



## HINDUSTHAN NATIONAL GLASS & INDUSTRIES LTD.

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



SEC/SE/185

August 25, 2021

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 FY 2020-21 and Notice of 75<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 2020-21 and notice of 75<sup>th</sup> Annual General Meeting of the Company, which is scheduled to be held on Saturday, 18<sup>th</sup> September, 2021 at 11.00 a.m. through video conferencing (VC) or OAVM (Other Audio Visual Means).

This is for your information and record.

Yours faithfully

**For Hindusthan National Glass & Industries Limited**

**(Mukund Chandak)**  
**Company Secretary**



Encl: as above



LEADERS IN  
GLASS CONTAINERS

Delivering beyond  
durability and safety.  
Glass is  
**beautiful  
aesthetic  
and  
modern**



86,100



92,630

All these brings  
down energy  
consumption  
by about **8-10%**.  
Glass is therefore  
the Greener Choice



Adopt Glass.  
Control Pollution.

- For every 3000 glass bottles 1000kgs of landfill pollution is avoided
- For every ton of glasses recycled Glass emissions are reduced by upto 50%
- For every culet used in glass production 20% energy consumption is saved



Supporting the  
Pharma Industry  
Impacting Lives

31,224



Enabling India  
for a Cleaner,  
Greener and  
Better Future

Delaware Industries Energy  
Conservation and CO2 emission  
Reduction 2020-21  
Recycle: 100% only to reuse

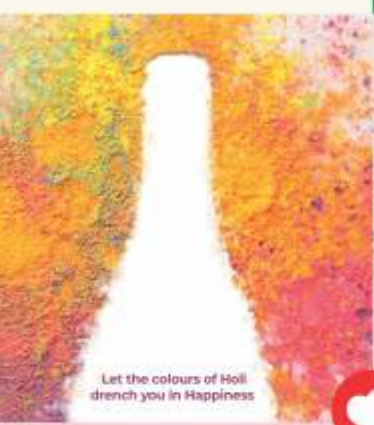


USA in 2018  
collected **39.6%**  
of the produced  
beer and soft drinks  
bottles for recycling



# ANNUAL REPORT 2020-21 HINDUSTHAN NATIONAL GLASS & INDUSTRIES LIMITED

## 75<sup>th</sup> AGM



Let the colours of Holi  
drench you in Happiness



Giving back to nature.  
Glass means Sustainable living.



DID YOU KNOW?

Reduction in Weight of Glass can lead  
to **50%** reduction in energy consumption

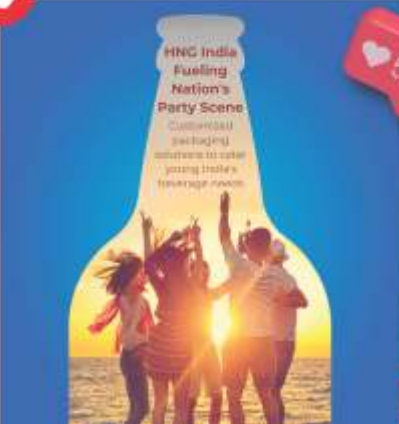
25,750



Glass delivers  
real taste,  
lasting freshness  
& natural flavour



A Dash of Kajal or a  
finishing touch for  
your nail paint  
HNG India's product  
innovation enables the  
nation's fashionable youth



HNG India  
Fueling  
Nation's  
Party Scene  
Customized  
packaging  
solutions to cater  
young India's  
beverage needs

55,298



Glass delivers  
real taste,  
lasting freshness  
& natural flavour



HNG supplies to major  
soft drink manufacturers  
in India



## 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 (As on 21st June, 2021)

### ● Shri Sanjay Somany (DIN: 00124538)

Shri Sanjay Somany, aged 63 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 31.03.2021)

- 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 56 years, is the Vice-Chairman & Managing Director of the Company. Being a second-generation entrepreneur, he holds more than 29 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 31.03.2021)

- 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).



## Directors' Profile (As on 21st June, 2021)

### ● **Shri Dipankar Chatterji (DIN: 00031256)**

Shri Dipankar Chatterji, aged 72 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 national level and state level 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 31.03.2021)

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

Directorships held in Other Companies (as on 31.03.2021)

- 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

## Directors' Profile (As on 21st June, 2021)

- NT 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. Her fifth book Sampa Das; Golden Muga Revivalist, a coffee table book, was released during the pandemic in 2020. 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 was a visiting faculty member at the Pailan School of International Studies where she teaches for 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 Rammohan 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. In 2019, the Association of Shipping Interests in Calcutta conferred on her the Women Achiever Award for "her 50 years of invaluable contribution to the Corporate World." At HNG, she is member of the Corporate Social Responsibility Committee and Nomination and Remuneration Committee.

Directorships held in Other Companies (as on 31.03.2021)

- 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.

Directorship held in Other Companies (as on 31.03.2021)

- 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 58.6 billion in 2020, and it is expected to be valued at USD 78.41 billion by 2026, registering a CAGR of 4.18%, during the forecast period 2021-2026. Alcoholic Beverages, Food and Pharmaceutical will continue to drive the global glass market. 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 - The nationwide strict lockdown pressured upon us by the pandemic prompted large job losses, unparalleled financial shrinkage and total despondency. Now recently many parts of the world, are witnessing 2nd wave of pandemic. It created a demand growth for industries in the Food and Pharma sector. People, nowadays, are opting for healthy and sustainable lifestyle. Glass packaging growth trend in Cosmetic and Fragrance has taken a hit. Revenue of the global food industry jumped by 20%, the most significant increase in years. Pharmaceuticals segment witnessed remarkable growth and COVID impact further boosted growth prospect of this sector. However, with the ongoing vaccination drive globally, it is expected that this difficult period should ease out in due course of time.

Even after change in USA Government, US-China trade war is continuing and with China being a major player in glass, industry would continue to be impacted directly or indirectly in the form of overhead cost.

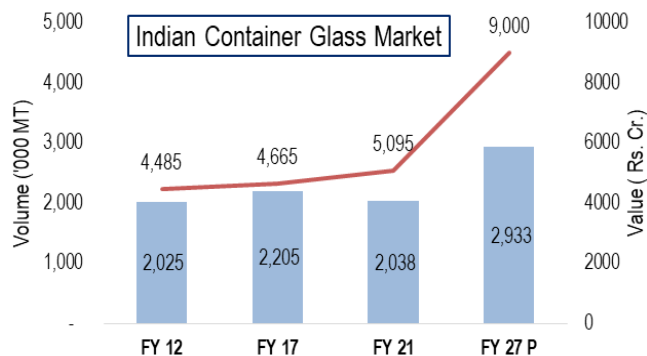
Premium Food & Beverage brands mostly prefer container glass over other packaging options such as plastics, as glass is sustainable, chemically inert, non-porous and impermeable. Various consumer surveys have also indicated container glass to be the most preferred option as it has a long shelf life and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

Some of the factors of Container Glass Industry which limits the growth perspective are 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.

## Management Discussion and Analysis Report

### Indian Container Glass Industry

Due to COVID pandemic, total size of India container glass market shrunk by approx. 15% in FY21 to 5,100 Cr from 6,000 Cr in FY20. Despite this substantial drop, V-shape recovery is expected, starting from 3rd quarter of FY21. Indian Glass Industry is expected to grow to 9,000 Cr by FY 27. Current running capacities are in tune of 29 Lacs MT and it is likely to grow at 3.5% CAGR up to FY27 despite 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 the past which led to abnormally high excess capacity.



Demand, Consumption, Capacity Utilization and Profitability of the Container glass players are likely to be impacted in FY22 as well due to COVID-19, however it is expected that impact will not be of FY21 scale. Beer and IMFL segment are likely to remain flat or grow at slower rate due to COVID-19 pandemic after-effect. However, surge in Food and Pharma segment is expected to continue.

2nd Wave of COVID~ India: Imposition of lockdowns and curfews in many parts of the country, due to re-emergence of COVID-19 pandemic, has created incipient signs of economic slowdown. However, with

ongoing vaccination drive, medical services India is expected to come back to normalcy after a while. Businesses have adapted to cope with Covid-19, which has provided some resilience.

#### New Opportunity- Plastic Threat Awareness, Pharmaceutical Industry Growth & Milk Industry

Besides increasing awareness about the hazards of using alternate packing like PET/Plastic bottles and multilayer cartons like Tetra Pak among the public as well as among the government institutions, this Pandemic of COVID-19 has also showcased glass as the best suited packaging alternative to various segments producing health and wellness products. Due to pandemic, for the time being Government initiative of banning plastic has gone into the backburner, however once normalcy is restored, it is expected that ban on plastic bottle in phased manner by the Government will again pick up the momentum. Many companies in the past has shown interest to switch its packaging from PET to Glass Bottles.

India Pharmaceutical industry has been growing at rapid pace and in this times of pandemic, momentum has further picked up. Globally India is now being talked about as the pharmacy of the world. Life-saving drugs and promotion of Pharmaceutical products would provide for good growth in Pharma segment. Healthcare and well-being has received top priority in Government FY22 budget, with more than doubling of the outlay to Rs 2.24 Lac crore which will further boost pharmaceutical industry.

The global dairy industry has been witnessing a backward shift from plastic to glass bottles. Driven by consumer demand for environmentally friendly milk, many small dairy market players choose to sell their products in reusable bottles. Indian Glass Industry should also unitedly promote glass packaging of milk and run massive campaign, which is supposed to open new avenues for glass industry over time.

### Challenges

1. COVID-19 Impact on Business Profitability:
  - a. COVID-19 pandemic and slew of strict curbs including state lockdown/ night curfew is again adversely impacting end user consumption & supply chain and consequences of the same have to be also borne by glass industry. raw material prices may witness further 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. Kerala recently increased the price of liquor by 7% in response to pent-up demand whereas Delhi is planning to increase the excise duty which will make liquor costlier.



## Management Discussion and Analysis Report

- c. FY21 sales volume witnessed drop of approx. 15-20% and it is expected that upcoming 2 quarters will continue to remain challenging.
2. Soda Ash Prices are likely to remain flat as most of the manufacturers are sitting on high inventory levels and operating plants at reduced capacities.
3. Indian Rupee once again has depreciated significantly in last 2-3 months due to 2nd wave of COVID-19. It has direct bearing on the import of all chemicals and commodities. Both Central and State Government has learnt lessons from 1st wave of COVID and hence all essential Industries are allowed to run in state partial lockdown. Government has already given boost to economic activities by bringing expansionary Budget for FY22 and earlier distributed Stimulus package in conjunction with opening up the economy is expected to give required thrust for V-shape recovery of Indian economy. It is too difficult to predict the Rs. Movement when covid-19 numbers are increasing at Rapid rate and states are imposing partial lockdown.
4. Uncertainty in Crude Oil prices and its direct impact on Power and Fuel cost in Glass industry - Brent crude oil price has a leapfrog jump during last 6 months from 37.5 \$/bbl to current 66.5 \$/bbl (in Apr-21) and same is true for all other grades of crude Oil as well. Glass industry being energy-intensive industry, it is supposed to pose serious challenges ahead.

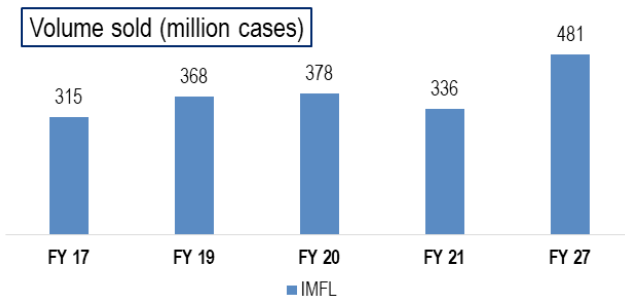
### Threat

1. Threat from alternate packaging like PET, Multilayer Brick, Metal Cans, etc.
2. Domestic Soda Ash players – RSPL, GHCL & DCW keep filing for Anti-Dumping Duty (ADD) imposition against Soda Ash Imports Soda is one of the key ingredient for glass bottle production and any imposition of ADD & Anti- subsidy will have direct impact on Company bottom line.

### Sectoral Analysis

#### Liquor

All India sales volume growth for the 1st half of FY21 was down by 29%. The first quarter (April-June) saw sales plummeting by 49%, while in the second quarter sales were down by 9%. Leaving out April when entire liquor trade was shut down under lockdown, the sales for the period May to September in 2020-21 was -16% over same period last year.



Overall, sales recovery in states that imposed no/marginal tax increases in light of the Covid-19 pandemic was better. However, the drop in sales was much higher in states that imposed high Covid-led taxes. Liquor segment estimated de-growth is 11% in FY21.

With Government providing impetus to vaccination program, it is expected that there will be considerable recovery in liquor sales but it is highly solicited that states should roll back corona tax to arrest fall in sales, sustain tax

collection and prevent consumer misery. Liquor segment is expected to have 6% CAGR for upcoming 6 years with upcoming 2-3 years (exclude FY22) growth rate is expected to be higher due to sharp fall in consumption during FY21 due to pandemic. Dec-Feb'21 provided some impetus to the sales as people consumed more due to the winter and decline in COVID cases. FY22 will remain challenging due to higher state tax and COVID-19 pandemic aftereffects.

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.

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.

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

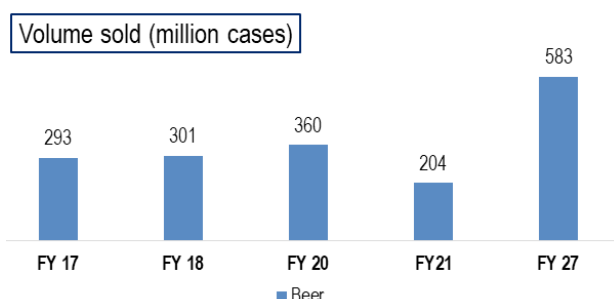
## Management Discussion and Analysis Report

- 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

In FY21 due to pandemic lockdown during peak consumption period, steep excise duty/COVID tax, reduction in licences etc. Beer sales plunged by approx 40%. United Breweries posted 74% sales drop in Q1, 37 % in Q2 and 5.73 % in Q3 for FY 20-21. AB InBev estimated sales drop is 50 per cent for FY21.

Covid cess have impacted sales. Helped by summer tailwinds, domestic breweries have not only been able to stem sliding



sales but have started clawing back to pre-Covid numbers by the end of FY21. However, with the advent of 2nd wave of COVID, Beer segment will witness challenging times for first 2 quarters of FY22. United Breweries and AB InBev that together control three-fourth of India's beer market, expect FY22 to continue to remain challenging. However, with Government's vaccination drive and reduction in excise duty in few states of the country during last few months; it is expected that from 3rd quarter of FY22 sales would

come back to pre-covid level. Beer sales is expected to grow above 10% CAGR from FY23 for the next 5 years.

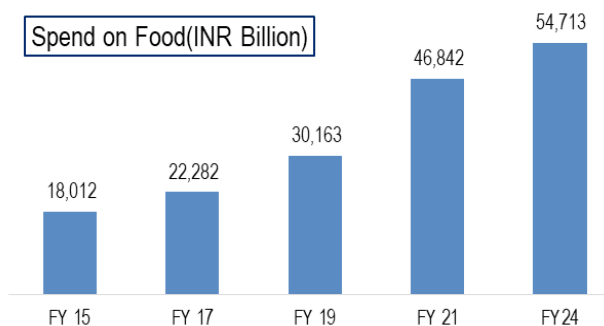
South India accounts for the largest market share of the India beer market due to hot weather condition. North India and Western India are expected to be the fastest growing markets. Drinking in bars is fast becoming a social phenomenon in Metro and Tier 2 cities and same is leading to increased beer consumption. Besides, the rising number of pubs and bars are another factor which increase beer consumption. However, during FY21 this business model had been severely hit due to COVID pandemic.

The potential for beer growth in India is strong with emergence of Craft Beers. B9 Beverages & Simba is leading player in this segment.

Share of glass packaging in Beer is quite high i.e. ~ 90%+ and is likely to continue in the future also. Reuse of old bottles are likely to reduce going forward as the market is mainly led by MNC players. Increase in manufacturing footprints leads to Increased creation of Glass pool, which ultimately increased Glass bottle demand.

### Food

The Indian food market, witnessed the most impressive growth, with revenues surging by 36% YoY to \$633bn in 2020. Statistics show the Indian food industry is expected to continue growing at brisk pace. It is expected to grow at CAGR of



7% till FY24.

India processed food sales rise since the onset of pandemic. It saw brisk sales every month since the pandemic-led lockdowns last year as people ordered in a variety of foods. Covid-19 has had a positive impact on organised packed food brand business. The positive impact will come in the next one or two years because of the shift to the organised branded and packed food. This shift is going to be irreversible

Evolving consumer preferences, rising income, growing



## Management Discussion and Analysis Report

rural opportunity, digital channels & E-commerce, Improved Retail chain and customer preference for home delivery has given further impetus to this segment.

Rs 10,800 Cr PLI scheme got approved Dated 31-Mar-21 for the food processing. The government has sanctioned 37 food parks funded under the Mega Food Parks Scheme, 22 are operational and 15 are under implementation sector by the Union Cabinet will boost investment and fuel growth in the sector.

By 2024, the Food Processing industry will potentially attract \$33 bn investments and generate employment for 9 million people. By 2025, India's food processing sector is expected to be worth over half a trillion dollars. By 2030, Indian annual household consumption is to treble, making India 5th largest consumer.

Rural FMCG markets grew 14.2% year-on-year in the December quarter from lows of about 9% in FY20, largely driven by better agriculture GDP growth and rural consumers switching from loose to branded products. 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 20.5% reaching a value of US\$ 2,601 Million by 2026.

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. These players are also improving their milk procurement network which is further facilitating the development of the dairy industry in India. According to a new report by EMR the Indian dairy market stood at a value of around USD 144.55 billion in CY 2020. Further, the market is expected to grow at a CAGR of 6% over the forecast period of 2021-2026

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 around 25% in last fiscal. 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 grown awareness for usage of glass packaging in health products.

### Pharmaceuticals

In the 2020-2030 period, we expect Indian pharma industry to grow at a compounded annual growth rate (CAGR) of ~12% to reach at US\$ 130 Billion by 2030 from US\$41.7 bn in 2020. Sun Pharma Revenue grew by 12.9% in CY20. Dr Reddy Laboratories has revenue jump of 13.4%.

According to the Economic Survey 2020-21, a significant raw material base and availability of a skilled workforce have enabled India to emerge as an international manufacturing hub for generic medicines. Further, India is the only country with the largest number of US-FDA compliant pharma plants outside of the USA

India is the third-largest pharmaceuticals in terms of volume and thirteenth most significant in terms of value. Covid-19 has presented both an opportunity and a challenge for India to emerge as the 'pharmacy of the world'. During April-October, 2020, India's pharmaceutical exports totalling \$11.1 billion witnessed an impressive growth of 18%, as against \$ 9.4 billion during the corresponding period a year ago. This has led to an increase in the share of pharmaceuticals exports in India's total exports from 5.1% in April-October, 2019 to 7.3% in April-October, 2020, making it the third largest exported commodity.

According to data available from US-FDA, Indian pharma companies have garnered nearly 45% of all new abbreviated new drug application (ANDAs) approvals over the past nine months, which would aid exports growth in the coming years. the government has identified pharmaceuticals drugs as one of the ten key sectors for introducing Production Linked Incentive (PLI) Scheme for enhancing India's manufacturing capabilities and exports. This is in addition to the already notified PLI schemes for bulk drugs and medical devices, which aim to provide a boost to domestic manufacturing for critical KSMs/ Drug Intermediates (DIs), APIs and medical devices. Both these schemes have received a very encouraging response from the pharmaceutical as well as the medical device industry.

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

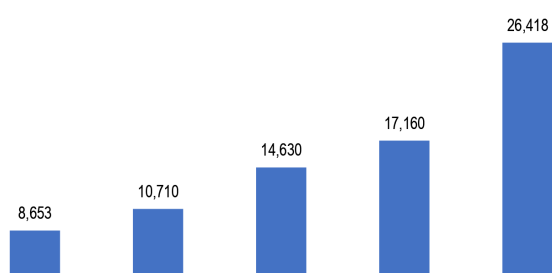
## Management Discussion and Analysis Report

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 FY20, India exported pharmaceutical products worth US\$ 20.5 billion which in FY21 is estimated at \$25 billion by DG-Pharmexil.

Pharma Packaging market is expected to grow at 11% driven by growth in pharma industry and its need for bulk drugs, formulations, Vaccine and trial drug packaging.

Pharma Packaging Market (INR Cr.)



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 came down from 34% in 2009 to around 20% 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. Glass players in India are optimistic about phasing out of plastic usage.

