Company.								
3	Does the policy conform to any National / international standards? If yes, specify? (50 words)	Y	Y*	Y	Y	Y	Y	Y*	Y*	Y
		The policies that have been formulated are in line with the applicable national standards and compliant with the principles of the National Voluntary Guidelines (NVG) issued by the Ministry of Corporate Affairs Government of India.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y*	Y	Y	Y	Y	Y*	Y*	Y
		The Code of Conduct for Board of Directors and Senior Management, Corporate Social Responsibility Policy, Whistle Blower Policy, Quality Policy, Environment Policy, HR policy and Procedures Manual and other statutory policies have been approved by the Board. The relevant policies are administered by the Departmental Heads who report to the Management of the Company who is responsible for monitoring policy implementation.								

## Annexure III to the Board's Report

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
5	Does the Company have a specified Committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y*	Y	Y	Y	Y	Y*	Y*	Y
	Shri Sanjay Somany, Chairman and Managing Director is the BR Head and responsible for implementation of BR policies and to oversee the BR performance.									
6	Indicate the link for the policy to be Viewed online?	Y	Y*	Y	Y	Y	Y	Y*	Y*	Y
	The policies can be viewed on the website of the Company at <a href="http://www.hngil.com">www.hngil.com</a> .									
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y*	Y	Y	Y	Y	Y*	Y*	Y
8	Does the Company have in-house structure to implement the policy/ policies.	Y	Y*	Y	Y	Y	Y	Y*	Y*	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y*	Y	Y	Y	Y	Y*	Y*	Y
	The query regarding BR policies can be sent to <a href="mailto:cosec@hngil.com">cosec@hngil.com</a> .									
10	Has the company carried out independent audit/ evaluation of the working of this policy by an Internal or External agency?	Y	Y*	Y	Y	Y	Y	Y*	Y*	Y
	HNG has carry out Internal Audit intensively and the Audit Committee reviews such reports through its regular meetings. Apart from these, in this F.Y the Company has availed services of external agencies for GST Audit, Internal Financial Control Reports, Impairment Study, Tax Audit, Secretarial Audit and Statutory Audit.									

Values related to Business Sustainability, Environment Betterment, protection of Human Rights including business principles 2,7 and 8 are already practiced in its wide aspects, at HNG, since its foundation in the year 1946. Our Age as a Company and our Brand Image in itself speaks for us. Our Vision, Quality policy, Environment policy and other statutory policies, already covers major portions of principles of sustainability in its wide aspects. In fact, our product i.e. glass bottle is infinitely 100% recyclable which is most sustainable packaging material and is prime example of circular economy.

## Annexure III to the Board's Report

▪ **Governance related to BR:-**

- I. **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

The Board of Directors reviews the BR performance of HNG annually.

- II. **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published.**

Yes, the Business Responsibility Report has been published along with the Annual Report of HNG for Financial Year 2019-20 and it can be viewed at [www.hngil.com](http://www.hngil.com).

### SECTION E: PRINCIPLE-WISE PERFORMANCE

#### Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

- **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

Hindusthan National Glass & Industries Limited has place "Code of Conduct for Director's and Senior Management" in its website and such policy deal with Accountability, Transparency and Ethics. The Code guides the Directors and senior management personnel to conduct themselves in professional, courteous and respectful manner.

Further Whistle Blower Policy/ Vigil Mechanism is also in place, which provides opportunity to all stakeholders to report any concerns/issues/incidents about unethical behavior, actual or suspected fraud or violation of the code of conduct or policies. This policy ensuring the ethical dealing with their stakeholders.

- **How many stakeholder complaints have been received in the past financial year and what percentage the management satisfactorily resolved? If so, provide details thereof, in about 50 words or so.**

The Vigil Mechanism Policy serves as a mechanism for its Directors and employees to report any genuine concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct. However, during the Financial Year, 2019-2020 the Company did not received any complaint from its stakeholders to the above codes.

#### Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

- List up to three of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

Light weighting of below SKUs -Leading to reduced Raw Material, Fuel and CO<sub>2</sub> Emissions levels and Increased Cullet usage through Imports & Local Sourcing to Maximize Glass Recycling, Reduced Mineral usage & optimized Energy Usage:-

(a) 650 ML THUNDERBOLT

(b) 375ML CELEBRATION SLW

(c) 750 ML SIGNATURE

- For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain.

LIGHT WEIGHTING SKUS	Annual Saving		
	CO <sub>2</sub> (MT)	Raw Material (MT)	Energy (MWH)
650 ML THUNDERBOLT	532	506	684
375 ML CELEBRATION SLW	419	332	449
750 ML SIGNATURE	178	150	203

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year.

- Price reduction as gains are shared between the parties.

## Annexure III to the Board's Report

- Better distribution of Glass in Container leading to improved productivity at customer line, thereby improving their Utility consumptions.
- Does the Company have procedures in place for sustainable sourcing (including transportation)?
  - (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.
 

35-40% Cullet Usage – Recycled Glass for glass container production in HNG. This is leading to saving of natural resource (raw material for glass production like Sand, Soda Ash, Mineral etc.) as well as reduction in melting energy. HNG extensively uses Inland Waterways and Coastal Shipping to move Silica sand from Gujarat region to Haldia / Rishra Plant. Lesser emissions levels and effective cost optimization. 80% of the Rishra sand is transported through Coastal Shipping.

100% Natural soda usages in our plants in Rishra, Naiduepta and Pondicherry. 30% Natural soda usage in Nashik Bahadurgarh and Rishikesh.

Bulk shipment of soda ash from USA to HNG – South and East plant. This avoids frequent truck movement from Gujarat region to Rishra , Naidupeta and Pondicherry – Reduced Carbon footprint.

Besides this sustainable sourcing practice is further boosted by following strategies adopted by our Company:
- Raw Material & Fuel supply contract with competent suppliers.
- Natural Soda Ash sourcing from USA & Turkey. Natural Soda is environment friendly with no water pollution and carbon footprint.
- Bhuj sand usage leading to saving of natural resource. It was earlier being dumped at the site as Overburden of Kaolin production.
- Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?
  - (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?
    - For services like contract manpower supply, we use local service agency and recruit local manpower. Packing Material is mainly sourced locally. Depending on the availability of raw material proximity to the plant, we prefer to use local vendors.
    - Repair and maintenance activity is primarily rewarded to local vendors.
    - Local transporters are preferably used for distribution of bottles.

### STEPS TAKEN:

- Financial assistance has been given to some of these suppliers. Many times they have been provided vendor advance/credit and loans as per need. e.g.
  - o Cullet Processing plant Naidupeta & Pondicherry.
  - o Mineral Processing & Fuel Processing Plant in Haldia.
  - o Processing plant set up – Allahabad & Bhuj – Long term supplies & Consistency.
  - o Lab Set up at Allahabad & Bhuj.
  - o Mineral Storage Facility at Haldia – Third Party tie ups.
- On some occasions we have conducted capacity and capability enhancement project by implementing Kaizen and lean practices.
- On some occasions training regarding Good Manufacturing Practices, Kaizen etc has been provided for achieving higher productivity.
- Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

## Annexure III to the Board's Report

We use recycled glass bottle approx. 35-40% for fresh glass container production. We procure market broken glass bottles as well as use defective / broken glass bottle internally generated.

### Principle 3: Businesses should promote the well being of all employees

Sl. No.	Particulars	Details
1.	Please indicate the Total number of employees.	6082*
2.	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	1770
3.	Please indicate the Number of permanent women employees.	7
4.	Please indicate the Number of permanent employees with disabilities.	1
5.	Do you have an employee association that is recognized by management?	Yes, there are 12-employee association.
6.	What percentage of your permanent employees is members of this recognized employee association?	1284

#### \* 6082 employees consist of Staff -991, Permanent Workman – 2027, Contract Workman – 3064

- Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

- What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

No.	Particulars	Details
(a)	Permanent Employees	73%
(b)	Permanent Women Employees	71%
(c)	Casual/Temporary/Contractual Employees	93%
(d)	Employees with Disabilities	100%

### Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

- Has the Company mapped its internal and external stakeholders? Yes/No**  
Yes, the Company has mapped its key internal and external stakeholders.
- Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.**  
Yes, the Company has identified the disadvantaged, vulnerable & marginalized stakeholders.
- Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**  
The Company builds a lasting relationship with all the stakeholders, internal and external, through meaningful discussions. This process helps us review the actions, rethink the roadmaps, redress grievances and recognize new venues of growth and address the issue raised by different stakeholders on time to time basis.

### Principle 5: Businesses should respect and promote human rights

- Does the policy of the company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

## Annexure III to the Board's Report

The Company remains committed to respect and protect human rights. The Company's Code of Conduct & Ethics and the HR policies and processes adequately addresses these aspects. All the employees are treated in a just, fair and equal manner. This practice extends across the HNGIL Group of Companies.

- **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

The Company has not received any complaints in the last financial year.

### Principle 6: Business should respect, protect, and make efforts to restore the environment

- **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

It extends to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.

- **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

To address the same we are procuring Glass cullet , importing natural Soda, Producing light weight bottle, recycling waste shrink film, Mechanism for water recycling, all this leads to reduction in wastage of natural resource, carbon footprint, energy saving etc and ensure climate is safe and global warming is reduced. We do not maintain webpage in this reference.

- **Does the Company identify and assess potential environmental risks? Y/N**

Yes

- **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

Yes we have conducted several light weight items project amounting to annual saving of approx 2,500 MT CO<sub>2</sub> emission, 2,400 MT raw material saving and approx 3,100 MWH energy saving.

- **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

We are using energy efficient fuel at our units. We are exploring possibility of using solar energy – Roof top with OPEX and CAPEX model in some of our plants.

- **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes

- **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

There is one notice from Haryana State Pollution Control Board is pending. It is not related to the main plant but it is in respect of Jhajjar road water tank where cullet washing is going on for last 30 years. The official reply is yet to be submitted though we have had a discussion verbally with the issuing department.

### Principle 7

- **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with :-**

(i) All India Glass Manufacturers Federation.

(ii) Indian Chamber of Commerce Calcutta.

(iii) Confederation of Indian Industries.

- **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

Yes.



## Annexure III to the Board's Report

ANTI –DUMPING DUTY AND ANTI SUBSIDY ON SODA ASH – REPRESENTATION THROUGH AIGMF.

Some domestic Soda Ash players like DCW, GHCL & RSPL have filed for Anti-Dumping Duty (ADD) & Anti-subsidy imposition against soda ash Imports. We have taken the matter through AIGMF to take counter measure initiatives.

### Principle 8: Businesses should support inclusive growth and equitable development

▪ **Does the Company have specified programs/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

- Long term agreement with party to take supplies post its facility upgrade.
- Providing advances / payment to vendors based on their needs apart from routine payment – as & when required basis.
- Flexibility with our customer for account receivable.
- Vendors, contractors close to our units have been given business opportunity.
- Contract Purchase agreement with vendors for mutual growth and stability.
- Price rise / cut understanding with vendors / customers as per change in business environment.
- Light weighting of glass bottles is inclusive growth for both customer and HNG.

▪ **Are the programs/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

- Blanket Contract execution with Soda Ash suppliers have led to stable and sustainable long term partnership.
- Major initiative by Company to recruit GETs, Technical supervisor etc locally across all the Company units which is drive to ensure social well-being.
- Light weight Glass Bottle Project to ensure inclusive growth of customer along with us.

▪ **Have you done any impact assessment of your initiative?**

- This initiative has ensured long term partnership with suppliers. The suppliers have understood that we as a Company have policy of inclusive growth, which has boosted their confidence in doing business with us.
- Many local stakeholders have either employment or business with our Company, which has led to great amount of confidence and trust, in the way we do our business and has long-term soothing societal impact.
- Customers are getting lightweight bottles from us, which is leading to profitability enhancement, and ensuring better shareholder return on investment.

▪ **What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

- We have reputed high school at Bahadurgarh unit for all local resident.
- Our Company has also established school nearby our Naidupeta plant.
- Company has established Park in Kolkata and routine maintenance is taken care of.

▪ **Have you taken steps to ensure that the community successfully adopts this community development initiative? Please explain in 50 words, or so.**

Yes, it has been ensured. Regular monitoring, controlling, maintenance and change activity is in place to ensure successful adoption of these community programs.

School performance, Teacher's efficiency, School maintenance, Building maintenance, Park routine maintenance program is regular activity ensuring complete adoption by community for these programs.

### Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

▪ **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

## Annexure III to the Board's Report

The Company believes in appropriately addressing and resolving customer complaints/consumer cases, at the earliest and in a manner that will satisfy all parties involved. As the end of the financial year 2019-2020, the percentage of unresolved complaints, when compared to the size of the Company, was negligible. However, given the size and nature of the Company's business, it is practically impossible to assign an arithmetical number thereto.

- **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)**

N.A.

- **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

There were no cases against the Company in relation to unfair trade practices, irresponsible advertising and/or Anti-competitive behavior during the past five years and there are no pending cases as on March 31, 2020.

- **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

Consumer survey/Consumer satisfaction survey is being conducted periodically to assess the consumer satisfaction levels.

## 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	62	B. Com. Dip. In Diesel Engg. 39 years	01.10.2005	Chairman and Managing Director (To Manage the affairs of the Company on day to day basis)	Nil	Glass Equipment (India) Ltd. (Managing Director)	3.48
2	Shri Mukul Somany	55	B. Com (Hons.) 32 years	01.10.2005	Vice Chairman and Managing Director (To manage the affairs of the Company on day to day basis)	Nil	None	4.49

#### 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

The median remuneration of employees of the Company during the financial year was ₹ 4.50 lakh (INR) and percentage increase in median remuneration is 0.67%.

- a. Numbers of permanent employees on the rolls of the Company: Staff-991, Permanent Workmen-2027 as on 31st March, 2020.
- b. There is no increase in the remuneration paid to Executive and Non-Executive Directors.
- c. Ratio of remuneration of Shri Sanjay Somany and Shri Mukul Somany to median remuneration of employees are '0','0' respectively.
- d. Affirmation that the remuneration is as per the remuneration policy of the Company – Yes

## Annexure IV to the Board's Report

### 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	Equity Shares held	Whether relative of any Director or Manager of the Company
1	VINAY SARAN	PRESIDENT - MARKETING	8996000	BSC & MBA	33 Years	12th February, 2007	54	Inoarama Synthetics Ltd as GM - Marketing	Nil	No
2	BIMAL KUMAR GARODIA	PRESIDENT & CFO	8901000	CA, ICWAI, ICSI	28 Years	26th April, 2008	52	Bajaj Eco-Tec Products Limited as VP - Finance & Company Secretary	5	No
3	AJAY KR. RAI	SR. VP - SMC	7080000	B. Tech - Mechanical	25 Years	2nd February, 2012	45	Baxter India Private Limited as Plant Manager	Nil	No
4	SOMNATH SENGUPTA	SR. VP - MANAGEMENT AUDIT	6879000	BSC (Hons), ICWA, CA	30 Years	1st July, 2011	55	Eveready Industries as GM - Internal Audit	Nil	No
5	ALOK TAPARIA	VP - FINANCE	5820000	ICWA, CA	24 Years	20th August, 2003	45	Vikrant Alloys and Forgings Private Limited as Head (OMG)	Nil	No
6	PAWAN KUMAR SHARMA	SR. VICE PRESIDENT	5508000	B.E-Mechanical, MBA,	25 Years	17th July, 1995	44	Started career with HNGIL	Nil	No
7	SHIV RAJ BANSAL	VP - COMMERCIAL	5508000	CA, M.Com	36 Years	1st February, 2011	60	Motherson Sumi Ltd as VP	Nil	No
8	ASOK KUMAR DE	AVP - GLASS	4500000	B Tech in Chemical Engineering	27 Years	5th March, 2020	53	Borosil Renewables Ltd., Bharuch	Nil	No
9	AJOY KUMAR CHAKRAVARTI	SR. VP - OPERATIONS	4950000	B. Tech - (Electrical)	34 Years	12th November, 2012	55	UAL Industries Ltd as VP - Operations	Nil	No
10	SHAILENDRA KUMAR MISRA	SR. VP - MARKETING	4313000	B.Sc, PGDBM	24 Years	21st March, 2011	48	Sharp Industries Ltd as VP - Sales & Mktg	Nil	No

## 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 Directors' Report for the year ended March 31, 2020.

#### 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
<b>Rishra</b>	<ol style="list-style-type: none"> <li>By doing insulation, reduced Furnace#1 energy from 1190 to 1150 Kcal/kg.</li> <li>Optimized Furnace combustion with dual fuel-FO &amp; Pet coke to reduce melting energy cost.</li> <li>Higher percent cullet (45% against earlier 30%) has been used in Fur 1 reducing melting energy by 20 Kcal/Kg per day.</li> <li>3-stage centrifugal compressor (centac-3) fine-tuned and being used for VHP air, resulting in stoppage of 3 no's VHP Compressors of lower output. Energy saving of 4500 Units/Day achieved.</li> <li>VFD compatible motor along with VFD, installed in MCB # 63 in place of old slip ring fixed speed motor. Energy Saving 300 Units / Day Achieved.</li> </ol>
<b>Bahadurgarh</b>	<ol style="list-style-type: none"> <li>Fur#3 is running consistently with 380+-ton output to get best energy efficiency.</li> <li>Fur#4 regenerator cleaning on daily basis to remove any blockage.</li> <li>MCB-33 Motor and starter replaced by squirrel cage induction motor and VFD, (Approx. Saving 700 units per day).</li> <li>Regular monitoring and bidding through IEX. (Saving 128 lacs year).</li> <li>700 Convention lights replaced by Led light (Saving 300 Units per day) 06 Nos of shrink machines heaters have been controlled by installing thyristor. (Saving ~600KWH/day).</li> </ol>
<b>Rishikesh</b>	<ol style="list-style-type: none"> <li>Energy efficient motors (IE4) already ordered for Mould Cooling Blower which will save 400 to 500 Kwh / Day.</li> <li>Installation of water bath vaporiser is saving 2000 Kwh per day.</li> <li>Installation of mechanical type auto drain valve (Zero air loss) is saving 400 Kwh per day.</li> <li>Power purchase gain through IEX is ₹ 97.44 Lacs annually.</li> <li>Replacement of indoor 250 Watt mercury lamp with 40 Watt LED lamp led to saving of 36.75 KWH/day.</li> <li>Modification in compressed air dryers-1 and 2 condensers outlet water flow resulted in saving 1000-1200 KWH/day due to better heat transfer from refrigerant to cooling water and reduction in compression load on compressors.</li> <li>Oil burner nozzle diameter increased for better flame geometry &amp; heat penetration in molten bath. Regular monitoring &amp; controlling of burner angle for optimized fuel consumption.</li> </ol>
<b>Sinnar</b>	<ol style="list-style-type: none"> <li>Optimum utilization of MSEDCL power by close monitoring of the maximum demand, to accrue the load factor incentive. Load factor maintained at 86.08%, leading to a saving of ₹ 493 lacs per annum.</li> <li>First time, the melter firing of the Furnace no. 12 was done with LPG in place of Furnace Oil for 68 days due to lower rate per kcal leading to an annualized saving of ₹ 52.97 lacs and actual saving of ₹ 9.87 lacs (68 days).</li> <li>Started the operation of the Furnace on Lambda mode after replacement of the Oxygen probe leading to saving in energy of nearly 2%.</li> </ol>

## Annexure V to the Board's Report

Plant	Initiatives & Developments
	<ol style="list-style-type: none"> <li>4. Identified &amp; reduced <math>\Delta P</math> across compressor dryers leading to annual saving of ₹ 13.50 lacs by cleaning the Heat exchanger once, in every quarter.</li> <li>5. Ergonomic layout of the F12 Packing line machineries has resulted in elimination of extra drives &amp; motors and a saving of ₹ 5.32 lacs per annum, by way of reduction in consumption of electricity.</li> <li>6. Load of booster transformer of Furnace 10 connected from existing transformer of Furnace 12 to avoid any production losses during shutdown leading to a saving of ₹ 8.00 lacs per annum.</li> </ol>
<b>Naidupeta</b>	<ol style="list-style-type: none"> <li>1. Power purchased through IEX platform led to saving of ₹ 99.3 Lacs.</li> <li>2. The power factor of the grid power supply has been increased &amp; maintained above 0.997.</li> <li>3. 99 nos. of indoor Metal Halide lamps of 250 watts was replaced with 72 watt LED lamps leading to power savings of ₹ 5.58 Lacs / year.</li> <li>4. Electrical Heatless LP Gas vaporiser installed leading to savings of ₹ 19.9 L annually.</li> </ol>
<b>Pondicherry</b>	<ol style="list-style-type: none"> <li>1. CNC Oven Area Mould changed into Thyristor Logic as against the Contactor logic (Saving of 25 Units/days).</li> <li>2. Shrink Wrap Machine - 4 heaters has been controlled by thyristor (Saving of 45 Units/day).</li> <li>3. Maintained the Power factor of grid supply always above 0.995 to obtain the maximum incentive.</li> <li>4. Ceramic welding of port wall is done for improving the life of Furnace.</li> <li>5. Foundry Annealing furnace changed into Thyristor logic control which is maintained till date.</li> <li>6. Cooling Tower blow down waste water is being recycled through STP process and same water is utilized in Sand plant operation.</li> <li>7. MS buckets replaced with PVC bucket to reduce the load and minimize the sand elevator breakdowns &amp; increase the life of belts.</li> <li>8. Cullet screen and crusher system made operational ensuring uniform size of cullet.</li> </ol>

