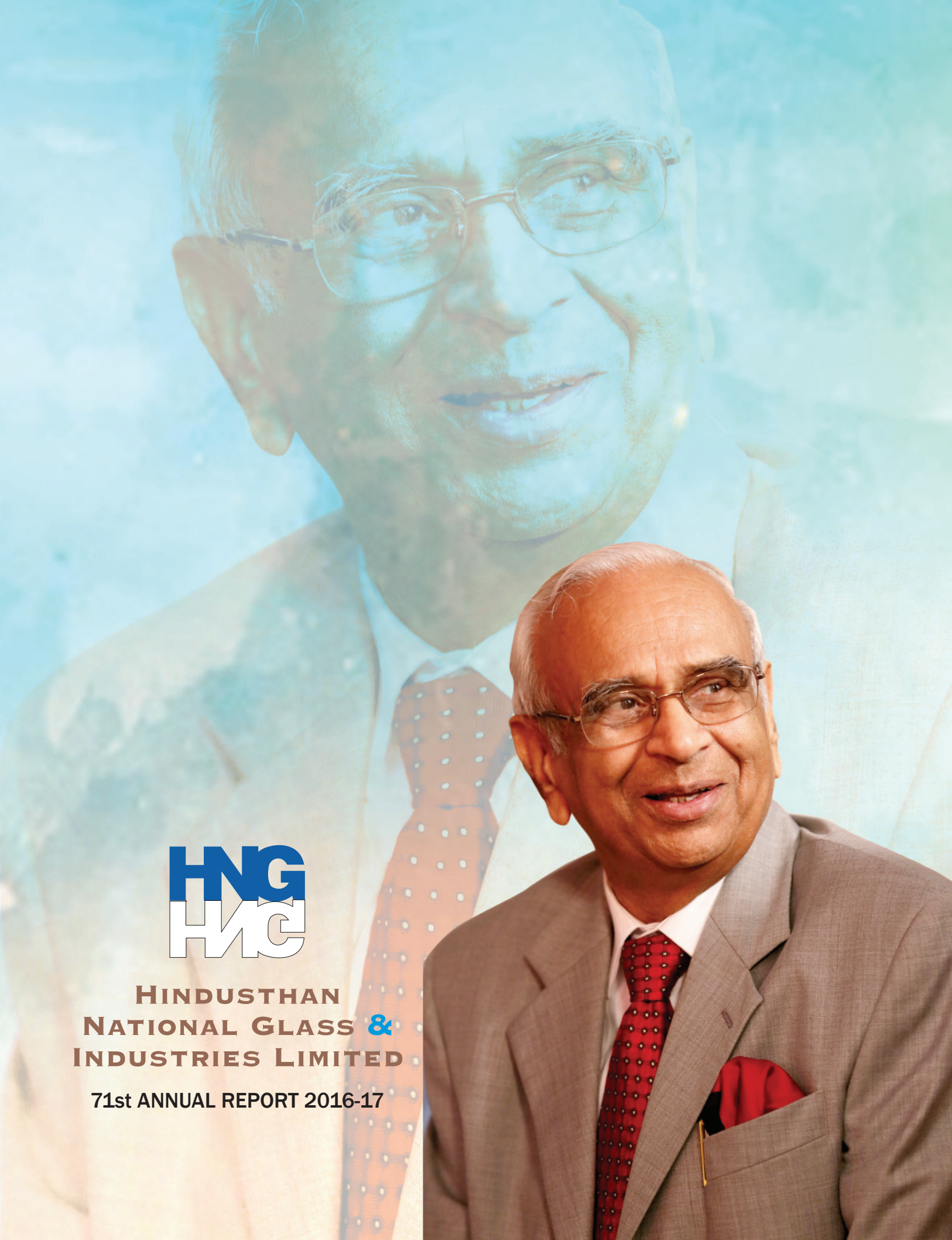




**HINDUSTHAN  
NATIONAL GLASS &  
INDUSTRIES LIMITED**

**71st ANNUAL REPORT 2016-17**



# Tribute to a visionary

Shri Chandra Kumar Somany, Chairman of Hindusthan National Glass & Industries Limited left for heavenly abode on 17th May, 2017 at the age of 84 after a prolonged illness at Kolkata.

Born on 25th June, 1933 in Kolkata, Shri Chandra Kumar Somany acknowledged expert in glass technology laid the foundation of Hindusthan National Glass & Industries Limited.

Shri Somany headed India's principal glass manufacturing group for more than 60 years. The company under its leadership has used latest state-of-the-art technology of glass manufacturing. Hindusthan National Glass & Industries Limited emerged as the region's dominant supplier of containers and also diversified into the rapidly expanding float glass business.