### Cosmetics

There is a setback in FY21 figures due to Covid-19 and the lockdown. However, Indian Cosmetics Market was valued \$13 bn in FY20 and is forecast to grow at double digit CAGR of 16.39% through FY26 to reach USD 29 billion by FY2026. In comparison, the global cosmetics market is expected to grow at 5.3% CAGR and will reach ~USD 463 billion 2025. This means that by 2025, India will constitute 6.3% of the total global cosmetics market and become one of the top 5 global markets by revenue.

FY22 is also expected to remain challenging due to 2nd wave. However, from 3rd quarter business should pick up to pre-COVID level.

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.

**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. The Key Financial Ratios are as below:-**

Particulars	F.Y 2020-21	F.Y 2019-20	Reason for Difference
(i) Debtors Turnover	17.45%	14.86%	No major movement
(ii) Inventory Turnover	23.69%	18.06%	Due to lesser sales
(iii) Interest Coverage Ratio	-44.50%	55.77%	Due to lower sales during FY 2020-21
(iv) Current Ratio	41.39%	54.96%	Due to increased liability of current maturities of loan
(v) Debt Equity Ratio	see note	see note	Due to current year loss and repayment done



## Management Discussion and Analysis Report

Particulars	F.Y 2020-21	F.Y 2019-20	Reason for Difference
(vi) Operating Profit Margin (%)	-4.90%	5.60%	Lower despatches in market due to lockdown
(vii) Net Profit Margin (%) or sector-specific equivalent ratios, as applicable.	-16.07%	-4.44%	Lower despatches in market due to lockdown
(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 has a negative networth due to accrued losses

Note: Including Current Maturities -19.14% for F.Y. 2020-21 and -5.10% for F.Y. 2019-20.

Excluding Current Maturities -43.90% for F.Y. 2020-21 and -7.89% for F.Y. 2019-20.



# 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, 2021.

## FINANCIAL HIGHLIGHTS\*

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Gross sales (including excise duty)	1,89,895	2,28,637
Profit before interest, depreciation and tax	4,081	2,7852
Interest and finance charges	21,048	23,317
Profit/Loss before depreciation and tax	-16,967	4,535
Depreciation	13,447	14,846
Exceptional Profit	-	-
Profit/Loss before tax & after exceptional profit	-30,414	-10,311
Profit/Loss for the year (Before Other Comprehensive Income)	-30,414	-10,303
Balance brought forward from previous year	-1,00,256	-94,938
Amount available for appropriation	-1,30,951	-1,00,256
Balance carried forward to the next year	-1,30,951	-1,00,256

\*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 ₹1,89,895 Lakhs in F.Y. 2020-21 compared to ₹ 2,28,637 Lakhs in F.Y. 2019-20. Your Company recorded an EBITDA of ₹ 4,081 Lakhs and a net loss of ₹ 30,414 Lakhs during the year under review.

The financial position of the Company continues to be under severe stress. The situation further deteriorated, 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 failed 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 initial spread of COVID-19 during March to June 2020 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 and plants were running with curtailed manpower as per requisite permission from local administration. With Un-lockdown phases initiated by Government of India, the Company kept monitoring the situation closely and operations were ramped up in a phased manner taking into account directives from the Government.



## Board's Report

However, with second wave of Covid-19 starting from February 2021, the Company is monitoring the situation. As a result, the volumes for the F.Y. 2020-21 has been impacted. The management has considered internal and certain external sources of information upto the date of approval of the financial statements in determining the impact of COVID19 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 2020-21. 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, 2021 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, 2021, none of the Directors of the Company, hold instruments convertible into equity shares of the Company.

### SUBSIDIARY COMPANY

As on 31st March, 2021, 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 ₹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.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Shri Mukul Somany (DIN:- 00124625), Vice-Chairman and Managing Director of the Company, retires by rotation at the ensuing 75th 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. Roles, responsibilities and duties of Independent Director are uploaded on the Company's website at the link <https://www.hngil.com/uploads/11fb8c8e32c94916f244c21ae65ff3b6.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.

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 Shri Sanjay Somany (DIN:-00124538), Chairman & Managing Director of the Company ended on 31st March, 2021. Accordingly, the Board of Directors of the Company at its meeting dated 12th February, 2021, approved his re-appointment as Chairman & Managing Director for another tenure of 1 (one) year w.e.f. 1st April, 2021 to 31st March,

## Board's Report

2022, 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) 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 at ensuing 75th Annual General Meeting of the Company.

The existing tenure of Shri Mukul Somany (DIN:- 00124625), Vice Chairman & Managing Director of the Company ended on 31st March, 2021. Accordingly, the Board of Directors of the Company at its meeting dated 12th February, 2021, approved his re-appointment as Vice Chairman & Managing Director for another tenure of 1 (one) year w.e.f.1st April, 2021 to 31st March, 2022, 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) 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 at ensuing 75th Annual General Meeting of the Company.

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.

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 continued till 31st May, 2021. Further, Mr. Mukund Chandak was appointed as the Company Secretary w.e.f 19th June, 2021

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:-**

Sl No.	Name of Key Managerial Personnel	Designation
1	Shri Sanjay Somany	Chairman & Managing Director
2	Shri Mukul Somany	Vice Chairman & Managing Director
3	Shri Bimal Kumar Garodia	Chief Financial Officer
4	Shri Lalit Lohia (till 31st May, 2021) Shri Mukund Chandak (w.e.f 19th June, 2021)	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, 2021, 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, 2021 and of the loss of the Company for the year ended on that date.
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Directors have prepared the annual accounts on a 'going concern basis'.
- e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to Rule 3 of the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, 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.





## Board's Report

The Company has transferred the unpaid dividend amount for FY 2012-13 to the IEPF account. However, the linking of the amount transferred by the Bank to the MCA/IEPF account is pending due to some technical glitch. The Company is continuously communicating with the Bank/ MCA and taking steps to resolve the issue. Equity shares in respect of which, the dividend for the year 2012-13 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 practicing 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. 2020-21, 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:

<https://www.hngil.com/uploads/c90668a5f25a922faa07d164c0a9568c.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:

<https://www.hngil.com/uploads/93ba57f26619b9fa9dae1ca3538f3446.pdf>

### DEBT MANAGEMENT

During the year under review, the continuous higher financial leverage and lower profitability plagued the financials of the Company. The spread of Pandemic had further worsened the profitability of the Company as the operations and sales of the Company were significantly impacted.

To reduce the leverage, Company has been continuously exploring various option 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 to proceed against the company.

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. One more Lender filed application before the National Company Law Tribunal (NCLT), Kolkata Bench on 9th January, 2020 under section 7 of the Insolvency and Bankruptcy Code, 2016. The matters being subjudice, the company has not given any effect of resolution plan in the financial statements.

## Board's Report

The Company had made a substantial payment of Rs. 515.29 Crores and also reduced its NFB outstanding from Rs. 222.08 Crores to Rs. 2.41 Crores from the date of OTS Agreement till 31/03/2021 through Promoter's infusion, Internal Accrual and Cutback by the Lenders.

The discussion with the Lenders are 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.2020-21.

### 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 1000 listed companies based on market capitalisation as on 31st March, 2021, constitution of Risk Management Committee is not required, in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with till date amendments, However the provisions of Section 177(4) (vii) of the Companies Act, 2013 require that every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board, which shall inter alia include evaluation of risk management systems. In line with above, it is therefore, required for the Company to frame and adopt a "Risk Management Policy" (this Policy) in accordance with Section 134(3)(n), 177 (4)(vii) and other applicable provisions of the Companies Act, 2013, read with regulation 17(9), 21 and other applicable regulations of the SEBI (Listing Obligation Disclosure Requirements) Regulations, 2015

The Company has a formal Risk Management Policy and may be accessed on the Company's website at the link <https://www.hngil.com/uploads/10250602fdfe89b1148677226c6055fd.pdf>

### 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.



## Board's Report

- 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.

### Auditors Report

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

- Attention is being drawn to serial no a) of the Independent Auditors Report regarding Basis of Qualified Opinion. The clarification of the same is provided in Note no. 2.13.8.D of the financial statements.
- Attention is being drawn to serial no b) of the Independent Auditors Report regarding Basis of Qualified Opinion. The clarification of the same is provided in Note no. 2.38 of the financial statements. The Company and its promoters are in process of regularizing 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 (F.C.S. No. 2304, C.P. No. 1321), Practising Company Secretary to conduct the Secretarial Audit for the financial year 2020-21. The Secretarial Audit Report for the financial year ended 31st March, 2021, 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 2020-21.

**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

#### 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:

<https://www.hngil.com/uploads/6d68cf57fb915efa23aa97c7b76c0301.pdf>

#### Meetings of the Board

During the year under review 4 (four) meetings of the Board of Directors have been held through Video Conferencing (VC) or Other Audio Visuals Means (OAVM) in accordance with various Circulars issued by Securities Exchange Board of India and Ministry of Corporate Affairs in view of COVID-19 pandemic situation. 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.

#### Annual Return

Pursuant to section 92(3) read with section 134(3)(a) of the Companies Act, 2013 the Annual Return as on March 31, 2021 is available on the Company's Website at [www.hngil.com](http://www.hngil.com).

#### 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 2020-21 is put up on the Company's website and can be accessed at <https://www.hngil.com/uploads/d204d3085ad07710099a5e039dc6b8d4.pdf>

## Board's Report

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

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

### Change in nature of Business

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

### Remuneration from Subsidiary

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.

### 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. 2021-22 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 III".

### Conservation Of Energy, Technology Absorption And Foreign Exchange Earnings And Outgo

The statements containing the required particulars under the Act are provided as "Annexure IV" 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. 2020-21, 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 : 21st June, 2021



## 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 Limited.

'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.

## Annexure I to the Board's Report

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.

### 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.

##### 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.
- 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.



## Annexure I to the Board's Report

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.

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.

## Annexure I to the Board's Report

### 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, 2021**

[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, 2021 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, 2021 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;
  - e) \*The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - 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;
  - h) \*The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

\* No event took place under these regulations 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) I have examined compliance with the applicable clauses of the Secretarial Standards on the Meetings of the Board of Directors, Committees and General Meetings issued by The Institute of Company Secretaries of India, with which the Company has complied with.
- ii) The Listing Agreements entered into by the Company NSE, BSE and CSE.
- iii) 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, a Woman Director and Independent Directors. There was no Changes in the composition of the Board of Directors that took place during the period under review.

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. During the year the meetings of the Board of Directors and Committees thereof have been held through VCM in accordance with various Circulars issued by SEBI and MCA in view of pandemic situation,

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 in 2019 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.

I further report that during the Audit period there were no other specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc., referred to above.

**BABU LAL PATNI**

*Company Secretary in practice*

FCS No : 2304

C.P. No. : 1321

UDIN : F002304C000221039

Place: Kolkata

Dated: 1st May, 2021

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.

**BABU LAL PATNI**

Company Secretary in practice

FCS No : 2304

C.P. No. : 1321

Place: Kolkata  
Dated: 1st May, 2021

## Annexure III 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	63	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	56	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 ₹ 3.99 lakh (INR) and percentage decrease in median remuneration is 11.00%.

- a. Numbers of permanent employees on the rolls of the Company: Staff-1144, Permanent Workmen-21819 as on 31st March, 2021.
- 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 III 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

Name	Designation	Remuneration received (Rs.)	Qualification	Experience	Date of commencement of employment	Age	The last employment held before joining the company	Equity Shares held	Weather relative of any Director or Manager of the company
SHRIVINAY SARAN	PRESIDENT - MARKETING	8396333	BSC & MBA	34 Years	12th February, 2007	56	Indorama Synthetics Ltd as GM - Marketing	Nil	No
SHRIBIMAL KUMAR GARODIA	PRESIDENT & CFO	8308000	CA, CWA, CS	29 Years	26th April, 2008	53	Bajaj Eco - Tec Products Limited as VP - Finance & Company Secretary	5	No
SHRI AJAY KUMAR RAI	SRVP - SMC	6608000	B.Tech - Mechanical	26 Years	2nd February, 2012	47	Baxter India Private Limited as Plant Manager	Nil	No
SHRI SOMNATH SENGUPTA	SRVP - MANAGEMENT AUDIT	6420000	BSC (HONS), CWA, CA	31 Years	1st July, 2011	57	Eveready Industries as GM - Internal Audit	Nil	No
SHRI PAWAN KUMAR SHARMA	SR VICE PRESIDENT (OPERATIONS)	5508000	B.E - Mechanical, MBA	26 Years	17th July, 1995	45	Started career with HNGIL	Nil	No
SHRI SHIV RAJ BANSAL	VP-COMMERCIAL	5508000	CA, M.COM	37 Years	1st February, 2011	62	Motherson Sumi Ltd as VP	Nil	No
SHRIV SATHISH KUMAR	VP - OPERATIONS	5500000	B.E, MBA	32 Years	1st February, 2021	54	Minda Corporation as Plant Head	Nil	No
SHRI ALOK TAPARIA	VP - FINANCE	5432000	CA, CWA,	25 Years	20th August, 2003	48	Vikrant Alloys and Forgings Private Limited as Head (OMG)	Nil	No
SHRI RAMCHANDRA PARASRAM UNE	VP - OPERATIONS	5075000	B.E, M.M.S (Operations), PhD (Management Science)	30 Years	23rd May, 2020	56	Hexagon Nutrition Pvt Ltd as VP Operations	Nil	No
SHRI AJAY KUMAR CHAKRAVARTI	SR.VP - OPERATIONS	4950000	B.Tech - (Electrical)	35 Years	12th November, 2012	56	UAL Industries Ltd as VP - Operations	Nil	No

## Annexure IV 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, 2021.

#### 1. ENERGY CONSERVATION

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

Plant	Initiatives & Developments
Rishra	<ol style="list-style-type: none"> <li>Specific energy reduced from 1,150 Kcal/kg to 1,113 Kcal/kg with pull optimization to 276 TPD and 45% Cullet usage.</li> <li>During the period Aug'20 - Jan'21, LPG cost remained low compared to FO and hence FO was replaced with double burner LPG for firing Fur#6, to save melting energy cost. Rs 7.5 lacs monthly saving realized during this period.</li> <li>30% P fuel is being used with Furnace Oil to minimize melting energy cost.</li> <li>2 Nos CP reciprocating compressor overhauled &amp; made operational. These are now running in place of Centac 3 for VHP, leading to saving of 500 Kwh/ day.</li> <li>Installation of Heater less vaporizer for Fur#6 LPG firing led to saving of 300 Kwh/Day .</li> <li>Heat Exchanger replacement done (Both intercooler &amp; after cooler) in Atlas Copco Compressor HR8 -1 . Energy saving of 900 Kwh/day achieved.</li> </ol>
Bahadurgarh	<ol style="list-style-type: none"> <li>Fur#3 is running consistently with 380+-ton pull to get best melting energy efficiency. Homogenising energy is also optimum at pull of 380 MT. Forehearth fine-tuned for best thermal efficiency.</li> <li>Replacement of Intercoolers of Atlas No. 5, No.2 and Centac No 2, provided 750 Kwh/day of Electrical energy saving.</li> <li>Utility water pumping system modified- One pump of cooling water got replaced with energy efficient pump to optimize operation. Energy Saving of 528 Kwh /day.</li> <li>Replaced conventional lighting systems with energy efficient LED lighting, 254 Kwh /day of energy saved.</li> <li>Reversal skids refurbished and sent to Rishra and Pondy plant.</li> <li>24x7 camera supervision of Fur-04 to monitor and control operation despite poor furnace condition.</li> </ol>
Rishikesh	<ol style="list-style-type: none"> <li>Replacement of indoor 250-Watt mercury lamp with 40-Watt LED lamp led to saving of 110 Kwh/Day.</li> <li>Power purchase gain through IEX is Rs. 99.48 Lacs annually.</li> <li>Replaced 4 nos. of heat exchanger with new one at reciprocating compressor for better heat transfer - Saving of 800 Kwh/Day.</li> <li>Energy efficient motors (IE4) ordered for Mould Cooling Blower which will save 400 to 500 Kwh / Day</li> <li>Overhauling of Line no. 71 &amp; 74 to arrest the leakages- Saving of 400Kwh/Day.</li> </ol>
Sinnar	<ol style="list-style-type: none"> <li>700 Convention tube lights were replaced with Led light (Saving 300 Units per day) – Cost saving Rs. 7.88 Lacs per Annum.</li> <li>Modification in compressed air dryers in 1 compressor and PLC system resulted in saving 200 Kwh/ day (Rs.5.25 Lacs/Annum) due to improved heat transfer from refrigerant to cooling water and reduction in compression load.</li> <li>Optimum utilization of MSEDCL power by closely monitoring maximum demand, to accrue the load factor incentive. Load factor maintained at 78.33%, leading to a saving of Rs. 131 lacs/ annum.</li> <li>Reduced <math>\Delta</math> P across compressor dryers leading to saving of 200 Kwh/day by cleaning the Heat exchanger on quarterly basis- (saving Rs.5.25 Lacs/ Annum).</li> <li>Shrink Wrap Machine – 6 lines twin heaters got converted into single heater resulting in saving of 45 Units/day – Cost saving Rs 1.2 Lacs per annum.</li> </ol>



## Annexure IV to the Board's Report

Plant	Initiatives & Developments
Naidupeta	<ol style="list-style-type: none"> <li>1. Provided single layer insulation to melter crown (2 segments) for arresting heat loss.</li> <li>2. Power purchased through IEX platform led to saving of Rs. 215 Lacs.</li> <li>3. 200 Nos. of indoor Metal Halide lamps of 250 watts was replaced with 70 watt LED lamps leading to power savings of Rs. 7.36 Lacs/ year.</li> <li>4. Vacuum pump optimization by stopping one pump ( 2000 units/day saving).</li> <li>5. Used LPG in furnace to optimize the melting cost when Furnace Oil was costlier.</li> </ol>
Pondicherry	<ol style="list-style-type: none"> <li>1. Reduction in <math>\Delta P</math> across Compressors and IS Machines by arresting all feasible leak joints leading to energy saving of approx. 3000 KWH per day.</li> <li>2. Line 94 blank side stack cooling got converted to vertiflow cooling, saving 650 KWH per day.</li> <li>3. Line – 94 forehearth oil burner nozzle diameter increased to 8mm from 6mm for better flame geometry &amp; heat penetration in molten bath.</li> <li>4. Consistent Furnace operation with 284+ ton pull to get best energy efficiency.</li> </ol>

### 2. RESEARCH AND DEVELOPMENT

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

Plant	Initiatives & Developments
Rishra	<ol style="list-style-type: none"> <li>1. Installation of new magnets &amp; realignment of existing magnets in batch house circuit with improvement in RM quality reduced iron level below 750 ppm from earlier 1,050 ppm in finished glass. This also improved flint glass color quality.</li> <li>2. Furnace#6 was rebuilt in Sep-2015 to run for 3 years. It is running now for more than 5.5 years with preventive maintenance, Ceramic welding &amp; putting cover coat over existing tank blocks.</li> <li>3. Line 61 has been upgraded to suit P&amp;B food segment.</li> </ol>
Bahadurgarh	<ol style="list-style-type: none"> <li>1. Fur#3 glass iron level was brought to semi-cosmetic quality (&lt; 600ppm Fe2O3).</li> <li>2. 750 ml Liquor Jobs (6 SKU's) produced with NNPB Process to provide more light weight options in this segment.</li> <li>3. Fur#4 throat got overcoated using our technical expertise.</li> <li>4. Successfully tested SCADA upgradation at our end without OEM support. This is low-cost solution and will be rolled out next month.</li> </ol>
Rishikesh	<ol style="list-style-type: none"> <li>1. Fur#7 flint glass iron level was brought down to semi-cosmetic quality (&lt; 750ppm Fe2O3) by installing new magnets and reorganising existing magnets in batch circuit.</li> <li>2. Fur#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.</li> <li>3. Plunger Mechanism and positioner modified to run NNPB on line 82.</li> <li>4. Major maintenance &amp; alignment of fixtures carried out on Line 71 &amp; 74 modules to improve consistency and reduce downtime &amp; defects.</li> <li>5. Replacement of modules and mechanism along with overhauling of associated equipment on line 72 to improve consistency and reduce downtime &amp; Defect.</li> <li>6. Ceramic welding was done in both Fur#7 and Fur#8 to extend their life.</li> </ol>
Sinner	<ol style="list-style-type: none"> <li>1. Line 101 - Conveyor extended to divert bottles to Fur#12 ~ Line-2 palletizer. Yearly Cost saving in terms of manpower- Reduction amount to Rs 7.2 Lacs.</li> <li>2. Round table is installed for cold end packing to reduce bottle chipping.</li> <li>3. Addition of permanent magnet in F-12 batch circuit from F-10 resulted in reduction of Iron% from 950 to below 750 PPM &amp; improvement of glass quality.</li> <li>4. New Stirrer have been installed and commissioned in Line 123 and 125 to reduce the glass defect due to bubble and blisters.</li> <li>5. Ceramic welding was done twice to improve Fur#12 life.</li> </ol>