## 2. RESEARCH AND DEVELOPMENT

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

Plant	Initiatives & Developments
<b>Rishra</b>	<ol style="list-style-type: none"> <li>1. Usage of mixed cullet (10%) in case of Amber glass &amp; 30% in case of Green glass due to non-availability of amber &amp; green cullet. This also reduces the batch cost.</li> <li>2. Furnace#6 was rebuilt in Sep-2015 to run for 3 years. It is running now for more than 4.5 years with preventive maintenance and timely repair.</li> </ol>
<b>Bahadurgarh</b>	<ol style="list-style-type: none"> <li>1. Iron in glass at Furnace#3 was brought to semi-cosmetic quality (less than 700ppm Fe<sub>2</sub>O<sub>3</sub>).</li> <li>2. Potash, Felsdpar and borax added in glass in specific proportions to improve glass leaching characteristics and brilliancy.</li> </ol>
<b>Rishikesh</b>	<ol style="list-style-type: none"> <li>1. Furnace # 8 is being operated in challenging condition in view of poor condition of Melter crown and Regenerator checker sagging and choking. Broken checker is being removed daily to make passage for incoming air and outgoing gases during last five months.</li> <li>2. Major maintenance &amp; alignment with fixtures carried out on Line 74 modules to improve the consistency and reduce downtime &amp; defects.</li> <li>3. Line 74 All plunger mechanism metal hoses replaced with new developed Silicon hoses for increased life of hose &amp; thereby reduction in downtime &amp; defects.</li> <li>4. New light weight neck ring mechanism installed on line 74 for defect reduction.</li> <li>5. Water drip pan installed on line 74 scoop to reduce water spillage from delivery on to the machine sections.</li> </ol>

## Annexure V to the Board's Report

Plant	Initiatives & Developments
<b>Sinner</b>	<ol style="list-style-type: none"> <li>1. Ceramic welding of Furnace no. 10 was done to enhance the life of the furnace by incurring an expenditure of ₹ 12 lacs.</li> <li>2. Modification of the LPG &amp; LNG pipelines done to run the fuel independently in both the furnaces by incurring an expenditure of ₹ 20 lacs.</li> </ol>
<b>Pondicherry</b>	<ol style="list-style-type: none"> <li>1. In NNPB blow mould, 3rd row verti flow holes added to increase Mould cooling.</li> <li>2. Machine 91, 4.25 TG to 6.25 DG conversion made in AIS Machine.</li> <li>3. All South based beer products converted from Blow and Blow process to NNPB process with customer approval. Weight reduction from 420 gms to 390 gms.</li> <li>4. In batch House, LHS Hydramixer , Screw with paddle conveyor changed into Simple Belt conveyor for easy operation and better control.</li> <li>5. Glass level indicator installed in LHS side also to have better control.</li> <li>6. Line -92 Lehr end outfeed conveyor connection extended to line -91 to utilize the existing M-CAL and Multi inspection machine in ONLINE control.</li> </ol>

### 3. FUTURE PLANS OF ACTION

Plant	Initiatives & Developments
<b>Rishra</b>	<ol style="list-style-type: none"> <li>1. Cold repair of F2 to improve energy consumption and productivity.</li> <li>2. Ceramic welding of Furnace#6 to extend the life of the Furnace.</li> <li>3. Plan for using renewable energy (Solar Energy).</li> </ol>
<b>Bahadurgarh</b>	<ol style="list-style-type: none"> <li>1. Plan to replace 3 stage Centac compressors with 2 stage to save energy.</li> <li>2. Plan to replace CC-01 Motor and starter by squirrel cage Induction motor with VFD (Potential saving of about 700 KWH/day).</li> <li>3. 600 lights to be replaced by Led Lights -Potential saving of about 300 KWH/day.</li> <li>4. Replacement of opaque sheet with transparent sheet in cycle stand- Potential saving of about 3200 KW/year.</li> <li>5. Regular monitoring and bidding through IEX -To derive maximum benefits for sourcing energy from IEX.</li> <li>6. Proposal to install 1500 KW of roof top solar power to reduce energy dependency on conventional system.</li> <li>7. Modification planned for spiral ducting of Furnace# 5 blower system during Furnace rebuilt.</li> <li>8. Cold repair of Furnace #4 with more glass holding capacity to improve glass quality and also output.</li> <li>9. Sand grain size control- +30mesh to be made nil for reduction of energy and eliminate chance of silica knots in bottles.</li> </ol>
<b>Rishikesh</b>	<ol style="list-style-type: none"> <li>1. Fur# 8 rebuild to be planned to get desired pull and fuel efficiency.</li> <li>2. Installation of Automatic Power Factor Control to improve power factor and minimise losses.</li> <li>3. New motors for CENTAC centrifugal compressor with soft starter.</li> <li>4. Upgradation of VFD in MCBs.</li> <li>5. Installation of energy efficient motors on Reciprocating compressors.</li> <li>6. Installation of new suitable screw compressor along with refrigerated type air dryer for VHP air (instrument air) supply.</li> <li>7. Line 71 Major maintenance activity, alignment, with plunger hose replacement &amp; water drip pan installation.</li> <li>8. Locally manufactured water cooled gob tubes to be installed on line 71 to avoid spillage of water on machine to reduce downtime &amp; defects.</li> </ol>

## Annexure V to the Board's Report

Plant	Initiatives & Developments
<b>Sinnar</b>	<ol style="list-style-type: none"> <li>1. Planned to install a separate cooling blower for cooling the main conveyor by modification of the ducting in F-10.</li> <li>2. Captive solar power generation in the Plant.</li> <li>3. Energy efficient motor 250 KW to be installed for mould cooling blower.</li> <li>4. LED lights to be provided in place of HPIT lamps, will lead to saving of 1,100 units per day.</li> <li>5. Air compressor pipelines to be modified for both HP &amp; LP lines to achieve energy saving of minimum 1,200 units per day.</li> </ol>
<b>Naidupeta</b>	<ol style="list-style-type: none"> <li>1. Ceramic welding planned to extend the furnace life.</li> <li>2. Side wall line fixing for extended life of the furnace.</li> <li>3. Optimize usage of cooling blowers.</li> <li>4. Replacement of Sodium Vapour lamps with LED lamps.</li> <li>5. Usage of solar power to be explored.</li> </ol>
<b>Pondicherry</b>	<ol style="list-style-type: none"> <li>1. Exploring the Usage of LNG in place of Furnace oil for Furnace operation.</li> <li>2. Exploring the installation of dedicated 22 KV Power supply in place of mixed feeder power supply to have better power control and reduce the Power failures.</li> <li>3. Line -92 Conversion planned for DG to TG to cater the Pharma markets in south region and exports.</li> <li>4. Automation of Booster cooling system with VFD control.</li> <li>5. Bulk Palletisation of beer products in south region customers.</li> <li>6. Automatic Cut-off system of FO pump in day tank operation.</li> </ol>

#### 4. EXPENDITURE ON R & D

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

#### 5. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

➤ Stable NNPB operation

#### 6. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign exchange earnings and outgo are detailed below:

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Earnings in foreign exchanges	3,427	7,698
Expenditure incurred in foreign exchanges		
Raw Materials	15,871	26,836
Components, Spare parts and Repairs	910	866
Capital Goods	7	69
Other Expenses	1,465	1,492

For and on behalf of the Board

Place : Kolkata  
Date : 28th May, 2020

**Sanjay Somany**  
Chairman & Managing Director  
(DIN: 00124538)





# 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 fulfilment of stated goals and objectives.

During the financial year 2019-20, the Company kept its commitment towards the required norms and disclosures on Corporate Governance under Securities and 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, 2020 is given below.

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

- 2 (Two) are Promoters, Executive Directors and Equity Investors.
- 4 (Four) are Independent Non-Executive Directors including 1 (One) Woman Independent Non-Executive Director.

- The Chairman of the Company is a promoter, Executive Director.

\*\*Shri Amal Chandra Saha (DIN: 00443348), aged 79 years, who was appointed as an Additional Non – Executive Independent Director on the Board w.e.f. 26.04.2019, has been appointed as Independent Non – Executive Director vide Special Resolution passed at 73rd Annual General Meeting of the Company held on 18th September, 2019.

## 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 2019-20		Directorship in other companies <sup>^</sup>	Number of Board Committees in which he is Chairman/ Member#			Name of Listed entities where the Person is a director and the category of Directorship
		Board	AGM		Chairman	Member	Total	
Shri Sanjay Somany (Promoter)	(Chairman & Managing Director) Executive	5	Yes	3	Nil	Nil	Nil	Hindusthan National Glass & Industries Limited (Executive Director) Spotlight Vanijya Limited (Executive Director)
Shri Mukul Somany (Promoter)	(Vice Chairman & Managing Director) Executive	5	Yes	3	1	1	2	Hindusthan National Glass & Industries Limited (Executive Director) Spotlight Vanijya Limited (Executive Director)
Shri Ratna Kumar Daga	Independent, Non-Executive	5	Yes	1	Nil	Nil	Nil	Hindusthan National Glass & Industries Limited (Non-Executive Independent Director)
Shri Dipankar Chatterji	Independent, Non-Executive	5	Yes	8	5	3	8	Hindusthan National Glass & Industries Limited (Non-Executive Independent Director) Manglore Chemicals and Fertilizers Limited (Non-Executive Independent Director) Zuari Agro Chemicals Limited (Non-Executive Independent Director) Zuari Global Limited (Non-Executive Independent Director) Nikko Park & Resorts Limited (Non-Executive Independent Director)
Smt. Rita Bhimani*	Independent, Non-Executive	5	Yes	1	Nil	Nil	Nil	Hindusthan National Glass & Industries Limited (Non-Executive Independent Director) Asian Hotel (EAST) Limited (Director)
Shri Amal Chandra Saha**	Independent, Non-Executive	5	Yes	Nil	Nil	Nil	Nil	Hindusthan National Glass & Industries Limited

<sup>^</sup> 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 (excluding Membership/Chairmanship in Committees of the Board of the Company for which, this report has been prepared).

## Report on Corporate Governance

\*Smt. Rita Bhimani (DIN: - 07106069), aged 74 years, is a Non Executive Independent Woman Director of the Company, who has been re-appointed for another term of 5 (Five) Years w.e.f. 3rd March, 2020 to 2nd March, 2025 vide recommendation of Nomination and Remuneration Committee and approval of Board at its respective Meetings, both held on 11th February, 2020, subject to approval of shareholder at ensuing 74th Annual General Meeting.

\*\* Shri Amal Chandra Saha (DIN: 00443348), aged 79 years, who was appointed as an Additional Non – Executive Independent Director on the Board w.e.f. 26.04.2019, has been appointed as Independent Non – Executive Director vide Special Resolution passed at 73rd Annual General Meeting of the Company held on 18th September, 2019.

- Shri Sanjay Somany, Chairman & Managing Director and Shri Mukul Somany, Vice Chairman & Managing Director, are brothers. Other Directors are not related to one another
- **Details of equity shares of the Company held by the Directors as on March 31, 2020 are given below:-**

Name	Category	Number of equity shares
Shri Sanjay Somany	Executive Director, Non Independent	3112865
Shri Mukul Somany	Executive Director, Non Independent	4021370
Shri Ratna Kumar Daga	Non-Executive Independent Director	Nil
Shri Dipankar Chatterji	Non-Executive Independent Director	Nil
Smt. Rita Bhimani	Non-Executive Independent Director	Nil
Shri Amal Chandra Saha	Non-Executive Independent Director	Nil

- **Board meetings held during the year :**

In the financial year 2019-20, 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.	17th May, 2019	April 2019 - June 2019	6
2.	13th August, 2019	July 2019 - September 2019	6
3.	13th November, 2019	October 2019- December 2019	6
4.	11th February, 2020	January 2020- March 2020	6
5.	12th March, 2020	January 2020- March 2020	6

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.

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.

- **Availability 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 11th February, 2020 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.

## Report on Corporate Governance

- **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>

- **Expertise and Competence of the Board of Directors**

The Company has a balanced and diverse Board. The Non-Executive Directors including Independent Directors on the Board are well qualified, experienced, competent and renowned persons from the fields of container glass manufacturing, finance, banking, taxation, economics, law and governance etc. They take active part at the Board and Committee Meetings, by providing guidance and expert advice to the Board and the Management, on various aspects of business, policy direction, governance, compliance etc. and play critical role on strategic issues, which enhances the transparency and add value in the decision making process of the Board.

Briefly, the expertise of Board are:-

**Shri Sanjay Somany & Shri Mukul Somany** are leaders in the organized Indian container glass market. Having gained more than 26 years of experience in such manufacturing industry, they become an acknowledged experts in glass business. Shri Mukul Somany is an expert in finance as well as marketing fields also. Both of them are managing day to day affairs of the Company.

**Shri Ratna Kumar Daga** has a vast experience in the fields of engineering, finance and economics. He advise Board and Committee in such fields.

**Shri Dipankar Chatterji** is a renowned Chartered Accountant and an expert in the fields of finance, taxation, accounts & laws. He is one of the guiding force behind its accounting functioning and financial growth.

**Smt. Rita Bhimani** is the veteran of public relations and expert in the area of Human Resources. She advise Board in such fields.

**Shri Amal Chandra Saha** is a veteran banker with his rich experience in the fields of banking sector; the Company is strengthening its base in banking skills.

Please refer Page No.1 & 2 of this Annual Report for more details on profile of each Directors.

- **The Board has confirmed that Independent Directors of the Company fulfil the conditions specified in these regulations and are Independent of the management.**

- **During the Financial Year 2019-2020, none of the Independent Director has resigned from the Company before the expiry of his tenure.**

### 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. This terms of reference were revised in F.Y. 2019-20 to make them in line with requirements of SEBI (LODR) 2015.

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.

## Report on Corporate Governance

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 F.Y. 2019-20, 9 (Nine) meetings of the Audit Committee were held and the attendance of each member of the Committee are given below.

- **Dates of meetings:**

17th May, 2019	22nd July, 2019	13th August, 2019	13th November, 2019
2nd December, 2019	3rd January, 2020	29th January, 2020	11th February, 2020
17th March, 2020			

Members of the Audit Committee have the requisite financial and management expertise. The Chairman of the Audit Committee attended the 73rd Annual General Meeting of the Company.

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

Designation	Members	Category	Number of meetings held	Number of meetings Attended
Chairman	Shri Ratna Kumar Daga	Non-Executive, Independent Director	9	9
Member	Shri Dipankar Chatterji	Non-Executive, Independent Director	9	9
Member	Shri Amal Chandra Saha (w.e.f 13th August, 2019)*	Non-Executive, Independent Director	6	6
Member	Shri Mukul Somany	Executive Director	9	5

\*appointed as a Member of the Audit Committee w.e.f 13th August, 2019.

The Chairman of the Board, Chief Financial Officer, Internal Auditor, Statutory Auditor and other Senior Officials are invited to attend the meetings, as and when required.

The Company Secretary & Compliance Officer 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 2019-20, 2 (Two) meetings of the Nomination & Remuneration Committee were held on:

26th April, 2019	11th February, 2020
------------------	---------------------

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

## Report on Corporate Governance

Designation	Members	Category	Number of meetings held	Number of meetings Attended
Chairman	Shri Ratna Kumar Daga	Non-Executive, Independent Director	2	2
Member	Shri Dipankar Chatterji	Non-Executive, Independent Director	2	2
Member	Smt. Rita Bhimani	Non-Executive, Independent Director	2	1

- 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 2019-20**

- 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 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 2019-20 are as follows:**

(In ₹)

Directors	Business relationship with HNG	Sitting fees (INR)	Commission	Total (INR)
Shri Ratna Kumar Daga	None	2,55,000.00	--	2,55,000.00
Shri Dipankar Chatterji	None	2,55,000.00	-	2,55,000.00
Smt. Rita Bhimani	None	1,10,000.00	-	1,10,000.00
Shri Amal Chandra Saha#	None	1,90,000.00	--	1,90,000.00
<b>Total</b>		<b>8,10,000.00</b>		<b>8,10,000.00</b>

# Shri Amal Chandra Saha has been appointed as an Additional Non-Executive Independent Director of the Company, w.e.f 26th April, 2019, later on he has been appointed as an Independent Non-Executive Director of the company vide Special Resolution passed at 73rd Annual General Meeting of the Company held on 18th September, 2019.

- To Executive Directors**

The details of remuneration paid to Executive Directors, during F.Y. 2019-20, 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	-	-
Provident fund	-	-
Perquisites	-	-
Commission	-	-
Others* Club fees and Car Fuel	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note :**

- 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 accrued losses during the financial year 2019-20, no commission was paid to Executive/Non-Executive Directors of the Company.

## Report on Corporate Governance

- 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, two meetings were held as on 13th November, 2019 and 11th February, 2020.

Designation	Members	Category	Number of meetings held	Number of meetings Attended
Chairman	Shri Ratna Kumar Daga	Non-Executive, Independent Director	2	2
Member	Shri Sanjay Somany	Executive Director	2	2
Member	Shri Mukul Somany	Executive Director	2	2

#### Terms of Reference -

The Committee mainly looks into the matters of Shareholders/Investors grievances. Shri Lalit Lohia, Company Secretary is 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 F.Y. 2019-20 and there was no investor grievances during the year under review also.

### 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 Roles and Responsibilities of the Committee are as follows:

- To frame the CSR Policy and to review the same, time to time.
- To ensure effective implementation and monitoring of the CSR activities, as per the approved policy.
- To ensure compliance with the various laws, rules and regulations.
- The Committee shall identify any one or more of the activities, as specified in the policy and as may be approved by the Government 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. Treasury Management Committee

This is a non – mandatory Committee as per requirements of SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 or previous listing agreement. However, this Committee was constituted on 09.05.2005 for smooth functioning of business and banking activities.

## Report on Corporate Governance

Total strength of the Treasury Management Committee: **Four**

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

The Roles and Responsibilities of the Committee are as follows:-

- i) To borrow for and on behalf of the Company, various types of loans, both secured and unsecured loans, either in foreign currency or Indian currency.
- ii) To affix Common Seal of the Company on the facility documents.
- iii) To delegate authority to execute relevant documents and to do such other acts, deeds and things, that may be necessary or incidental in relation to availing such facilities, provided by various Banks / Financial Institutions.

During the year under review, 5 (five) meetings were held on 14<sup>th</sup> May, 2019, 20<sup>th</sup> June, 2019, 13<sup>th</sup> August, 2019, 13<sup>th</sup> November, 2019 and 16<sup>th</sup> January, 2020

### 8. Subsidiary

As on 31st March, 2020, the Company does not have any Subsidiary.

### 9. 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>

### 10. 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
73rd Annual General Meeting	CII-Suresh Neotia Centre of excellence for leadership, DC-36, Sector – I, Salt lake city, Kolkata - 700 064	Wednesday, 18th September, 2019	10:00 a.m.
72nd Annual General Meeting	CII-Suresh Neotia Centre of excellence for leadership, DC-36, Sector – I, Salt lake city, Kolkata - 700 064	Tuesday, 18th September, 2018	10:00 a.m.
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.

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

Shareholders' Meeting	Special Business requiring Special Resolution
73rd Annual General Meeting	1. Appointment of Shri Amal Chandra Saha as an Independent Director
72nd Annual General Meeting	1. No Special Resolution was passed.
71st Annual General Meeting	1. Issuance of Equity Shares to the Promoters on Preferential Basis.

### Extra-Ordinary General Meeting and Postal Ballot

In the F.Y. 2019-20, no extra-ordinary general meeting was held and no resolution was passed through Postal Ballot.



## Report on Corporate Governance

### 11. 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 2.36 of Notes on Financial Statements in the Annual Report.

During the last three years, there were no restriction 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 2019-20, the Company did not make any public or right issue.

The Financial Statements for 2019-20 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, 2020. Such certificate is enclosed to this report.

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, 2020. A declaration in this connection from Chairman & Managing Director and Vice Chairman & Managing Director is enclosed to this report.

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.

Disclosures of transactions of Hindusthan National Glass & Industries Limited with any person or entity belonging to the promoter/promoter group, which hold(s) 10% or more shareholding in the listed entity, in the format prescribed in the relevant accounting standards for annual results.

(Amount in ₹)

Name of Person or Entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding	Percentage Shareholding as on 31st March, 2020	Type of Transaction During the Year	Amount of Transaction During the Year
Spotlight Vanijya Limited	18.09	Interest Accrued for NCD	72,876,713
		Loan Taken during the year- NCD	1,00,000,000
		Loan Taken during the year- ICD	70,200,000
Brabourne Commerce Private Limited	24.29	-	-

For more details, Kindly refer note no. 2.36 Financial Statement for year ended 31st March, 2020.

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

## Report on Corporate Governance

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

### 12. 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). 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 .

### 13. General shareholder information

<b>Incorporation</b>	The Company was incorporated in Calcutta, in the Province of Bengal, on February 23, 1946.
<b>Corporate Identification Number (CIN)</b>	L26109WB1946PLC013294
<b>Date, time and venue/Mode of AGM</b>	<b>Wednesday, 15<sup>th</sup> July 2020, at 11.00 A.M.</b> through Video Conferencing (VC) or Other Audio Visual Means (OAVM)
<b>Financial calendar (Tentative)</b>	April 2020 to March 2021
1st quarter results by	2nd week of August, 2020
2nd quarter results by	2nd week of November, 2020
3rd quarter results by	2nd week of February, 2021
4th quarter results by	3rd / 4th Week of May, 2021
<b>Date of Book Closure</b>	8 <sup>th</sup> July,2020 to 15 <sup>th</sup> July, 2020 (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:cseadm@cnseindia.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 2020-21 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.