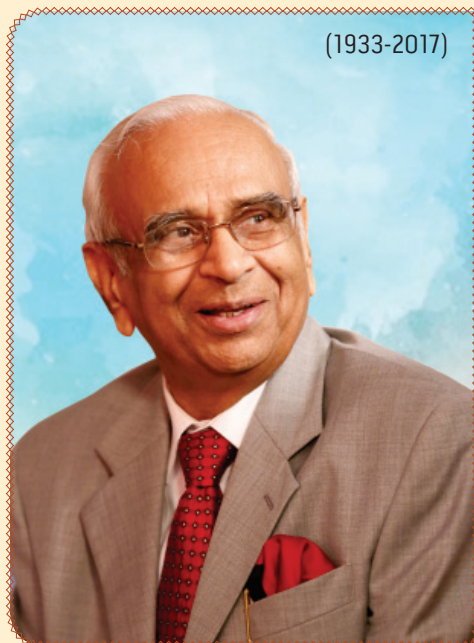
He served as the President of The All India Glass Manufacturers' Federation (1975-1976), Eastern India Glass Manufacturers' Association (EIGMA) – Kolkata and several other commercial and non-commercial organizations. He has also served as the Chairman of the Development Panel for Glass Industry formed by the Government of India, Ministry of Industry between 1995 and 1997.

Shri Somany was popularly known as CK, a globally respected entrepreneur. Shri Somany was the principal architect of what constitutes the modern Indian Glass Container Industry today. He joined the Indian Glass Packaging Industry when it was at a nascent stage. His family had interests in a small glass bottle plant in the state of West Bengal, which was largely based on the manual process of manufacturing. Around this point in time, his family wanted to go for substantial automation in the business process.

Shri Somany served as the Chairman of the Glass & Glassware Panel of CAPEXIL (Chemical & Allied Products Export Promotion Council) which controls an export turnover of US\$ 17 billion. Shri Somany was pioneer in bringing world class quality product to its customers.

Shri Somany was associated with various charitable and philanthropic organizations carrying on in the glorious tradition of his illustrious ancestors.

In the area of philanthropic activities, he has carved a niche for himself among the peer group.



He has set up a large Community Centre at Rishikesh, a modernized school in Haryana, helped several colleges, Universities, Temples and Social Organizations in their respective pursuits. He has set up the Somany Surgical Eye Clinic, equipped with ultra-modern machines to serve the distressed and the needy for their vision problems.

Phoenix Award Committee announced, Shri Somany as "Glass Person of the Year 2013" for his significant and major contributions to glass industry in the field of production, glass education and container glass.

*It was indeed very bad news. As a young glass technologist, I first met him in Kolkata 45 years ago and then so many other times in glass meetings. He was a genius and I wish he served the nation for some more time. I am extremely sad to hear about this worst news for all of us in glass related activities where he played a pivotal role. Moreover: He was like a library with so much knowledge. My sincerest heartfelt condolence to the Somany family-and to Mukul Babu and Sanjay Babu.*

**- Prof. (Dr.) Asis K Bandyopadhyay, PhD (Sheffield), EX-CNRS (Paris), Ex-Principal, GCECT, Kolkata**

*We are shocked to hear the sad message of sudden demise of Shri C. K. Somany, Former President and Executive Committee Member of AIGMF. We called a condolence meeting under the Chairmanship of Shri Raj Kumar Mittal, President of UPGMS. In the meeting members present, expressed deep sorrow on the death of Shri CK Somany ji. Infact, he was a veteran of Glass Industry. He served Glass Industry very well for which he will always be remembered. We all pray to ALMIGHTY GOD to render peace to the departed Soul and solace to the bereaved family.*

**- Raj Kumar Mittal- President UPGMS & Sr. VP AIGMF and Sanjay Agarwal - Hon. Sec. UPGMS & Hon. Gen. Sec. AIGMF**

*We are all desperately sorry to hear of CK's passing and send our sincere condolences. We will also contact the family separately to this effect. Once again, please accept our deepest commiserations.*

**- Dave Fordham, Glass Worldwide, London**

*I knew Mr. C.K. Somany personally from my childhood. He was an outstanding industrialist, and a shining light of the Indian glass industry. He was always at the forefront in trying out new developments in the industry. His company ran at such high levels of efficiency, as to set bench marks not just in India, but in several other countries of the world. He brought many innovations to glass making in India, including elimination of the use of arsenic, and the introduction of slag in the batch. I feel a personal sense of loss to hear of this sad event.*