## Annexure IV to the Board's Report

Plant	Initiatives & Developments
Naidupeta	<ol style="list-style-type: none"> <li>1. New stirrer installed on line 134 for better glass homogeneity &amp; root out cat scratch defect.</li> <li>2. Implemented automatic addition of carbon in batch.</li> <li>3. Procurement of low iron Gudur sand to control batch cost</li> <li>4. To control electric boosting energy, incorporating to fix barrier booster &amp; variable with melter boosting.</li> </ol>
Pondicherry	<ol style="list-style-type: none"> <li>1. Line - 94 converted to NNPB to meet customer demand and cost optimization. Its blank side got converted to vertiflow cooling from stack cooling to conserve energy.</li> <li>2. Induction of emergency hopper with unbalanced motor at BC-5 to facilitate cullet loading (without weighing) in case of total failure of cullet conveying system.</li> <li>3. Energy efficient pumps/motors ordered for Booster/Melter cooling system which will save approx. 350 Kwh/ Day.</li> <li>4. UPS system is enabled to keep critical equipment running during power failure.</li> <li>5. Batch House, RHS Hydra mixer, Screw with paddle conveyor replaced with simple Belt conveyor for easy operation and better control.</li> <li>6. Ceramic welding of port wall and crown is done to improve the Furnace life.</li> </ol>

### 3. FUTURE PLANS OF ACTION

Plant	Initiatives & Developments
Rishra	<ol style="list-style-type: none"> <li>1. Cold repair of Fur#2 to improve energy consumption and productivity.</li> <li>2. Ceramic welding of Fur#6 to extend its life.</li> <li>3. Usage of Low cost Bankura Amber sand for Color glass to reduce batch cost.</li> <li>4. Plan for using renewable energy (Solar Energy).</li> </ol>
Bahadurgarh	<ol style="list-style-type: none"> <li>1. Plan to carry out cold repair of Fur#4 with additional holding capacity.</li> <li>2. Replacement of Line 33 Forehearth/modules and complete due maintenance work .</li> <li>3. Placing of stirrers on big forehearths.</li> <li>4. Sand grain size control : +30 mesh to be made nil for reduction of energy and eliminate chance of silica knots in bottles.</li> <li>5. Installation of wet filtration system on suction side of machine cooling blowers of Fur#4, so as to provide low temperature air to machine, which helps in better cooling of parts and increases machine performance.</li> <li>6. Low cost upgradation planned for control system in Batch house and I/S machine.</li> </ol>
Rishikesh	<ol style="list-style-type: none"> <li>1. Repairing/Rebuild of Fur#8 regenerator to improve fuel efficiency.</li> <li>2. Usage of Natural gas (RLNG) instead of HVFO in both furnaces.</li> <li>3. Line 73 to be rebuild as par O-I Standard.</li> <li>4. Heating of Mould oven to be controlled with Thyristor to reduce the energy consumption.</li> <li>5. Replacement of conventional induction motors with energy efficient motors to reduce power consumption.</li> <li>6. Sand grain size control- +30mesh to be made nil for reduction of energy and eliminate chance of silica knots in bottles.</li> <li>7. Production of NNP&amp;B Jobs on line# 71 and 72</li> </ol>
Sinnar	<ol style="list-style-type: none"> <li>1. Energy efficient motor 250 KW to be installed for Cooling Water Pump- Saving- 45,000 Units per Annum</li> <li>2. Captive solar power generation in the Plant.</li> <li>3. LED lights to be provided in place of HPIT lamps, will lead to saving of 100 units per day.</li> <li>4. Air compressor pipelines to be modified for both HP &amp; LP lines to achieve energy saving of minimum 1,200 units per day.</li> <li>5. Replacement of Reciprocating Compressor with 750 CFM @ 7 bar Screw compressor, for shot blasting &amp; pilot air. This will save 150 units/day.</li> <li>6. Replacement of re-winded motor with EE3 energy efficient motor to reduce power consumption.</li> </ol>

## Annexure IV to the Board's Report

Plant	Initiatives & Developments
Naidupeta	<ol style="list-style-type: none"> <li>Oil burner nozzle diameter to be increased to reduce the flame velocity for proper combustion, CO level, to avoid the burning of fuel in regenerators &amp; control fuel consumption.</li> <li>FO will be replaced with RLNG to cut down the energy &amp; melting cost. Expected to commission the project by Sep-21.</li> <li>Installation of crushing plant for limestone and dolomite inside the plant, expected to complete the project by end of Sep-21. This will bring down batch cost &amp; iron level.</li> <li>Modification of Melter crown &amp; front gable wall cooling system to control heat loss.</li> <li>New vendor development for supply of sodium sulphate at reduced cost without compromising quality.</li> <li>Usages of Gudur sand &amp; Bhuj sand in 50:50 ratio, without affecting glass quality (iron level &lt; 750 ppm), Partially implemented undertaken.</li> <li>Planning to run the furnace through lambda to control the energy.</li> <li>Plan of using solar energy.</li> </ol>
Pondicherry	<ol style="list-style-type: none"> <li>Exploring the usage of LNG in place of existing Furnace oil for glass melting.</li> <li>Replacement of water jacket system on both doghouse with refractory curtains to avoid water leakage and maintenance issue.</li> <li>Provision for emergency cooling of pushers of Batch Charger to enhance its life span.</li> <li>Induction of LWN Blower &amp; energy efficient compressors for energy saving.</li> <li>Engineering, Fabrication, Erection and Commissioning of 30KL DM plant.</li> <li>Renovation of Cooling Tower to enhance Compressor and DG performance.</li> <li>Phase wise replacement of corroded cooling pipelines of compressor.</li> </ol>

#### 4. EXPENDITURE ON R & D

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

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

In-house electrode holder and gas burner manufacturing- design finalised and approved. Prototype under manufacturing stage

#### 6. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign exchange earnings and outgo are detailed below:

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Earnings in foreign exchanges	4,297.05	3,427.40
Expenditure incurred in foreign exchanges	-	-
Raw Materials	13,787.90	15,871.14
Components, Spare parts and Repairs	731.47	910.30
Capital Goods	-	6.70
Other Expenses	9,36.57	1,464.58

For and on behalf of the Board

Place : Kolkata  
Date : 21st June, 2021

**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 endeavor 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 2020-21, 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, 2021 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.

Attendance of each Director at the Board Meetings, last Annual General Meeting (AGM) and Number of other



## Report on Corporate Governance

Directorships and other Board Committee memberships in various Companies:

Name of the Director	Category of Director	Attendance at meetings held during 2020-21		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	4	Yes	3	Nil	Nil	Nil	Hindusthan National Glass & Industries Limited (Executive Director) Spotlight Vanijya Limited (Non-Executive Director)
Shri Mukul Somany (Promoter)	(Vice Chairman & Managing Director) Executive	4	Yes	3	1	1	2	Hindusthan National Glass & Industries Limited (Executive Director) Spotlight Vanijya Limited (Non-Executive Director)
Shri Ratna Kumar Daga	Independent, Non-Executive	4	Yes	Nil	Nil	Nil	Nil	Hindusthan National Glass & Industries Limited (Non-Executive Independent Director)
Shri Dipankar Chatterji	Independent, Non-Executive	4	Yes	8	4	3	7	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) Nicco Park & Resorts Limited (Non-Executive Independent Director)
Smt. Rita Bhimani	Independent, Non-Executive	4	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	3	Yes	Nil	Nil	Nil	Nil	Hindusthan National Glass & Industries Limited (Non-Executive Independent Director)

<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

- Shri Sanjay Somany, Chairman & Managing Director and Shri Mukul Somany, Vice Chairman & Managing Director, are brothers. None of the other Directors are related to each other.
- Details of equity shares of the Company held by the Directors as on March 31, 2021 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 2020-21, 4 (Four) 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.	28th May, 2020	April 2020 - June 2020	5
2.	12th August, 2020	July 2020 - September 2020	6
3.	12th November, 2020	October 2020- December 2020	6
4.	12th February, 2021	January 2021- March 2021	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 12th February, 2021 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, access the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties and other related matter.

All the Independent Directors were present in the Meeting.

- Familiarisation Programmes for Independent Directors**

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



## Report on Corporate Governance

The details of such familiarization programmes for Independent Directors are posted on the website of the Company at <https://www.hngil.com/uploads/ad747491d1c5d9c2e36c0078d8f3749e.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 27 years of experience in such manufacturing industry, they became 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 the working of the Board.

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 Listing Regulations and are Independent of the management.
- During the Financial Year 2020-2021, none of the Independent Director has resigned from the Company before the expiry of his/her 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 term of reference were revised in F.Y. 2020-21 to make them in line with requirements of SEBI (LODR) 2015, and includes:-

1. The recommendation for appointment, remuneration and terms of appointment of Statutory Auditors of the Company.
2. Review and monitor the auditor's independence and performance and effectiveness of audit process.
3. Examination of the Financial Statement and the Auditor's Report thereon.
4. Approval or subsequent modification of transactions of the Company with the related parties.
5. Scrutiny of inter-corporate loans and investments.
6. Valuation of undertakings or assets of the Company, wherever it is necessary.
7. Evaluation of internal financial controls and risk management systems.

## Report on Corporate Governance

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. 2020-21, 8 (Eight) meetings of the Audit Committee were held and the attendance of each member of the Committee are given below.

- **Dates of meetings:**

28th May, 2020	24th June, 2020	12th August, 2020	01st October, 2020
12th November, 2020	29th December, 2020	12th February, 2021	02nd March, 2021

Members of the Audit Committee have the requisite financial and management expertise. The Chairman of the Audit Committee attended the 74th 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	8	8
Member	Shri Dipankar Chatterji	Non-Executive, Independent Director	8	8
Member	Shri Amal Chandra Saha	Non-Executive, Independent Director	8	7
Member	Shri Mukul Somany	Executive Director	8	8

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 2020-21, 2 (Two) meetings of the Nomination & Remuneration Committee were held on

28th May, 2020	12th February, 2021
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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	2

- Nomination & Remuneration Policy of the Company**

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

**Details of the remuneration paid to the Directors during 2020-21**

- 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 2020-21 are as follows:**

(In ₹)

Directors	Business relationship with HNG	Sitting fees	Commission	Total
Shri Ratna Kumar Daga	None	2,20,000.00	--	2,20,000.00
Shri Dipankar Chatterji	None	2,20,000.00	--	2,20,000.00
Smt. Rita Bhimani	None	1,00,000.00	--	1,00,000.00
Shri Amal Chandra Saha	None	1,85,000.00	--	1,85,000.00
<b>Total</b>		<b>7,25,000.00</b>		<b>7,25,000.00</b>

- To Executive Directors**

The details of remuneration paid to Executive Directors, during F.Y. 2020-21, 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>

## Report on Corporate Governance

### Note :

- a. As per agreement dated 7th May, 2015, Shri Sanjay Somany & Shri Mukul Somany are eligible for a Commission @ 1.5% of the net profit computed in accordance with provisions of the Companies Act, 2013, restricted to annual basic salary drawn in that particular year. Due to accrued losses during the financial year 2020-21, no commission was paid to Executive/Non-Executive Directors of the Company.
- b. No stock option is available to the Executive Directors or the employees of the Company..

### Performance Evaluation

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

## 5. Stakeholders' Relationship Committee

### Composition, meetings and attendance during the year

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

During the year under review, three meetings were held as on 12th August, 2020, 12th November, 2020 and 12th February, 2021.

Designation	Members	Category	Number of meetings held	Number of meetings Attended
Chairman	Shri Ratna Kumar Daga	Non-Executive, Independent Director	3	3
Member	Shri Sanjay Somany	Executive Director	3	3
Member	Shri Mukul Somany	Executive Director	3	3

### Terms of Reference -

The Committee mainly looks into the matters of Shareholders/Investors grievances. Mr. Lalit Lohia, Company Secretary acted as the Compliance Officer of the Company during the year under review.

### Shareholders' complaints and pending share transfer

No investor grievance was pending at the beginning and at the end of the F.Y. 2020-21 and there were 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

## Report on Corporate Governance

### 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.

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:-

- 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.
- To affix Common Seal of the Company on the facility documents.
- 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, 4 (four) meetings were held on 28th May, 2020, 29th August 2020, 12th November, 2020 and 26th March, 2021.

### 8. Subsidiary

As on 31st March, 2021, 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 <https://www.hngil.com/uploads/6d68cf57fb915efa23aa97c7b76c0301.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
74th Annual General Meeting	Conducted through Video Conferencing and Other Audio Visual means	Wednesday, 15th July, 2020	11.00 a.m.
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.

## Report on Corporate Governance

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

Shareholders' Meeting	Special Business requiring Special Resolution
74th Annual General Meeting	1. Appointment of Smt. Rita Bhimani as an Independent Director
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.

### Extra-Ordinary General Meeting and Postal Ballot

During the F.Y. 2020-21, no extra-ordinary general meeting was held and no resolution was passed through Postal Ballot.

### 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 (<https://www.hngil.com/uploads/c90668a5f25a922faa07d164c0a9568c.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 2020-21, the Company did not make any public or right issue.

The Financial Statements for 2020-21 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, 2021. 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, 2021. 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 report trading by insiders/ designated persons 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.



## Report on Corporate Governance

Name of Person or Entity belonging to the promoter/ promoter group which hold(s) 10% or more shareholding	Percentage Shareholding as on 31st March, 2021	Type of Transaction During the Year	Amount of Transaction During the Year (₹ in Lacs)
Spotlight Vanijya Limited	18.09	Interest Accrued for NCD	1000
		Loan Taken during the year- ICD	36.5
Brabourne Commerce Private Limited	24.29	-	-

For more details, Kindly refer note no. 2.36 of the notes on Financial Statement for year ended 31st March, 2021.

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

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

### 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>18th day, September 2021, at 11.00 A.M.</b> through Video Conferencing (VC) or Other Audio Visual Means (OAVM)
<b>Financial calendar (Tentative)</b>	April 2021 to March 2022
1st quarter results by	2nd week of August, 2021
2nd quarter results by	2nd week of November, 2021
3rd quarter results by	2nd week of February, 2021
4th quarter results by	3rd / 4th Week of May, 2022
Date of Book Closure	11th September, 2021 to 18th September, 2021 (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<br>Email:cseadm@cnseindia.com<br>Website : www.cse-india.com<br>Scrip code : 10018003 | 2] BSE Limited,<br>25, Phiroze Jeejeebhoy Towers,<br>Dalal Street, Mumbai - 400 001<br>Email:corp.relations@bseindia.com<br>Website : www.bseindia.com<br>Scrip code : 515145 | 3] National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai- 400051<br>Email : cmlist@nse.co.in<br>Website :www.nseindia.com<br>Scrip symbol : HINDNATGLS |
|---|---|--|

- Listing fees paid for the year 2021-22 for all the above Stock Exchanges.

## Report on Corporate Governance

### • High / Low share price data

- 1] According to the data provided by The Calcutta Stock Exchange Ltd., there was no transaction in the Company's equity shares during the year under review at the said Stock Exchange.
- 2] The details of transactions in the Company's equity shares at the BSE Limited and National Stock Exchange of India Limited, during the year and the respective high / low price data are given below:

#### At BSE Limited

Month	High (in ₹)	Low (in ₹)	Volume (shares)
April, 2020	37.95	27.30	11494
May, 2020	31.15	25.70	5994
June, 2020	49.00	26.25	54042
July, 2020	35.40	29.10	10904
August, 2020	32.55	27.05	59394
September, 2020	29.05	25.65	70628
October, 2020	27.60	23.30	34860
November, 2020	29.55	24.40	33345
December, 2020	42.60	27.50	771123
January, 2021	36.25	26.20	176630
February, 2021	30.00	24.90	242173
March, 2021	42.00	24.50	2346705

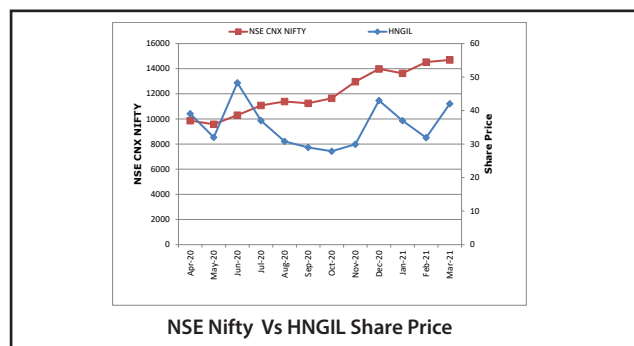
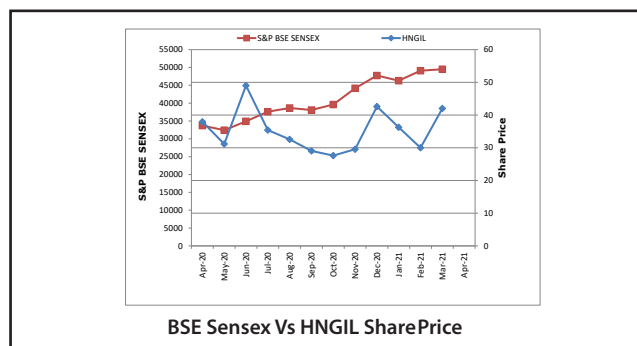
Source: [www.bseindia.com](http://www.bseindia.com)

#### At National Stock Exchange of India Limited

Month	High (in ₹)	Low (in ₹)	Volume (shares)
April, 2020	39.05	27.10	78275
May, 2020	32.00	25.55	41335
June, 2020	48.30	28.35	215774
July, 2020	37.00	29.60	65943
August, 2020	30.80	27.25	215660
September, 2020	29.00	26.20	104450
October, 2020	27.85	22.50	90036
November, 2020	29.95	24.05	406924
December, 2020	43.00	27.65	1946171
January, 2021	37.00	26.10	542169
February, 2021	31.90	24.75	904040
March, 2021	42.05	24.90	12463713

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. 2020-21 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



## Report on Corporate Governance

### Share Transfer System

The transfer of shares in physical form is processed and completed by M/s. Maheshwari Datamatics Private Limited within prescribed times, from the date of receipt thereof, provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective depository participants

### • Distribution of shareholding as on 31st March, 2021

No. of equity shares held	Holders	%	Shares	%				
1 to 5,000	6289	96.739	1666647	1.8611				
5,001 to 10,000	55	0.846	444664	0.4965				
10,001 to 20,000	52	0.7999	764621	0.8538				
20,001 to 30,000	32	0.4922	743265	0.83				
30,001 to 40,000	12	0.1846	445401	0.4974				
40,001 to 50,000	8	0.1231	361005	0.4031				
50,001 to 1,00,000	10	0.1538	715956	0.7994				
1,00,001 to above	43	0.6614	84412006	94.2587				
<b>Grand Total</b>	<b>6501</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	13	12	0.1914	0.1814	4431	4431	0.1814	0.0049
Electronic Mode								
NSDL	3087	3005	45.4708	45.4478	79532026	79532026	88.8094	88.8095
CDSL	3689	3595	54.3378	54.3708	10017108	10017108	11.8560	11.1856
<b>Total</b>	<b>6789</b>	<b>6612</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, 2021

Category	No. of shares	%
Promoters & Associates	63338840	70.7273
Institutions - F.P.I	-	-
Domestic Companies	8957908	10.0028
Resident Individuals	16960530	18.9390
Foreign residents and NRI's	45572	0.0509
IEPF	109073	0.1225
Clearing Member	141012	0.1575
<b>Total</b>	<b>89553565</b>	<b>100</b>

### • Dematerialisation of shares and liquidity

As on 31st March, 2021, 89,549,134 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, 2021 and 31st March, 2020, 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 GDRs/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 0333
- Bahadurgarh – 124507, Dist: Jhajjar,  
Haryana. Phone: (0126) 221400  
Fax – (0126) 221666
- P.O. Virbhadrha,  
Rishikesh - 249201  
Dist. Dehradun, Uttarakhand  
Phone : (0135) 2470700,  
Fax (0135) 2470777
- Thondamanatham Village, Vezhudavoor  
S. O. Puducherry - 605 502  
Phone : (0413) 2677319,  
Fax (0413) 2677366/2677666
- Nashik Glass Work,  
F1, MIDC Malegaon,  
Dist. Sinnar,  
Nashik - 422113  
Phone : (025511) 228900,  
Fax (025511) 228999
- 14, RIICO Industrial Area Nemrana, Distt.  
Alwar Pin - 301705 (Rajasthan)  
Tel - 01494 - 246712, 513935  
Fax - 01494 - 246713
- Sy. No. 12-299  
APIIC Industrial Park, Venkatagiri Road,  
Menakuru village, Naidupeta  
SPSR Nellore district 524421, Andhra  
Pradesh Phone: 91-8623-211001

- Address for correspondence** 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 : cosec@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 are disclosed on the website of the Company.
- 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 as on 31.03.2021 is attached to this report.
- The Board has accepted all recommendation of its all Committees, during the year under review.