## Report on Corporate Governance

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 given below:

### At BSE Limited

Month	High (in ₹)	Low (in ₹)	Volume (shares)
April, 2019	88.90	76.50	9466
May, 2019	86.95	66.10	7545
June, 2019	69.80	27.45	42953
July, 2019	29.40	17.35	49699
August, 2019	25.35	20.50	6196
September, 2019	43.30	21.50	40711
October, 2019	42.00	29.45	22593
November, 2019	37.00	27.55	11678
December, 2019	36.25	25.25	15845
January, 2020	40.15	30.20	5980
February, 2020	38.80	32.55	5415
March, 2020	35.10	27.30	4613

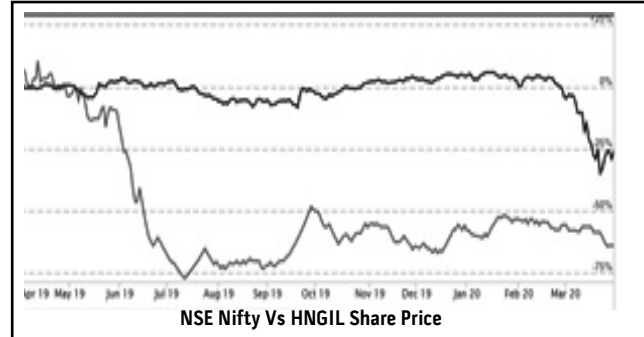
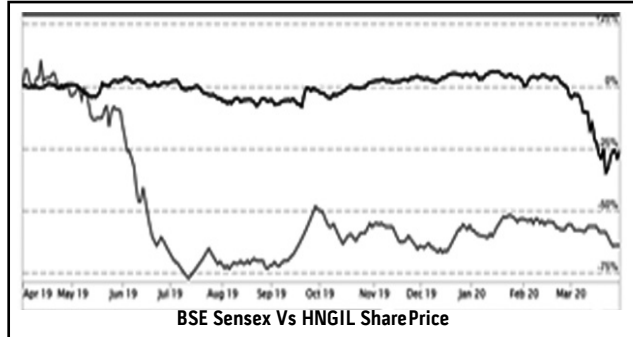
Source: [www.bseindia.com](http://www.bseindia.com)

### At National Stock Exchange of India Limited

Month	High (in ₹)	Low (in ₹)	Volume (shares)
April, 2019	88.20	77.10	27,210
May, 2019	79.80	64.80	49,928
June, 2019	68.00	27.05	2,30,648
July, 2019	28.80	17.10	1,59,001
August, 2019	Nil	Nil	Nil
September, 2019	41.90	27.00	29,483
October, 2019	41.85	29.15	38,073
November, 2019	36.95	26.60	56,828
December, 2019	37.05	23.50	64,658
January, 2020	34.85	33.30	2,031
February, 2020	Nil	Nil	Nil
March, 2020	34.85	25.00	21,098

Source: [www.nseindia.com](http://www.nseindia.com)

Performance in comparison to broad-based indices such as BSE Sensex and NSE Nifty For F.Y. 2019-20 are given below:



### 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 having registered office at 23, R.N. Mukherjee Road, 5th Floor, Kolkata-700001, Email id:- mdpldc@yahoo.com., Telephone – 033- 2248-2248/5029 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

### 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.

## Report on Corporate Governance

### • Distribution of shareholding as on 31st March, 2020

No. of equity shares held	Holders		%		Shares		%	
1 to 5,000	4475		97.4095		795615		0.8885	
5,001 to 10,000	22		0.4789		168123		0.1878	
10,001 to 20,000	27		0.5878		398098		0.4445	
20,001 to 30,000	26		0.566		595558		0.665	
30,001 to 40,000	9		0.1959		331866		0.3705	
40,001 to 50,000	1		0.0218		44000		0.0491	
50,001 to 1,00,000	5		0.1088		351758		0.3928	
1,00,001 to above	29		0.6313		86868547		97.0018	
<b>Grand Total</b>	<b>4594</b>		<b>100</b>		<b>8,95,53,565</b>		<b>100</b>	
No of shareholders in:	No. of Records (as per Folio/ Client ID)	No. of Records (as per Pan)	%		No. of Shares (as per Folio/ Client ID)	No. of Shares (as per Pan)	%	
Physical Mode	14	13	0.3047	0.2929	4556	4556	0.01	0.01
Electronic Mode								
NSDL	2568	2493	55.8990	56.1740	82992753	82992753	92.67	92.67
CDSL	2012	1932	43.7963	<b>43.5331</b>	6556256	6556256	7.32	7.32
<b>Total</b>	<b>4594</b>	<b>4438</b>	<b>100</b>	<b>100</b>	<b>8,95,53,565</b>	<b>8,95,53,565</b>	<b>100</b>	<b>100</b>

### • Shareholding Pattern as on 31st March, 2020

Category	No. of shares	%
Promoters & Associates	63,33,8840	70.7273
Institutions - F.P.I	61,76,936	6.8975
Domestic Companies	72,85,561	8.1354
Resident Individuals	12,742,468	14.2300
Foreign residents and NRI's	3,824	0.0043
IEPF	4871	0.0054
Clearing Member	1065	0.0012
<b>Total</b>	<b>89553565</b>	<b>100</b>

### • Dematerialisation of shares and liquidity

As on 31st March, 2020, 89,549,009 shares comprising of 99.99 % of the paid up capital of the Company, are in dematerialised mode. The promoters of the Company, holds around 70.73% of the Paid up Capital of the Company, as on 31st March, 2020 and 31st March, 2019, of which all the shares are held in dematerialised mode.

## Report on Corporate Governance

- 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:

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

- Address for correspondence**

**Lalit Lohia**

Company Secretary & Compliance Officer  
Hindusthan National Glass & Industries Ltd  
2, Red Cross Place, Kolkata 700 001.  
Telephone No. (033) 2254 3100  
Fax No. (033) 2254 3130  
Email : llohia@hngil.com

- E-mail ID for investors' grievance**

**cosec@hngil.com**

- List of all credit ratings obtained by the entity along with any revisions thereto, during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity, involving mobilization of funds, whether in India or abroad.
- Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).– Not applicable.
- A Certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The Certificate is attached to this report as on 31.3.2020

## Report on Corporate Governance

- Where the Board had not accepted any recommendation of any Committee of the Board, which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof- Not applicable, as the Board has accepted all recommendation of its all Committees, during the year under review.
- Total fees for all services paid by the listed entity to the Joint statutory auditors and all entities in the network firm/network entity of which the statutory auditor is a part.- ₹ 31,03,000/- (Rupees Thirty One Lacs Three Thousand only) .
- During the year under review, the Company has no Subsidiary/ Joint Venture/Associate Company and hence the Financial statement has been prepared on Standalone Basis.
- Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
  - a. number of complaints filed during the financial year - Nil
  - b. number of complaints disposed of during the financial year - Nil
  - c. number of complaints pending as on end of the financial year - Nil
- 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 newspapers, 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.
- **The disclosure of the compliance with Corporate Governance requirement specified in regulation 17 to 27 and regulation 46(2) (b) to (i)**

Sl. No.	Particulars	Regulation Number	Compliance Status (Yes/No/NA)
1	Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Yes
2	Board composition	17(1), 17(1A) & 17(1B)	Yes
3	Meeting of Board of directors	17(2)	Yes
4	Quorum of Board meeting	17(2A)	Yes
5	Review of Compliance Reports	17(3)	Yes
6	Plans for orderly succession for appointments	17(4)	Yes
7	Code of Conduct	17(5)	Yes
8	Fees/compensation	17(6)	Yes
9	Minimum Information	17(7)	Yes
10	Compliance Certificate	17(8)	Yes
11	Risk Assessment & Management	17(9)	Yes
12	Performance Evaluation of Independent Directors	17(10)	Yes
13	Recommendation of Board	17(11)	Yes

## Report on Corporate Governance

Sl. No.	Particulars	Regulation Number	Compliance Status (Yes/No/NA)
14	Maximum number of Directorships	17A	Yes
15	Composition of Audit Committee	18(1)	Yes
16	Meeting of Audit Committee	18(2)	Yes
17	Composition of nomination & remuneration committee	19(1) & (2)	Yes
18	Quorum of Nomination and Remuneration Committee meeting	19(2A)	Yes
19	Meeting of Nomination and Remuneration Committee	19(3A)	Yes
20	Composition of Stakeholder Relationship Committee	20(1), 20(2) & 20(2A)	Yes
21	Meeting of Stakeholders Relationship Committee	20(3A)	Yes
22	Composition and role of Risk management committee*	21(1),(2),(3),(4)	NA
23	Meeting of Risk Management Committee	21(3A)	NA
24	Vigil Mechanism	22	Yes
25	Policy for Related Party Transaction	23(1),(1A),(5),(6),(7) & (8)	Yes
26	Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	Yes
27	Approval for material Related Party Transactions	23(4)	Yes
28	Disclosure of Related Party Transactions on consolidated basis	23(9)	NA
29	Composition of Board of Directors of unlisted material Subsidiary	24(1)	NA
30	Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	NA
31	Annual Secretarial Compliance Report	24(A)	Yes
32	Alternate Director to Independent Director	25(1)	NA
33	Maximum Tenure	25(2)	NA
34	Meeting of independent directors	25(3) & (4)	Yes
35	Familiarization of independent directors	25(7)	Yes
36	Declaration from Independent Director	25(8) & (9)	Yes
37	D & O Insurance for Independent Directors	25(10)	NA
38	Memberships in Committees	26(1)	Yes
39	Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Yes
40	Disclosure of Shareholding by Non-Executive Directors	26(4)	Yes
41	Policy with respect to Obligations of directors and senior management	26(2) & 26(5)	Yes

\* Formation of Risk Management committee is applicable to top 500 listed companies only. Our Company is not included in top 500 listed Companies.

- **Transfer of unclaimed / unpaid amounts to the Investor Education and Protection Fund**

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from

## Report on Corporate Governance

the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends / shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders, whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website <http://www.hngil.com/unclaimeddivi.php>.

In light of the aforesaid provisions, the Company has during the year under review, transferred to IEPF the unclaimed dividends for F.Y. 2011-12, outstanding for 7 years. Further, shares of the Company, in respect of which dividend has not been claimed for 7 consecutive years or more from the date of transfer to unpaid dividend account, have also been transferred to the demat account of IEPF.

- **Disclosure with respect to Demat Suspense Account/Unclaimed Suspense Account:**

Not applicable, No shares lying in Suspense Account.

For and on behalf of the Board

**Sanjay Somany**

*Chairman & Managing Director*

(DIN: 00124538)

Place : Kolkata

Date : 28th May, 2020



## 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 2019-20, in terms of Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Place : Kolkata  
Date : 28th May, 2020

**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, 2020 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, 2020 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 May, 2020

**Sanjay Somany**  
*Chairman &  
Managing Director*  
(Chief Executive Officer)

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

**Bimal Kumar Garodia**  
*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, 2020**

[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  
2, Red Cross Place, Kolkata - 700 001

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, 2020, 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 as amended by SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (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, 2020.
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.

Place : Kolkata  
Dated : 27th May, 2020

For **M. Rathi & Co.**  
*Company Secretary in Practice*  
**Kumkum Rathi**  
FCS No : 6016  
C.P. No. : 6209  
Firm UIN:P2006WB006800  
UDIN: F006016B000285845

## Report on Corporate Governance

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015)

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Hindusthan National Glass & Industries Limited having CIN L26109WB1946PLC013294 and having registered office at 2, Red Cross Place, Kolkata 700001 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, New Delhi or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr DIPANKAR CHATTERJEE	00031256	10.06.2002
2.	Mr SANJAY SOMANY	00124538	27.03.1993
3.	Mr MUKUL SOMANY	00124625	2307.1992
4.	Mr RATNA KUMAR DAGA	00227746	25.11.1997
5.	Mr AMAL CHANDRA SAHA	00443348	26.04.2019
6.	Ms RITA BHIMANI	07106069	03.03.2015

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the effectiveness with which the management has conducted the affairs of the Company.

Place: Kolkata  
Dated: 25th May, 2020

Signature:  
Name of the Company : **BABU LAL PATNI**  
Secretary in Practice  
FCS 2304  
C.P. No: 1321  
UDIN: F002304B000275049



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# Financial Statements

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## Independent Auditors' Report

To the Members of HINDUSTHAN NATIONAL GLASS & INDUSTRIES LIMITED

### Report on the Audit of the Financial Statements

#### Qualified Opinion

We have audited the accompanying financial statements of Hindusthan National Glass & Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31 2020, the Statement of Profit & Loss (including the Statement of Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and loss (including comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

1. As stated in note no. 2.13.8 (D) of the financial statements, regarding adjustment of ₹ 38,276.64 lakhs against outstanding loan balances, by the management relying on its internal calculation in absence of any proper documentation from the individual lenders.
2. We draw attention to the financial statements which indicate that the company has accumulated losses and its net worth has completely eroded, the company has incurred operating losses during the current year and in the earlier year(s), the company's current liabilities exceeds its current assets and the company is having a high debt-equity ratio (Debt being Rs. 244,501.66 lakhs and Equity being Rs. (12,471.77) lakhs) as at March 31, 2020, realizable value of assets is lower than amount payable to secured creditors, Earnings per Share is negative. In our opinion, based on the above, the company does not appear to be a going concern.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for Qualified Opinion* section we have determined the matters described below to be the key audit matters to be communicated through our report.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our qualified opinion on the accompanying financial statements.

## Independent Auditors' Report

S.N.	Key Audit Matter	Auditor's Response
1.	<p><b>Adoption of Ind AS 116 – Leases</b></p> <p>As described in the note no. 2.1.B.1 to the financial statements, the company has adopted Ind AS 116 “Leases” in the current year. The application and transition to this accounting standard is complex and is an area of focus in our audit since the company has a number of contracts with different lease terms.</p> <p>Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognize a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement. Adoption of the standard involves significant judgements and estimates including, determination of the discount rates and the lease term.</p> <p>Additionally, the standard mandates detailed disclosures in respect of transition.</p>	<p>Our audit procedures included considering the Company's accounting policies with respect to adoption of Ind AS 116 – Leases includes:</p> <ul style="list-style-type: none"> <li>➤ Assessed and tested new processes and controls in respect of the lease accounting standard (Ind AS 116);</li> <li>➤ Assessed the Company's evaluation on the identification of leases based on the contractual agreements and out knowledge of the business;</li> <li>➤ Upon transition as at 1<sup>st</sup> April, 2019, evaluated the method of transition and related adjustments;</li> <li>➤ On a sample basis, we performed the following procedures: <ul style="list-style-type: none"> <li>➤ Assessed the key terms and conditions of the lease agreements entered by the company;</li> <li>➤ Evaluating the calculation of the lease liability;</li> </ul> </li> <li>➤ Assessed and tested the presentation and disclosure relating to Ind AS 116 including disclosure relating to transition.</li> </ul>
2.	<p><b>Valuation of inventories</b></p> <p>We refer to Note 1.3 and 2.5 to the financial statements.</p> <p>As at March 31, 2020, the total carrying amount of inventories was Rs. 45,540.34 lakhs. The assessment of impairment of inventories involves significant estimation uncertainty, subjective assumptions and the application of significant judgment.</p> <p>Reviews are made periodically by management on inventories for obsolescence and decline in net realizable value below cost. Allowances are recorded against the inventories for any such declines based on historical obsolescence and slow-moving history. Key factors considered include the nature of the stock, its ageing, shelf life and turnover rate.</p>	<p>We have checked and analyzed the ageing of the inventories, reviewed the historical trend on whether there were significant inventories written off or reversal of the allowances for inventories obsolescence. We conducted a detailed discussion with the Company's key management and considered their views on the adequacy of allowances for inventories obsolescence considering the current economic environment. We have also reviewed the subsequent selling prices in the ordinary course of business and compared against the carrying amounts of the inventories on a sampling basis at the reporting date. We found management's assessment of the allowance for inventory obsolescence to be reasonable based on available evidence.</p>

### Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholders' Information, but does not include financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

## Independent Auditors' Report

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## Independent Auditors' Report

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Report on Other Legal and Regulatory Requirements

- 1) 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 A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2) As required by section 143(3) of the Act, we report that:
  - i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief are necessary for the purpose of our audit.
  - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - iii. The Balance Sheet, Statement of Profit & Loss (including other comprehensive income), Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - iv. In our opinion, except for the matter referred to in "Basis for Qualified Opinion" section of our report, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.
  - v. The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
  - vi. On the basis of written representations received from the Directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164(2) of the Act.
  - vii. The qualification relating to the maintenance of accounts and other matters connected therewith is as stated in the Basis for Qualified Opinion paragraph above.
  - viii. 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 B".
  - ix. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion, and to the best of our information and according to the explanations given to us, the sitting fees paid by the Company to its independent directors during the year is in accordance with the provisions of section 197(5) read with Rule 4 of Companies (Appointment & Remuneration of the Managerial Personnel) Rule, 2014 (as amended) of the Act.
  - x. 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 (as amended), 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 financial statements as required in terms of accounting standards and provisions of the Companies Act, 2013 – refer note no. 2.32.A of the financial statements.



## Independent Auditors' Report

- ii) The Company did 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 Registration No. 325197E/E300020**

**Chandi Prosad Bagchi**  
**Partner**  
**Membership No. 052626**  
**UDIN: 20052626AAAAAG7072**

4<sup>th</sup> Floor, Systron Building  
Plot J5, Block EP & GP  
Sector V, Salt Lake, Kolkata - 91  
Date: 28<sup>th</sup> May, 2020

**For J K V S & CO**  
**(Formerly Jitendra K Agarwal & Associates)**  
**Chartered Accountants**  
**Firm Registration No.318086E**

**Abhishek Mohta**  
**Partner**  
**Membership No.066653**  
**UDIN: 20066653AAAAABV9292**

5A, Nandlal Jew Road  
Kolkata - 26  
Date: 28<sup>th</sup> May, 2020

## Annexure 'A' to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Hindusthan National Glass & Industries Limited of even date)

### i. In respect of the Company's fixed assets:

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipments.
  - b) All property, plant & equipment have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, 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 of immovable properties of land and buildings are held in the name of the Company as at the balance sheet date.
- ii. The inventories excluding inventories lying with third parties, in few of the units and in transit have 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 the verification is reasonable. The discrepancies noted on physical verification between the physical stock and the book records were not material to the extent verified.
  - iii. According to the information and explanations given to us, 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, paragraph 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 investments, guarantees and security made.
  - v. The Company has not accepted deposits from public within the meaning of section 73 to 76 of the Act and the Rules framed there under to the extent notified.
  - 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. According to the information and explanations given to us and on the basis of our examination of the books of account:
    - a) The Company has generally been regular in depositing to the appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income tax, duty of customs, goods & service tax, cess and other statutory dues. No undisputed statutory dues as above were outstanding as at March 31, 2020 for a period of more than six months from the date they became payable except for the following:

Name of the Statute	Nature of the Dues	Amount (₹ in lakhs)	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
Income Tax Act, 1961	Tax Deducted at Source u/s 194A	124.90	June Quarter, 2018	July 7, 2018	NOT PAID	The amount of TDS has not been paid by the Company on account of one time settlement entered with the lenders under which the entire interest cost shall be waived for the year
		130.60	September Quarter, 2018	October 10, 2018		
		128.63	December Quarter, 2018	January 7, 2019		
		128.06	March Quarter, 2019	April 7, 2019		
		121.86	June Quarter, 2019	July 7, 2019		
		119.73	September Quarter, 2019	October 7, 2019		

## Annexure 'A' to the Independent Auditors' Report

- b) According to the information and explanation given to us, the details of disputed dues of income tax, sales tax, service tax, duty of customs, duty of excise & value added tax, which have not been deposited and the forum where the dispute is pending as on March 31, 2020 are as under :-

Name of Statute	Nature of Dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	256.25	2007-08 to 2009-10	Assistant Commissioner Central Excise
		4.81	2008-09 & 2009-10	Deputy Commissioner Central Excise
		657.48	2006-07 to 2015-16	CESTAT
The Central Excise Act 1944	Excise Duty	6.65	2010-11	Assistant Commissioner, Central Excise,
		13.73	1993-97	Dy. Comm. Central Excise, Puducherry
		94.05	2009-10	Commissioner of Excise Kol -IV
		34.41	2008-09 to 2012-13	Commissioner Appeals -II
		688.86	2002-03 to 2013-14	CESTAT
The Central Sales Tax (CST) 1956	Sales Tax	303.13	2008-09 to 2016-17	Sr. Joint Comm. of Commercial Tax Appeal
		64.72	2006-07	JCST
The West Bengal Value Added Tax, 2003	Sales Tax	404.62	2008-09 to 2016-17	Sr. Joint Comm. of Commercial Tax Appeal
		104.38	2006-07	JCST
Maharashtra Value Added Tax, 2005	VAT	114.00	2005-06 to 2006-07	Tribunal Maharashtra Sales Tax, Mumbai
THE WBST ACT 1994	Sales Tax	55.14	2002-2003	Special Commissioner Commercial Taxes

- viii. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the company has defaulted in repayment of dues to financial institutions, banks and non-banking finance companies during the year and the period and amount of defaults are as hereunder. The amount payable to debenture holders is not due in the current financial year however, the company has defaulted in the payment of interest thereon.