**- Pradeep Kheruka, Vice Chairman, Borosil Glass Works Ltd., Mumbai**

*Our heart felt condolences. May the departed soul rest in eternal peace*

**- Harikumar Menon & staff of RD Ashar Pvt Ltd., Mumbai**

*It is very sad to hear the demise of Shri C K Somany. My heart felt condolences to his family.*

**- Prof. Devendra Kumar, BHU, IIT, Varanasi**

*The Glass Industry in India and World over will remember the great services of Shri C K Somany Saab*

**- A Achari, Asha Glass Services, Baroda**

*We Express our Heartfelt Condolences, may God give strength to bereaved Family.*

**- Shrikant Ramteke, WAM India Pvt. Ltd., Thane**

## FORWARD LOOKING STATEMENTS

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

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

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

This Annual Report is available online at [www.hngil.com](http://www.hngil.com)

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## Directors' Profile

### • **Shri Sanjay Somany (DIN: 00124538)**

Shri Sanjay Somany, aged 59 years, is the Vice Chairman & Managing Director of the Company and Ex-Managing Director of Glass Equipment (India) Limited, a subsidiary of HNG. 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 host of notable positions in industry bodies, such as the President of All India Glass Manufacturers' Federation. At HNG, Shri Somany is a member of the Treasury Management Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee.

#### **Directorships held in other companies**

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

### • **Shri Mukul Somany (DIN: 00124625)**

Shri Mukul Somany, aged 52 years, is the Vice Chairman & Managing Director of the Company. A second-generation entrepreneur, he holds more than 25 years of experience in the glass industry. At HNG, he has been the driving force behind Company's acquisitions, marketing and branding strategies over the years. He also oversees the administration function in the Company. He holds a Bachelors of Commerce (Hons.) degree. In the past he has held reputed posts in the industry federations, notably being the President of All India Glass Manufacturer's Federation, 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 Treasury Management Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee.

#### **Directorships held in other companies**

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

### • **Shri Ratna Kumar Daga (DIN: 00227746)**

Shri Ratna Kumar Daga, aged 77 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 of 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 a member of the Treasury Management Committee.

#### **Directorships held in other companies**

• Somany Ceramics Limited • S.R. Continental Limited • Trutools (India) Private Limited • LSI Financial Services Private Limited • Shankar Estates Private Limited • Goenka Leasing & Finance Private Limited • Onkar Plaza Private Limited • Indo Financiers Pvt. Ltd. (Additional Director)

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

Shri Dipankar Chatterji, aged 69 years, is an Independent Director of the Company. He is a Chartered Accountant and the senior partner of the firm, L. B. Jha & Co. Chartered Accountants. He is also Former Chairman of the Confederation of Indian Industry (CII- eastern region) and is currently a Member of the National Council of CII. He was Member of the Central Council of the Institute of Chartered Accountants of India and the Chairman of the Audit Practices Committee of the ICAI. He was appointed as member of the Padmanabhan Committee (set up to review Reserve Bank of India's supervision over banks) and the committee



## Directors' Profile

set up to advice on NABARD's supervisory role over RRBs and Cooperative Banks, and other committees and task forces. He was the Former President of Indo American Chamber of Commerce (eastern region). At HNG, Shri Chatterji is a member of the Audit Committee, Treasury Management Committee, Stakeholders Relationship Committee and Nomination & Remuneration Committee.

### Directorships held in other companies

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

### • Smt. Rita Bhimani (DIN: 07106069)

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

### Directorships held in other companies

• Asian Hotels (East) Ltd.

### • Shri Narayanaswami Sitaraman (DIN: 01114920) (Appointed w.e.f. 13th April, 2017)

Shri N. Sitaraman, aged 78 years is an Independent Director of the Company. He is a Fellow member of the Institute of Company Secretaries of India, Fellow member of the Institute of Chartered Secretaries and Administrators, London, Fellow member of the British Institute of Management and Barrister at Law-London. He is a noted consultant and has a wide range of experience in handling legal, secretarial, administration and personnel matters. He was the ex-whole time Director of ITC Limited. At HNG he is a member of the Audit Committee.

### Directorships held in other companies

• HNG Float Glass Ltd.



# MANAGEMENT DISCUSSION AND ANALYSIS

## Glass Bottle Industry Structure and developments:

### Globally:

According to Technavio's (technavio.com) latest market research, the global retail glass packaging (RGP) market is expected to grow at a CAGR of more than 4% during 2016-2021.