## Report on Corporate Governance

- 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. – Rs. 32.28 lacs.
- 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.
  - 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
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

## Report on Corporate Governance

Sl. No.	Particulars	Regulation Number	Compliance Status (Yes/No/NA)
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)	Yes
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)	Yes
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)	Yes
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 1000 listed companies only. Our Company is not included in top 1000 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 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.



## Report on Corporate Governance

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. 2012-13, outstanding for 7 years. However, the linking of the amount transferred by the Bank to the MCA/IEPF account is pending due to some technical glitch. The Company is continuously communicating with the Bank/MCA and taking steps to resolve the issue. 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 as no shares are lying in Suspense Account.

For and on behalf of the Board

**Sanjay Somany**

*Chairman & Managing Director*

(DIN: 00124538)

Place : Kolkata

Date : 21st June, 2021

## 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 2020-21 in terms of Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Place : Kolkata  
Date : 21st June, 2021

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

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

### 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, 2021 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, 2021 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 : 21st June, 2021

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

**Mukul Somany**  
*Vice Chairman &  
Managing Director*  
(Chief Executive Officer)  
DIN: 00124625

**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, 2021

[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 (CIN: L26109WB1946PLC013294) (hereinafter referred to as 'the Company'), for the year ended on 31st March, 2021, 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, 2021.
- 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.
  - We have conducted online verification and examination of records, as facilitated by the Company, due to COVID-19 for the purpose of issuance of this certificate.

For **M. Rathi & Co.**

Company Secretary in practice

**Kumkum Rathi**

FCS No. : 6016

CP No. : 6209

Firm UIN : P2006WB006800

UDIN : F006016000248137

Dated: 05/05/2021

Place: Kolkata

## 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) 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, 2021 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	23.07.1992
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: 1st May, 2021

Signature:  
Name of the Company : **BABU LAL PATNI**  
Membership No.: FCS 2304  
C.P. No: 1321  
UDIN: F002304C000221072

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## Financial Section

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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, 2021, the statement of profit and loss (including the statement of other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 as amended ("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, 2021 and its loss and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

- a) As stated in Note no. 2.13.8 (D) of the financial statements, regarding appropriation of ₹ 51,529.52 lakhs as on March 31, 2021 by the lead banker against outstanding loan balances, consequent adjustment and interest calculations thereon was made by the management in absence of any proper documentation from the individual lenders.
- b) 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 net loss 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 ₹ 2,29,310.07 lakhs and equity being ₹ (43,167.33) lakhs) as at March 31, 2021 realizable value of assets is lower than the 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 Act. 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 financial statements under the provisions of the Act and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### 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 of the current period. 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 in our report.





## Independent Auditors' Report

We have determined the matter described below to be the key audit matter to be communicated in our report:

S.N.	Key Audit Matter	Auditor's Response
1.	<p><b>Valuation of inventories</b></p> <p>We refer to Note 1.3.7 and 2.5 of the financial statements.</p> <p>As at March 31, 2021, the total carrying amount of inventories was ₹ 44,980.29 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><b>Our audit procedures include the following:</b></p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>We have also reviewed the subsequent selling prices in the ordinary course of business and compared against the carrying amount of the inventories on a sampling basis at the reporting date.</li> </ul> <p>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 other information. The other information comprises the information included in the Company's annual report, but does not include financial statements and our auditor's 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 in the audit or otherwise appears to be materially misstated. 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.

### Responsibilities of Management and Those Charged with Governance 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 changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring

## Independent Auditors' Report

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, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors 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:

- 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
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.
- 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.

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.

## Independent Auditors' Report

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### 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, to the extent applicable.
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 were necessary for the purposes 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, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement 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 Indian 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 the written representations received from the directors as on March 31, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, 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.

## Independent Auditors' Report

- x) With respect to the other matters to be included in the Auditors' 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:
- The Company has disclosed (other than those already recognized in the accounts) the impact of pending litigations on its financial position in its financial statements - Refer Note No. 2.32.A of the financial statements.
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

### For **Doshi Chatterjee Bagri & Co LLP**

*Chartered Accountants*

**Firm Registration No.:** 325197E/E300020

### **Debraj Dutta**

*Partner*

**Membership No.:** 312309

**UDIN:** 21312309AAAAAH1893

4<sup>th</sup> Floor, Systron Building

Plot J5, Block EP & GP

Sector V, Salt Lake,

Kolkata - 700091

Date: 21<sup>st</sup> June, 2021

### For **JKVS & Co**

*Chartered Accountants*

**Firm Registration No.:** 318086E

### **Ajay Kumar**

*Partner*

**Membership No.:** 068756

**UDIN:** 21068756AAAAAZ4470

5A, Nandlal Jew Road

Kolkata - 700026

Date : 21<sup>st</sup> June, 2021



## 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:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
  - All the property, plant and equipment have not been physically verified by the management during the year but there is 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, no material discrepancies were noticed on such verifications.
  - 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 are held in the name of the Company.
- 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 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 other parties covered in the register maintained under Section 189 of the Act, hence, reporting under clause (iii) of paragraph 3 is not applicable.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees and security made.
- v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder to the extent notified, hence, reporting under clause (v) of paragraph 3 is not applicable.
- 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, hence, reporting under clause (vi) of paragraph 3 of the Order is not applicable.
- vii) According to the information and explanations given to us and on the basis of our examination of the books of accounts, and records:

The Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, duty of customs, goods and services tax, cess and other statutory dues to the appropriate authorities. There are no undisputed statutory dues outstanding as at March 31, 2021 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	74.09	June Quarter, 2018	July 7, 2018		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.
		79.22	September Quarter, 2018	October 7, 2018		
		77.26	December Quarter, 2018	January 7, 2019		
		78.99	March Quarter, 2019	April 7, 2019		
		72.67	June Quarter, 2019	July 7, 2019	NOT PAID	
		70.00	September Quarter, 2019	October 7, 2019		
		67.05	December Quarter, 2019	January 7, 2020		
		69.53	March Quarter, 2020	April 7, 2020		
		69.08	June Quarter, 2020	July 7, 2020		
		40.44	September Quarter, 2020	October 7, 2020		

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

- b) The details of dues of sales tax, service tax, duty of excise and value added tax, which have not been deposited on account of dispute and the forum where the dispute is pending as on March 31, 2021 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 to 2009-10	Deputy Commissioner Central Excise
		852.48	2006-07 to 2015-16	CESTAT
The Central Excise Act 1944	Excise Duty	6.65	2010-11	Assistant Commissioner, Central Excise
		13.07	1993-97	Deputy Commissioner Central Excise, Puducherry
		94.05	2009-10	Commissioner of Excise Kol-IV
		34.41	2008-09 to 2012-13	Commissioner Appeals-II
		293.92	2002-03 to 2013-14	CESTAT
The Central Sales Tax (CST) 1956	Sales Tax	299.70	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	397.99	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	2002-03	Special Commissioner Commercial Taxes
Stamp Duty	Maharashtra Stamp Duty	37.67	2010-11	High Court, Mumbai
AP Entry Tax Act, 2001	AP Entry Tax	43.66	2014-15 to 2016-17	Andhra Pradesh High Court

viii. Based on our audit procedures and according to the information and explanations given to us, the Company has defaulted in repayment of loans or borrowings to financial institutions, banks and non- banking finance companies during the year. 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. The lender wise period and amount of defaults are as hereunder.

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

Amount in ₹ Lakhs

Months	State Bank of India	EARC Trust - SC 367 (Loan assigned from HDFC Bank Ltd.)	Canara Bank (Erstwhile Syndicate Bank)	EARC Trust - SC 404 (Loan assigned from Axis Bank Ltd.)	EARC Trust - SC 367 (Loan assigned from L & T Finance Ltd.)	EARC Trust - SC 245 (Loan assigned from The HSBC Ltd.)	DBS Bank	Exim Bank	Goldman Sachs International Bank (Loan assigned from Rabo Bank)
Dec' 17	496.00	112.50	187.50	375.00	-	-	-	-	-
Mar' 18	1,996.00	112.50	187.50	440.00	-	80.88	1,028.98	-	-
Jun' 18	744.00	168.70	250.00	375.00	-	259.10	-	-	-
Sep' 18	2,244.00	168.70	250.00	472.50	-	259.10	2,940.19	-	-
Dec' 18	744.00	168.70	250.00	375.00	-	259.10	-	-	1,345.00
Mar' 19	2,244.00	168.70	250.00	472.50	120.67	259.10	2,940.19	-	-
Jun' 19	869.00	197.00	343.75	375.00	156.25	302.28	-	-	1,837.62
Sep' 19	2,369.00	197.00	343.75	488.75	156.25	302.28	2,940.19	-	-

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

Months	State Bank of India	EARC Trust - SC 367 (Loan assigned from HDFC Bank Ltd.)	Canara Bank (Erstwhile Syndicate Bank)	EARC Trust - SC 404 (Loan assigned from Axis Bank Ltd.)	EARC Trust - SC 367 (Loan assigned from L & T Finance Ltd.)	EARC Trust - SC 245 (Loan assigned from The HSBC Ltd.)	DBS Bank	Exim Bank	Goldman Sachs International Bank (Loan assigned from Rabo Bank)
Dec' 19	869.00	197.00	343.75	375.00	156.25	302.28	2,472.00	-	1,837.62
Mar' 20	3,494.00	197.00	343.75	488.75	156.25	302.28	-	-	-
Jun' 20	1,240.00	281.20	437.50	375.00	156.25	431.83	6,615.42	-	2,756.43
Sept' 20	3,865.00	281.20	437.50	537.50	156.25	431.83	-	176.60	-
Dec' 20	1,240.00	281.20	437.50	375.00	156.25	431.83	6,615.42	229.25	2,756.43
Mar' 21	3,865.00	281.20	437.50	537.50	156.25	431.83	-	229.25	-

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

Amount in ₹ Lakhs

Months	State Bank of India	EARC Trust - SC 367 (Loan assigned from HDFC Bank Ltd.)	Canara Bank (Erstwhile Syndicate Bank)	EARC Trust - SC 404 (Loan assigned from Axis Bank Ltd.)	EARC Trust - SC 367 (Loan assigned from L & T Finance Ltd.)	EARC Trust - SC 245 (Loan assigned from The HSBC Ltd.)	DBS Bank	Goldman Sachs International Bank (Loan assigned from Rabo Bank)	Exim Bank
Nov' 17	-	98.66	80.23	-	-	-	-	-	-
Dec' 17	-	101.95	82.91	-	-	149.42	-	-	75.03
Jan' 18	-	101.95	82.91	-	-	149.42	-	-	83.06
Feb' 18	-	92.08	74.89	-	-	134.96	-	-	75.02
Mar' 18	701.73	101.95	82.91	75.65	63.29	149.42	289.98	309.70	83.06
Apr' 18	679.10	98.66	80.23	73.22	-	130.14	196.84	-	80.38
May' 18	701.73	101.95	82.91	75.65	-	134.48	-	-	83.06
Jun' 18	679.10	98.66	80.23	73.22	69.54	174.00	341.92	192.62	80.38
Jul' 18	701.73	101.95	82.91	75.66	-	134.48	132.24	-	83.06
Aug' 18	701.73	101.95	82.91	75.66	-	134.48	-	-	83.06
Sep' 18	679.10	98.66	80.23	73.21	70.31	174.49	366.21	204.69	80.38
Oct' 18	701.73	101.95	82.91	75.66	-	134.48	142.11	-	83.06
Nov' 18	679.10	98.66	80.23	73.21	-	130.14	-	-	80.38
Dec' 18	701.73	101.95	82.91	75.66	70.31	178.82	356.25	200.45	83.06
Jan' 19	701.73	101.95	79.15	75.66	-	149.42	138.60	-	83.07
Feb' 19	633.82	92.09	71.49	68.34	-	134.96	-	-	75.03
Mar' 19	701.73	101.95	79.15	75.66	56.92	149.42	355.87	210.24	76.22
Apr' 19	679.09	98.67	80.24	73.22	-	130.14	144.81	-	72.40
May' 19	701.73	101.95	82.91	75.66	-	134.48	-	-	74.82
Jun' 19	679.09	98.67	80.24	73.22	53.35	174.00	325.63	195.89	72.40
Jul' 19	701.73	101.95	82.91	75.66	-	134.48	132.47	-	74.82
Aug' 19	701.73	101.95	82.91	75.66	-	134.48	-	-	74.82
Sep' 19	679.09	98.67	80.24	73.22	53.93	174.48	322.52	182.33	72.34
Oct' 19	701.73	101.95	82.91	75.66	-	134.48	125.10	-	72.89
Nov' 19	679.09	98.67	80.24	73.22	-	130.14	-	-	70.54
Dec' 19	701.73	101.95	82.91	75.66	52.54	178.82	302.01	171.31	72.89

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

Months	State Bank of India	EARC Trust - SC 367 (Loan assigned from HDFC Bank Ltd.)	Canara Bank (Erstwhile Syndicate Bank)	EARC Trust - SC 404 (Loan assigned from Axis Bank Ltd.)	EARC Trust - SC 367 (Loan assigned from L & T Finance Ltd.)	EARC Trust - SC 245 (Loan assigned from The HSBC Ltd.)	DBS Bank	Goldman Sachs International Bank (Loan assigned from Rabo Bank)	Exim Bank
Jan'20	701.73	101.95	82.91	75.66	-	134.48	130.11	-	72.89
Feb'20	656.46	95.38	77.57	70.78	-	125.80	-	-	68.19
Mar'20	701.73	101.95	82.91	75.66	51.97	178.34	312.92	177.68	72.89
Apr'20	679.09	98.67	80.24	73.22	-	144.60	135.20	-	66.39
May'20	701.73	101.95	82.91	75.66	-	149.42	-	-	68.43
Jun'20	679.09	98.67	80.24	73.22	48.81	144.11	309.56	178.00	66.23
Jul'20	701.73	101.95	82.91	75.66	-	148.92	134.13	-	68.43
Aug'20	701.73	101.95	82.91	75.66	-	148.92	-	-	68.43
Sep'20	679.09	98.67	80.24	73.22	49.31	144.11	182.76	111.55	66.23
Oct'20	701.73	101.95	82.91	75.66	-	148.92	69.61	-	68.43
Nov'20	679.09	98.67	80.24	73.22	-	144.11	-	-	66.23
Dec'20	701.73	101.95	82.91	75.66	49.30	148.87	178.16	105.03	68.41
Jan'21	701.73	101.95	82.91	75.66	-	148.23	67.76	-	68.12
Feb'21	633.82	92.09	74.89	68.34	-	133.49	-	-	61.58
Mar'21	701.73	101.95	82.91	75.66	47.87	147.39	172.03	98.16	68.00

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

Amount in ₹ Lakhs

Months	State Bank of India	EARC Trust - SC 367 (Loan assigned from HDFC Bank Ltd.)	Canara Bank (Erstwhile Syndicate Bank)	EARC Trust - SC 404 (Loan assigned from Axis Bank Ltd.)	Standard Chartered Bank	EARC Trust - SC 245 (Loan assigned from The HSBC Ltd.)	DBS Bank	Bank of Baroda
Nov'17	-	54.24	27.12	-	-	-	-	-
Dec'17	-	56.05	28.02	-	42.04	31.21	-	-
Jan'18	-	56.05	28.02	-	42.04	31.21	-	-
Feb'18	-	50.63	25.31	-	37.96	28.19	-	-
Mar'18	195.96	56.05	28.03	37.83	42.04	30.78	12.37	28.01
Apr'18	198.23	54.25	27.12	36.61	114.22	29.73	24.89	27.12
May'18	209.12	56.05	28.03	37.83	4.67	30.78	26.74	28.03
Jun'18	202.27	54.25	27.12	36.61	4.52	29.73	25.89	27.12
Jul'18	208.00	56.05	28.03	37.83	115.57	30.78	19.53	28.03
Aug'18	208.00	56.05	28.03	37.83	4.67	30.78	19.53	28.03
Sep'18	201.00	54.25	27.12	36.61	4.52	29.73	18.45	27.12
Oct'18	208.00	56.05	28.03	37.83	115.57	30.78	19.53	28.03
Nov'18	202.00	54.25	27.12	36.61	4.52	29.73	18.45	27.12
Dec'18	208.00	56.05	28.03	37.83	4.67	30.78	19.53	28.03
Jan'19	207.66	56.05	28.03	37.84	42.04	30.78	19.11	28.03
Feb'19	187.56	50.63	25.32	34.17	34.96	28.61	17.27	25.32
Mar'19	107.38	41.17	17.96	26.70	38.70	16.09	2.46	24.33
Apr'19	85.46	36.90	15.39	23.73	36.65	12.85	16.47	22.86
May'19	88.26	38.13	15.91	24.52	37.86	13.28	17.01	23.63



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

Months	State Bank of India	EARC Trust - SC 367 (Loan assigned from HDFC Bank Ltd.)	Canara Bank (Erstwhile Syndicate Bank)	EARC Trust - SC 404 (Loan assigned from Axis Bank Ltd.)	Standard Chartered Bank	EARC Trust - SC 245 (Loan assigned from The HSBC Ltd.)	DBS Bank	Bank of Baroda
Jun' 19	85.18	36.90	15.39	23.73	36.67	12.85	16.47	22.86
Jul' 19	87.82	61.85	28.25	26.24	37.83	13.28	16.85	36.37
Aug' 19	87.51	61.85	28.25	26.24	37.83	13.28	16.85	36.37
Sep' 19	83.99	59.72	27.24	25.31	36.58	12.72	16.04	35.17
Oct' 19	66.34	57.66	25.41	23.45	36.87	8.28	16.36	35.58
Nov' 19	64.20	55.80	24.59	22.69	35.68	8.01	16.19	34.44
Dec' 19	66.34	57.66	25.41	23.45	36.87	8.28	17.28	35.58
Jan' 20	66.34	57.66	25.41	23.45	36.87	8.28	19.84	35.58
Feb' 20	62.06	53.94	23.77	21.94	34.49	7.74	18.56	33.19
Mar' 20	66.34	57.66	25.41	23.45	36.87	10.98	19.84	34.78
Apr' 20	18.72	53.52	18.49	21.19	33.58	6.02	14.76	25.52
May' 20	17.45	50.19	18.85	18.49	34.62	2.72	5.17	26.30
Jun' 20	16.89	46.39	18.24	16.44	33.50	-	7.51	25.46
Jul' 20	17.45	47.94	18.84	16.99	34.62	-	14.79	26.30
Aug' 20	17.45	47.94	18.24	16.99	34.62	-	14.79	26.30
Sep' 20	16.89	46.39	18.23	16.44	33.50	-	14.31	25.46
Oct' 20	17.46	47.94	18.84	16.99	34.62	-	14.79	26.30
Nov' 20	16.89	46.39	18.23	16.44	33.50	-	14.31	25.46
Dec' 20	17.23	47.89	18.81	16.96	34.61	-	14.70	26.30
Jan' 21	13.98	47.25	18.38	16.53	34.46	-	14.18	26.17
Feb' 21	10.69	42.28	16.33	14.66	31.03	-	12.52	23.57
Mar' 21	9.76	46.41	17.81	15.97	34.30	-	13.15	26.02

d) The below table discloses the list of LC bills not honored by the Company as on 31st March, 2021:

Amount in ₹ Lakhs

Months	EARC Trust - SC 367 (Loan assigned from HDFC Bank Ltd.)	Canara Bank (Erstwhile Syndicate Bank)	EARC Trust - SC 404 (Loan assigned from Axis Bank Ltd.)	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	-	-
Apr' 18	153.72	25.19	-	289.19	-
May' 18	-	-	254.18	805.59	-
Jun' 18	-	-	72.20	283.61	15.91
Jul' 18	-	-	7.80	-	584.46
Aug' 18	-	-	-	-	610.58
Sep' 18	-	-	-	-	215.76

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

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

Amount in ₹ Lakhs

Particulars	Feb'18	Nov'18	Feb'19	Nov'19	Feb'20	Nov'20	Feb'21
Life Corporation of India	1,040	1,040	1,040	962.38	937.24	879.10	867.71

- ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year, hence reporting under clause (ix) of paragraph 3 of the Order is not applicable.
- x) During the course of our examination of books of accounts carried out in accordance with generally accepted auditing practices in India, we have neither come across any incidence of material fraud by the Company or material fraud on the Company by its officers or employees nor have we been informed of any such cases by the management.
- xi) According to the information and explanations given to us and based on our examination of the records, the Company has not paid any managerial remuneration during the year. Accordingly, the provisions of section 197 read with Schedule V of the Act are not applicable.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company, hence reporting under clause (xii) of paragraph 3 of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures, hence reporting under clause (xiv) of paragraph 3 of the Order is not applicable.
- 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 directors or persons connected with them. Accordingly, the provisions of section 192 of the Act are not applicable.
- xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934, hence reporting under clause (xvi) of paragraph 3 of the Order is not applicable.