- a) The below table discloses the default of the company in repayment of term loans availed by the Company:

Amount in ₹ Lakhs

Months	State Bank of India	HDFC Bank	Syndicate Bank	Axis Bank	L&T Finance	Edelweiss ARC Ltd.	DBS Bank	RABO Bank	Exim Bank
Dec'17	496.00	112.50	187.50	375.00	-	173.00	-	-	-
Mar'18	1,996.00	112.50	187.50	440.00	-	173.00	1,587.58	-	-
Jun'18	744.00	168.70	250.00	375.00	-	259.00	-	700.81	-
Sept'18	2,244.00	168.70	250.00	472.50	-	259.00	3,015.44	-	-
Dec'18	744.00	168.70	250.00	375.00	81.05	259.00	-	1,507.72	-
Mar'19	2,244.00	168.70	250.00	472.50	156.25	259.00	3,015.44	-	-
June'19	869.00	197.00	343.75	375.00	156.25	302.28	1,164.54	1,884.65	-
Sept'19	2369.00	197.00	343.75	488.75	156.25	302.28	3,015.44	-	-
Dec'19	869.00	197.00	343.75	375.00	156.25	302.28	3,015.44	1,884.65	13.50
March'20	3494.00	197.00	343.75	488.75	156.25	302.28	-	-	160.50

- b) The below table discloses the default of the company in payment of interest on term loans availed by the Company:

Amount in ₹ Lakhs

Months	HDFC Bank	Syndicate Bank	EXIM Bank	Edelweiss ARC Ltd.	State Bank of India	Axis Bank	DBS Bank	L&T Finance	RABO Bank
Nov'17	98.66	80.23	-	-	-	-	-	-	-
Dec'17	101.95	82.91	75.03	149.42	-	-	-	-	-
Jan'18	101.95	82.91	83.06	149.42	-	-	-	-	-
Feb'18	92.08	74.89	75.02	134.96	-	-	-	-	-
Mar'18	101.95	82.91	83.06	149.42	701.73	75.65	294.21	63.29	325.92

## Annexure 'A' to the Independent Auditors' Report

Months	HDFC Bank	Syndicate Bank	EXIM Bank	Edelweiss ARC Ltd.	State Bank of India	Axis Bank	DBS Bank	L&T Finance	RABO Bank
Apr'18	98.66	80.23	80.38	130.14	679.10	73.22	114.55	-	-
May'18	101.95	82.91	83.06	134.48	701.73	75.65	-	-	-
Jun'18	98.66	80.23	80.38	130.14	679.10	73.22	349.52	62.60	194.77
Jul'18	101.95	82.91	83.06	134.48	701.73	75.66	132.97	-	-
Aug'18	101.95	82.91	83.06	134.48	701.73	75.66	-	-	-
Sept'18	98.66	80.23	80.38	130.14	679.10	73.21	344.71	62.60	193.92
Oct'18	101.95	82.91	83.06	134.48	701.73	75.66	135.22	-	-
Nov'18	98.66	80.23	80.38	130.14	679.10	73.21	-	-	-
Dec'18	101.95	82.91	83.06	134.48	701.73	75.66	348.25	63.29	202.42
Jan'19	101.95	82.91	83.06	134.48	701.73	75.65	136.98	-	-
Feb'19	92.08	74.89	75.02	121.46	633.82	68.33	-	-	-
Mar'19	101.95	82.91	76.21	134.48	701.73	75.65	373.36	51.23	202.25
Apr'19	98.67	80.24	72.40	130.14	679.09	73.22	160.55	-	-
May'19	101.95	82.91	74.82	134.48	701.73	75.66	-	-	-
June'19	98.67	80.24	72.40	130.14	679.09	73.22	358.36	48.02	217.66
July'19	101.95	82.91	74.81	134.47	701.73	75.66	132.47	-	-
Aug'19	101.95	82.91	74.81	134.47	701.73	75.66	-	-	-
Sept'19	98.67	80.24	72.34	130.14	679.09	73.22	322.51	48.53	182.32
Oct'19	91.76	82.91	72.89	134.48	701.73	75.66	125.09	-	-
Nov'19	88.80	80.24	70.54	130.14	679.09	73.22	-	-	-
Dec'19	91.76	82.91	72.89	134.48	701.73	75.66	302.01	47.28	171.31
Jan'20	91.76	82.91	72.89	134.48	701.73	68.09	130.10	-	-
Feb'20	85.84	77.57	68.19	125.80	656.46	63.70	-	-	-
March'20	91.76	82.91	72.89	134.48	701.73	68.09	312.92	46.77	177.69

c) The below table discloses the default of the company in payment of interest on working capital loans availed by the Company:

Amount in ₹ Lakhs

Months	HDFC Bank	Syndicate Bank	Standard Chartered Bank	Edelweiss ARC Ltd.	DBS Bank	Bank of Baroda	State Bank of India	AXIS Bank
Nov'17	54.24	27.12	-	-	-	-	-	-
Dec'17	56.05	28.02	42.04	30.78	-	-	-	-
Jan'18	56.05	28.02	42.04	30.78	-	-	-	-
Feb'18	50.63	25.31	37.96	28.61	-	-	-	-
Mar'18	56.05	28.02	42.04	30.78	12.37	28.02	195.96	37.83
Apr'18	54.24	27.12	40.68	29.73	24.89	27.12	198.23	36.61
May'18	56.05	28.02	42.04	30.78	26.74	28.02	209.12	37.83
Jun'18	54.24	27.12	40.68	29.73	25.88	27.12	202.27	36.61
Jul'18	56.05	28.02	42.04	30.78	19.53	28.02	208.00	37.83
Aug'18	56.05	28.02	42.04	30.78	19.53	28.02	208.00	37.83
Sept'18	54.24	27.12	40.68	29.73	18.45	27.12	201.00	36.61
Oct'18	56.05	28.02	42.04	30.78	19.53	28.02	208.00	37.83
Nov'18	54.24	27.12	40.68	29.73	18.45	27.12	202.00	36.61
Dec'18	56.05	28.02	42.04	30.78	19.53	28.02	208.00	37.83

## Annexure 'A' to the Independent Auditors' Report

Months	HDFC Bank	Syndicate Bank	Standard Chartered Bank	Edelweiss ARC Ltd.	DBS Bank	Bank of Baroda	State Bank of India	AXIS Bank
Jan'19	56.05	28.02	42.04	30.78	19.11	28.02	207.66	37.84
Feb'19	50.63	25.31	34.96	28.61	17.27	25.32	187.56	34.17
Mar'19	41.17	17.96	38.70	16.09	2.45	24.33	107.38	26.70
Apr'19	36.90	15.39	36.65	12.85	16.47	22.86	85.46	23.73
May'19	38.13	15.91	37.86	13.28	17.01	23.63	88.26	24.52
June'19	36.90	15.39	36.67	12.85	16.47	22.86	85.18	23.73
July'19	61.85	28.24	37.83	13.28	16.85	36.37	87.82	26.24
Aug'19	61.85	28.24	37.83	13.28	16.85	36.37	87.51	26.24
Sept'19	59.72	27.24	36.58	12.72	16.04	35.17	83.99	25.31
Oct'19	51.89	25.41	36.87	8.28	16.36	35.58	66.34	23.45
Nov'19	50.22	24.59	35.68	8.01	16.19	34.44	64.20	22.69
Dec'19	51.89	25.41	36.87	8.28	17.28	35.58	66.34	23.45
Jan'20	51.89	25.41	36.87	8.28	19.84	35.58	66.34	21.11
Feb'20	48.54	23.77	34.49	7.74	18.56	33.19	62.06	19.74
March'20	51.89	25.41	36.87	8.28	19.84	35.00	66.34	21.11

d) The below table discloses the list of LC Bills not honored by the company as on March 31, 2020:

Amount ₹ in Lakhs

Months	HDFC Bank	Syndicate Bank	Axis Bank	DBS Bank Limited	Bank of Baroda
NOV'17	1,263.77	267.19	-	-	-
DEC'17	174.24	310.12	-	-	-
JAN'18	337.34	161.49	-	-	-
FEB'18	220.56	364.11	-	-	-
MAR'18	296.01	64.80	11.19	-	-
APRIL'18	153.72	25.19	-	289.19	-
May'18	-	-	254.18	805.59	-
JUNE'18	-	-	72.20	283.61	15.91
JULY'18	-	-	7.80	-	584.46
AUG'18	-	-	-	-	610.58
SEPT'18	-	-	-	-	215.76

e) The below table discloses the default of the company in payment of interest on Debentures availed by the Company:

Amount ₹ in Lakhs

Particulars	Feb'18	Nov'18	Feb'19	Nov'19	Feb'20
Life Corporation of India	1,040.00	1,040.00	1,040.00	1,040.00	1,040.00

- ix. The company did not raise any money by way of initial public offer or further public offer including debt instruments and term loan during the year.
- 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 on the Company by its officers or employees nor have we been informed of any such cases by the management.

## Annexure 'A' to the Independent Auditors' Report

- x. 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 not paid any remuneration to the Chairman & Managing Director and Vice Chairman & Managing Director accordingly, the provisions of section 197 of the Act read with Schedule V of the Act is not applicable on the Company.
- xii. In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the company.

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

**Chandi Prosad Bagchi**  
**Partner**  
**Membership No. 052626**  
**UDIN: 20052626AAAAAG7072**

4<sup>th</sup> Floor, Systron Building  
Plot J5, Block EP & GP  
Sector V, Salt Lake, Kolkata - 91  
Date: 28<sup>th</sup> May, 2020

**For J K V S & CO**  
**(Formerly Jitendra K Agarwal & Associates)**  
**Chartered Accountants**  
**Firm Registration No.318086E**

**Abhishek Mohta**  
**Partner**  
**Membership No.066653**  
**UDIN: 20066653AAAAABV9292**

5A, Nandlal Jew Road  
Kolkata - 26  
Date: 28<sup>th</sup> May, 2020

## Annexure 'B' to the Independent Auditors' Report

(Referred to in paragraph 2 (vi) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Hindusthan National Glass & Industries Ltd. of even date)

### **Report on the Internal Financial Controls with reference to financial statement under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statement of Hindusthan National Glass & Industries Ltd. ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the company 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 respective 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 Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to financial statement 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 with reference to financial statement 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 with reference to financial statement and their operating effectiveness. Our audit of internal financial controls with reference to financial statement included obtaining an understanding of internal financial controls with reference to financial statement, 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 judgement, 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 with reference to financial statement.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control with reference to financial statement is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statement includes those policies and procedures that 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 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.

#### **Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls with reference to financial statement, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be

## Annexure 'B' to the Independent Auditors' Report

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 control with reference to financial statement 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statement and such internal financial controls with reference to financial statement were operating effectively as at March 31, 2020, based on the internal control with reference to financial statement 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).

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

**Chandi Prosad Bagchi**  
**Partner**  
**Membership No. 052626**  
**UDIN: 20052626AAAAAG7072**

4<sup>th</sup> Floor, Systron Building  
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Sector V, Salt Lake, Kolkata - 91  
Date: 28<sup>th</sup> May, 2020

**For J K V S & CO**  
**(Formerly Jitendra K Agarwal & Associates)**  
**Chartered Accountants**  
**Firm Registration No.318086E**

**Abhishek Mohta**  
**Partner**  
**Membership No.066653**  
**UDIN: 20066653AAAABV9292**

5A, Nandlal Jew Road  
Kolkata - 26  
Date: 28<sup>th</sup> May, 2020



## Balance Sheet as at 31st March 2020

₹ in Lakhs

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
<b>ASSETS</b>			
<b>1. Non-Current Assets</b>			
(a) Property, Plant and Equipment	2.1.A & B	1,92,490.91	2,03,539.52
(b) Capital Work-in-Progress		8,737.70	11,024.45
(c) Intangible Assets	2.1.C	101.15	153.75
(d) Financial Assets			
(i) Investments	2.2	167.57	167.57
(ii) Other Financial Assets	2.3	8,061.66	2,391.43
(e) Other Non-Current Assets	2.4	777.39	352.99
		<b>2,10,336.38</b>	<b>2,17,629.71</b>
<b>2. Current Assets</b>			
(a) Inventories	2.5	45,540.34	38,298.08
(b) Financial Assets			
(i) Trade Receivables	2.6	32,133.11	36,873.33
(ii) Cash and Cash Equivalents	2.7.A	10,404.50	15,544.47
(iii) Bank Balances other than (ii) above	2.7.B	84.62	1,766.22
(iv) Other Financial Assets	2.8	11,166.72	1,112.83
(c) Current Tax Assets (Net)	2.9	269.78	359.52
(d) Other Current Assets	2.10	8,444.71	6,290.45
		<b>1,08,043.78</b>	<b>1,00,244.90</b>
<b>Total Assets</b>		<b>3,18,380.16</b>	<b>3,17,874.61</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	2.11	1,791.07	1,791.07
(b) Other Equity	2.12	(14,262.84)	(3,945.53)
<b>Total Equity</b>		<b>(12,471.77)</b>	<b>(2,154.46)</b>
<b>LIABILITIES</b>			
<b>1. Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	2.13	1,31,809.50	1,56,413.01
(ii) Other Financial Liabilities	2.14	291.45	332.35
(b) Provisions	2.15	1,283.88	1,015.84
(c) Deferred Tax Liabilities (Net)	2.16	-	-
(d) Other Non-Current Liabilities	2.17	881.21	2,247.00
		<b>1,34,266.04</b>	<b>1,60,008.20</b>
<b>2. Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	2.18	26,310.38	30,642.29
(ii) Trade Payables	2.19		
Total Outstanding dues of Micro Enterprises & Small Enterprises		1,909.80	697.05
Total Outstanding dues of Creditors Other than Micro Enterprises & Small Enterprises		20,220.47	34,717.51
(iii) Other Financial Liabilities	2.20	1,42,049.17	85,959.10
(b) Other Current Liabilities	2.21	5,576.00	7,173.07
(c) Provisions	2.22	520.07	831.85
		<b>1,96,585.89</b>	<b>1,60,020.87</b>
<b>Total Liabilities</b>		<b>3,30,851.93</b>	<b>3,20,029.07</b>
<b>Total Equity and Liabilities</b>		<b>3,18,380.16</b>	<b>3,17,874.61</b>

Summary of Significant Accounting Policies  
Notes on Financial Statements

1  
2.1 to 2.44

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

For **JKVS & CO**  
Chartered Accountants  
FRN : 318086E

**Chandi Prosad Bagchi**  
Partner  
Membership No. 052626  
Place : Kolkata  
Date : 28th May 2020

**Abhishek Mohta**  
Partner  
Membership No. 066653  
Place : Kolkata  
Date : 28th May 2020

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**  
President and  
Chief Financial Officer

**Lalit Lohia**  
Company Secretary

## Statement of Profit and Loss for the year ended 31st March 2020

₹ in Lakhs

Particulars	Note No.	Year Ended 31st March 2020	Year Ended 31st March 2019
<b>Revenue</b>			
I. Revenue from Operations	2.23	2,28,636.81	2,39,193.57
II. Other Income	2.24	3,522.80	1,866.19
<b>III. Total Income (I+II)</b>		<b>2,32,159.61</b>	<b>2,41,059.76</b>
<b>Expenses</b>			
Cost of Materials Consumed	2.25	70,987.16	70,380.67
Changes in Inventories of Finished Goods and Work-in-Progress	2.26	(1,816.96)	8,106.08
Employee Benefit Expenses	2.27	21,759.19	20,611.61
Finance Costs	2.29	23,316.91	25,256.57
Depreciation and Amortization Expenses		14,846.33	15,852.78
Other Expenses	2.28	1,13,378.22	1,27,639.11
<b>IV. Total Expenses</b>		<b>2,42,470.85</b>	<b>2,67,846.82</b>
<b>V. Loss before Exceptional Items and Tax (III - IV)</b>		<b>(10,311.24)</b>	<b>(26,787.06)</b>
<b>VI. Exceptional Items</b>	2.30	-	9,516.99
<b>VII. Loss before Tax (V+VI)</b>		<b>(10,311.24)</b>	<b>(17,270.07)</b>
<b>VIII. Tax Expense:</b>			
Income Tax for Earlier Years		(8.01)	24.99
<b>IX. Loss for the year after Tax (VII-VIII)</b>		<b>(10,303.23)</b>	<b>(17,295.06)</b>
<b>X. Other Comprehensive Income</b>			
<b>Items that will not be reclassified to Profit or Loss</b>			
Re-measurement gains on Defined Benefit Plans		(14.08)	16.42
Income tax thereon		-	-
		(14.08)	16.42
<b>XI. Total Comprehensive Income for the year (IX+X)</b>		<b>(10,317.31)</b>	<b>(17,278.64)</b>
<b>XII. Earnings per Equity Share</b>			
(1) Basic & Diluted	2.31	(11.50)	(19.31)
Number of shares used in computing earnings per share			
(1) Basic & Diluted		8,95,53,565	8,95,53,565

Summary of Significant Accounting Policies  
Notes on Financial Statements

1  
2.1 to 2.44

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

For **JKVS & CO**  
Chartered Accountants  
FRN : 318086E

**Chandi Prosad Bagchi**  
Partner  
Membership No. 052626  
Place : Kolkata  
Date : 28th May 2020

**Abhishek Mohta**  
Partner  
Membership No. 066653  
Place : Kolkata  
Date : 28th May 2020

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**  
President and  
Chief Financial Officer

**Lalit Lohia**  
Company Secretary

## Statement of Changes in Equity for the year ended 31st March 2020

### (a) Equity Share Capital

Particulars	Note No.	Number of Shares	Amount in Lakhs
Equity Shares of Rs. 2/- each issued, subscribed and fully paid up			
<b>As at 1st April 2018</b>		8,95,53,565	<b>1,791.07</b>
Changes in Equity Share Capital		-	-
<b>As at 31st March 2019</b>	2.11	8,95,53,565	<b>1,791.07</b>
Changes in Equity Share Capital		-	-
<b>As at 31st March 2020</b>		8,95,53,565	<b>1,791.07</b>

### (b) Other equity

Particulars	Share application money pending allotment	Reserves and Surplus					
		Capital Reserve	Security Premium Reserve	Debenture Redemption Reserve	General Reserve	Retained earnings	Total
<b>Balance at 1st April 2019</b>	-	5,595.85	10,363.84	5,000.00	69,573.88	(77,659.66)	12,873.91
Issue of Equity Shares	-	-	-	-	-	-	-
Share Application Money Received during the year	-	-	-	-	-	-	-
Shares Allotted during the year	-	-	-	-	-	-	-
Transfer/Adjustments during the year	-	459.20	-	-	-	-	459.20
Profit/(Loss) for the year	-	-	-	-	-	(17,295.06)	(17,295.06)
Remeasurement of retirement benefit plan (net of taxes)	-	-	-	-	-	16.42	16.42
<b>Total comprehensive income for the year</b>	-	459.20	-	-	-	(17,278.64)	(16,819.44)
<b>Balance at 31st March, 2019</b>	-	6,055.05	10,363.84	5,000.00	69,573.88	(94,938.30)	(3,945.53)
Issue of Equity Shares	-	-	-	-	-	-	-
Share Application Money Received during the year	-	-	-	-	-	-	-
Shares Allotted during the year	-	-	-	-	-	-	-
Transfer/Adjustments during the year	-	-	-	(5,000.00)	-	5,000.00	-
Profit/(Loss) for the year	-	-	-	-	-	(10,303.23)	(10,303.23)
Remeasurement of retirement benefit plan (net of taxes)	-	-	-	-	-	(14.08)	(14.08)
<b>Total comprehensive income for the year</b>	-	-	-	(5,000.00)	-	(5,317.31)	(10,317.31)
<b>Balance at 31st March, 2020</b>	-	6,055.05	10,363.84	-	69,573.88	(1,00,255.61)	(14,262.84)

Summary of Significant Accounting Policies  
Notes on Financial Statements

1  
2.1 to 2.44

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

**Chandi Prosad Bagchi**  
Partner  
Membership No. 052626  
Place : Kolkata  
Date : 28th May 2020

For **JKVS & CO**  
Chartered Accountants  
FRN : 318086E

**Abhishek Mohta**  
Partner  
Membership No. 066653  
Place : Kolkata  
Date : 28th May 2020

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**  
President and  
Chief Financial Officer

**Lalit Lohia**  
Company Secretary

**Statement of Cash Flow for the year ended 31st March 2020**

₹ in Lakhs

Particulars	For the Year ended 31st March 2020	For the Year ended 31st March 2019
<b>Cash Flow from Operating activities</b>		
Loss before tax	(10,311.24)	(17,270.07)
<b>Non-cash adjustments to reconcile profit/(loss) before tax to net cash flows</b>		
Depreciation/Amortisation	14,846.33	15,852.77
Loss/(profit) on sale/discard of Property Plant and Equipment/CWIP	1,933.56	678.96
Bad Debts and Impairment allowances for trade receivables	493.25	273.47
Interest Income	(226.31)	(173.56)
Dividend Income on Non current Investments	(1.51)	(1.42)
Finance Costs	23,316.91	25,256.57
Liability no longer required written back	(1,582.83)	(1,158.45)
<b>Operating Cash flow before exceptional items and working capital changes</b>	<b>28,468.16</b>	<b>23,458.27</b>
<b>Less: exceptional items</b>		
Profit on sale of investment in subsidiary	-	(9,516.99)
<b>Operating cash flow before working capital changes</b>	<b>28,468.16</b>	<b>13,941.28</b>
<b>Movement in working capital :</b>		
Increase/(Decrease) in Trade Payables and Other Liabilities	(14,769.10)	(5,664.83)
Decrease/(Increase) in Trade Receivables	4,246.97	2,313.00
Decrease/(Increase) in Inventories	(7,242.00)	10,275.42
Decrease/(Increase) in Loans and Advances	(17,803.07)	1,042.26
<b>Cash generated from Operations</b>	<b>(7,099.04)</b>	<b>21,907.13</b>
Direct taxes (paid)/Refunds (net)	97.75	(53.44)
<b>Net Cash Flow from Operating activities (A)</b>	<b>(7,001.29)</b>	<b>21,853.69</b>
<b>Cash Flow from Investing activities</b>		
Purchase of Property Plant and Equipment, intangible assets, Capital Work in Progress and Capital Advances	(599.96)	(2,287.27)
Proceeds from sale of Property Plant and Equipment	89.89	407.24
Proceeds from sale of investment in subsidiary	-	12,976.71
Redemption /(Investment) in bank deposits with maturity more than 3 months	1,681.60	(1,684.91)
Interest received	180.26	182.74
Dividend received from Non Current Investments	1.51	1.42
<b>Net Cash Flow from/(used in) Investing activities (B)</b>	<b>1,353.30</b>	<b>9,595.93</b>

**Statement of Cash Flow for the year ended 31st March 2020**

₹ in Lakhs

Particulars	For the Year ended 31st March 2020	For the Year ended 31st March 2019
<b>Cash Flow from Financing activities</b>		
Proceeds from borrowings	10,702.00	8,000.00
Repayment of borrowings	(5,454.30)	(4,616.13)
Net repayment of Short term borrowings	(4,331.91)	(19,266.00)
Interest paid	(407.77)	(703.97)
<b>Net Cash Flow used in Financing activities (C)</b>	<b>508.02</b>	<b>(16,586.10)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(5,139.97)</b>	<b>14,863.51</b>
Cash and cash equivalents at the beginning of the year	15,544.47	680.95
<b>Cash and cash equivalents at the end of the year</b>	<b>10,404.50</b>	<b>15,544.47</b>
<b>Components of Cash and Cash Equivalents</b>		
<b>Balances with banks:</b>		
In current accounts (Note 2)	10,392.07	15,535.37
In deposit accounts & Dividend accounts	1.91	2.13
<b>Cash in hand</b>	<b>10.51</b>	<b>6.97</b>
<b>Total cash and cash equivalents</b>	<b>10,404.50</b>	<b>15,544.47</b>

Note :

- The above statement of Cash flow has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (IND AS) 7 on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.
- Balance under Current accounts in March 19 includes as amount of ₹ 5,898.43 Lakhs is not available for the company as the same needs to be paid to the secured lenders as per the terms of the resolution plan as described in Note No. 2.14.8.
- Figures of the previous year have been regrouped / re-arranged wherever considered necessary.