### For Doshi Chatterjee Bagri & Co LLP

Chartered Accountants

Firm Registration No.: 325197E/E300020

### Debraj Dutta

Partner

Membership No. 312309

UDIN: 21312309AAAAAH1893

4<sup>th</sup> Floor, Systron Building  
Plot J5, Block EP & GP  
Sector V, Salt Lake,  
Kolkata - 700091  
Date: 21<sup>st</sup> June, 2021

### For J K V S & Co

Chartered Accountants

Firm Registration No.: 318086E

### Ajay Kumar

Partner

Membership No.: 068756

UDIN: 21068756AAAAAZ4470

5A, Nandlal Jew Road  
Kolkata - 700026  
Date : 21<sup>st</sup> June, 2021



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

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

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

We have audited the internal financial controls over financial reporting of Hindusthan National Glass & Industries Limited ("the Company") as of March 31, 2021 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 Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing prescribed under section 143(10) of the Act, both issued by ICAI, 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's Internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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.

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

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

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### For **Doshi Chatterjee Bagri & Co LLP**

*Chartered Accountants*

**Firm Registration No.:** 325197E/E300020

#### **Debraj Dutta**

*Partner*

**Membership No.** 312309

**UDIN:** 21312309AAAAAH1893

4<sup>th</sup> Floor, Systron Building  
Plot J5, Block EP & GP  
Sector V, Salt Lake,  
Kolkata - 700091  
Date: 21<sup>st</sup> June, 2021

#### For **JKVS & Co**

*Chartered Accountants*

**Firm Registration No.:** 318086E

#### **Ajay Kumar**

*Partner*

**Membership No.:** 068756

**UDIN:** 21068756AAAAAZ4470

5A, Nandlal Jew Road  
Kolkata - 700026  
Date : 21<sup>st</sup> June, 2021



## Balance Sheet as at 31st March 2021

₹ in Lakhs

Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
<b>ASSETS</b>			
<b>1. Non-Current Assets</b>			
(a) Property, Plant and Equipment	2.1.A	1,72,567.31	1,87,558.45
(b) Capital Work-in-Progress		8,636.37	8,737.70
(c) Intangible Assets	2.1.B	47.79	101.15
(d) Right-of-use Assets	2.1.C	4,866.86	4,932.46
(e) Financial Assets			
(i) Investments	2.2	117.33	167.57
(ii) Other Financial Assets	2.3	7,359.75	8,061.66
(f) Other Non-Current Assets	2.4	1,651.04	645.93
		<b>1,95,246.45</b>	<b>2,10,204.92</b>
<b>2. Current Assets</b>			
(a) Inventories	2.5	44,980.29	45,540.14
(b) Financial Assets			
(i) Trade Receivables	2.6	34,542.65	32,133.11
(ii) Cash and Cash Equivalents	2.7.A	15,426.61	10,404.50
(iii) Bank Balances other than (ii) above	2.7.B	1,327.10	1,322.72
(iv) Other Financial Assets	2.8	1,222.31	11,166.92
(c) Current Tax Assets (Net)	2.9	310.16	269.78
(d) Other Current Assets	2.10	7,961.81	7,337.47
		<b>1,05,770.93</b>	<b>1,08,174.64</b>
<b>Total Assets</b>		<b>3,01,017.38</b>	<b>3,18,379.56</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	(44,958.40)	(14,262.84)
<b>Total Equity</b>		<b>(43,167.33)</b>	<b>(12,471.77)</b>
<b>LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	2.13	80,770.57	1,31,809.50
(ii) Other Financial Liabilities	2.14	376.73	291.45
(iii) Lease Liabilities	2.15	4.19	4.15
(b) Provisions	2.16	2,711.47	1,283.88
(c) Deferred Tax Liabilities (Net)	2.17	-	-
(d) Other Non-Current Liabilities	2.18	4,753.37	881.21
		<b>88,616.33</b>	<b>1,34,270.19</b>
<b>2. Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	2.19	17,554.61	26,310.38
(ii) Trade Payables	2.20		
Total Outstanding dues of Micro Enterprises & Small Enterprises		3,268.25	1,909.80
Total Outstanding dues of Creditors Other than Micro Enterprises & Small Enterprises		24,547.28	20,216.32
(iii) Other Financial Liabilities	2.21	2,03,481.64	1,42,049.17
(b) Other Current Liabilities	2.22	6,587.70	5,575.60
(c) Provisions	2.23	128.90	519.87
		<b>2,55,568.38</b>	<b>1,96,581.14</b>
<b>Total Liabilities</b>		<b>3,44,184.71</b>	<b>3,30,851.33</b>
<b>Total Equity and Liabilities</b>		<b>3,01,017.38</b>	<b>3,18,379.56</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 and on behalf of the Board

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

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

**Sanjay Somany**  
Chairman and Managing Director  
DIN: 00124538  
Place : New Delhi

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

**Debraj Dutta**  
Partner  
Membership No. 312309  
Place : Kolkata  
Date : 21st June, 2021

**Ajay Kumar**  
Partner  
Membership No. 068756  
Place : Kolkata  
Date : 21st June, 2021

**Bimal Kumar Garodia**  
President and  
Chief Financial Officer  
Place : Mumbai

**Mukund Chandak**  
Company Secretary  
Place : Kolkata

**Statement of Profit and Loss** for the year ended 31st March 2021

₹ in Lakhs

Particulars	Note No.	Year Ended 31st March 2021	Year Ended 31st March 2020
<b>Revenue</b>			
I. Revenue from Operations	2.24	1,89,894.92	2,28,636.81
II. Other Income	2.25	1,157.93	3,522.80
<b>III. Total Income (I+II)</b>		<b>1,91,052.85</b>	<b>2,32,159.61</b>
<b>Expenses</b>			
Cost of Materials Consumed	2.26	60,527.44	70,987.16
Changes in Inventories of Finished Goods and Work-in-Progress	2.27	(2,671.22)	(1,816.96)
Employee Benefit Expenses	2.28	20,514.20	21,850.60
Finance Costs	2.30	21,048.19	23,316.91
Depreciation and Amortization Expenses	2.1.A, 2.1.B, 2.1.C	13,446.94	14,846.33
Other Expenses	2.29	1,08,601.55	1,13,286.81
<b>IV. Total Expenses</b>		<b>2,21,467.10</b>	<b>2,42,470.85</b>
<b>V. Loss before Tax (III + IV)</b>		<b>(30,414.25)</b>	<b>(10,311.24)</b>
<b>VI. Tax Expense:</b>			
Income Tax for Earlier Years		-	(8.01)
<b>VII. Loss for the year after Tax (V-VI)</b>		<b>(30,414.25)</b>	<b>(10,303.23)</b>
<b>VIII. Other Comprehensive Income</b>			
<b>Items that will not be reclassified to Profit or Loss</b>			
Re-measurement gains on Defined Benefit Plans		(281.31)	(14.08)
Income tax thereon		-	
		<b>(281.31)</b>	<b>(14.08)</b>
<b>IX. Total Comprehensive Income for the year (VII+VIII)</b>		<b>(30,695.56)</b>	<b>(10,317.31)</b>
<b>X. Earnings per Equity Share</b>			
(1) Basic & Diluted	2.31	(33.96)	(11.50)
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 Statements1  
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**Debraj Dutta**  
Partner  
Membership No. 312309  
Place : Kolkata  
Date : 21st June, 2021For **JKVS & CO**  
Chartered Accountants  
FRN : 318086E**Ajay Kumar**  
Partner  
Membership No. 068756  
Place : Kolkata  
Date : 21st June, 2021**Sanjay Somany**  
Chairman and Managing Director  
DIN: 00124538  
Place : New Delhi**Bimal Kumar Garodia**  
President and  
Chief Financial Officer  
Place : Mumbai

For and on behalf of the Board

**Mukul Somany**  
Vice Chairman and Managing Director  
DIN: 00124625  
Place : Kolkata**Mukund Chandak**  
Company Secretary  
Place : Kolkata



## Statement of Changes in Equity for the year ended 31st March 2021

₹ in Lakhs

### (a) Equity Share Capital

Particulars	Ref Note No.	Number of Shares	Amount in Lakhs
Equity Shares of ₹ 2/- each issued, subscribed and fully paid up			
As at 1st April 2019		8,95,53,565	1,791.07
Changes in Equity Share Capital		-	-
As at 31st March 2020	2.11	8,95,53,565	1,791.07
Changes in Equity Share Capital		-	-
<b>As at 31st March 2021</b>		<b>8,95,53,565</b>	<b>1,791.07</b>

### (b) Other equity

Particulars	Share application money pending allotment	Reserves and Surplus					Total
		Capital Reserve	Security Premium Reserve	Debenture Redemption Reserve	General Reserve	Retained earnings	
<b>Balance at 1st April 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)
Issue of Equity Shares	-	-	-	-	-	-	-
Share Application Money Received during the year	-	-	-	-	-	-	-
Shares Allotted during the year	-	-	-	-	-	-	-
Transfer/Adjustments during the year	-	-	-	-	-	-	-
Profit/(Loss) for the year	-	-	-	-	-	(30,414.25)	(30,414.25)
Remeasurement of retirement benefit plan (net of taxes)	-	-	-	-	-	(281.31)	(281.31)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	(30,695.56)	(30,695.56)
<b>Balance at 31st March, 2021</b>	-	6,055.05	10,363.84	-	69,573.88	(1,30,951.17)	(44,958.40)

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 and on behalf of the Board

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

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

**Sanjay Somany**  
Chairman and Managing Director  
DIN: 00124538  
Place : New Delhi

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

**Debraj Dutta**  
Partner  
Membership No. 312309  
Place : Kolkata  
Date : 21st June, 2021

**Ajay Kumar**  
Partner  
Membership No. 068756  
Place : Kolkata  
Date : 21st June, 2021

**Bimal Kumar Garodia**  
President and  
Chief Financial Officer  
Place : Mumbai

**Mukund Chandak**  
Company Secretary  
Place : Kolkata

**Statement of Cash Flow** for the year ended 31st March 2021

₹ in Lakhs

Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
<b>Cash Flow from Operating activities</b>		
Loss before tax	(30,414.25)	(10,311.24)
<b>Non-cash adjustments to reconcile profit/(loss) before tax to net cash flows</b>		
Depreciation/Amortisation	13,446.94	14,846.33
Loss/(profit) on sale/discard of Property Plant and Equipment/CWIP	1,453.79	1,933.56
Bad Debts and Impairment allowances for trade receivables	157.85	493.25
Interest Income	(288.43)	(226.31)
Dividend Income on Non current Investments	-	(1.51)
Diminution in value of Investment	50.24	-
Notional Interest Income on ICD	(584.80)	-
Notional Interest Expense on ICD	392.17	-
Finance Costs	20,656.02	23,316.91
Liability no longer required written back	(109.94)	(1,582.83)
<b>Operating Cash flow before exceptional items and working capital changes</b>	<b>4,759.59</b>	<b>28,468.16</b>
<b>Less: exceptional items</b>		
<b>Operating cash flow before working capital changes</b>	<b>4,759.59</b>	<b>28,468.16</b>
<b>Movement in working capital :</b>		
Increase/(Decrease) in Trade Payables and Other Liabilities	7,222.24	(14,769.10)
Decrease/(Increase) in Trade Receivables	(2,567.39)	4,246.97
Decrease/(Increase) in Inventories	559.85	(7,242.00)
Decrease/(Increase) in Loans and Advances	9,892.54	(17,803.07)
<b>Cash generated from Operations</b>	<b>19,866.83</b>	<b>(7,099.04)</b>
Direct taxes (paid)/Refunds (net)	(40.38)	97.75
<b>Net Cash Flow from Operating activities (A)</b>	<b>19,826.45</b>	<b>(7,001.29)</b>
<b>Cash Flow from Investing activities</b>		
Purchase of Property Plant and Equipment, intangible assets, Capital Work in Progress and Capital Advances	(1,737.13)	(599.96)
Proceeds from sale of Property Plant and Equipment	5.89	89.89
Redemption /(Investment) in bank deposits with maturity more than 3 months	(4.38)	1,681.60
Interest received	353.55	180.26
Dividend received from Non Current Investments	-	1.51
<b>Net Cash Flow from/(used in) Investing activities (B)</b>	<b>(1,382.07)</b>	<b>1,353.30</b>



**Statement of Cash Flow** for the year ended 31st March 2021

₹ in Lakhs

Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
<b>Cash Flow from Financing activities</b>		
Proceeds from borrowings	36.50	10,702.00
Repayment of long term borrowings	(4,465.34)	(5,454.30)
Net repayment of Short term borrowings	(8,755.77)	(4,331.91)
Interest paid	(237.66)	(407.77)
<b>Net Cash Flow used in Financing activities (C)</b>	<b>(13,422.27)</b>	<b>508.02</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>5,022.11</b>	<b>(5,139.97)</b>
Cash and cash equivalents at the beginning of the year	10,404.50	15,544.47
<b>Cash and cash equivalents at the end of the year</b>	<b>15,426.61</b>	<b>10,404.50</b>
<b>Components of Cash and Cash Equivalents</b>		
<b>Balances with banks:</b>		
In current accounts	15,419.73	10,392.07
In deposit accounts & Dividend accounts	1.84	1.91
<b>Cash in hand</b>	<b>5.04</b>	<b>10.51</b>
<b>Total cash and cash equivalents (Note 2.7.A)</b>	<b>15,426.61</b>	<b>10,404.50</b>

- The above Statement of Cash Flow has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (IND AS) on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.
- Figures of the previous quarters/periods 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**Debraj Dutta**Partner  
Membership No. 312309  
Place : Kolkata  
Date : 21st June, 2021For **JKVS & CO**Chartered Accountants  
FRN : 318086E**Ajay Kumar**Partner  
Membership No. 068756  
Place : Kolkata  
Date : 21st June, 2021For **Sanjay Somany**Chairman and Managing Director  
DIN: 00124538  
Place : New Delhi**Bimal Kumar Garodia**President and  
Chief Financial Officer  
Place : Mumbai

For and on behalf of the Board

**Mukul Somany**Vice Chairman and Managing Director  
DIN: 00124625  
Place : Kolkata**Mukund Chandak**Company Secretary  
Place : Kolkata

## Notes to Financial Statements as at and for the year ended 31st March 2021

### 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 2021

### 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.

## Notes to Financial Statements as at and for the year ended 31st March 2021

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

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

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

- 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:

<b>Asset</b>	<b>Useful lives (estimated by the management) (Years)</b>
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.

## Notes to Financial Statements as at and for the year ended 31st March 2021

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.

### 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.

## Notes to Financial Statements as at and for the year ended 31st March 2021

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 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.



## Notes to Financial Statements as at and for the year ended 31st March 2021

### ➤ 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.

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 taxes if any.

### 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

## Notes to Financial Statements as at and for the year ended 31st March 2021

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.

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





## Notes to Financial Statements as at and for the year ended 31st March 2021

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 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.

## Notes to Financial Statements as at and for the year ended 31st March 2021

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 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 sasset 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

## Notes to Financial Statements as at and for the year ended 31st March 2021

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 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.

## Notes to Financial Statements as at and for the year ended 31st March 2021

### 1.5 Recent applicable Accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. The following notification is applicable from April 1, 2021 onwards.

#### **Notification - The amendments revise Division I, II and III of Schedule III**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Some of the key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

- a) Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- b) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- c) Specified format for disclosure of shareholding of promoters.
- d) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- e) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- f) Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc
- g) Realignment of presentation of following financial statement captions:
  - Security deposits to be presented under other financial assets (earlier: under loans)
  - Current maturities of long-term borrowings to be disclosed separately under borrowings (earlier: under other financial liabilities)
- h) Disclosure of charges/ satisfaction yet to be registered with ROC beyond the statutory period along with details and reasons thereof
- i) Prescribed disclosures where loans/ advances in the nature of loans were granted to promoters, directors, KMPs and the related parties (as defined under 2013 Act), either severally or jointly with any other person that are:
  - Repayable on demand or
  - Without specifying any terms/ period of repayment
- J) Disclosure of prescribed ratios e.g. current ratio, debt-equity ratio (Explain items included in numerator and denominator and any change in the ratio >25% as compared to the preceding year)
- k) Disclosure of the following where borrowings are made from banks/ FI on the basis of security of current assets:
  - Whether quarterly returns/ statements of current assets filed with banks/ FI are in agreement with the books
  - Summary of reconciliation and reasons of material discrepancies (if any)

#### **Notification - Companies (Indian Accounting Standard) Amendment Rules, 2021**

The Ministry of Corporate Affairs (MCA) vide Notification dated 18 June 2021 has issued new Companies (Indian Accounting Standard) Amendment Rules, 2021. The notification states that these rules shall be applicable with immediate effect from the date of the notification.

The amendments to Ind ASs are in terms of insertion of certain paragraphs, substituting the definition of certain terms used in the standard along with aligning the bare text of Standards with Conceptual Framework of Financial reporting under Ind ASs.



## Notes to Financial Statements as at and for the year ended 31st March 2021

₹ in Lakhs

### 2.1.A PROPERTY, PLANT AND EQUIPMENT

Particulars	Owned Asset						Total
	Freehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	
<b>(A) Gross Carrying Value</b>							
<b>As at 1st April 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>
Additions	-	67.57	503.08	7.13	51.89	16.39	646.06
Disposals / deductions	-	-	(1,849.78)	(2.32)	(52.66)	(6.28)	(1,911.04)
Other adjustments	-	-	-	-	-	-	-
Foreign Exchange differences	-	-	(1,228.98)	-	-	-	(1,228.98)
<b>As at 31st March 2021</b>	<b>34,579.93</b>	<b>68,019.32</b>	<b>2,81,205.02</b>	<b>571.21</b>	<b>2,248.50</b>	<b>519.60</b>	<b>3,87,143.58</b>
<b>(B) Accumulated Depreciation</b>							
<b>As at 1st April 2019</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>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>
Charge for the year	-	1,908.40	11,348.15	30.40	19.84	21.18	13,327.97
Deductions	-	-	(772.93)	(2.21)	(50.02)	(5.63)	(830.79)
<b>As at 31st March 2021</b>		<b>20,974.93</b>	<b>1,90,594.22</b>	<b>508.00</b>	<b>2,043.80</b>	<b>455.32</b>	<b>2,14,576.27</b>
<b>(C) Net Block (A-B)</b>							
<b>As at 31st March 2020</b>	<b>34,579.93</b>	<b>48,885.22</b>	<b>1,03,761.70</b>	<b>86.59</b>	<b>175.29</b>	<b>69.72</b>	<b>1,87,558.45</b>
<b>As at 31st March 2021</b>	<b>34,579.93</b>	<b>47,044.39</b>	<b>90,610.80</b>	<b>63.21</b>	<b>204.70</b>	<b>64.28</b>	<b>1,72,567.31</b>

**2.1.A.1** The Company acquired 520 equity shares Akruti Centre Point Infotech Private Limited by virtue of which the company received title, right & ownership of the unit no.202 at Akruti 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. The figure is included in Buildings above.

**2.1.A.2** Refer Note 2.13.6 and 2.19.1 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 gain amounting to ₹ 1,228.98 Lakhs ( Previous year -exchange loss 4,212.12 Lakhs) has been adjusted to the cost of Plant and Equipments. The unamortised amount as on March 31, 2021 ₹ 8,351.35 Lakhs ( Previous year : ₹ 10,375.93 Lakhs).

**2.1.A.4** Current year includes depreciation charges on plant & machinery of ₹ 329.48 Lakhs based on technical re-evaluation of useful lives of certain assets.

**Notes to Financial Statements** as at and for the year ended 31st March 2021

₹ in Lakhs

**2.1.B INTANGIBLE ASSETS**

Particulars	Computer Softwares
<b>(A) Gross carrying value</b>	
<b>As at 1st April 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>
Additions	-
Disposals / deductions	(24.15)
<b>As at 31st March 2021</b>	<b>1,361.97</b>
<b>(B) Accumulated Amortisation</b>	
<b>As at 1st April 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>
Charge for the year	53.36
Deductions	(24.15)
<b>As at 31st March 2021</b>	<b>1,314.18</b>
<b>(C) Net Block (A-B)</b>	
<b>As at 31st March 2020</b>	<b>101.15</b>
<b>As at 31st March 2021</b>	<b>47.79</b>

**2.1.C RIGHT OF USE ASSETS**

₹ in Lakhs

Particulars	Leased Assets		Total
	Leasehold Land	Leasehold Buildings	
<b>(A) Gross Carrying Value</b>			
<b>As at 1st April 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>
Additions	-	-	-
Disposals / deductions	-	-	-
Other adjustments	-	-	-
Foreign Exchange differences	-	-	-
<b>As at 31st March 2021</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 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>
Charge for the year	65.46	0.15	65.61
Deductions	-	-	-
<b>As at 31st March 2021</b>	<b>519.97</b>	<b>2.13</b>	<b>522.10</b>



## Notes to Financial Statements as at and for the year ended 31st March 2021

₹ in Lakhs

Particulars	Leased Assets		Total
	Leasehold Land	Leasehold Buildings	
(C) Net Block (A-B)			
As at 31st March 2020	4,925.26	7.20	4,932.46
<b>As at 31st March 2021</b>	<b>4,859.81</b>	<b>7.05</b>	<b>4,866.86</b>

2.1.c.1 Refer note 2.37 to financial statement in respect of lease.

### 2.2. INVESTMENTS

Particulars	Ref Note No.	As at 31st March, 2021	As at 31st March, 2020
<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 8364 (Previous Year - 8364) number of shares		117.04	167.28
Capexil Agencies Limited of ₹ 1,000 each 5 (Previous Year - 5) number of shares		0.05	0.05
Government Securities at amortised cost			
National Savings Certificates		0.15	0.15
<b>Total Equity and Liabilities</b>		<b>117.33</b>	<b>167.57</b>
<b>2.2.1</b> Aggregate amount of unquoted investment		117.33	167.57

### 2.3 OTHER NON CURRENT FINANCIAL ASSETS

Particulars	Ref Note No.	As at 31st March, 2021	As at 31st March, 2020
<b>Unsecured, Considered good</b>			
Deposits with Bank (having maturity of more than 12 months)	2.3.1	3.36	3.15
Security Deposits		7,356.39	8,058.51
		<b>7,359.75</b>	<b>8,061.66</b>

2.3.1 Deposit with Banks are pledged with the Government Authorities.

### 2.4 OTHER NON-CURRENT ASSETS

Particulars	Ref Note No.	As at 31st March, 2021		As at 31st March, 2020	
Capital Advances		1,701.44	1,569.98	760.86	629.40
Less : Provision on Capital Advance		131.46		131.46	
Prepaid Expenses			81.06		16.53
		<b>1,651.04</b>		<b>645.93</b>	

**Notes to Financial Statements** as at and for the year ended 31st March 2021

₹ in Lakhs

**2.5 INVENTORIES****(Valued at lower of Cost or Net Realisable Value)**

(Value taken and certified by the management)

Particulars	Ref Note No.	As at 31st March 2021	As at 31st March 2020
Raw Materials	2.5.1	12,031.25	12,475.70
Work in Progress		560.29	484.90
Finished Goods		20,736.92	18,141.09
Stores and Spares	2.5.1, 2.5.2 & 2.5.4	10,178.56	13,243.31
Packing Materials	2.5.1 & 2.5.3	1,464.89	1,184.42
Other Fixed Asset at Scrap Value		8.38	10.72
		<b>44,980.29</b>	<b>45,540.14</b>

**2.5.1 Above include Material in Transit :**

Particulars	As at 31st March 2021	As at 31st March 2020
Raw Materials	790.12	3,163.76
Stores and Spares	313.98	144.09
Packing Materials	9.61	4.95

**2.5.2** Inventories of Stores and Spare Parts include certain slow moving, non-moving and obsolete items. An impairment allowance of ₹ 672.86 Lakhs (Previous year - ₹ 1265.61 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 is NIL (Previous year - 15.9 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.

**2.5.4** Refer Note 2.13.6 and 2.19.1 to Financial Statements in respect of charge created.

**2.6 TRADE RECEIVABLES**

Particulars	Ref Note No.	As at 31st March 2021	As at 31st March 2020
<b>Unsecured</b>			
Considered Good		34,542.65	32,133.11
Considered Doubtful		342.63	204.55
Less: Impairment Allowances for receivables		(342.63)	(204.55)
		<b>34,542.65</b>	<b>32,133.11</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.



## Notes to Financial Statements as at and for the year ended 31st March 2021

₹ in Lakhs

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	As at 31st March 2021	As at 31st March 2020
Within Credit Period	22,268.35	19,621.01
1 to 90 days past due	9,791.04	11,614.21
91 to 180 days past due	694.22	27.48
More than 180 days past due	2,131.67	1,074.96
	<b>34,885.28</b>	<b>32,337.66</b>

2.6.4 Movement of Impairment allowances for receivables

Particulars	As at 31st March 2021	As at 31st March 2020
Balance at Beginning of the year	204.55	413.13
Add: Impairment Allowance recognised during the year	143.82	-
Less: Impairment Allowances written back during the year	(59.18)	(17.09)
Add/Less: Impairment Allowance adjusted during the year	53.44	(191.49)
Balance at the end of the year	<b>342.63</b>	<b>204.55</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 2021	As at 31st March 2020
Balances with banks:			
In Current accounts		15,419.73	10,392.07
In Deposit accounts (With original maturity of less than 3 months)		1.84	1.79
In Dividend accounts	2.7.A.1	-	0.13
Cash on hand		5.04	10.51
		<b>15,426.61</b>	<b>10,404.50</b>

2.7.A.1 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

Particulars	Ref Note No.	As at 31st March 2021	As at 31st March 2020
In deposit accounts (With original maturity more than 3 months but less than 12 months)		1,327.10	1,322.72
		<b>1,327.10</b>	<b>1,322.72</b>

**Notes to Financial Statements** as at and for the year ended 31st March 2021

₹ in Lakhs

**2.8 OTHER CURRENT FINANCIAL ASSETS**

Particulars	Ref Note No.	As at 31st March 2021	As at 31st March 2020
<b>Unsecured, Considered good</b>			
Security Deposits		62.12	0.10
Interest receivable		85.42	150.54
State Incentives	2.8.1	962.36	919.91
Others	2.8.2	112.41	10,096.37
		<b>1,222.31</b>	<b>11,166.92</b>

**2.8.1 State Incentives includes :**

- (a) ₹ 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.
- (b) ₹ 858.52 Lakhs (Previous Year - ₹ 816.08 Lakhs) as Industrial Promotion Assistance.

**2.8.2 Other Current financial assets Includes:**

- (a) Insurance Claim Receivable ₹ 46.82 Lakhs (Previous Year - ₹ 45.35 lakhs) against which complete provision is taken during the period.
- (b) During the Previous year, an amount of ₹ 10,000 Lakhs not available for the company, lying with State Bank of India, is apportioned among secured lenders as per the terms of resolution plan in April 2020

**2.9 CURRENT TAX ASSETS (NET)**

Particulars	Ref Note No.	As at 31st March 2021	As at 31st March 2020
Advance Income Tax		2,329.41	2,289.03
Less: Provision for Tax		(2,019.25)	(2,019.25)
Income Tax		2,019.25	2,019.25
		<b>310.16</b>	<b>269.78</b>

**2.10 OTHER CURRENT ASSETS**

Particulars	Ref Note No.	As at 31st March 2021	As at 31st March 2020
<b>Considered Good</b>			
Balances / Deposit with Government Authorities		1,494.49	1,708.24
Prepaid Expenses		822.67	623.97
Advance to Suppliers		5,625.25	4,985.06
Considered Goods		701.25	687.23
Considered Doubtful		(701.25)	(687.23)
		<b>5,625.25</b>	<b>4,985.06</b>
Other Assets	2.10.1	19.40	20.20
Balances / Deposit with Government Authorities		11.28	11.28
Less: Impairment Allowances		(11.28)	-
		<b>7,961.81</b>	<b>7,337.47</b>



## Notes to Financial Statements as at and for the year ended 31st March 2021

₹ in Lakhs

### 2.10.1 Movement of Impairment Allowance for Advances

Particulars	Ref Note No.	As at 31st March 2021	As at 31st March 2020
Balance at Beginning of the year		698.51	315.57
Add: Recognised during the year		14.02	382.94
Less: Adjusted during the year		-	-
<b>Balance at the end of the year</b>		<b>712.53</b>	<b>698.51</b>

### 2.11 EQUITY SHARE CAPITAL

Particulars	Ref Note No.	31st March 2021		31st March 2020	
		Number of Shares	Amount	Number of Shares	Amount
<b>Authorised Share Capital subdivided into :</b>					
Equity Shares of ₹ 2/- each		2,50,75,00,000	50,150.00	2,50,75,00,000	50,150.00
Preference Shares of ₹ 2/- each		5,00,00,000	1,000.00	5,00,00,000	1,000.00
Issued, Subscribed and fully paid - up Share Capital - Equity Shares of ₹ 2/- each		8,95,53,565	1,791.07	8,95,53,565	1,791.07
		<b>1,791.07</b>		<b>1,791.07</b>	

**2.11.1** The Company has Equity & Preference 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	2020-2021	2019-2020
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	31st March 2021		31st March 2020	
	Number of Shares held	% of holding as at	Number of Shares held	% of holding as at
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%
Biswadip Gupta & N.D Maheshwari (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%
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%

The above shareholding represents both legal and beneficial shareholding.

**Notes to Financial Statements** as at and for the year ended 31st March 2021

₹ in Lakhs

**2.12 OTHER EQUITY**

Particulars	Ref Note No.	As at 31st March 2021	As at 31st March 2020
Capital Reserve	2.12.1	6,055.05	6,055.05
Securities Premium Reserve	2.12.2	10,363.84	10,363.84
General Reserve	2.12.3	69,573.88	69,573.88
Retained Earnings	2.12.4	(1,30,951.17)	(1,00,255.61)
		<b>(44,958.40)</b>	<b>(14,262.84)</b>

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

**2.12.1 Capital Reserve comprises of:**

Particulars	As at 31st March 2021	As at 31st March 2020
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 Shareholders Fund and thereby General Reserve is adjusted to that 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 ACE Trust and 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** 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.

**2.12.4** Retained Earnings generally represent the undistributed profits /amount of accumulated earnings of the Company. It includes ₹ 30,880.09 Lakhs (Previous Year - ₹ 30,932.52 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.



## Notes to Financial Statements as at and for the year ended 31st March 2021

₹ in Lakhs

### 2.13 BORROWINGS

Particulars	Ref Note No.	As at 31st March 2021		As at 31st March 2020	
		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)	-	16,269.86	17,295.63	-
(ii) 10.00% Redeemable Non Convertible Debentures		10,000.00	-	10,000.00	-
<b>b) Term Loans</b>					
From Banks	2.13.2 & 2.13.6(B to E)	41,248.00	42,739.00	53,208.00	30,779.00
From a Financial Institution	2.13.3, 2.13.6(B), 2.13.6(E)	5,681.67	1,552.10	6,598.71	1,091.00
From Other	2.13.4 & 2.13.6 (B to E)	19,700.00	19,070.61	24,471.12	14,680.70
<b>c) Foreign Currency Term Loans</b>					
From Banks/ FI	2.13.2 & 2.13.6 (B & E)	-	47,331.70	11,534.04	39,629.06
<b>Unsecured Loans</b>					
<b>c) Term Loans</b>					
From Related Party	2.13.9 & 2.36.1.C	4,140.90	-	8,702.00	-
<b>d) Deferred Payment Liabilities</b>					
Sales Tax Deferment Loan	2.13.5	-	202.02	-	202.02
		<b>80,770.57</b>	<b>1,27,165.29</b>	<b>1,31,809.50</b>	<b>86,381.78</b>

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

Particulars	As at 31st March 2021	As at 31st March 2020
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.	8,134.93	8,647.82
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.	8,134.93	8,647.82
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	10,000.00

**Notes to Financial Statements** as at and for the year ended 31st March 2021

₹ in Lakhs

**2.13.2 Repayment details of Term Loans from Banks at unamortised cost outstanding as on 31st March 2021 are as follows:**

Particulars	Foreign Currency Term Loan	Effective Interest: 9.35%- 11.00% p.a	Total
2017-18*	1,028.98	2,867.00	3,895.98
2018-19*	7,225.38	6,976.00	14,201.38
2019-20*	9,087.43	8,976.00	18,063.43
2020-21*	18,743.70	11,960.00	30,703.70
2021-22	11,246.22	11,960.00	23,206.22
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>47,331.70</b>	<b>83,987.00</b>	<b>1,31,318.70</b>

**2.13.3 Repayment details of Term Loans from a Financial Institution at unamortised cost outstanding as on 31st March 2021 are as follows:**

Particulars	Effective Interest: 10.50%-11.00%	Total
2020-21*	635.10	635.10
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>7,233.77</b>	<b>7,233.77</b>

**2.13.4 Repayment details of Term Loan from Other at unamortised cost outstanding as on 31st March 2021 are as follows:**

Particulars	Effective Interest: 10.50%-11.00%	Total
2017-18*	1,120.88	1,120.88
2018-19*	3,526.86	3,526.86
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>38,770.61</b>	<b>38,770.61</b>

**2.13.5 Deferred Sales Tax Loan at unamortised cost outstanding as on 31st March 2021 is interest free and is payable as per the repayment schedule as follows:**

Particulars	Total
2020-2021*	202.02
<b>Total</b>	<b>202.02</b>

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



## Notes to Financial Statements as at and for the year ended 31st March 2021

### 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- 63,05,177), 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 period from December 2017 to March 2021 amounting to ₹ 81,799.07 Lakhs and Interest (comprising Interest on Term loan and Cash Credit) for November 2017 to March 2021 amounting to ₹ 71,170.27 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 2021

**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 ₹ 22,530 Lakhs from June'19 to March'21 and the same has been appropriated by the lead banker, State Bank of India to all the lenders.

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	FY 18-19	FY 19-20	FY 20-21
State Bank of India	12,775.60	3,499.95	4,998.98
Canara Bank (Erstwhile Syndicate Bank)	1,297.49	469.80	670.60
EARC Trust - SC 367 (Loan assigned from HDFC Bank Ltd. )	1,918.26	694.09	991.32
EARC Trust - SC 404 (Loan assigned from Axis Bank Ltd.)	1,568.62	516.51	738.19
EARC Trust - SC 245 (Loan assigned from The HSBC Ltd. )	2,011.08	726.89	1,039.03
EARC Trust - SC 367 (Loan assigned from L & T Finance Ltd. )	224.67	81.83	116.63
Exim Bank	882.79	318.72	455.90
Life Insurance Corporation of India	1,985.76	718.61	1,025.77
DBS Bank	3,962.90	1,433.24	2,047.57
Goldman Sachs International Bank ( Loan assigned from Rabo Bank)	1,455.77	527.11	752.76
Bank of Baroda	471.18	129.87	185.54
Standard Chartered Bank	445.90	160.01	230.60
<b>Total</b>	<b>29,000.00</b>	<b>9,276.64</b>	<b>13,252.88</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 ₹ 4551.46 Lakhs for Current Year (Previous Year ₹ 3109.80 Lakhs) is short booked.



## Notes to Financial Statements as at and for the year ended 31st March 2021

₹ in Lakhs

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.

Two of the lenders has filed application before The National Company Law Tribunal (NCLT), Kolkata Bench on 13th August, 2019 and 13th January, 2020 under section 7 of The Insolvency And Bankruptcy Code, 2016.

**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 ten years from the date of disbursement.

### 2.14 OTHER NON CURRENT FINANCIAL LIABILITIES

Particulars	As at 31st March 2021	As at 31st March 2020
Retention Money	376.73	291.45
	<b>376.73</b>	<b>291.45</b>

### 2.15 NON CURRENT LEASE LIABILITIES

Particulars	As at 31st March 2021	As at 31st March 2020
Lease Liabilities	4.19	4.15
	<b>4.19</b>	<b>4.15</b>

### 2.16 PROVISIONS

Particulars	Ref Note No.	As at 31st March 2021	As at 31st March 2020
Provision for Employee Benefits	2.16.1	1,258.87	1,283.88
Provision for Contingencies	2.16.2	1,452.60	-
		<b>2,711.47</b>	<b>1,283.88</b>

**2.16.1** 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 of financial statements.

**2.16.2** Provision for contingencies is towards employees' arrears.

### 2.17 DEFERRED TAX LIABILITIES (NET)

Particulars	Ref Note No.	As at 31st March 2021	Current Year Charge/(Credit) to P/L	As at 31st March 2020
<b>Deferred Tax Liabilities</b>				
Difference between WDV of Block of Assets		28,059.42	(1,541.76)	29,601.18
<b>Gross Deferred Tax Liability</b>		<b>28,059.42</b>	<b>(1,541.76)</b>	<b>29,601.18</b>

**Notes to Financial Statements** as at and for the year ended 31st March 2021

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2021	Current Year Charge/(Credit) to P/L	As at 31st March 2020
<b>Deferred Tax Assets</b>				
Provision for Post Retirement Benefits and Other Employment Benefits		739.48	(186.57)	926.05
Brought Forward Unabsorbed Depreciation		24,346.99	(4,221.28)	28,568.27
Impairment Allowances of Trade & Other Receivable		2,972.95	2,866.09	106.86
<b>Gross Deferred Tax Asset</b>		<b>28,059.42</b>	<b>(1,541.76)</b>	<b>29,601.18</b>
<b>Net Deferred Tax Liability</b>		<b>-</b>	<b>-</b>	<b>-</b>

**2.17.1 Unrecognised unused Tax Losses and unused Tax credits**

Particulars	As at 31st March 2021	As at 31st March 2020
(i) Unabsorbed depreciation	52,782.33	44,670.55
(ii) Unused Tax Credits (Minimum Alternate Tax)	3,152.01	3,152.01

**2.17.2** 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.

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

**2.17.4** 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.

**2.18 OTHER NON-CURRENT LIABILITIES**

Particulars	Ref Note No.	As at 31st March 2021	As at 31st March 2020
<b>Other Liabilities</b>			
Advance received from Customers		933.77	881.21
Deferred Liability Payable on ICD		3,819.60	-
		<b>4,753.37</b>	<b>881.21</b>

**2.19 BORROWINGS**

Particulars	Ref Note No.	As at 31st March 2021	As at 31st March 2020
<b>Secured Loans</b>			
Working Capital Facilities from Banks (repayable on demand)	2.19.1 & 2.19.2	17,554.61	26,310.38
		<b>17,554.61</b>	<b>26,310.38</b>

**2.19.1** 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.

**Notes to Financial Statements** as at and for the year ended 31st March 2021

₹ in Lakhs

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

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

**2.20 TRADE PAYABLES**

Particulars	Ref Note No.	As at 31st March 2021	As at 31st March 2020
Payables for goods and services	2.20.1		
Total Outstanding dues of Micro Enterprises & Small Enterprises		3,268.25	1,909.80
Total Outstanding dues of Creditors Other than Micro Enterprises & Small Enterprises		24,547.28	20,216.32
		<b>27,815.53</b>	<b>22,126.12</b>

2.20.1 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 ₹ 1243.71 Lakhs (Previous year - ₹ 774.46 Lakhs). Based on above the relevant disclosures u/s 22 of the Act are as follows:

MSME	As at 31st March 2021	As at 31st March 2020
(i) The amount remaining unpaid to any supplier as at the end of the accounting year.	2,959.85	1,783.92
(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;	52.87	-
(iv) The amount of interest accrued and remaining unpaid at the end of accounting year; and	308.40	125.88
(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>Total</b>	<b>3,268.25</b>	<b>1,909.80</b>

**2.21 OTHER CURRENT FINANCIAL LIABILITIES**

Particulars	Ref Note No.	As at 31st March 2021	As at 31st March 2020
<b>Financial liabilities at fair value through profit or loss</b>			
<b>Other financial liabilities at amortised cost</b>			
Current maturities of long term debt	2.13	1,27,165.29	86,381.78

**Notes to Financial Statements** as at and for the year ended 31st March 2021

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2021	As at 31st March 2020
Interest accrued on Borrowings		72,820.14	52,061.33
Unpaid dividend		-	0.13
Other payables		3,496.21	3,605.93
Creditors on account of Capital Goods		1,378.62	1,251.01
Others		2,117.59	2,354.92
		<b>2,03,481.64</b>	<b>1,42,049.17</b>