Summary of Significant Accounting Policies  
Notes on Financial Statements

1  
2.1 to 2.44

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

**Chandi Prosad Bagchi**  
Partner  
Membership No. 052626  
Place : Kolkata  
Date : 28th May 2020

For **JKVS & CO**  
Chartered Accountants  
FRN : 318086E

**Abhishek Mohta**  
Partner  
Membership No. 066653  
Place : Kolkata  
Date : 28th May 2020

For and on behalf of the Board

**Sanjay Somany**  
Chairman and Managing Director  
DIN: 00124538

**Bimal Kumar Garodia**  
President and  
Chief Financial Officer

**Mukul Somany**  
Vice Chairman and Managing Director  
DIN: 00124625

**Lalit Lohia**  
Company Secretary

## Notes to Financial Statements as at and for the year ended 31st March 2020

### 1. Summary of Significant Accounting Policies

#### 1.1. 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 manufacturing 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).

#### 1.2. Basis of Preparation

##### 1.2.1. Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of Companies Act, 2013 (the Act) and other relevant provisions of the Act.

##### 1.2.2. Functional and Presentation Currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded off to the nearest two decimals of lakhs, unless otherwise indicated.

##### 1.2.3. Historical Cost Convention

The financial statements have been prepared following accrual basis of accounting on a historical cost basis, except for the following which are measured at fair value:

- a. Certain financial assets and liabilities
- b. Defined Benefit Plans

##### 1.2.4. 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.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation, based on the lowest level input that is significant to the fair value measurement, at the end of each reporting period.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. External valuers are involved for valuation of significant assets and liabilities. Involvement of external valuers is decided upon annually by the Management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## Notes to Financial Statements as at and for the year ended 31st March 2020

### 1.2.5. Current Vs Non-current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

### 1.2.6. Use of Estimates and Judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures including contingent liabilities. Actual results may differ from these estimates. Difference between actual results and estimates are recognised in the period prospectively in which the results are known/ materialised.

Estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and other factors, including expectation of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Detailed information about estimates and judgements is included in Note 1.4.

## 1.3. Significant Accounting Policies

### 1.3.1. 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.

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.

## Notes to Financial Statements as at and for the year ended 31st March 2020

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

- 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.
- 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.
- Subsequent costs are depreciated over the remaining life of the plant and equipment.
- 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.

### 1.3.2. 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.

### 1.3.3. 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.

### 1.3.4. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of lease requires significant judgement. The company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The company determines the lease term as non-cancellable period of a lease, together with both the periods covered by an option to extend the lease if the company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the company is certain not to exercise that option. In assessing whether the company is reasonably certain to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The company revises the lease term if there is a change in the non-cancellable period of a lease.



## Notes to Financial Statements as at and for the year ended 31st March 2020

### 1.3.5. 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.

### 1.3.6. 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.

#### ➤ 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.

#### ➤ 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 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.

#### ➤ 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

## Notes to Financial Statements as at and for the year ended 31st March 2020

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.

- 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.

- **Financial Assets or Liabilities at Fair value through profit or loss**

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 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.

- **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.

## Notes to Financial Statements as at and for the year ended 31st March 2020

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.

### 1.3.7. Inventories

- 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.
- 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.

### 1.3.8. Foreign Currency Transactions

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."

### 1.3.9. 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.

### 1.3.10. 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.

## Notes to Financial Statements as at and for the year ended 31st March 2020

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

### 1.3.11. 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 Employees' 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 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.

### 1.3.12. Revenue

#### Sale of Goods

The Company derives revenues primarily from sale of manufactured goods. Revenue from contracts with customers is recognized on satisfaction of performance obligation upon transfer of control of promised goods to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of trade discounts, returns, volume rebates offered by the Company as part of the contract. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

**Sale of Products:** Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

#### 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

## Notes to Financial Statements as at and for the year ended 31st March 2020

benefits under Merchandise Exports for India Scheme (MEIS) are accounted for on accrual basis. Other export benefits are accounted for on the basis of certainties as to its utilization and related realization.

### 1.3.13. 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.

### 1.3.14. 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.

### 1.3.15. 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 are 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.

### 1.3.16. 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.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that

## Notes to Financial Statements as at and for the year ended 31st March 2020

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.

### 1.3.17. 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.

### 1.3.18. 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.

### 1.3.19. Cash dividend and non-cash distribution to equity holders

The Company recognizes 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 recognized directly in equity.

## 1.4 Significant Judgements And Key Sources Of Estimation In Applying Accounting Policies

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Information about Significant judgements and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- **Recognition of Deferred Tax Assets:** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.
- **Useful lives of depreciable/ amortizable assets (tangible and intangible):** Management reviews its estimate of the useful lives of depreciable/ amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.
- **Defined Benefit Obligation (DBO):** Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.
- **Provisions and Contingencies:** The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent

## Notes to Financial Statements as at and for the year ended 31st March 2020

Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

- **Impairment of Financial Assets:** The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- **Allowances for Doubtful Debts:** The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.
- **Fair value measurement of financial Instruments:** When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The input to these models are taken from observable markets where possible, but where this not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

### 1.5 Recent applicable Accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

## Notes to Financial Statements as at and for the year ended 31st March 2020

### 2.1.A & B PROPERTY, PLANT AND EQUIPMENT

₹ in Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Owned Assets</b>	1,87,558.45	1,98,541.45
<b>Leased Assets</b>	4,932.46	4,998.07
<b>Total</b>	<b>1,92,490.91</b>	<b>2,03,539.52</b>

### 2.1.A PROPERTY, PLANT AND EQUIPMENT

₹ in Lakh

Particulars	Owned Asset						Total
	Freehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	
<b>(A) Gross Carrying Value</b>							
As at 1st April 2018	34,683.59	67,047.25	2,89,407.19	646.57	2,600.56	575.37	3,94,960.53
Additions	-	898.38	2,657.79	2.13	0.03	17.32	3,575.65
Disposals / deductions	(103.66)	(11.28)	(5,424.20)	(16.73)	(88.77)	(49.10)	(5,693.74)
Other adjustments							
Foreign Exchange differences			2,420.31				2,420.31
<b>As at 31st March 2019</b>	<b>34,579.93</b>	<b>67,934.35</b>	<b>2,89,061.09</b>	<b>631.97</b>	<b>2,511.82</b>	<b>543.59</b>	<b>3,95,262.75</b>
Additions	-	19.59	469.05	4.24	0.05	27.42	520.35
Disposals / deductions	-	(2.19)	(9,961.56)	(69.81)	(262.60)	(61.52)	(10,357.68)
Other adjustments							
Foreign Exchange differences			4,212.12				4,212.12
<b>As at 31st March 2020</b>	<b>34,579.93</b>	<b>67,951.75</b>	<b>2,83,780.70</b>	<b>566.40</b>	<b>2,249.27</b>	<b>509.49</b>	<b>3,89,637.54</b>
<b>(B) Accumulated Depreciation</b>							
As at 1st April 2018	-	15,319.88	1,67,165.00	485.12	2,127.37	504.89	1,85,602.26
Charge for the year	-	1,928.67	13,542.13	39.90	197.92	17.97	15,726.59
Deductions	-	(10.72)	(4,456.00)	(12.60)	(82.85)	(45.38)	(4,607.55)
<b>As at 31st March 2019</b>	<b>-</b>	<b>17,237.83</b>	<b>1,76,251.13</b>	<b>512.42</b>	<b>2,242.44</b>	<b>477.48</b>	<b>1,96,721.30</b>
Charge for the year	-	1,830.78	12,769.68	34.20	72.06	20.70	14,727.42
Deductions	-	(2.08)	(9,001.81)	(66.81)	(240.52)	(58.41)	(9,369.63)
<b>As at 31st March 2020</b>	<b>-</b>	<b>19,066.53</b>	<b>1,80,019.00</b>	<b>479.81</b>	<b>2,073.98</b>	<b>439.77</b>	<b>2,02,079.09</b>
<b>(C) Net Block (A-B)</b>							
As at 31st March 2019	34,579.93	50,696.52	1,12,809.96	119.55	269.38	66.11	1,98,541.45
As at 31st March 2020	34,579.93	48,885.22	1,03,761.70	86.59	175.29	69.72	1,87,558.45

**2.1.A.1** The Company acquired 520 equity shares Akruiti Centre Point Infotech Private Limited virtue of which the company received title, right & ownership of the unit no.202 at Akruiti Centre, Mumbai. The gross block of the same is ₹ 1,144.89 Lakhs (previous year ₹ 1,144.89 Lakhs). The unit is being used as marketing office of the company.

**2.1.A.2** Refer Note 2.13.6 and 2.18.1 to Financial Statements in respect of charges created.

**2.1.A.3** The Company has capitalised/decapitalised exchange loss/gain respectively arising on long-term foreign currency loan. Accordingly, exchange loss amounting to ₹ 4,212.12 Lakhs ( Previous year - exchange loss 2,420.31 Lakhs) has been adjusted to the cost of Plant and Equipments. The unamortised amount as on March 31, 2020 ₹ 10,375.93 Lakhs (Previous year : ₹ 6,885.65 Lakhs).



## Notes to Financial Statements as at and for the year ended 31st March 2020

### 2.1.B PROPERTY, PLANT AND EQUIPMENT

₹ in Lakhs

Particulars	Leased Assets		Total
	Leasehold Land	Leasehold Buildings	
<b>(A) Gross Carrying Value</b>			
<b>As at 1st April 2018</b>	<b>5,379.78</b>	<b>9.18</b>	<b>5,388.96</b>
Additions	-	-	-
Disposals / deductions	-	-	-
Other adjustments			
Foreign Exchange differences			-
<b>As at 31st March 2019</b>	<b>5,379.78</b>	<b>9.18</b>	<b>5,388.96</b>
Additions	-	-	-
Disposals / deductions	-	-	-
Other adjustments			
Foreign Exchange differences			-
<b>As at 31st March 2020</b>	<b>5,379.78</b>	<b>9.18</b>	<b>5,388.96</b>
<b>(B) Accumulated Depreciation</b>			
<b>As at 1st April 2018</b>	<b>323.58</b>	<b>1.68</b>	<b>325.26</b>
Charge for the year	65.48	0.15	65.63
Deductions	-	-	-
<b>As at 31st March 2019</b>	<b>389.06</b>	<b>1.83</b>	<b>390.89</b>
Charge for the year	65.46	0.15	65.61
Deductions	-	-	-
<b>As at 31st March 2020</b>	<b>454.52</b>	<b>1.98</b>	<b>456.50</b>
<b>(C) Net Block (A-B)</b>			
<b>As at 31st March 2019</b>	<b>4,990.72</b>	<b>7.35</b>	<b>4,998.07</b>
<b>As at 31st March 2020</b>	<b>4,925.26</b>	<b>7.20</b>	<b>4,932.46</b>

2.1.B.1. The Company has adopted Ind AS 116, effective 1st April, 2019 using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact (if any) recognized on the date of initial application is, 1st April, 2019. Accordingly, previous period information has not been restated.

2.1.B.2. The Company's leases mainly comprises of land and buildings. The Company leases land for its manufacturing facilities and the building is used as its head office.

2.1.B.3. The Company had certain land & buildings classified as finance lease under IND AS-17 and accordingly the carrying amount of the right of use asset and the lease liability at the date of initial application, i.e, 1st April, 2019 has been taken at the carrying amount of the respective item before that date measured applying IND AS 17.

The adoption of this standard does not have any significant impact on the loss for the year and earnings per share.

2.1.B.4. The Company incurred ₹ 776.67 lakhs for the year ended 31st March, 2020 towards expenses relating to start term leases and leases of low value assets. The total cash outflow for leases is ₹ 776.67 lakhs for the year ended 31st March, 2020.

## Notes to Financial Statements as at and for the year ended 31st March 2020

### 2.1.C INTANGIBLE ASSETS

₹ in Lakhs

Particulars	Computer Softwares
<b>(A) Gross carrying value</b>	
As at 1st April 2018	1,395.69
Additions	4.75
Disposals / deductions	(2.88)
<b>As at 31st March 2019</b>	<b>1,397.56</b>
Additions	0.70
Disposals / deductions	(12.14)
<b>As at 31st March 2020</b>	<b>1,386.12</b>
<b>(B) Accumulated Amortisation</b>	
As at 1st April 2018	1,186.13
Charge for the year	60.56
Deductions	(2.88)
<b>As at 31st March 2019</b>	<b>1,243.81</b>
Charge for the year	53.30
Deductions	(12.14)
<b>As at 31st March 2020</b>	<b>1,284.97</b>
<b>(C) Net Block (A-B)</b>	
As at 31st March 2019	153.75
As at 31st March 2020	101.15

### 2.2 INVESTMENTS

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2020	As at 31st March 2019
<b>Investments at fair value through profit or loss</b>			
<b>Unquoted Equity Instruments</b>			
<b>Other Bodies Corporate - Fully paid-up Equity Shares</b>			
Brabourne Commerce Private Limited of ₹ 10 each 107 (Previous Year - 107) number of shares		0.09	0.09
The Calcutta Stock Exchange Association Limited of ₹ 1 each 8,364 (Previous Year - 8,364) number of shares		167.28	167.28
Capexil Agencies Limited of ₹ 1,000 each 5 (Previous Year - 5) number of shares		0.05	0.05
<b>Government Securities at amortised cost</b>			
National Savings Certificates		0.15	0.15
		<b>167.57</b>	<b>167.57</b>

2.2.1 Aggregate amount of unquoted investment

167.57

167.57

**2.3 OTHER NON CURRENT FINANCIAL ASSETS**

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2020	As at 31st March 2019
<b>Unsecured, Considered good</b>			
Deposits with Bank (having maturity of more than 12 months)	2.3.1	3.15	2.95
Security Deposits		8,058.51	2,388.48
		<b>8,061.66</b>	<b>2,391.43</b>

2.3.1 Deposit with Banks are pledged with the Government Authorities.

**2.4 OTHER NON-CURRENT ASSETS**

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2020	As at 31st March 2019
Capital Advances		760.86	306.46
Prepaid Expenses		16.53	46.53
		<b>777.39</b>	<b>352.99</b>

**2.5 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 2020	As at 31st March 2019
Raw Materials	2.5.1	12,475.90	6,509.31
Work in Progress		484.90	530.97
Finished Goods		18,141.09	16,278.06
Stores and Spare	2.5.1, 2.5.2 & 2.5.4	13,243.31	13,537.85
Packing Materials	2.5.1 & 2.5.3	1,184.42	1,370.08
Other Fixed Asset at Scrap Value		10.72	71.81
		<b>45,540.34</b>	<b>38,298.08</b>

**2.5.1 Above include Material in Transit :**

Particulars	As at 31st March 2020	As at 31st March 2019
Raw Materials	3,163.76	3,001.74
Stores and Spares	144.09	148.57
Packing Materials	4.95	3.04

2.5.2 Inventories of Stores and Spare Parts include certain slow moving, non-moving and obsolete items. An impairment allowance of ₹ 1265.61 Lakhs (Previous year - ₹ 1054.90 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 allowance is required.

2.5.3 Inventories of Packing Material include certain slow moving, non-moving and obsolete items. An impairment allowance of ₹ 15.9 Lakhs (Previous year - NIL) 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 allowance is required.

2.5.4 Refer Note 2.13.6 and 2.18.1 to Financial Statements in respect of charge created.

## Notes to Financial Statements as at and for the year ended 31st March 2020

### 2.6 TRADE RECEIVABLES

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2020	As at 31st March 2019
<b>Unsecured</b>			
Considered Good		32,133.11	36,873.33
Considered Doubtful		204.55	413.13
Less: Impairment Allowances for receivables		(204.55)	(413.13)
		<b>32,133.11</b>	<b>36,873.33</b>

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

2.6.2 There is no customer which represent more than 10% of the total balance of trade receivables as at the end of the reporting period.

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

Particulars	31st March 2020	31st March 2019
Within Credit Period	19,621.01	27,646.46
1 to 90 days past due	11,614.21	6,940.62
91 to 180 days past due	27.48	1,117.89
More than 180 days past due	1,074.96	1,581.49
	<b>32,337.66</b>	<b>37,286.46</b>

2.6.4 Movement of Impairment allowances for receivables

Particulars	31st March 2020	31st March 2019
Balance at Beginning of the year	413.13	176.31
Add: Impairment Allowance recognised during the year		273.46
Less: Impairment Allowances written back during the year	(17.09)	-
Add/Less: Impairment Allowance adjusted during the year	(191.49)	(36.64)
Balance at the end of the year	<b>204.55</b>	<b>413.13</b>

2.6.5 Credit quality of a customer is assessed based on appraisal of each customer 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 there is no single large customer creating significant risk.

### 2.7.A CASH AND CASH EQUIVALENTS

Particulars	Ref Note No.	As at 31st March 2020	As at 31st March 2019
Balances with banks:			
In Current accounts	2.7.A.1	10,392.07	15,535.37
In Deposit accounts (With original maturity of less than 3 months)		1.79	1.68
In Dividend accounts	2.7.A.2	0.13	0.45
Cash on hand		10.51	6.97
		<b>10,404.50</b>	<b>15,544.47</b>

## Notes to Financial Statements as at and for the year ended 31st March 2020

**2.7.A.1** Balance under Current accounts includes NIL (previous year ₹ 5,898.43) is not available for the company as the same needs to be paid to the secured lenders as per the terms of the resolution plan as described in Note No. 2.13.8.

**2.7.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.

### 2.7.B OTHER BALANCES WITH BANKS

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2020	As at 31st March 2019
In deposit accounts (With original maturity more than 3 months but less than 12 months)	2.7.B.1	84.62	1,766.22
		<b>84.62</b>	<b>1,766.22</b>

**2.7.B.1** Deposit amounting to Nil (Previous year ₹ 0.65 lacs) with Banks are pledged with the Government Authorities.

### 2.8 OTHER CURRENT FINANCIAL ASSETS

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2020	As at 31st March 2019
<b>Unsecured, Considered good</b>			
Security Deposits		0.10	0.21
Interest receivable		150.54	104.49
State Incentives	2.8.1	919.91	785.47
Others	2.8.2	10,096.17	222.66
		<b>11,166.72</b>	<b>1,112.83</b>

**2.8.1** State incentive includes:

- ₹ 103.83 Lakhs (Previous Year - ₹ 103.83 Lakhs) for Input VAT Credit - Deferred, which can be utilised only after repayment of corresponding amount of Sales Tax Deferred Loan.
- ₹ 816.08 Lakhs (Previous Year - ₹ 681.65 Lakhs) as Industrial Promotion Assistance.

**2.8.2** Other Current financial assets Includes:

- Insurance Claim Receivable ₹ 45.35 Lakhs (Previous Year - ₹ 45.35 lakhs) against which complete provision is taken during the period.
- An amount of ₹ 10,000 Lakhs not available for the company, lying with State Bank of India, to be apportioned among secured lenders as per the terms of resolution plan.

## Notes to Financial Statements as at and for the year ended 31st March 2020

### 2.9 CURRENT TAX ASSETS (NET)

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2020		As at 31st March 2019	
Advance Income Tax			2,289.03		2,381.38
Less: Provision for Tax			(2,019.25)		(2,021.86)
Income Tax		2,019.25		2,019.25	
Wealth Tax			-	2.62	
			<b>269.78</b>		<b>359.52</b>

### 2.10 OTHER CURRENT ASSETS

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2020		As at 31st March 2019	
<b>Considered Good</b>					
Balances / Deposit with Government Authorities			1,708.24		4,333.36
Prepaid Expenses			624.67		375.77
Advance to Suppliers		6,091.60		1,565.76	
Considered Goods		780.79		315.57	
Considered Doubtful		(780.79)		(315.57)	
			6,091.60		1,565.76
Less: Impairment Allowances for Advances	2.10.1				
Other Assets			20.20		15.56
Balances / Deposit with Government Authorities		11.28		-	
Less: Impairment Allowances		(11.28)	-	-	-
			<b>8,444.71</b>		<b>6,290.45</b>

#### 2.10.1 Movement of Impairment Allowance for Advances

₹ in Lakhs

	31st March 2020	31st March 2019
Balance at Beginning of the year	315.57	123.55
Add: Recognised during the year	453.94	192.02
Less: Adjusted during the year	-	-
<b>Balance at the end of the year</b>	<b>769.51</b>	<b>315.57</b>

### 2.11 EQUITY SHARE CAPITAL

₹ in Lakhs

Particulars	Ref Note No.	31st March 2020		31st March 2019	
		Number of Shares	Amount	Number of Shares	Amount
<b>Authorised Share Capital - Equity Shares of Rs. 2/- each</b>		2,55,75,00,000	<b>51,150.00</b>	2,55,75,00,000	<b>51,150.00</b>
<b>Issued, Subscribed and fully paid - up Share Capital - Equity Shares of Rs. 2/- each</b>		8,95,53,565	<b>1,791.07</b>	8,95,53,565	<b>1,791.07</b>
			<b>1,791.07</b>		<b>1,791.07</b>

## Notes to Financial Statements as at and for the year ended 31st March 2020

2.11.1 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.

2.11.2 There has been no change in the number of shares outstanding at the beginning and at the end of the reporting periods.

Particulars	2019-20	2018-19
Opening Number of Shares	8,95,53,565	8,95,53,565
Add: Number of Shares issued during the year	-	-
Closing Number of Shares	8,95,53,565	8,95,53,565

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

Name of Share Holders	Number of Shares held 31st March 2020	% of holding as at 31st March 2020	Number of Shares held 31st March 2019	% of holding as at 31st March 2019
Brabourne Commerce Private Limited	2,17,49,485	24.29%	2,17,49,485	24.29%
Spotlight Vanijya Limited	1,61,99,975	18.09%	1,61,99,975	18.09%
Dilip S Damle (Trustee HNG Trust and ACE Trust)	1,06,91,600	11.94%	1,06,91,600	11.94%
Ironwood Investment Holdings	61,76,936	6.90%	63,48,025	7.09%
Rungamattee Trexim Private Limited	45,90,550	5.13%	45,90,550	5.13%
Spotme Tracon Private Limited	45,90,545	5.13%	45,90,545	5.13%

2.11.4 The above shareholding represents both legal and beneficial shareholding.

### 2.12 OTHER EQUITY

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2020	As at 31st March 2019
Capital Reserve	2.12.1	6,055.05	6,055.05
Securities Premium Reserve	2.12.2	10,363.84	10,363.84
Debenture Redemption Reserve	2.12.3	-	5,000.00
General Reserve	2.12.4	69,573.88	69,573.88
Retained Earnings	2.12.5	(1,00,255.61)	(94,938.30)
		<b>(14,262.84)</b>	<b>(3,945.53)</b>

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

#### 2.12.1 Capital Reserve comprises of:

i) Reserve arising on merger of Glass Equipments India Limited and Quality Minerals Limited with effect from 1 April 2014.	2.90	2.90
ii) Receipts from the trust	6,052.15	6,052.15

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) were 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

## Notes to Financial Statements as at and for the year ended 31st March 2020

extent. Receipt from the Trusts on account of beneficial interest is credited to Capital Reserve. One of the Secured Lenders has enforced 37,94,360 and 1,55,640 equity shares held under pledge from M/s ACE Trust and M/s HNG Trust respectively and sold 5,39,183 equity shares out of the shares so enforced.

- 2.12.2** Securities Premium Reserve represents the amount received in excess of par value of securities. Section 52 of Companies Act, 2013 specify restriction on utilisation of securities premium.
- 2.12.3** As per Companies (Share Capital and Debentures) Amendment Rules, 2019, the requirement of creation of Debeneture Redemption Reserve has been done away with and accordingly balance outstanding under the head has been transferred to Retained Earnings.
- 2.12.4** General Reserve is created by an appropriation from one component of equity (generally Retained Earning) to another, not being an item of other comprehensive income. The same can be utilised in accordance with provisions of Companies Act, 2013.
- 2.12.5** Retained Earnings generally represent the undistributed profits /amount of accumulated earnings of the Company. It includes ₹ 30,932.52 Lakhs (Previous Year - ₹ 30,988.09 Lakhs) which is not available for distribution as dividend represented by change in carrying amount of Freehold and Leasehold Land upon measurement at Fair Value for deemed cost on the date of transition to Ind AS i.e. 1st April, 2015. Additional Depreciation due to Fair Value Measurement to the extent provided each year becomes available for distribution as dividend.

### 2.13 BORROWINGS

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2020		As at 31st March 2019	
		Non Current	Current	Non Current	Current
<b>At Amortised Cost</b>					
<b>Secured Loans</b>					
<b>a) Debentures</b>					
(i) 10.40% Redeemable Non Convertible Debentures	2.13.1, 2.13.6(A) & 2.13.6(E)	17,295.63	-	17,972.88	-
(ii) 10.00% Redeemable Non Convertible Debentures		10,000.00	-	-	-
<b>b) Term Loans</b>					
From Banks	2.13.2 & 2.13.6 (B to E)	53,208.00	30,779.00	84,621.60	19,581.16
From a Financial Institution	2.13.3, 2.13.6(B), 2.13.6 (E)	6,598.71	1,091.00	7,500.73	492.71
From Other	2.13.4 & 2.13.6 (B to E)	24,471.12	14,680.70	15,257.01	3,535.11
<b>c) Foreign Currency Term Loans</b>					
From Banks/ FI	2.13.2 & 2.13.6 (B & E)	11,534.04	39,629.06	23,060.79	28,243.09
<b>Unsecured Loans</b>					
From Related Party	2.13.9 & 2.36.1.C	8,702.00	-	8,000.00	-
<b>d) Deferred Payment Liabilities</b>					
Sales Tax Deferment Loan	2.13.5	-	202.02	-	202.02
		<b>1,31,809.50</b>	<b>86,381.78</b>	<b>1,56,413.01</b>	<b>52,054.09</b>



## Notes to Financial Statements as at and for the year ended 31st March 2020

### 2.13.1 Security and repayment details of Non Convertible Debentures at unamortised cost outstanding as on:

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
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.	8,647.82	9,007.13
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.	8,647.82	9,007.13
10.00% Unsecured Non Convertible Debentures allotted on 17.07.2019 are due for redemption at par at the end of the tenure i.e 09.07.2024.	10,000.00	-

### 2.13.2 Repayment details of Term Loans from Banks at unamortised cost outstanding as on 31st March 2020 are as follows:

₹ in Lakhs

Financial Year	Foreign Currency Term Loan	Effective Interest: 9.35%- 11.00% p.a	Total
2017-18*	1,513.44	2,867.00	4,380.44
2018-19*	8,156.62	6,976.00	15,132.62
2019-20*	10,735.60	8,976.00	19,711.60
2020-21	19,223.40	11,960.00	31,183.40
2021-22	11,534.04	11,960.00	23,494.04
2022-23	-	18,904.00	18,904.00
2023-24	-	15,404.00	15,404.00
2024-25	-	6,940.00	6,940.00
<b>Total</b>	<b>51,163.10</b>	<b>83,987.00</b>	<b>1,35,150.10</b>

### 2.13.3 Repayment details of Term Loans from a Financial Institution at unamortised cost outstanding as on 31st March 2020 are as follows:

₹ in Lakhs

Financial Year	Effective Interest: 10.50%-11.00%	Total
2019-20*	344.00	344.00
2020-21	747.00	747.00
2021-22	917.00	917.00
2022-23	2,200.00	2,200.00
2023-24	2,200.00	2,200.00
2024-25	1,281.67	1,281.67
<b>Total</b>	<b>7,689.67</b>	<b>7,689.67</b>

### 2.13.4 Repayment details of Term Loan from Other at unamortised cost outstanding as on 31st March 2020 are as follows:

₹ in Lakhs

Financial Year	Effective Interest: 10.50%-11.00%	Total
2017-18*	1,385.46	1,385.46
2018-19*	3,643.49	3,643.49
2019-20*	4,349.63	4,349.63
2020-21	5,302.12	5,302.12
2021-22	4,771.12	4,771.12
2022-23	7,625.57	7,625.57
2023-24	7,625.57	7,625.57
2024-25	4,448.85	4,448.85
<b>Total</b>	<b>39,151.81</b>	<b>39,151.81</b>

## Notes to Financial Statements as at and for the year ended 31st March 2020

### 2.13.5 Deferred Sales Tax Loan at unamortised cost outstanding as on 31st March 2020 is interest free and is payable as per the repayment schedule as follows:

₹ in Lakhs

Financial Year	Total
2019-2020	202.02
<b>Total</b>	<b>202.02</b>

\* The Company has defaulted in the Repayment of the Principal Amount.

### 2.13.6 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 ₹ 7,500 Lakhs from a Bank (Refer note - 2.13.6(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 others include Loan from Body Corporates. The said Loan and a loan of ₹ 7,500 Lakhs from a Bank (Refer Note - 2.13.6(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, No of Shares 76,62,490 (Previous Year- 76,62,490) and ACE Trust, No of Shares 63,05,177 (Previous Year - 68,44,360), out of which one of the Lenders enforced security 1,55,640 equity shares held by HNG Trust and 37,94,360 equity shares held by 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 2.13.6(A),(B)&(C) above excludes certain plots of land having book value of ₹ 3,326 Lakhs.

### 2.13.7 (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 2.13.7(c) 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.

Principal for the quarter ended December 2017, March 2018, June 2018, September 2018, December 2018, March 2019, June 2019, September 2019, December 2019 & March 2020 amounting to ₹ 49,163.41 Lakhs and Interest (comprising Interest on Term loan and Cash Credit) for November 2017 to March 2020 amounting to ₹ 51,180.61 Lakhs have not been paid. Letter of Credit and interest thereon for November 2017 to March 2018 aggregating to ₹ 6,779.15 lakhs has been devolved and the same has been recovered from the working capital facility of the respective bank.

- (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.
- (c) 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.

## Notes to Financial Statements as at and for the year ended 31st March 2020

**2.13.8** The continuous higher financial leverage and lower profitability plagued the financials of the Company. To reduce the leverage, company approached the lenders for compromise settlement pursuant to RBI's circular on Resolution of Stressed Assets – Revised Framework dated 12th February, 2018.

Pursuant to the said guidelines, Lenders have agreed for a one time compromise settlement of their dues and entered into a Memorandum of Understanding (MOU) with the Company dated 27 August, 2018 and Compromise and Settlement Agreement dated 25th September, 2018.

The brief summary of the MOU signed by the Company and the lenders are as follows :

- The entire dues (Term Loan, Fund based Working Capital, Letter of Credit and interest thereon) as outstanding as on 28 February, 2018 shall be settled by payment of cash component of ₹ 1,71,000 Lakhs.
- Pay out of the non-fund based facilities granted to the borrower amounting to ₹ 22,208 Lakhs or actual amount outstanding.
- Issue/transfer of 90 lakhs equity shares in favour of secured creditors to be based on total fund based exposure.
- The Company has deposited an amount of ₹ 29,000 Lakhs which is 15% of the settlement amount with State Bank of India, as per the terms & conditions of the Memorandum of Understanding (MOU) with the Company dated 27 August, 2018 and Compromise and Settlement Agreement dated 25 September, 2018, Further the company has deposited a sum of ₹ 7,238.43 Lakhs through Cut back, out of which ₹ 6,000 Lakhs has been appropriated in September, 2019 and ₹ 13,276.64 Lakhs has been deposited through Promoters Contribution and Cut back, out of which ₹ 3,276.64 Lakhs has been appropriated in H2 of FY 19-20.

State Bank of India has apportioned the above amount to all the lenders as per the table below: (₹ in Lakhs)

Name of Bank /Financial Institution/Others	March 2019	September 2019	H2 of FY 19-20
State Bank of India	12,775.60	2,264.00	1,235.95
Syndicate Bank	1,297.49	304.00	165.80
HDFC Bank Limited	1,918.26	449.00	245.09
Axis Bank Limited	1,568.62	334.00	182.51
Edelweiss ARC	2,011.08	470.00	256.89
L & T Finance	224.67	53.00	28.83
Exim Bank	882.79	206.00	112.72
LIC	1,985.74	465.00	253.61
DBS Bank	3,962.90	927.00	506.24
Rabo Bank	1,455.77	341.00	186.11
Bank of Baroda	471.18	84.00	45.87
Standard Chartered Bank	445.90	103.00	57.01
<b>Total</b>	<b>29,000.00</b>	<b>6,000.00</b>	<b>3,276.64</b>

In absence of detailed documentation from respective lenders for the adjustment of the aforementioned appropriation of the funds, the company has decided to adjust the same in the books in the following manner:

- If the lender has provided both long term and short term facilities, then the amount appropriated have been adjusted against the short term facilities first and if balance remains then with long term facility.
- If the lender is having any one facility only, then with the outstanding balance.
- Interest for the period post appropriation shall be calculated proportionately after the above adjustment. Accordingly, interest amounting to ₹ 3,109.80 Lakhs for Current Year (Previous Year ₹ 198.76 Lakhs) is short booked.

The last date of payment for compromised amount was 25th November, 2018, however Company was unable to make the payment due to the reasons beyond its control. Subsequently, lenders have extended the timeline up to 31st December, 2019, which also got elapsed. The discussion with the consortium lenders are still going on for further extension of timeline.

One of the lender has filed application before The National Company Law Tribunal (NCLT), Kolkata Bench on 13th August, 2019 under section 7 of The Insolvency And Bankruptcy Code, 2016. The matter was last heard on 17th February, 2020. Further due to ongoing pandemic situation, no hearing has been scheduled so far.

One more lender has filed application on 13th January, 2020. Further due to ongoing pandemic situation, no hearing has been scheduled so far.

## Notes to Financial Statements as at and for the year ended 31st March 2020

**2.13.9** The amount of unsecured loan shall be repaid or converted into non-convertible debentures (NCD) on the terms mutually agreed on the expiry of a period of three years from the date of disbursement.

### 2.14 OTHER NON CURRENT FINANCIAL LIABILITIES

₹ in Lakhs

Particulars	As at 31st March 2020	As at 31st March 2019
Retention Money	291.45	332.35
	<b>291.45</b>	<b>332.35</b>

### 2.15 PROVISION

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2020	As at 31st March 2019
Provision for Employee Benefits	2.15.1	1,283.88	1,015.84
		<b>1,283.88</b>	<b>1,015.84</b>

**2.15.1** The provision for employee benefits includes gratuity and vested long service leave entitlements accrued to employees which are payable as per the terms of their appointment. For other disclosures, refer Note 2.39

### 2.16 DEFERRED TAX LIABILITIES (NET)

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2020	Current Year Charge/(Credit) to P/L	As at 31st March 2019
<b>Deferred Tax Liabilities</b>				
Difference between WDV of Block of Assets		29,601.18	(8,704.24)	38,305.42
<b>Gross Deferred Tax Liability</b>		<b>29,601.18</b>	<b>(8,704.24)</b>	<b>38,305.42</b>
<b>Deferred Tax Assets</b>				
Provision for Post Retirement Benefits and Other Employment Benefits		926.05	72.47	853.58
Brought Forward Unabsorbed Depreciation		28,568.27	(8,656.22)	37,224.49
Impairment Allowances of Trade & Other Receivable		106.86	(120.49)	227.35
<b>Gross Deferred Tax Asset</b>		<b>29,601.18</b>	<b>(8,704.24)</b>	<b>38,305.42</b>
<b>Net Deferred Tax Liability</b>		<b>-</b>	<b>-</b>	<b>-</b>

2.16.1	Unrecognised unused Tax Losses and unused Tax credits	As on 31st March 2020	As at 31st March 2019
	(i) Unused Tax Losses	-	15,504.43
	(ii) Unabsorbed depreciation	44,670.55	50,764.08
	(iii) Unused Tax Credits (Minimum Alternate Tax)	3,152.01	3,152.01

**2.16.2** Carried 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.

**2.16.3** Since Company has carried forward losses, unrecognised unused tax losses and unused tax credits, reconciliation of tax expense has not been provided.

**2.16.4** Deferred Tax Asset & Liabilities have been offset wherever the company has a legally enforceable right to set off current tax assets against current tax liabilities & where deferred tax assets & liabilities relate to income tax levied by the same taxation authority.

## Notes to Financial Statements as at and for the year ended 31st March 2020

### 2.17 OTHER NON-CURRENT LIABILITIES

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2020	As at 31st March 2019
Advance received from Customers		881.21	2,247.00
		<b>881.21</b>	<b>2,247.00</b>

### 2.18 BORROWINGS

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2020	As at 31st March 2019
<b>Secured Loans</b>			
Working Capital Facilities from Banks (repayable on demand)	2.18.1 & 2.18.2	26,310.38	30,642.29
		<b>26,310.38</b>	<b>30,642.29</b>

2.18.1 Working Capital Facilities (Fund Based and Non Fund Based) from banks are secured by -

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.

2.18.2 **Additional Securities to Lenders who have agreed to CAP :**

- Pledge of 51% of the Company's Shareholding held by Promoter and Promoter Group on pari passu basis with other lenders.
- Personal Guarantee of Mr Sanjay Somany and Mr Mukul Somany.

### 2.19 TRADE PAYABLES

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2020	As at 31st March 2019
<b>Payables for goods and services</b>	2.19.1 & 2.19.2		
Total Outstanding dues of Micro Enterprises & Small Enterprises		1,909.80	697.05
Total Outstanding dues of Creditors other than Micro Enterprises & Small Enterprises		20,220.47	34,717.51
		<b>22,130.27</b>	<b>35,414.56</b>

2.19.1 Payable for goods and services includes acceptances

-

4,204.51

## Notes to Financial Statements as at and for the year ended 31st March 2020

**2.19.2** 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 ₹ 774.46 Lakhs (Previous year - ₹ 381.31 Lakhs). Based on above the relevant disclosures u/s 22 of the Act are as follows:

MSME	As at 31st March 2020	As at 31st March 2019
(i) The amount remaining unpaid to any supplier as at the end of the accounting year	1,783.92	557.30
(ii) The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during accounting year;	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of accounting year; and	125.88	139.75
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under section 23.	-	-
	<b>1,909.80</b>	<b>697.05</b>

### 2.20 OTHER CURRENT FINANCIAL LIABILITIES

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2020	As at 31st March 2019
<b>Financial liabilities at fair value through profit or loss</b>			
<b>Derivatives not designated as hedges</b>			
Liability on derivative contracts		-	3.33
<b>Other financial liabilities at amortised cost</b>			
Current maturities of long term debt	2.13	86,381.78	52,054.09
Interest accrued and due on borrowings		52,061.33	30,072.84
Unpaid dividend		0.13	0.45
<b>Other payables</b>		3,605.93	3,828.39
Creditors on account of Capital Goods		1,251.01	2,079.05
Others		2,354.92	1,749.34
		<b>1,42,049.17</b>	<b>85,959.10</b>

### 2.21 OTHER CURRENT LIABILITIES

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2020	As at 31st March 2019
<b>Other payables</b>			
Statutory Dues - PF, ESI, TDS, Entry Tax, GST etc.		4,206.63	4,771.68
Advance from Customers		1,369.37	2,401.39
		<b>5,576.00</b>	<b>7,173.07</b>

## Notes to Financial Statements as at and for the year ended 31st March 2020

### 2.22 PROVISIONS

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2020	As at 31st March 2019
Provision for Employee Benefits	2.22.1	520.07	831.85
		<b>520.07</b>	<b>831.85</b>

2.22.1 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 their appointments. For other disclosures, refer Note. 2.39

### 2.23 REVENUE FROM OPERATIONS

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Sale of Products (including excise duty)</b>			
Finished Goods (Container Glass Bottles)		2,27,102.00	2,35,896.20
<b>Other Operating Revenue</b>			
Scrap Sales		237.19	312.77
Insurance Claim received		32.98	81.82
Others	2.23.2 & 2.32.3	1,264.64	2,902.78
<b>Revenue from Operations</b>		<b>2,28,636.81</b>	<b>2,39,193.97</b>

2.23.1 Damages, rebate and volume discount are adjusted with revenue.

2.23.2 Includes Industrial Promotion Assistance received under State Incentive Scheme during the period is ₹ 271.35 Lakhs (Previous year: ₹ 560.95 Lakhs) and export incentives of ₹ 31.6 Lakhs (Previous year : ₹ 141.66 lakhs)

2.23.3 Others includes ₹ 940.94 Lakhs (Previous Year 1481.87 Lakhs) for Transportation Income.

### 2.24 OTHER INCOME

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest Income on deposits and others		226.31	173.57
Dividend Income		1.51	1.42
<b>Other Non Operating income (net of expense directly attributable to such income)</b>			
Rent and Hire Charges		27.84	75.95
Liabilities no longer required written back		1,582.83	1,158.45
Miscellaneous Income		1,492.19	456.80
<b>Other Gains and Losses</b>			
Exchange Gain (Net)		192.12	-
		<b>3,522.80</b>	<b>1,866.19</b>

## Notes to Financial Statements as at and for the year ended 31st March 2020

### 2.25 COST OF MATERIALS CONSUMED

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
Opening Stock		6,509.31	7,827.83
Add: Purchases		76,953.76	69,062.15
Less: Closing Stock		12,475.90	6,509.31
<b>Raw Materials Consumed</b>	2.25.1 & 2.25.2	<b>70,987.16</b>	<b>70,380.67</b>

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

### 2.25.2 RAW MATERIAL CONSUMED

₹ in Lakhs

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Silica Sand	11,911.12	11,920.90
Soda Ash	39,769.47	40,052.52
Cullet	10,539.48	9,759.67
Others	8,767.09	8,647.58
<b>Total</b>	<b>70,987.16</b>	<b>70,380.67</b>

### 2.26 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Closing Stock</b>			
Finished Goods		18,141.09	16,278.06
Work-in-Progress		484.90	530.97
		<b>18,625.99</b>	<b>16,809.03</b>
Less:			
<b>Opening Stock</b>			
Finished Goods		16,278.06	24,145.49
Work-in-Progress		530.97	769.62
		<b>16,809.03</b>	<b>24,915.11</b>
		<b>(1,816.96)</b>	<b>8,106.08</b>

### 2.27 EMPLOYEE BENEFIT EXPENSES

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
Salaries and Wages		20,055.80	18,876.91
Contribution to Provident and Other Funds		1,180.05	1,163.03
Workmen and Staff Welfare Expenses		523.34	571.67
		<b>21,759.19</b>	<b>20,611.61</b>



## Notes to Financial Statements as at and for the year ended 31st March 2020

### 2.28 OTHER EXPENSES

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31st March 2020		For the year ended 31st March 2019	
Stores and Spare Parts Consumed	2.28.1		11,141.84		7,690.19
Power and Fuel	2.28.2		74,448.37		90,293.16
Packing Material Consumed and Packing Charges			14,680.76		17,522.12
Rent			776.67		1,023.86
Rates and Taxes			2,765.87		412.10
Repairs:					
Plant and Equipment			675.44		857.33
Buildings			392.28		290.29
Others			189.69		155.38
Legal & Professional Expenses			987.73		989.52
Freight Outwards, Transport and Other Selling Expenses			2,230.41		4,326.17
Commission on Sales			95.49		166.22
Insurance			413.47		411.77
Bad Debts Written Off		24.17		12.88	
Less: Write Back of Impairment Allowances for Trade Receivable		(24.15)	0.02	1.62	14.50
Impairment Allowances against Trade Receivables/ Advances			493.25		273.46
Charity and Donation			0.11		0.77
Loss on Sale/Discard of Property Plant and Equipment (Net)			1,933.56		678.96
Exchange Loss (Net)			-		125.14
Other Miscellaneous Expenses	2.28.3		2,153.26		2,408.17
			<b>1,13,378.22</b>		<b>1,27,639.11</b>

**2.28.1** Profit or loss on sale of Stores has been adjusted in consumption. During the year the Company has discard obsolete stock accordingly provision is NIL(Previous year ₹ 141.72 Lakhs ) made in earlier year has been reversed and adjusted.