**2.22 OTHER CURRENT LIABILITIES**

Particulars	Ref Note No.	As at 31st March 2021	As at 31st March 2020
<b>Other payables</b>			
Statutory Dues - PF, ESI, TDS, Entry Tax, GST etc.		4,957.60	4,206.63
Advance from Customers		1,044.73	1,368.97
Liability Payable on ICD		585.37	-
		<b>6,587.70</b>	<b>5,575.60</b>

**2.23 PROVISIONS**

Particulars	Ref Note No.	As at 31st March 2021	As at 31st March 2020
Provision for Employee Benefits	2.23.1	128.90	519.87
		<b>128.90</b>	<b>519.87</b>

**2.23.1** 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

**2.24 REVENUE FROM OPERATIONS**

Particulars	Ref Note No.	For the Year ended 31st March 2021	For the Year ended 31st March 2020
<b>Sale of Products (including excise duty)</b>			
Finished Goods (Container Glass Bottles)		1,88,405.78	2,27,102.00
<b>Other Operating Revenue</b>			
Scrap Sales		368.54	237.19
Insurance Claim received		168.61	32.98
Others	2.24.2 & 2.24.3	951.99	1,264.64
<b>Revenue from Operations</b>		<b>1,89,894.92</b>	<b>2,28,636.81</b>

**2.24.1** Damages, rebate and volume discount are adjusted with revenue.

**2.24.2** Includes Industrial Promotion Assistance received under State Incentive Scheme during the period is ₹ 272.1 Lakhs (Previous year: ₹ 271.35 Lakhs) and export incentives of ₹ NIL (Previous year : ₹ 31.60 lakhs)

**2.24.3** Others includes ₹ 679.89 Lakhs (Previous Year 940.94 Lakhs) for Transportation Income.

**Notes to Financial Statements** as at and for the year ended 31st March 2021

₹ in Lakhs

**2.25 OTHER INCOME**

Particulars		For the Year ended 31st March 2021	For the Year ended 31st March 2020
Interest Income on deposits and others		873.23	226.31
Dividend Income		-	1.51
<b>Other Non Operating income (net of expense directly attributable to such income)</b>			
Rent and Hire Charges		27.72	27.84
Liabilities no longer required written back		109.94	1,582.83
Miscellaneous Income		109.00	1,492.19
<b>Other Gains and Losses</b>			
Exchange Gain (Net)		38.04	192.12
		<b>1,157.93</b>	<b>3,522.80</b>

**2.26 COST OF MATERIALS CONSUMED**

Particulars	Ref Note No.	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Opening Stock		12,475.70	6,509.31
Add: Purchases		60,082.99	76,953.55
Less: Closing Stock		12,031.25	12,475.70
<b>Raw Materials Consumed</b>	2.26.1 & 2.26.2	<b>60,527.44</b>	<b>70,987.16</b>

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

**2.26.2 RAW MATERIAL CONSUMED**

Particulars	Ref Note No.	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Silica Sand		12,801.98	11,911.12
Soda Ash		32,215.54	39,769.47
Cullet		6,465.44	10,539.48
Others		9,044.48	8,767.09
<b>Total</b>		<b>60,527.44</b>	<b>70,987.16</b>

**2.27 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS**

Particulars	Ref Note No.	For the Year ended 31st March 2021	For the Year ended 31st March 2020
<b>Closing Stock</b>			
Finished Goods		20,736.92	18,141.09
Work-in-Progress		560.29	484.90
		<b>21,297.21</b>	<b>18,625.99</b>

## Notes to Financial Statements as at and for the year ended 31st March 2021

₹ in Lakhs

Particulars	Ref Note No.	For the Year ended 31st March 2021	For the Year ended 31st March 2020
<b>Less:</b>			
<b>Opening 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>
		<b>(2,671.22)</b>	<b>(1,816.96)</b>

### 2.28 EMPLOYEE BENEFIT EXPENSES

Particulars	Ref Note No.	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Salaries and Wages		19,558.85	20,147.21
Contribution to Provident and Other Funds		535.48	1,180.05
Workmen and Staff Welfare Expenses		419.87	523.34
		<b>20,514.20</b>	<b>21,850.60</b>

### 2.29 OTHER EXPENSES

Particulars	Ref Note No.	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Stores and Spare Parts Consumed		12,384.41	11,141.84
Power and Fuel		71,531.58	74,448.37
Packing Material Consumed and Packing Charges		14,461.12	14,680.76
Rent		875.91	776.67
Rates and Taxes		188.47	2,765.87
<b>Repairs:</b>			
Plant and Equipment		762.09	675.44
Buildings		441.07	392.28
Others		213.73	189.69
Legal & Professional Expenses		468.08	987.73
Freight Outwards, Transport and Other Selling Expenses		2,185.73	2,230.41
Commission on Sales		68.41	95.49
Insurance		934.26	413.47
Bad Debts Written Off		81.70	24.17
Less: Write Back of Impairment Allowances for Trade Receivable		(59.18)	(24.15)
Impairment Allowances against Trade Receivables/ Advances		157.85	493.25
Charity and Donation		0.05	0.11
Loss on Sale/Discard of Property Plant and Equipment (Net)		1,453.79	1,933.56
Other Miscellaneous Expenses	2.29.1	2,452.48	2,061.85
		<b>1,08,601.55</b>	<b>1,13,286.81</b>

## Notes to Financial Statements as at and for the year ended 31st March 2021

₹ in Lakhs

### 2.29.1 Other Miscellaneous Expenses include :

Particulars	Ref Note No.	For the Year ended 31st March 2021	For the Year ended 31st March 2020
a) Payment to Auditors			
<b>To Auditor:</b>			
Statutory Audit Fees		24.75	24.75
Tax Audit Fees		5.29	5.10
Certifications etc		7.53	6.28
		<b>37.57</b>	<b>36.13</b>
b) Directors Travelling Expenses		0.43	17.03
c) Directors Sitting Fees		7.05	8.10

### 2.30 FINANCE COSTS

Particulars	Ref Note No.	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Interest Expense		21,046.08	23,282.81
Other Borrowing Costs		2.11	34.10
		<b>21,048.19</b>	<b>23,316.91</b>

### 2.31 EARNINGS PER SHARE (EPS)

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

Particulars	Ref Note No.	For the Year ended 31st March 2021	For the Year ended 31st March 2020
(Loss) after Tax (Rs in Lakhs)		(30,414.25)	(10,303.23)
Net (Loss) for calculation of basic and Diluted EPS (Rs. In Lakhs)	(a)	<b>(30,414.25)</b>	<b>(10,303.23)</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 Rs.)		(33.96)	(11.50)

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.

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

#### A. CONTINGENT LIABILITIES

Sl. No.	Particulars	Ref Note No.	As at 31st March 2021	As at 31st March 2020
(I)	<b>Claims against the company not acknowledged as debt</b>			
1	Central Excise/Sales Tax matter under appeals		2,221.34	2,230.62
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	1,069.80
3	Cases pending with labour courts (to the extent ascertainable)		164.37	164.37

**Notes to Financial Statements** as at and for the year ended 31st March 2021

₹ in Lakhs

Sl. No.	Particulars	Ref Note No.	As at 31st March 2021	As at 31st March 2020
4	Other Claims against the Company not acknowledged as debt.		766.23	770.09
5	Octroi on Transportation of natural gas through pipeline.		405.85	392.17
6	Gujarat State Petroleum Corpn. Limited - CST Diff of 13%		101.40	101.40
7	Demand of stamp duty against leasehold land purchased from Haryana Sheet Glass Limited.		37.67	37.67
8	Mathadi Act for 1999-2001		126.63	126.63
9	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

**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 (9) 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.

On Behalf of	Purpose	Date of Guarantee Issued	As at 31st March 2021	As at 31st March 2020
AMCL Machinery Limited	Working Capital Loan	25-Jun-12	-	1,400.00
			-	<b>1,400.00</b>

**B. CAPITAL AND OTHER COMMITMENTS**

Particulars	As at 31st March 2021	As at 31st March 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance); Advance of ₹ 1569.98 Lakhs (Previous year - ₹ 760.86 Lakhs)	803.15	2,050.16

**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.





## Notes to Financial Statements as at and for the year ended 31st March 2021

₹ in Lakhs

Sl. No.	Particulars	As at 31st March 2021	As at 31st March 2020
(i)	Salaries and Wages	-	-
(ii)	Power and Fuel	-	-
(iii)	Miscellaneous expenses	-	-
(iv)	Stores & Spares Consumed	-	-
(v)	Payment to Contractors	-	-
(vi)	Cost of Material Consumed	-	-
(vii)	Packing Material Consumed and Packing Charges	-	-
	<b>Total</b>	-	-
	Add: Brought Forward from previous year	13.92	150.97
	Less: Capitalised/adjustment during the year	13.92	137.05
	<b>Total carried forward</b>	-	<b>13.92</b>

### 2.34 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

#### a) Particulars of unhedged Foreign Currency exposure as at the balance sheet date

Particulars	As at 31st March 2021		As at 31st March 2020	
	Foreign Currency (in Lakhs)	INR Value (Rs in Lakhs)	Foreign Currency (in Lakhs)	INR Value (Rs in Lakhs)
<b>Payables</b>				
-EUR	9.59	825.35	6.50	516.79
-GBP	0.59	59.49	0.42	36.56
-JPY	0.84	0.56	0.84	0.59
-USD	12.10	888.76	7.29	467.94
-AUD	0.51	28.23	0.51	23.47
-NPR	-	-	54.89	34.14
<b>Receivables</b>				
-USD	2.71	199.53	19.80	1,492.43
-AUD	-	-	0.24	10.91
-EUR	-	-	0.14	11.50
-GBP	0.09	9.37	0.75	69.68
<b>Foreign Currency loans</b>				
-USD	643.93	47,331.70	678.68	51,163.10

### 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 graphically.

**Notes to Financial Statements** as at and for the year ended 31st March 2021

₹ in Lakhs

**Geographical Segment**

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

Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Domestic Market	1,83,119.93	2,19,645.24
Overseas Market	6,774.99	8,991.56
<b>Total</b>	<b>1,89,894.92</b>	<b>2,28,636.80</b>

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

Particulars	As at 31st March 2021	As at 31st March 2020
Domestic Market	33,014.90	31,214.76
Overseas Market	1,527.74	918.35
<b>Total</b>	<b>34,542.65</b>	<b>32,133.11</b>

**2.36 RELATED PARTY DISCLOSURES****I Names of the related parties and nature of relationship****A) 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) Mr. Amal Chandra Saha- Independent Director
- (vii) Mr. Bharat Somany -Son of Mr. Sanjay Somany

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

- AMCL Machinery Limited
- Mould Equipment Limited
- Brabourne Commerce Private Limited
- Rungamattee Trexim Private Limited
- Saurav Contractors Private Limited
- Khazana Marketing Private Limited
- Spotme Tracon Private Limited
- Spotlight Vanijya Limited

**Notes to Financial Statements** as at and for the year ended 31st March 2021

₹ in Lakhs

**II Related Party Transactions**

A) Aggregate amount of Transactions with Key Managerial Personnel and their relatives:

Nature of transaction	Ref Note No	Name of the related party	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Remuneration		Bharat Somany	20.33	23.73
Refund of Remuneration	2.36.1	Sanjay Somany	-	680.79
		Mukul Somany	-	681.94
Sitting Fees		Ratna Kumar Daga	2.20	2.55
		Dipankar Chatterji	2.20	2.55
		Rita Bhimani	1.00	1.10
		Amal Chandra Shah	1.65	1.90

The remuneration of directors and other members of key management personnel during the year are as follows:

Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Short Term Employee Benefits*	20.33	23.73

\* Excluding contribution to gratuity fund

**2.36.1** In Previous year, refund of Managerial remuneration of ₹ 1,362.73 Lakhs was received from the Chairman & Managing Director and Vice Chairman & Managing Director for the financial years ending 2017-18, 2016-17 and 2015-16.

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

Nature of transaction	Name of the related party	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Purchase of Goods	Mould Equipment Limited	10.20	12.66
Recovery of expenses	Mould Equipment Limited	0.04	-
Receipt of Services	Mould Equipment Limited	349.33	376.24
Interest Paid	Spotlight Vanijya Limited	1,000.00	728.77
Sale of Asset	AMCL Machinery Limited	-	1.04
Sale of Goods	AMCL Machinery Limited	2.78	4.11
Rent Received	Mould Equipment Limited	24.89	26.75
Loan Taken during the year- NCD	Spotlight Vanijya Limited	-	10,000.00
Loan Taken during the year- ICD	Spotlight Vanijya Limited	36.50	702.00

**Notes to Financial Statements** as at and for the year ended 31st March 2021

₹ in Lakhs

**C) Balance of related parties is as follows:**

Nature of transaction	Name of the related party	As at 31st March 2021	As at 31st March 2020
Payable	Mould Equipment Limited	26.99	112.48
Receivable	AMCL Machinery Limited	2.04	2.56
Corporate Guarantee given to bank on behalf of	AMCL Machinery Limited	-	1,400.00
Loan Outstanding-NCD	Spotlight Vanijya Limited	10,000.00	10,000.00
Loan Outstanding-ICD	Spotlight Vanijya Limited	8,738.50	8,702.00
Interest Payable-NCD	Spotlight Vanijya Limited	1,580.89	655.89

**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, 2021, 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****As Lessee**

**2.37.1** 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 Company has adopted Ind AS 116, effective from 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 i.e. 1st April,2019.

**2.37.2** Leases for which the lease term ends within 12 months of the date of initial application have been accounted as short term leases.

Nature of transaction	As at 31st March 2021	As at 31st March 2020
<b>ROU Balance at the beginning of the year</b>	<b>4,932.46</b>	<b>4,998.07</b>
Additions During the period	-	-
Amortization cost accrued during the year	65.61	65.61
Deletion during the period	-	-
<b>ROU Balance at the end of the year</b>	<b>4,866.86</b>	<b>4,932.46</b>
<b>Lease liabilities at the beginning of the year</b>	<b>4.15</b>	<b>4.11</b>
Add : Interest cost accrued during the year	0.54	0.54
less : Payment of lease liabilities	(0.50)	(0.50)
<b>Lease liabilities at the end of the year</b>	<b>4.19</b>	<b>4.15</b>

**Notes to Financial Statements** as at and for the year ended 31st March 2021

₹ in Lakhs

**2.37.3 Maturity Analysis of Lease Liability as required under IND AS 107.**

Particulars	As at 31st March 2021		As at 31st March 2020	
	Lease Payments	Present Value	Lease Payments	Present Value
Not more than one year	0.50	0.07	0.50	0.08
Later than one year and not more than five years	2.08	0.23	2.07	0.26
Later than five years	39.24	0.37	39.76	0.41

**2.37.4** The company incurred ₹ 875.91 lakhs for the year ended 31st March, 2021 (Previous Year- 776.67 Lakhs ) towards expenses relating to short term leases and leases of low value assets. The total cash outflow for leases in current year is ₹ 875.91 lakhs (Previous Year- 776.67 lakhs).

**2.38.1** 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, 2021 have been prepared on a going concern basis.

**2.38.2** The initial spread of COVID-19 during March 2020 to June 2020 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 and plants were running with curtailed manpower as per requisite permission from local administration. With relaxation of lockdown initiated by Government of India, the Company kept monitoring the situation closely and operations were ramped up in a phased manner taking into account directives from the Government. With Second wave of Covid-19 starting from February 2021, the operations of the Company are being monitored closely. As a result, the volumes for the FY 2020-21 have been impacted.

The management has considered internal and certain external sources of information upto 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..

**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 2021	For the Year ended 31st March 2020
Employer's Contribution to Provident Fund	386.74	438.76
Employer's Contribution to Pension Fund	304.50	343.87

The company's best estimate of Contribution during the next year is Rs. 2353.28 Lakhs.

**Notes to Financial Statements** as at and for the year ended 31st March 2021

₹ in Lakhs

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

Particulars	As at 31 March 2021	As at 31 March 2020
Plan assets at year end, at fair value	13,155.62	12,028.82
Present value of benefit obligation at year end	12,959.78	11,880.16
Asset / (Liability) recognised in Balance Sheet	195.84	148.66

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

Particulars	As at 31 March 2021	As at 31 March 2020
Fixed Income/Debt Securities	8.00%	9.01%
Expected guaranteed interest rate	8.50%	8.50%

**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:**

Particulars	Gratuity Funded		Gratuity Unfunded	
	2020-21	2019-20	2020-21	2019-20
Liability at the beginning of the year	3,713.25	3,188.54	677.78	625.41
Current Service Cost	275.89	274.40	68.26	57.56
Interest Cost	247.57	201.37	46.93	41.33
Actuarial (gain)/loss on obligations due to Change in Financial Assumption	(101.83)	290.72	(28.27)	71.35
Actuarial (gain)/loss on obligations due to Unexpected Experience	(104.02)	69.92	27.54	(108.23)
Benefits paid	(312.51)	(311.70)	(8.93)	(9.64)
<b>Liability at the end of the year</b>	<b>3,718.35</b>	<b>3,713.25</b>	<b>783.32</b>	<b>677.78</b>

Particulars	Total Defined Benefit Obligations	
	2020-21	2019-20
Defined benefit obligation (funded) at the end of the year	3,718.35	3,713.25
Defined benefit obligation (unfunded) at the end of the year	783.32	677.78
<b>Total Defined benefit obligation at the end of the year</b>	<b>4,501.66</b>	<b>4,391.03</b>

## Notes to Financial Statements as at and for the year ended 31st March 2021

₹ 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	
	2020-21	2019-20
Fair value of plan assets at the beginning of the year	3,332.30	2,671.73
Interest Income	231.93	177.40
Return on Plan Assets excluding Interest Income	74.73	309.28
Employer contribution	380.95	485.59
Benefits paid	(312.51)	(311.70)
<b>Fair value of plan assets at the end of the year</b>	<b>3,707.40</b>	<b>3,332.30</b>

### III. Expense recognised in the Statement of Profit and Loss (Under the head "Contribution to provident and other funds" - Refer Note 2.28) and Other Comprehensive Income

Particulars	Gratuity Funded		Gratuity Unfunded	
	2020-21	2019-20	2020-21	2019-20
Current Service Cost	275.89	274.40	68.26	57.56
Net Interest Cost	15.64	23.97	46.93	41.33
<b>Expenses recognised in Statement of Profit and Loss</b>	<b>291.53</b>	<b>298.37</b>	<b>115.19</b>	<b>98.89</b>

Particulars	Gratuity Funded		Gratuity Unfunded	
	2020-21	2019-20	2020-21	2019-20
Actuarial (gain)/loss on obligations due to Change in Financial Assumption	(101.83)	290.72	(28.27)	71.35
Actuarial (gain)/loss on obligations due to Unexpected Experience	(104.02)	69.92	27.54	(108.23)
<b>Total Actuarial (gain)/losses</b>	<b>(205.85)</b>	<b>360.64</b>	<b>(0.73)</b>	<b>(36.88)</b>
Return on Plan Asset, excluding Interest Income	(74.73)	(309.28)	-	-
Net expenses recognised in Other Comprehensive Income	(280.58)	51.36	(0.73)	(36.88)

### IV. Balance Sheet Reconciliation

Particulars	Gratuity Funded		Gratuity Unfunded	
	2020-21	2019-20	2020-21	2019-20
Present value of the defined benefit obligations at the end of the year	3,718.35	3,713.25	783.32	677.78
Fair value of the plan assets at the end of the year	3,707.40	3,332.30	-	-
<b>Amount Recognised in Balance Sheet</b>	<b>10.95</b>	<b>380.95</b>	<b>783.32</b>	<b>677.78</b>

Particulars	Gratuity Funded		Gratuity Unfunded	
	2020-21	2019-20	2020-21	2019-20
Opening Net Liability	380.95	516.81	677.78	625.41
Expenses as above	10.95	349.73	114.46	62.01
Employers Contribution	380.95	485.59	(8.93)	(9.64)
<b>Amount Recognised in Balance Sheet</b>	<b>10.95</b>	<b>380.95</b>	<b>783.32</b>	<b>677.78</b>

**Notes to Financial Statements** as at and for the year ended 31st March 2021

₹ in Lakhs

The actuarial liability of Compensated Absences (Unfunded) of accumulated privileged leave of the employees of the company as at 31st March, 2020 is Rs. 636.33 Lakhs (Previous Year : Rs. 467.05 Lakhs).

- 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.

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

Particulars	Gratuity Funded		Gratuity Unfunded	
	2020-21	2019-20	2020-21	2019-20
Mortality Table	IALM(2006-2008) ULTIMATE	IALM(2006-2008) ULTIMATE	IALM(2006-2008) ULTIMATE	IALM(2006-2008) ULTIMATE
Discount rate (per annum)	6.64%	6.64%	6.66%	6.66%
<b>Expected rate of return on plan assets (per annum)</b>	<b>6.64%</b>	<b>6.64%</b>	<b>NA</b>	<b>NA</b>
Average expected future service (Remaining working Life)	16	15	18	18
Average Duration of Liabilities	58	58	58	58
Early Retirement & Disablement (All Causes Combined)	Varying between 8% per annum to 1% per annum depending on duration and age of the employees.			
above age 45				
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 2021-22 is yet to be determined.