**2.28.2** Electricity duty waiver benefit under State Incentive Schemes credited to Power and Fuel Account during the year is NIL (Previous year: ₹ 425.17 Lakhs)

**2.28.3** Other Miscellaneous Expenses include :

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
a) Payment to Auditors		
<b>To Auditor:</b>		
Statutory Audit Fees	24.75	25.25
Tax Audit Fees	5.10	5.25
Certifications etc	6.28	6.40
	<b>36.13</b>	<b>36.90</b>
b) Directors Travelling Expenses	17.03	13.23
c) Directors Sitting Fees	8.10	10.45

## Notes to Financial Statements as at and for the year ended 31st March 2020

### 2.29 FINANCE COSTS

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest Expense		23,282.81	24,962.68
Other Borrowing Costs		34.10	293.89
		<b>23,316.91</b>	<b>25,256.57</b>

### 2.30 EXCEPTIONAL ITEMS

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
Profit on disposal of Non current investments	2.30.1	-	9,516.99
		-	<b>9,516.99</b>

**2.30.1** During the Previous year, Sisecam Flat Glass India Ltd (Formerly known as HNG Float Glass Limited ) has ceased to be the Joint Venture of the Company with effect from 13th June 2018 on disposal of its entire shareholding. Profit of ₹ 9,516.99 Lakhs was recognised and included under exceptional items.

### 2.31 EARNINGS PER SHARE (EPS)

₹ in Lakhs

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

Particulars		For the year ended 31st March 2020	For the year ended 31st March 2019
(Loss) after Tax (₹ in Lakhs)		(10,303.23)	(17,295.06)
Net (Loss) for calculation of basic and Diluted EPS (₹ In Lakhs)	(a)	<b>(10,303.23)</b>	<b>(17,295.06)</b>
Weighted Average number of Equity shares in calculating Basic and Diluted EPS	(b)	8,95,53,565	8,95,53,565
Basic and Diluted EPS (a/b) (in ₹)		(11.50)	(19.31)

**2.31.1** 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 2020

### 2.32 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 2020	As at 31st March 2019
<b>(I)</b>	<b>Claims against the company not acknowledged as debt</b>			
1	Central Excise/Sales Tax matter under appeals		2,230.62	2,186.91
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.		1,069.80	1,168.41
3	Cases pending with labour courts (to the extent ascertainable)		164.37	76.53
4	Other Claims against the Company not acknowledged as debt.		770.09	758.18
5	Octroi on Transportation of natural gas through pipeline.		392.17	378.49
6	Gujarat State Petroleum Corpn. Limited - CST Diff of 13%		101.40	
7	Local Area Development Tax Demand		-	2,059.38
8	Demand of stamp duty against leasehold land purchased from Haryana Sheet Glass Limited.		37.67	37.67
9	Mathadi Act for 1999-2001		126.63	126.63
10	Income Tax under Appeal for the A Y 2011-12		1.30	1.30
<b>(II)</b>	<b>Guarantees excluding financial guarantees</b>			
	Guarantee furnished to bank on behalf of an entity over which directors of the Company has significant influence.	2.32.A.2	1,400.00	1,800.00

**2.32.A.1** The Company's pending litigation comprises of claims against the Company and proceedings pending with tax/statutory/government authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, and disclosed 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 (10) as mentioned above are determinable only on receipt of judgement/decisions pending with various forums/authorities.

**2.32.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 2020	As at 31st March 2019
AMCL Machinery Limited	Working Capital Loan	25th June 12	1,400.00	1,800.00
			<b>1,400.00</b>	<b>1,800.00</b>

#### B. CAPITAL AND OTHER COMMITMENTS

₹ in Lakhs

Particulars	As at 31st March 2020	As at 31st March 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance); Advance of ₹ 760.86 Lakhs (Previous year - ₹ 306.46 Lakhs)	2,050.16	2,430.01

## Notes to Financial Statements as at and for the year ended 31st March 2020

### 2.33 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.

Particulars	As at 31st March 2020	As at 31st March 2019
(i) Salaries and Wages	-	206.30
(ii) Miscellaneous expenses	-	170.08
(iii) Stores & Spares Consumed	-	858.31
(iv) Payment to Contractors	-	0.29
(v) Cost of Material Consumed	-	11.99
<b>Total</b>	-	<b>1,246.97</b>
Add: Brought Forward from previous year	150.97	1,485.50
Less: Capitalised/adjustment during the year	137.05	2,581.50
<b>Total carried forward</b>	<b>13.92</b>	<b>150.97</b>

### 2.34 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

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

Particulars	As at 31st March 2020		As at 31st March 2019	
	Foreign Currency (in Lakhs)	INR Value (₹ in Lakhs)	Foreign Currency (in Lakhs)	INR Value (₹ in Lakhs)
USD				
<b>Nature of Instrument/Nature of Loan</b>				
Trade Payable	-	-	50.60	3,503.96

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

Particulars	As at 31st March 2020		As at 31st March 2019	
	Foreign Currency (in Lakhs)	INR Value (₹ in Lakhs)	Foreign Currency (in Lakhs)	INR Value (₹ in Lakhs)
<b>Payables</b>				
-EUR	6.50	516.79	10.35	804.62
-GBP	0.42	36.56	0.34	30.48
-JPY	0.84	0.59	0.84	0.53
-USD	7.29	467.94	13.80	955.94
-AUD	0.51	23.47	0.51	24.92
-NPR	54.89	34.14	-	-
<b>Receivables</b>				
-USD	19.80	1,492.43	7.36	509.90
-AUD	0.24	10.91	0.66	32.26
-EUR	0.14	11.50	-	-
-GBP	0.75	69.68	-	-
<b>Foreign Currency loans</b>				
-USD	678.68	51,163.10	741.28	51,333.95

## Notes to Financial Statements as at and for the year ended 31st March 2020

### 2.35 SEGMENT INFORMATION

The Company's business is exclusively manufacturing and selling of Container Glass Bottles and as such in the view of the Chief Operation Decision Maker (CODM) this is the only operating business segment, as per the Ind AS 108 on Operating Segments. Thus no separate segment information is disclosed for primary business segment. Secondary Segment 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 2020	For the year ended 31st March 2019
Domestic Market	2,19,645.24	2,25,396.94
Overseas Market	8,991.56	14,955.08
<b>Total</b>	<b>2,28,636.80</b>	<b>2,40,352.02</b>

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

₹ in Lakhs

Particulars	As at 31st March 2020	As at 31st March 2019
Domestic Market	31,214.76	34,950.70
Overseas Market	918.35	2,335.76
<b>Total</b>	<b>32,133.11</b>	<b>37,286.46</b>

### 2.36 RELATED PARTY DISCLOSURES

#### I Names of the related parties and nature of relationship

##### A) Joint Venture Company

Sisecam Flat Glass India Ltd. (Formerly known as HNG Float Glass Limited (Cease to Exist from 13.06.2018))

##### B) Key Managerial Personnel and their relatives.

- (i) Mr. Sanjay Somany - Chairman and Managing Director
- (ii) Mr. Mukul Somany - Vice Chairman and Managing Director
- (iii) Mr. Ratna Kumar Daga - Independent Director
- (iv) Mr. Dipankar Chatterji - Independent Director
- (v) Mrs. Rita Bhimani - Independent Director
- (vi) Late Narayanaswami Sitaraman - Independent Director (Till 24.04.2018)
- (vii) Mr. Amal Chandra Saha- Independent Director
- (viii) Mr. Bharat Somany - Son of Mr. Sanjay Somany

##### C) Enterprises over which any person described in [B (i) to (viii)] above is able to exercise significant influence and with whom the Company has transactions during the year.

AMCL Machinery Limited  
Mould Equipment Limited

## Notes to Financial Statements as at and for the year ended 31st March 2020

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 2020	For the year ended 31st March 2019
Provision for Facilities	SISECAM FLAT GLASS INDIA LTD.	-	12.88
Recovery of Expenses	SISECAM FLAT GLASS INDIA LTD.	-	5.61
Receipt of Services	SISECAM FLAT GLASS INDIA LTD.	-	267.86

#### 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 2020	For the year ended 31st March 2019
Remuneration		Bharat Somany	23.73	21.55
Refund of Remuneration	2.36.1	Sanjay Somany	680.79	-
		Mukul Somany	681.94	-
Sitting Fees		Ratna Kumar Daga	2.55	4.00
		Dipankar Chatterji	2.55	3.80
		Rita Bhimani	1.10	2.50
		Amal Chandra Shah	1.90	-
		Narayanaswami Sitaraman	-	0.15

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 2020	For the year ended 31st March 2019
Short Term Employee Benefits*	23.73	21.55

\* Excluding contribution to gratuity fund

**2.36.1** Refund of Managerial remuneration of ₹ 1,362.73 Lakhs from the Chairman & Managing Director and Vice Chairman & Managing Director for the financial years ending 2017-18, 2016-17 and 2015-16 is received during the year 2019-20.

#### c) Aggregate amount of Transactions with related parties as mentioned in (B) above are as follows:

₹ in Lakhs

Nature of transaction	Name of the related party	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Purchase of Goods	Mould Equipment Limited	12.66	9.61
Recovery of expenses	AMCL Machinery Limited	-	5.70
	Mould Equipment Limited	-	15.17

## Notes to Financial Statements as at and for the year ended 31st March 2020

Nature of transaction	Name of the related party	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Purchase of Stores & Spares	AMCL Machinery Limited	-	0.37
Receipt of Services	Mould Equipment Limited	376.24	291.16
Interest Paid	Spotlight Vanijya Limited	728.77	-
Sale of Asset	AMCL Machinery Limited	1.04	-
Sale of Goods	AMCL Machinery Limited	4.11	-
Rent Paid	Spotlight Vanijya Limited	-	9.00
	Rungamattee Trexim Private Limited	-	3.00
Rent Received	Mould Equipment Limited	26.75	29.88
Loan Taken during the year - NCD	Spotlight Vanijya Limited	10,000.00	-
Loan Taken during the year - ICD	Spotlight Vanijya Limited	702.00	8,000.00

### d) Balance of related parties is as follows:

₹ in Lakhs

Nature of transaction	Name of the related party	As At 31st March 2020	As At 31st March 2019
Payable	AMCL Machinery Limited	-	0.09
	Mould Equipment Limited	112.48	100.35
Receivable	AMCL Machinery Limited	2.56	-
	AMCL Machinery Limited	1400.00	1,800.00
Loan Outstanding - NCD	Spotlight Vanijya Limited	10,000.00	-
Loan Outstanding - ICD	Spotlight Vanijya Limited	8,702.00	8,000.00
Interest Payable	Spotlight Vanijya Limited	655.89	-
Sitting Fee	Ratna Kumar Daga	-	0.18
	Rita Bhimani	-	0.18

### 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 2.32.A.2) and no amount/income is being received by the Company in this regard. For the year ended March 31, 2020, the Company has not recorded any impairment allowances in respect of receivables relating to amounts owed by related parties (Previous Year : Nil). This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

#### 2.37 LEASES

The company has taken certain land on Finance Lease. Carrying Value of Land taken on Lease is ₹ 4925.26 Lakhs (Previous Year-4990.71 Lakhs).

The Company has acquired certain assets under financial lease, the cost of which is included in the Gross Blocks of Buildings. The lease term is 75 years (Head Office) and 95 years (In case of Sinnar) for Building. 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:

## Notes to Financial Statements as at and for the year ended 31st March 2020

### Assets taken under Finance Lease

₹ in Lakhs

Particulars	As at 31st March 2020		As at 31st March 2019	
	Lease Payments	Present Value	Lease Payments	Present Value
Not more than one year	0.50	0.08	0.50	0.10
Later than one year and not more than five years	2.07	0.26	2.04	0.29
Later than five years	39.76	0.41	40.28	0.47

### Assets taken under Operating Leases:

Certain 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 '2.28' of the financial statement.

₹ in Lakhs

Particulars	Lease Payments	
	31st March 2020	31st March 2019
Not more than one year	-	70.63
Later than one year and not more than five years	-	47.29

**2.38** The Company is incurring losses since Financial Year 2012-2013 which have resulted in erosion of net-worth completely. With the approval of resolution plan and the positive outlook of the management towards the growth of the company and its ability to continue as a going concern in the foreseeable future, the financial statements for the year ended 31st March, 2020 have been prepared on a going concern basis.

### **2.39** 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:

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Employer's Contribution to Provident Fund	438.76	427.09
Employer's Contribution to Pension Fund	343.87	339.21

The Company contributed NIL towards provident fund during the year ended 31st March, 2020 (Previous Year : NIL)



## Notes to Financial Statements as at and for the year ended 31st March 2020

₹ in Lakhs

The details of fund and plan asset position are given below:

Particulars	As at 31 March 2020	As at 31 March 2019
Plan assets at year end, at fair value	12,028.82	11,306.27
Present value of benefit obligation at year end	11,880.16	10,823.91
Asset / (Liability) recognised in Balance Sheet	148.66	482.36

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach

Particulars	As at 31 March 2020	As at 31 March 2019
Fixed Income/Debt Securities	9.01%	9.05%
Expected guaranteed interest rate	8.50%	8.65%

### b) Defined Benefit Plan

The employees' 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		Gratuity Unfunded	
	2019-20	2018-19	2019-20	2018-19
Liability at the beginning of the year	3,188.54	3,180.61	625.41	652.74
Current Service Cost	274.40	225.39	57.56	53.37
Interest Cost	201.37	227.84	41.33	50.04
Actuarial (gain)/loss on obligations due to Change in Financial Assumption	290.72	137.87	71.35	33.31
Actuarial (gain)/loss on obligations due to Unexpected Experience	69.92	(178.59)	(108.23)	(160.08)
Benefits paid	(311.70)	(404.58)	(9.64)	(3.97)
Liability at the end of the year	3,713.25	3,188.54	677.78	625.41

₹ in Lakhs

Particulars	Total Defined Benefit Obligations	
	2019-20	2018-19
Defined benefit obligation (funded) at the end of the year	3,713.25	3,188.54
Defined benefit obligation (unfunded) at the end of the year	677.78	625.41
Total Defined benefit obligation at the end of the year	4,391.03	3,813.95

## Notes to Financial Statements as at and for the year ended 31st March 2020

₹ in Lakhs

II. Changes in the Fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows:

Particulars	Gratuity Funded	
	2019-20	2018-19
Fair value of plan assets at the beginning of the year	2,671.73	2,783.56
Interest Income	177.40	212.94
Return on Plan Assets excluding Interest Income	309.28	(151.07)
Employer contribution	485.59	230.88
Benefits paid	(311.70)	(404.58)
Fair value of plan assets at the end of the year	3,332.30	2,671.73

III. Expense recognised in the Statement of Profit and Loss (Under the head "Contribution to provident and other funds" - Refer Note 2.27) and Other Comprehensive Income

₹ in Lakhs

Particulars	Gratuity Funded		Gratuity Unfunded	
	2019-20	2018-19	2019-20	2018-19
Current Service Cost	274.40	225.39	57.56	53.37
Net Interest Cost	23.97	14.90	41.33	50.04
Expenses recognised in Statement of Profit and Loss	<b>298.37</b>	<b>240.29</b>	<b>98.89</b>	<b>103.41</b>

₹ in Lakhs

Particulars	Gratuity Funded		Gratuity Unfunded	
	2019-20	2018-19	2019-20	2018-19
Actuarial (gain)/loss on obligations due to Change in Financial Assumption	290.72	137.87	71.35	33.31
Actuarial (gain)/loss on obligations due to Unexpected Experience	69.92	(178.59)	(108.23)	(160.08)
<b>Total Actuarial (gain)/losses</b>	<b>360.64</b>	<b>(40.72)</b>	<b>(36.88)</b>	<b>(126.77)</b>
Return on Plan Asset, excluding Interest Income	(309.28)	151.07	-	-
Net expenses recognised in Other Comprehensive Income	<b>51.36</b>	<b>110.35</b>	<b>(36.88)</b>	<b>(126.77)</b>

IV. Balance Sheet Reconciliation

₹ in Lakhs

Particulars	Gratuity Funded		Gratuity Unfunded	
	2019-20	2018-19	2019-20	2018-19
Present value of the defined benefit obligations at the end of the year	3,713.25	3,188.54	677.78	625.41
Fair value of the plan assets at the end of the year	3,332.30	2,671.73	-	-
Amount Recognised in Balance Sheet	<b>380.95</b>	<b>516.81</b>	<b>677.78</b>	<b>625.41</b>

₹ in Lakhs

Particulars	Gratuity Funded		Gratuity Unfunded	
	2019-20	2018-19	2019-20	2018-19
Opening Net Liability	516.81	397.05	625.41	652.74
Expenses as above	349.73	350.64	62.01	(23.36)
Employers Contribution	485.59	230.88	(9.64)	(3.97)
Amount Recognised in Balance Sheet	<b>380.95</b>	<b>516.81</b>	<b>677.78</b>	<b>625.41</b>

V. 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.

## Notes to Financial Statements as at and for the year ended 31st March 2020

### VI. Principal Actuarial assumptions at the Balance Sheet Date

₹ in Lakhs

Particulars	Gratuity Funded		Gratuity Unfunded	
	2019-20	2018-19	2019-20	2018-19
Mortality Table	IALM (2006-2008) ULTIMATE	IALM(2006-2008) ULTIMATE	IALM (2006-2008) ULTIMATE	IALM (2006-2008) ULTIMATE
Discount rate (per annum)	6.64%	7.65%	6.66%	7.69%
Expected rate of return on plan assets (per annum)	6.64%	7.65%	NA	NA
Average expected future service (Remaining working Life)	15	16	18	19
Average Duration of Liabilities	58	58	58	58
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)	6.50%	6.50%	6.50%	6.50%

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 2020-21 is yet to be determined.

### VIII. A quantitative sensitivity analysis for significant assumption are as shown below:

#### a) Gratuity Funded

	2019-20		2018-19	
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 0.5%)	3,563.90	3,874.29	3,066.93	3,319.30
%Change Compared to base due to sensitivity	(4.02%)	4.34%	(3.81%)	4.10%
Salary Growth (-/+ 0.5%)	3,872.84	3,563.90	3,319.46	3,065.72
%Change Compared to base due to sensitivity	4.30%	(4.02%)	4.11%	(3.85%)
Attrition Rate (-/+ 0.5%)	3,723.24	3,703.26	3,192.15	3,184.94
%Change Compared to base due to sensitivity	0.27%	(0.27%)	0.11%	(0.11%)
Mortality Rate (-/+ 10%)	3,731.22	3,695.28	3,204.45	3,172.63
%Change Compared to base due to sensitivity	0.48%	(0.48%)	0.48%	(0.48%)

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

	2019-20		2018-19	
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 0.5%)	641.59	717.19	593.73	659.72
%Change Compared to base due to sensitivity	-5.34%	5.82%	(5.06%)	5.49%
Salary Growth (-/+ 0.5%)	716.84	641.58	659.77	593.41
%Change Compared to base due to sensitivity	5.77%	-5.34%	5.50%	(5.12%)
Attrition Rate (-/+ 0.5%)	680.43	675.11	626.39	624.41
%Change Compared to base due to sensitivity	0.39%	-0.39%	0.16%	(0.16%)
Mortality Rate (-/+ 10%)	681.81	673.73	629.34	621.47
%Change Compared to base due to sensitivity	0.60%	-0.60%	0.63%	(0.63%)

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 2020

### 2.40 CATEGORIES OF FINANCIAL INSTRUMENTS

₹ in Lakhs

Particulars	Refer Note No	As at 31st March 2020	As at 31st March 2019
<b>Financial Assets</b>			
<b>Measured at Amortised Cost</b>			
Investments	2.2	0.15	0.15
Deposit with Bank	2.3	3.15	2.95
Trade Receivable	2.6	32,133.11	36,873.33
Cash and Cash Equivalents	2.7.A	10,404.50	15,544.47
Other Bank Balances	2.7.B	84.62	1,766.22
Security Deposits	2.3 & 2.8	8,058.61	2,388.69
Other Current Financial Assets	2.8	11,166.62	1,112.62
<b>Total financial assets measured at amortised cost</b>		<b>61,850.76</b>	<b>57,688.43</b>
<b>Measured at Fair Value through Profit or Loss</b>			
Investment			
Non-current Investment	2.2	167.42	167.42
<b>Total Financial Assets measured at Fair Value through Profit or Loss</b>		<b>167.42</b>	<b>167.42</b>
<b>Financial Liabilities</b>			
<b>Measured at Amortised Cost</b>			
Non Current Borrowings	2.13	1,31,809.50	1,56,413.01
Retention Money	2.15	291.45	332.35
Current - Borrowings	2.18	26,310.38	30,642.29
Trade payable	2.19	22,130.27	35,414.56
Current maturities of long term debt	2.20	86,381.78	52,054.09
Interest accrued and due on borrowings	2.20	52,061.33	30,072.84
Unpaid dividend	2.20	0.13	0.45
Other Payables	2.20	3,605.93	3,828.39
<b>Total financial liabilities measured at amortised cost</b>		<b>3,22,590.77</b>	<b>3,08,757.98</b>
<b>Measured at Fair Value through Profit or Loss</b>			
Liability on derivative contracts	2.20	-	3.33
<b>Total financial liabilities measured at Fair Value through Profit or Loss</b>		<b>-</b>	<b>3.33</b>

### 2.41 FAIR VALUES

#### (i) Fair value Hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets

(₹ in lakhs)

Particulars	Date of valuation	(Level 1)	(Level 2)	(Level 3)
<b>Quantitative disclosures of fair value measurement hierarchy for assets as at 31 March 2020:</b>				
<b>Assets measured at fair value:</b>				
Non Current Investments	31-Mar-20	-	-	167.42
<b>Quantitative disclosures of fair value measurement hierarchy for assets as at Previous Year</b>				
<b>Assets measured at fair value:</b>				
Non Current Investments	31-Mar-19	-	-	167.42
<b>Liability measured at fair value:</b>				
Derivative Contract - Forward	31-Mar-19	-	3.33	-

## Notes to Financial Statements as at and for the year ended 31st March 2020

### (ii) Fair Value Technique

The fair values of the financial assets and liabilities are included at the amount that would be received by selling 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.

### 2.42 Financial Risk Management Objectives and policies

The Company's financial liabilities comprise borrowings, capital creditors, 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:

#### 1) 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 different 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. 2.34.B 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) (₹) in Lakhs	Effect on profit/(loss) before tax (₹) in Lakhs
<b>31st March 2020</b>			
Weakening of INR	5%	(990.69)	47.18
Strengthening of INR	-5%	896.34	(47.18)
<b>31st March 2019</b>			
Weakening of INR	5%	468.34	(22.30)
Strengthening of INR	-5%	(423.73)	22.30

The above sensitivity do not include foreign currency risk on borrowings amounting to USD 678.68 Lakhs (Previous year- USD 741.28 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 2020

### (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
<b>31st March 2020</b>		
INR	+50	(790.62)
USD	+50	(255.82)
INR	-50	790.62
USD	-50	255.82
<b>31st March 2019</b>		
INR	+50	(696.99)
USD	+50	(256.67)
INR	-50	696.99
USD	-50	256.67

### (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 each customer 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 2.6. The Company has evaluated the concentration of risk with respect to trade receivables as low, as there is no single large customer creating significant risk.

### 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 2020

### 2.43 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 ₹ (12,471.77) Lakhs (Refer Note No. 2.11 & 2.12).

### GEARING RATIO:

The Company has long term Debt of ₹ 2,09,287.22 Lakhs (Previous Year : ₹ 2,00,265.08 Lakhs,). Accordingly the Company has (1.07) gearing ratio as at 31st March, 2020 and (1.01) gearing ratio as at 31st March, 2019.

Particulars	As at 31st March 2020	As at 31st March 2019
Long Term Debt	2,09,287.26	2,00,577.23
Less : Cash & Cash Equivalent	10,489.12	17,310.69
<b>Net Long Term Debt</b>	<b>1,98,798.14</b>	<b>1,83,266.54</b>
Total Equity	(12,471.77)	(2,154.46)
Net Long Term Debt to Value Ratio	(1.07)	(1.01)

**2.44** These financial statements have been approved by the Board of Directors of the Company on 28th May, 2020 for issue to the shareholders for their adoption.

Summary of Significant Accounting Policies  
Notes on Financial Statements

1  
2.1 to 2.44

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

**Chandi Prosad Bagchi**  
Partner  
Membership No. 052626  
Place : Kolkata  
Date : 28th May 2020

For **JKVS & CO**  
Chartered Accountants  
FRN : 318086E

**Abhishek Mohta**  
Partner  
Membership No. 066653  
Place : Kolkata  
Date : 28th May 2020

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**  
President and  
Chief Financial Officer

**Lalit Lohia**  
Company Secretary

# 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)

Amal Chandra Saha - Independent Director  
(DIN: 00443348)

## PRESIDENT & CHIEF FINANCIAL OFFICER

Bimal Kumar Garodia

## COMPANY SECRETARY & COMPLIANCE OFFICER

Lalit Lohia

## AUDITORS

Doshi Chatterjee Bagri & Co. LLP.  
Chartered Accountants  
Kolkata

JKVS & Co.  
Chartered Accountants  
Kolkata

## REGISTERED OFFICE

2, Red Cross Place  
Kolkata – 700 001  
Phone : (033) 2254-3100  
Fax : (033) 2254-3130  
Website : [www.hngil.com](http://www.hngil.com)  
E-mail : [cosec@hngil.com](mailto:cosec@hngil.com)

## CORPORATE IDENTITY NUMBER

L26109WB1946PLC013294

## REGISTRAR & TRANSFER AGENTS

Maheshwari Datamatics Pvt. Ltd.  
23, R.N.Mukherjee Road, 5<sup>th</sup> Floor  
Kolkata - 700 001  
Phone : (033) 2243-5029  
Fax: (033) 2248-4747  
Email : [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com)

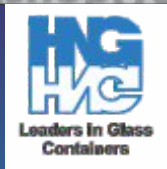
## WORKS

- Rishra • Bahadurgarh • Rishikesh • Puducherry
- Nashik • Neemrana • Naidupeta

## BANKS / FINANCIAL INSTITUTIONS

Axis Bank Limited  
Bank of Baroda  
Co-operative Centrale Raiffeisen-Boerenleen bank 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 Limited  
Standard Chartered Bank  
State Bank of India  
Syndicate Bank





## HINDUSTHAN NATIONAL GLASS & INDUSTRIES LIMITED

CIN : L26109WB1946PLC013294

2, Red Cross Place, Kolkata - 700 001

Phone: (033) 2254 3100, Fax: (033) 2254 3130

Email : [cosec@hngil.com](mailto:cosec@hngil.com)

Website : [www.hngil.com](http://www.hngil.com)



## HINDUSTHAN NATIONAL GLASS & INDUSTRIES LIMITED

Registered Office: 2, Red Cross Place, Kolkata - 700 001

CIN - L26109WB1946PLC013294

Website: [www.hngil.com](http://www.hngil.com), Email: [cosec@hngil.com](mailto:cosec@hngil.com) • Tel: (033) 2254 3100, Fax: (033) 2254 3130

### NOTICE OF THE 74<sup>th</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 74<sup>th</sup> Annual General Meeting (AGM) of the members of Hindusthan National Glass & Industries Limited will be held on **Wednesday, 15<sup>th</sup> July, 2020, at 11:00 A.M. IST through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM")** to transact the following businesses:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2020 together with Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Sanjay Somany (DIN: 00124538), who retires by rotation and being eligible, offers himself for re-appointment.

#### **SPECIAL BUSINESS:**

3. **RE-APPOINTMENT OF MRS. RITA BHIMANI (DIN: 07106069) AS AN INDEPENDENT DIRECTOR FOR ADDITIONAL TERM OF 5 (FIVE) YEARS WITH EFFECT FROM 3<sup>rd</sup> MARCH, 2020 TO 2<sup>nd</sup> MARCH, 2025.**

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

**"RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee and the provisions of Section 149, 150 and 152 read with Schedule IV, read with Companies (Appointment and Qualification of Directors) Rules, 2014 and any other applicable provisions of the Companies Act, 2013, read with regulations 16(1) (b), 17(1A) and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Rita Bhimani (DIN: 07106069), aged 74 years, who holds office of Independent Director up to 2<sup>nd</sup> March, 2020, who has submitted declaration that she meets criteria for independence, as provided in Section 149(6) of the Act and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for an additional term of 5 (five) consecutive years with effect from 3<sup>rd</sup> March, 2020 to 2<sup>nd</sup> March, 2025 and to continue holding the office of an Independent Director of the Company after attaining the age of 75 years during the course of such an additional term;

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby authorized to do all acts and take all steps, as may be necessary, proper or expedient to give effect to this resolution and for matters connected therewith or incidental thereto".

By Order of the Board of Directors,  
For **Hindusthan National Glass & Industries Limited**

Sd/-

(Lalit Lohia)

**Company Secretary**

**ACS -23995**

Place: Kolkata

Date: 28.05.2020

## NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 08, 2020 and April 13, 2020 permitted the holding of the Annual General Meeting (“AGM”) through VC/OAVM, without the physical attendance of the Members at the AGM venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the Company has decided to convene its 74<sup>th</sup> AGM through VC / OAVM.
2. The Members can join the 74<sup>th</sup> AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first serve basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the 74<sup>th</sup> AGM, without restriction on account of first come first serve basis.
3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the 74<sup>th</sup> AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the 74<sup>th</sup> AGM will be provided by NSDL.
4. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed in **Annexure-1**.
5. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the 74<sup>th</sup> AGM and hence **the Proxy Form and Attendance Slip are not annexed to this Notice**.
6. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address to [mrathico@gmail.com](mailto:mrathico@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
7. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of Listed Companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company’s Registrars and Transfer Agents, Maheshwari Datamatics Private Limited (“MDPL”) for assistance in this regard at our RTA’s email id [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com).
8. To support the ‘Green Initiative’, Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with MDPL in case the shares are held by them in physical form. **An email id registration form is enclosed to this notice.**
9. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to MDPL, in case the shares are held by them in physical form.

10. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting **Form No. SH-13**, enclosed to this notice. Members are requested to submit the said details to their DP, in case the shares are held by them in electronic form and to MDPL, in case the shares are held in physical form at its email id i.e. [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com).
11. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or MDPL, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
12. In case of joint holders, the Member whose name appears as the first holder, in the order of names as per the Register of Members of the Company will be entitled to vote at 74<sup>th</sup> AGM.
13. Members seeking any information with regard to the accounts or any matter to be placed at the 74<sup>th</sup> AGM, are requested to write to the Company on or before July 14, 2020 through email to [llohia@hngil.com](mailto:llohia@hngil.com). The same will be replied by the Company suitably.
14. Members are requested to note that, dividends, if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). For details, please refer to Corporate Governance Report, which is a part of this Annual Report. Shareholders who have so far not encashed their dividend relating to the financial year 2012-13 are requested to do so, by writing/contacting the Company's Registrars and Transfer Agent at email id i.e. [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com) or the Company Secretary at email id i.e. [llohia@hngil.com](mailto:llohia@hngil.com).
15. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, **Notice of the 74<sup>th</sup> AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members, whose email addresses are registered with the Company/ Depositories.** Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.hngil.com](http://www.hngil.com), websites of the Stock Exchanges i.e. BSE Limited, National Stock Exchange of India Limited and Calcutta Stock Exchange at [www.bseindia.com](http://www.bseindia.com), [www.nseindia.com](http://www.nseindia.com) and [www.cse-india.com](http://www.cse-india.com) respectively, and on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. <https://www.evoting.nsdl.com>
16. Members attending the AGM through VC / OAVM shall be counted for reckoning the quorum under Section 103 of the Act.
17. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the Special Business to be transacted at the AGM is annexed hereto.
18. The Register of Members and Share Transfer Books of the Company will remain closed from **Wednesday, 8<sup>th</sup> July, 2020 to Wednesday, 15<sup>th</sup> July, 2020 (both days inclusive)** for the purpose of 74<sup>th</sup> AGM. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date i.e Wednesday 8<sup>th</sup> July, 2020** may cast their vote either by remote e-voting or e-voting during AGM.
19. The Company's Joint Statutory Auditors i.e. a) M/s. Doshi Chatterjee Bagri & Co. LLP, Chartered Accountants, registered with the Institute of Chartered Accountants of India vide registration number 325197E/E300020, were appointed as Statutory Auditors of the Company, for a period of five consecutive years at the 71st Annual General Meeting ("AGM") of the Members held on 18th September, 2017, on a remuneration mutually agreed upon by the Board of Directors and said Statutory Auditor and b) M/s. JKVS & Co. (Formerly M/s. Jitendra K. Agarwal & Associates) Chartered Accountants, registered with the Institute of Chartered Accountants of India vide registration number 318086E, were appointed as Statutory Auditors of the Company for a period of five consecutive years at the 72nd Annual General Meeting ("AGM") held on 18th September, 2018, on a remuneration mutually agreed upon by the Board of Directors and said Statutory Auditor. Their appointments were subject to ratification by the Members at every subsequent AGM, held after the AGM held on 18<sup>th</sup> September 2017 and 18<sup>th</sup> September, 2018 respectively. Pursuant to the amendments made to Section 139 of the Companies Act, 2013, by the Companies



(Amendment) Act, 2017, effective from 7<sup>th</sup> May 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors, has been withdrawn from the Statute. In view of the above, ratification by the Members for continuance of their appointments at this AGM are not being sought.

20. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode. Members can inspect the same by sending an email to [llohia@hngil.com](mailto:llohia@hngil.com).
21. **Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.**
22. **INSTRUCTIONS FOR E-VOTING AND JOINING THE 74<sup>TH</sup> AGM ARE AS FOLLOWS:-**

*The remote e-voting period begins on Sunday, 12<sup>th</sup> July 2020 at 9.00 A.M. and ends on Tuesday, 14<sup>th</sup> July, 2020 at 5.00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.*

**How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

**Step 1: Login to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

**How to Login to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your login credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in Demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in Demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 

Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).

**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).

If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 are given below:**

#### **How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of Company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [mrathico@gmail.com](mailto:mrathico@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:-**

1. In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to our RTA email id [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com) and/or Company’s email id [cosec@hngil.com](mailto:cosec@hngil.com) .
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to our RTA email id [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com) and/or Company’s email id [cosec@hngil.com](mailto:cosec@hngil.com) .
3. Alternatively member may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the 74<sup>th</sup> AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ Shareholders, who will be present in the 74<sup>th</sup> AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the 74<sup>th</sup> AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE 74<sup>th</sup> AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, phone number at [llohia@hngil.com](mailto:llohia@hngil.com), 033-2254-3100

6. Shareholders who would like to express their views/have questions may send their questions on or before 14<sup>th</sup> July,2020 in advance mentioning their name demat account number/folio number, email id, phone number at llohia@hngil.com, 033-2254-3100. The Company will reply the same.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

## **ANNEXURE TO THE NOTICE**

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

#### **SPECIAL BUSINESS**

#### **SPECIAL RESOLUTION**

#### **Item No 3:- RE-APPOINTMENT OF MRS. RITA BHIMANI (DIN: 07106069) AS AN INDEPENDENT DIRECTOR FOR ADDITIONAL PERIOD OF 5 (FIVE) YEARS WITH EFFECT FROM 3<sup>RD</sup> MARCH, 2020 TO 2<sup>ND</sup> MARCH, 2025.**

Mrs. Rita Bhimani (DIN: - 07106069), aged 74 years is an Independent Non-Executive Woman Director of the Company. She is also a member of its Nomination and Remuneration Committee and Corporate Social Responsibility Committee. She joined the Board of Directors on 3<sup>rd</sup> March, 2015. Pursuant to the Companies Act, 2013 read with relevant rules, Mrs. Bhimani, was appointed as an Independent Non-Executive Director to hold office for five consecutive years for a term upto 2<sup>nd</sup> March, 2020, by the Members of the Company in the 69<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> September, 2015. As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment, on passing a special resolution by the Company for additional term of five consecutive years on the Board of a Company.

Based on recommendation of Nomination and Remuneration Committee and further approval by Board of Directors at its meetings, both held on 11<sup>th</sup> February,2020 respectively and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and regulations 16(1)(b), 17(1A) read with other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Bhimani, being eligible and offering herself for re-appointment is proposed to be re-appointed, as an Independent Director, for an additional term of five consecutive years i.e. from 3<sup>rd</sup> March, 2020 to 2<sup>nd</sup> March, 2025 and will continue to hold such office of an Independent Director after attaining the age of 75 years, during the course of such additional term.

Mrs. Bhimani is Founder-CEO of Ritam Communications, a Corporate Public Relations Consultancy firm. She is a Master's degree holder in Journalism from the University of Georgia, U.S.A. She is one of the veterans of the Public Relations profession, where she has spent 50 years. She was the first Press and Public Relations Officer of the Tea Board of India, followed by 18 years heading up the Public Relations, set up of the multinational Indian Aluminum, then owned by Alcan of Canada. She started her own independent PR consultancy Ritam Communications in 1991. 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 three books on Public Relations – The Corporate Peacock – New Plumes for Public Relations, FACE up! Tenets, Techniques Trends of Public Relations in the 21<sup>st</sup> Century, and PR 2020: the Trending Practice of Public Relations released in 2018, with a foreword by Dr. Shashi Tharoor. This book is being widely read in the professional media courses in leading collegiate institutions and by CEOs, those who are new to the profession, by people in the Start-up space, by professionals, who need to upgrade their knowledge in areas like Corporate Social Responsibility, Digital Marketing and Brand Building. There is also a coffee table book authored by her titled "The Calcutta School of Music: Symphony Centenary commemorating 100 years of the CSM", which was released by the then, Governor of West Bengal, Shri K. N. Tripathi. She is a prolific columnist for mainline dailies and magazines and is a soft-skills trainer. She is frequently invited to speak at conferences on HR, PR and Marketing across the globe. 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 nominated to the Hall of Fame by the Public Relations Council of India in Bangalore and the Public Relations Society of India.

The Company has also received a declaration from Mrs. Rita Bhimani (DIN: 07106069) as specified under Section 149(6) and Schedule IV of the Companies Act, 2013 and being eligible, She has offered herself for re-appointment.



None of the Directors or Key Managerial Personnel of the Company (including relatives of the Directors and Key Managerial Personnel) other than Mrs. Rita Bhimani herself and her relatives, are concerned or interested, financially or otherwise, in this resolution.

Shri Sanjay Somany and Smt. Rita Bhimani's additional information's, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India are appearing in the **Annexure - 1** to this Notice and in the Annual Report under Directors' Report and Corporate Governance Report.

#### Annexure -1

Disclosure relating to Directors pursuant to Regulations 26(4) and 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards - 2 on General Meetings are :

Particulars	Shri Sanjay Somany	Smt. Rita Bhimani
DIN:	00124538	07106069
Date of Birth	28-07-1958	02-10-1945
Date of first appointment on the Board	27-03-1993	03-03-2015
Expertise in specific functional areas	Shri Somany has led the evolution of HNG to the forefronts of technological excellence. He presently oversees the operations and management of the Company.	She is an expert and veterans in the field of Public Relation.
Qualification	A Commerce Graduate and a Diploma in Diesel Engineering.	A Master's degree holder in Journalism from the University of Georgia, U.S.A.
Directorship held in other public companies (excluding Foreign Companies and Section 8 Companies)	AMCL Machinery Limited. Spotlight Vanijya Limited. Mould Equipment Limited.	Asian Hotels (East) Limited.
Memberships/Chairmanships of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee)	Nil	Nil
No of shares held in the Company	3112865	Nil
Relationship between directors inter-se	Related to Shri Mukul Somany.	Not Related with any Director of the Company

For other details such as number of meetings of the board attended during the year, remuneration drawn and relationship with other directors and key managerial personnel in respect of above directors, please refer to the Corporate Governance Report, which is a part of this Annual Report.

By Order of the Board of Directors,  
For **Hindusthan National Glass & Industries Limited**

Sd/-

**(Lalit Lohia)**

**Company Secretary**

**ACS -23995**

Place: Kolkata

Date: 28.05.2020



## HINDUSTHAN NATIONAL GLASS & INDUSTRIES LIMITED

Registered Office: 2, Red Cross Place, Kolkata - 700 001

CIN - L26109WB1946PLC013294

Website: [www.hngil.com](http://www.hngil.com), email: [cosec@hngil.com](mailto:cosec@hngil.com) • Tel: (033) 2254 3100, Fax: (033) 2254 3130

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### E-MAIL REGISTRATION-CUM-CONSENT FORM

To,  
The Company Secretary,  
**Hindusthan National Glass & Industries Limited,**  
2, Red Cross Place, Kolkata- 700 001

I/ We the members of the Company do hereby request you to kindly register/ update my e-mail address with the Company. I/ We, do hereby agree and authorize the Company to send me/ us all the communications in electronic mode at the e-mail address mentioned below. Please register the below mentioned e-mail address / mobile number for sending communication through e-mail/ mobile.

Folio No:..... DP-ID:..... Client ID: .....

Name of the Registered Holder (1st):.....

Name of the joint holder(s) (2nd): .....(3rd):.....

Registered Address: .....

.....Pin: .....

Mobile Nos. (to be registered): .....

Email id (to be registered): .....

**Signature of the Shareholder(s)\***

\* Signature of all the shareholders is required in case of joint holding.

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## FORM NO. SH-13 NOMINATION FORM

(Pursuant to Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014)

To,  
The Company Secretary,  
**Hindusthan National Glass & Industries Limited,**  
2, Red Cross Place, Kolkata- 700 001

I/ We ..... the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest all the rights in respect of such securities in the event of my/our death.

### 1. PARTICULARS OF THE SECURITIES (in respect of which nomination is being made) -

Nature of securities:.....

Folio No. .... No. of Securities: .....

Certificate No. .... Distinctive No.: .....

### 2. PARTICULARS OF NOMINEE/S —

- (a) Name : \_\_\_\_\_
- (b) Date of Birth : \_\_\_\_\_
- (c) Father's/Mother's/Spouse's name : \_\_\_\_\_
- (d) Occupation : \_\_\_\_\_
- (e) Nationality : \_\_\_\_\_
- (f) Address : \_\_\_\_\_
- (g) E-mail id : \_\_\_\_\_
- (h) Relationship with the security holder :

### 3. IN CASE NOMINEE IS A MINOR –

- (a) Date of birth : \_\_\_\_\_
- (b) Date of attaining majority : \_\_\_\_\_
- (c) Name of guardian : \_\_\_\_\_
- (d) Address of guardian : \_\_\_\_\_
- Name : \_\_\_\_\_
- Address : \_\_\_\_\_
- Name of the Security Holder(s) : \_\_\_\_\_
- Signatures : \_\_\_\_\_
- Witness with name and address : \_\_\_\_\_

#### **Instructions:**

1. Please read the instructions given below very carefully and follow the same to the letter. If the form is not filled as per instructions, the same will be rejected.
2. The nomination can be made by individuals only. Non individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of power of attorney cannot nominate. If the Shares are held jointly, all joint holders shall sign (as per the specimen registered with the Company) the nomination form.
3. A minor can be nominated by a holder of Shares and in that event the name and address of the Guardian shall be given by the holder.
4. The nominee shall not be a trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family, or a power of attorney holder. A non-resident Indian can be a nominee on re-patriable basis.
5. Transfer of Shares in favour of a nominee shall be a valid discharge by a Company against the legal heir(s).
6. Only one person can be nominated for a given folio.
7. Details of all holders in a folio need to be filled; else the request will be rejected.
8. The nomination will be registered only when it is complete in all respects including the signature of (a) all registered holders (as per specimen lodged with the Company) and (b) the nominee.
9. Whenever the Shares in the given folio are entirely transferred or dematerialised, then this nomination will stand rescinded.
10. Upon receipt of a duly executed nomination form, the Registrars & Transfer Agent of the Company will register the form and allot a registration number. The registration number and folio no. should be quoted by the nominee in all future correspondence.
11. The nomination can be varied or cancelled by executing fresh nomination form.
12. The Company will not entertain any claims other than those of a registered nominee, unless so directed by a Court.
13. The intimation regarding nomination / nomination form shall be filed in duplicate with the Registrars & Transfer Agents of the Company who will return one copy thereof to the members.
14. For shares held in dematerialised mode nomination is required to be led with the Depository Participant in their prescribed form.