**VII. A quantitative sensitivity analysis for significant assumption are as shown below:****a) Gratuity Funded**

Particulars	2020-21		2019-20	
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 0.5%)	3,568.83	3,879.68	3,563.90	3,874.29
%Change Compared to base due to sensitivity	(4.02%)	4.34%	(4.02%)	4.34%
Salary Growth (-/+ 0.5%)	3,878.75	3,568.35	3,872.84	3,563.90
%Change Compared to base due to sensitivity	4.31%	(4.03%)	4.30%	(4.02%)
Attrition Rate (-/+ 0.5%)	3,717.49	3,719.20	3,723.24	3,703.26
%Change Compared to base due to sensitivity	(0.023%)	(0.023%)	0.27%	(0.27%)
Mortality Rate (-/+ 10%)	3,718.23	3,718.45	3,731.22	3,695.28
%Change Compared to base due to sensitivity	(0.003%)	(0.003%)	0.48%	(0.48%)





## Notes to Financial Statements as at and for the year ended 31st March 2021

₹ in Lakhs

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

Particulars	2020-21		2019-20	
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 0.5%)	740.80	829.68	641.59	717.19
%Change Compared to base due to sensitivity	-5.43%	5.92%	(5.34%)	5.82%
Salary Growth (-/+ 0.5%)	829.41	740.67	716.84	641.58
%Change Compared to base due to sensitivity	5.89%	-5.44%	5.77%	(5.34%)
Attrition Rate (-/+ 0.5%)	783.19	783.41	680.43	675.11
%Change Compared to base due to sensitivity	-0.01%	0.01%	0.39%	(0.39%)
Mortality Rate (-/+ 10%)	783.29	783.32	681.81	673.73
%Change Compared to base due to sensitivity	-0.001%	0.002%	0.60%	(0.60%)

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.

### 2.40 CATEGORIES OF FINANCIAL INSTRUMENTS

Particulars	Ref Note No.	As at 31st March 2021	As at 31st March 2020
<b>Financial Assets</b>			
Measured at Amortised Cost			
Investments	2.2	0.15	0.15
Deposit with Bank	2.3	3.36	3.15
Trade Receivable	2.6	34,542.65	32,133.11
Cash and Cash Equivalents	2.7.A	15,426.61	10,404.50
Other Bank Balances	2.7.B	1,327.10	1,322.72
Security Deposits	2.3 & 2.8	7,418.51	8,058.61
Other Current Financial Assets	2.8	1,160.19	11,166.82
<b>Total financial assets measured at amortised cost</b>		<b>59,878.57</b>	<b>63,089.06</b>
Measured at Fair Value through Profit or Loss			
Investment			
Non-current Investment	2.2	117.18	167.42
<b>Total Financial Assets measured at Fair Value through Profit or Loss</b>		<b>117.18</b>	<b>167.42</b>
<b>Financial Liabilities</b>			
Measured at Amortised Cost			
Non Current Borrowings	2.13	80,770.57	1,31,809.50
Retention Money	2.14	376.73	291.45
Current - Borrowings	2.19	17,554.61	26,310.38
Trade payable	2.20	27,815.53	22,126.12
Current maturities of long term debt	2.21	1,27,165.29	86,381.78
Interest accrued on borrowings	2.21	72,820.14	52,061.33
Unpaid dividend	2.21	-	0.13
Other Payables	2.21	3,496.21	3,605.93
<b>Total financial liabilities measured at amortised cost</b>		<b>3,29,999.08</b>	<b>3,22,586.62</b>

## Notes to Financial Statements as at and for the year ended 31st March 2021

₹ in Lakhs

### 2.41 Fair values

#### (i) Fair value Hierarchy

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

Particulars	Date of valuation	(Level 1)	(Level 2)	(Level 3)
<b>Quantitative disclosures of fair value measurement hierarchy for assets as at 31 March 2021:</b>				
<b>Assets measured at fair value:</b>				
Non Current Investments	31-Mar-21	-	-	117.18
<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-20	-	-	167.42

#### (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 :

- 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.
- 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 :

#### l) 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.A 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

**Notes to Financial Statements** as at and for the year ended 31st March 2021

₹ in Lakhs

currency pair, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the period end is presented below:"

Particulars	changes in USD rate	Foreign currency Payable (net)	Effect on profit/(loss) before tax
<b>31st March 2021</b>			
Weakening of INR	5%	724.16	-34.48
Strengthening of INR	-5%	(655.19)	34.48
<b>31st March 2020</b>			
Weakening of INR	5%	(990.69)	47.18
Strengthening of INR	-5%	896.34	(47.18)

The above sensitivity do not include foreign currency risk on borrowings amounting to USD 643.92 Lakhs (Previous year-USD 678.68 Lakhs) which are capitalised with the Property, Plant and Equipment and not charged to Statement of Profit and Loss.

**(b) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, excluding cross currency interest rate swap . With all other variables held constant, the Company's profit/(loss) before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/ decrease in basis points	Effect on profit/(loss) before tax
<b>31st March 2021</b>		
INR	+50	-819.08
USD	+50	-236.66
INR	-50	819.08
USD	-50	236.66
<b>31st March 2020</b>		
INR	+50	-790.62
USD	+50	-255.82
INR	-50	790.62
USD	-50	255.82

**(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).

**Notes to Financial Statements** as at and for the year ended 31st March 2021

₹ in Lakhs

**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.

**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 ₹ -43167.33 Lakhs (Refer Note No. 2.11 & 2.12).

**GEARING RATIO:**

The Company has long term Debt of ₹ 2,03,592.93 Lakhs (Previous Year : ₹ 2,09,287.26 Lakhs). Accordingly the Company has (1.30) gearing ratio as at 31st March, 2021 and (1.07) gearing ratio as at 31st March, 2020.

Particulars	As at 31st March 2021	As at 31st March 2020
Long Term Debt	2,12,138.81	2,09,287.26
Less : Cash & Cash equivalent	16,753.71	11,727.22
<b>Net Long Term Debt (A)</b>	<b>1,95,385.10</b>	<b>1,97,560.04</b>
Total Equity (B)	(43,167.33)	(12,471.77)
Net Long Term Debt to Value Ratio [ C={A/(A+B)} ]	(1.28)	(1.07)

**2.44 These financial statements have been approved by the Board of Directors of the Company on 21st June, 2021 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 and on behalf of the Board

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

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

**Sanjay Somany**  
Chairman and Managing Director  
DIN: 00124538  
Place : New Delhi

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

**Debraj Dutta**  
Partner  
Membership No. 312309  
Place : Kolkata  
Date : 21st June, 2021

**Ajay Kumar**  
Partner  
Membership No. 068756  
Place : Kolkata  
Date : 21st June, 2021

**Bimal Kumar Garodia**  
President and  
Chief Financial Officer  
Place : Mumbai

**Mukund Chandak**  
Company Secretary  
Place : Kolkata



# Corporate Information (as on 21<sup>st</sup> June, 2021)

## **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**

Mukund Chandak

## **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, 5th Floor  
Kolkata - 700001  
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**

Bank of Baroda  
Canara Bank  
DBS Bank Limited  
Export Import Bank of India  
Edelweiss Asset Reconstruction Company Limited  
Goldman Sachs International Bank  
Life Insurance Corporation of India  
Standard Chartered Bank  
State Bank of India



**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

[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 75TH ANNUAL GENERAL MEETING

Notice is hereby given that the 75th Annual General Meeting (AGM) of the members of Hindusthan National Glass & Industries Limited will be held on Saturday, 18th September 2021, 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 31st March, 2021 together with Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Mukul Somany (DIN: 00124625), who retires by rotation and being eligible, offers himself for re-appointment.

#### SPECIAL BUSINESS:

3. **RE-APPOINTMENT OF SHRI SANJAY SOMANY (DIN: 00124538) AS THE CHAIRMAN & MANAGING DIRECTOR FOR PERIOD OF 1 (ONE) YEAR WITH EFFECT FROM 1st APRIL, 2021 TO 31st MARCH, 2022.**

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

**"RESOLVED THAT** pursuant to the recommendation of nomination & remuneration committee and the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of the Companies Act, 2013 (the Act) and the rules made thereunder, including any statutory modification(s) or re-enactment thereof, subject to the approval of shareholders, Shri Sanjay Somany (DIN: 00124538), aged 63 years, who hold office of Chairman and Managing Director up to 31st March, 2021, be and is hereby re-appointed as the Chairman and Managing Director of the Company for period of 1 (One) year with effect from 1st April, 2021 to 31st March, 2022 on a honorary basis;

**RESOLVED FURTHER THAT** any Director or Company Secretary 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."

4. **RE-APPOINTMENT OF SHRI MUKUL SOMANY (DIN: 00124625) AS THE VICE-CHAIRMAN & MANAGING DIRECTOR FOR PERIOD OF 1 (ONE) YEAR WITH EFFECT FROM 1st APRIL, 2021 TO 31st MARCH, 2022.**

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

**"RESOLVED THAT** pursuant to the recommendation of nomination & remuneration committee and the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of the Companies Act, 2013 (the Act) and the rules made thereunder, including any statutory modification(s) or re-enactment thereof subject to the approval of shareholders, Shri Mukul Somany (DIN: 00124625), aged 56 years, who hold office of Vice-Chairman and Managing Director up to 31st March, 2021, be and is hereby re-appointed as the Vice-Chairman and Managing Director of the Company for period of 1 (One) year with effect from 1st April, 2021 to 31st March, 2022 on a honorary basis;

**RESOLVED FURTHER THAT** any Director or Company Secretary 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/-

**(Mukund Chandak)**

Company Secretary & Compliance Officer

ACS -20051

Place: Kolkata

Date: 21.06.2021



## NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs (MCA) followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 read with the SEBI Circulars No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated May 12, 2020 and January 15, 2021 respectively (hereinafter, collectively referred as the "SEBI Circulars") and all other relevant circulars issued from time to time, physical attendance of the Members to the 75th Annual General Meeting (AGM) venue is not required and 75th AGM to be held through video conferencing (VC) or other audio visual means (OAVM). 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 75th AGM through VC / OAVM.
2. The Members can join the 75th 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 75th AGM through VC/OAVM will be made available for 1000 members on first come first served 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 75th AGM without restriction on account of first come first served 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 75th 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 75th AGM will be provided by NSDL.

The remote e-Voting period will commence on Wednesday, 15th September, 2021 (9:00 A.M. IST) and will end on Friday, 17th September, 2021 (5:00 P.M. IST). During this period, the Members of the Company, holding shares either in physical or dematerialized mode, as on the cut-off date, i.e., Saturday, 11th September, 2021, may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by NSDL for voting thereafter.

Only those Members who are present in the Meeting through VC or OAVM facility and have not cast their votes on resolutions through remote e-Voting and are otherwise not barred from doing so, shall be allowed to vote through e-Voting system during the AGM. However, Members who would have cast their votes by remote e-Voting may attend the Meeting, but shall neither be allowed to change it subsequently nor cast votes again during the Meeting and accordingly, their presence shall also be counted for the purpose of quorum under Section 103 of the Act. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Saturday, 11th September, 2021 being the cut-off date, are entitled to vote on the Resolutions set forth in the Notice. The voting rights of the Members shall be in proportion to their share(s) of the paid-up equity share capital of the Company as on the cut-off date. A person who is not a member as on the cut-off date, i.e., Saturday, 11th September, 2021 should treat this Notice for information purpose only.

The Board has appointed Ms. Kumkum Rathi of M/s. M. Rathi & Co., Company Secretaries (Membership No.: FCS-6016 and C.P. No. 6209), as the Scrutinizer for scrutinizing the process of remote e-Voting and also e-Voting during the Meeting in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of the Meeting, count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-Voting in presence of atleast two witnesses not in employment of the Company and submit a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, not later than 2 (Two) working days after the conclusion of the Meeting. Thereafter, the Results of e-Voting shall be declared forthwith by the Chairman or by any other director/person duly authorised in this regard. The Results declared along with the Report of the Scrutinizer shall be placed on the Company's website ([www.hngil.com](http://www.hngil.com)) and on the e-Voting website of NSDL ([www.evoting.nsdl.com](http://www.evoting.nsdl.com)) immediately after the results are declared and shall simultaneously be communicated to the Stock Exchanges where the equity shares of the Company are listed. The results declared along with the said Report shall also be displayed at the Registered Office of the Company. Subject to the receipt of requisite number of votes, the businesses mentioned in the Notice / the resolutions forming part of the Notice shall be deemed to be passed on the date of the AGM, i.e., Saturday, 18th September, 2021.

4. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meeting 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. However pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the MCA, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. Hence, the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the 75th AGM through VC/OAVM and participate there at and cast their votes through e-voting.
6. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF 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 with a copy marked to evoting@nsdl.co.in and Company's mail id - cosec@hngil.com.
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.
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 Companies Act, 2013 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.
11. The attendance of the Members attending the 75th AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
12. 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.
13. 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 75th AGM.
14. Members seeking any information with regard to the accounts or any matter to be placed at the 75th AGM, are requested to write to the Company on or before Friday, 10th September 2021 through e-mail to cosec@hngil.com. The same will be replied by the Company suitably.
15. In line with the MCA Circular No. 17/2020 dated April 13, 2020 and other relevant circulars as stated above, Notice of the 75th AGM along with the Annual Report 2020-21 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 2020-21 will also be available on the Company's website 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, www.nseindia.com and 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. 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.

17. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 11th September, 2021 to Saturday, 18th September, 2021 (both days inclusive) for the purpose of 75th 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 Saturday, 11th September, 2021 may cast their vote either by remote e-voting or e-voting during AGM.
18. 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 18th September 2017 and 18th September, 2018 respectively. Pursuant to the amendments made to Section 139 of the Companies Act, 2013, by the Companies (Amendment) Act, 2017, effective from 7th 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.
19. 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 cosec@hngil.com.
20. Since 75th AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021 the Route Map is not annexed in this Notice.
21. 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.  
The Company has transferred the unpaid dividend amount for FY 2012-13 to the IEPF account. However, the linking of the amount transferred by the Bank to the MCA/IEPF account is pending due to some technical glitch. The Company is continuously communicating with the Bank/ MCA and taking steps to resolve the issue. Equity shares in respect of which, the dividend for the year 2012-13 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

## **22. INSTRUCTIONS FOR E-VOTING AND JOINING THE 75TH AGM ARE AS FOLLOWS:-**

The remote e-voting period begins on Wednesday, 15th September 2021 at 9.00 A.M. and ends on Friday, 17th September 2021 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: Access to NSDL e-Voting system**

##### **A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li data-bbox="339 261 1426 549">1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com/">https://eservices.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li data-bbox="339 559 1426 644">2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com/">https://eservices.nsd.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li data-bbox="339 655 1426 942">3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li data-bbox="339 953 1426 1070">1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li data-bbox="339 1081 1426 1144">2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</li> <li data-bbox="339 1155 1426 1219">3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li data-bbox="339 1229 1426 1378">4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p data-bbox="339 1389 1426 1638">You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30.
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

## B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

### 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 'Shareholder/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices 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 log-in 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 :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
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. Password details for shareholders other than Individual shareholders 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:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

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

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. **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 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.nsd.com](http://www.evoting.nsd.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.nsd.com](http://www.evoting.nsd.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Amit Vishal, AVP/ Ms. Pallavi Mhatre, Manager of NSDL 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) by email to our RTA email id [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com) and/or Company's email id i.e. [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 i.e. [cosec@hngil.com](mailto:cosec@hngil.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual

meeting for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE 75TH AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the 75th AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the 75th 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 75th AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the 75th AGM. However, they will not be eligible to vote at the 75th 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 75th AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE 75th AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the 75th AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member 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.
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/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at company email id i.e. [cosec@hngil.com](mailto:cosec@hngil.com). The same will be replied by the company suitably.
6. Members, who would like to ask question during the 75th AGM with regard to the financial statements or any other matter to be placed at the 75th AGM, need to register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's email address: [cosec@hngil.com](mailto:cosec@hngil.com), atleast 48 hours in advance before the start of the 75th AGM i.e. by 16th September, 2021 by 11.00 A.M. IST. Those members who have registered themselves as a speaker shall be allowed to ask questioning during the 75th AGM, depending upon the availability of time. The Company/the Chairman of the meeting reserves the right to restrict the number of questions, time allotted and number of speakers for smooth conduct of the 75th AGM.

## ANNEXURE TO THE NOTICE

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

#### SPECIAL BUSINESS

#### ORDINARY RESOLUTION

#### **Item No 3 & 4:- RE-APPOINTMENT OF SHRI SANJAY SOMANY (DIN: 00124538) AS CHAIRMAN & MANAGING DIRECTOR AND SHRI MUKUL SOMANY (DIN:- 00124625 ) AS THE VICE CHAIRMAN AND MANAGING DIRECTOR FOR PERIOD OF 1 (ONE) YEAR WITH EFFECT FROM 1st APRIL, 2021 TO 31st MARCH, 2022.**

The Shareholders of the Company at the 72nd Annual General Meeting held on 18th September, 2018 had approved the appointment of Shri Sanjay Somany as the Chairman and Managing Director and Shri Mukul Somany as the Vice Chairman & Managing Director for a period of 3 (three) years with effect from 1st April, 2018 to 31st March, 2021.

Since the tenure of the aforesaid Directors were expiring on 31st March,2021 the Board members in its Board Meeting held on 12th February, 2021 on the recommendation of the Nomination & Remuneration Committee have re-appointed Shri Sanjay Somany and Shri Mukul Somany as the Chairman & Managing Director and Vice-Chairman & Managing Director respectively for a further period of 1 (One) year w.e.f. 1st April, 2021.

During the year due to liquidity crunch the Company has failed to meet its debt obligations and has defaulted in repayment of its principal and interest to the Banks & Financials Institutions. The Board members based on the recommendation of the Nomination & Remuneration Committee decided to appoint both the aforesaid Directors on a honorary basis till the default is rectified.

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

None of the Directors, Key Managerial Personnel and their relatives, except Shri Sanjay Somany and Shri Mukul Somany, is in any way, concerned or interested in the said resolution. The resolution as set out in item no 3 & 4 of this Notice is accordingly recommended for your approval.

Shri Sanjay Somany and Shri Mukul Somany'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 Meeting are:

Particulars	Shri Sanjay Somany	Shri Mukul Somany
DIN:	00124538	00124625
Date of Birth	28-07-1958	15-10-1965
Date of first appointment on the Board	27-03-1993	23-07-1992
Expertise in specific functional areas	Shri Sanjay Somany has led the evolution of HNG to the forefronts of technological excellence. He presently oversees the operations and management of the Company.	Shri Mukul Somany second generation entrepreneur having more than 26 years of experience in the glass industry. He has been the driving force behind Company's acquisition, marketing, branding strategies over the years and also oversees the administrative function in the Company.
Qualification	Commerce Graduate and a Diploma in Diesel Engineering.	B.Com (Hons)
Directorship held in other public companies (excluding Foreign Companies and Section 8 Companies)	AMCL Machinery Limited. Spotlight Vanijya Limited. Mould Equipment Limited.	AMCL Machinery Limited. Spotlight Vanijya Limited. Mould Equipment Limited.



<b>Particulars</b>	<b>Shri Sanjay Somany</b>	<b>Shri Mukul Somany</b>
Memberships/Chairmanships of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee)	Nil	Spotlight Vanijya Limited. Audit Committee Stakeholders' Relationship Committee
No of shares held in the Company	31,12,865	40,21,370
Term and condition of re-appointment along with details of remuneration sought to be paid	As stated in this notice pursuant to Companies Act,2013 and SEBI (Listing Obligation and Disclosure Requirements), 2015	As stated in this notice pursuant to Companies Act,2013 and SEBI (Listing Obligation and Disclosure Requirements), 2015
Last Drawn Remuneration	During FY 2020-21 - Nil	During FY 2020-21 - Nil
Number of Board Meetings attended during the Financial Year 2020-21	4/4	4/4
Relationship between Directors inter-se, with Other Directors, Manager and KMPs of the Company	Brother of Shri Mukul Somany	Brother of Shri Sanjay Somany

By Order of the Board of Directors,  
**For Hindusthan National Glass & Industries Limited**  
Sd/-  
**(Mukund Chandak)**

Company Secretary & Compliance Officer  
ACS -20051

Place: Kolkata  
Date: 21.06.2021



# 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

## 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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# 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

## 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.