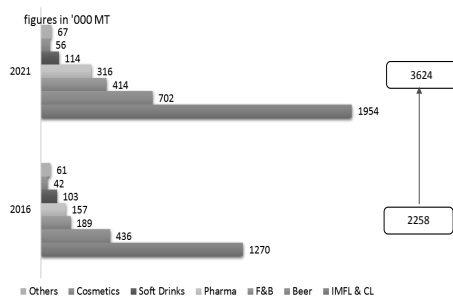
In 2016, with a market share of over 36%, EMEA (Europe, Middle East and Africa) emerged as the market leader in the global RGP market, followed by APAC (Asia Pacific) with over 34% and the Americas with close to 30%.

EMEA is the largest market for glass packaging and will continue to dominate the market during the forecast period. The market is driven by the high consumption of alcoholic beverages in the region. Most European brewers are focusing on innovative glass packaging so that the product becomes more appealing to consumers.

APAC led the global whiskey market and accounted for 54% of the whiskey consumed globally. The retail glass packaging market in APAC will show the fastest growth during the forecast period. The major revenue contributors to the market are China and India. Rising disposable income, changing lifestyles, and westernization are some of the factors driving the alcoholic beverage packaging market in APAC. The increasing demand for spirits in this region is one of the major factors for the growth of the alcoholic beverage market.

The retail glass packaging market in the Americas will grow at a steady rate during the forecast period. One of the major reasons for the growth of the market in this region is the launch of innovative products by vendors in the market. Further, the growing number of breweries, wineries and distilleries in the Americas is driving the growth of the market.

### India:



Liquor & Beer constitute approximately 75% of total glass bottle market in India. This sector will see steady growth in coming years.

In soft drinks segment, major manufacturers are planning to shift to PET in coming years to cut production costs; this will result in a downturn with respect to glass bottles demand in this sector.

Greenfield and brownfield investments in pharmaceutical sector will drive the glass bottles market.

3 Lac MT of glass bottles were exported from India during FY 2016.

## Management Discussion and Analysis

### Import of glass bottles

1. **Sri Lanka** and **China** are major exporting countries to India
2. Around 98% of total imports from Sri Lanka were **liquor bottles**
3. Glass containers having **capacity of < 51 ml** contributes to > 70% of total imports from **China**.

### Outlook

Total glass bottle market in India is estimated at around 2.3 Lac MT in FY 16-17 and expected to grow at 10% CAGR in next 5 years. Out of this, about 35000 MT is imported & the domestic players supply is approximately 2.26 Lac MT.

Though, the glass industry is facing competition from alternative medium, the use of glass is of critical importance in the present day. With the increase in public awareness towards environment the use of glass is expected to increase in the near future. Further, because of its inherent properties, glass is endlessly recycled and for over 40 years the industry has built partnerships to collect end-of-life glass containers that replace virgin raw materials in a closed loop. Your Board expects the increase in demand for glass in the near future.

Thus, looking forward, the demand from various end user segments are expected to rise owing to good economic growth & rising disposable income per capita in India. Multinational companies are increasingly taking keen interest in India & this will lead to more premiumization of glass bottles. Absorption of world class technology & supplying at consistent quality will be the key issues for Indian container glass industry not only to cater to the domestic demands but also to increase export to other countries.

### Challenges, Risks and Concerns

#### 1. Demonetization

**Liquor** - With the effect of demonization having it cascading impact on the retailers, various states saw an initial 30% dip in the sales of liquor during the month of November & December 2016. With the negative impact on inflation, Consumer spending activity fell to a near halt.

**Food** - Due to 86.4% of the value of the currency notes in circulation going out of the financial system and re-monetization being slow, the supply and demand of food items fell. Traders were largely impacted resulting into lowering the inventory holding thereby affecting the cash rotation.

**Pharma** - With the regulation of demonetization coming into force pharma segment hugely benefited after a short term slow down. With the equalled opportunity between the organized players and the entrepreneur, the segment will gain momentum with space for innovations and emerging payers.

Short-term slowdown in growth on account of the reduced availability of cash impacted the overall consumption pattern although, the impact will fade away once the availability of liquidity is restored in the market. With the reduction in rotation of Cash in grey market, the requirement is bound to grow in the organized segment post the initial few months of financial hiccups.

#### 2. Banning of liquor shops near highway

The Liquor industry was hit hard by the recent order of the Supreme Court that has imposed prohibition on the sale or serving of alcohol on all national and state highways. According to a report in the Economic Times this ban on selling alcohol within 500 metres of national and state highways would force nearly one-third of the more than 65,000 licensed branded liquor outlets in the country to relocate or shut down. According to an industry body estimate, the collective revenue loss from the ban could around ₹ 50,000 crore.

Measures are being taken by states to deal with the crackdown - Many states are considering denotifying state highways within cities and towns and turning them into urban roads. States have also approached the Centre to find out if it can convert national highways into city roads to steer clear the Supreme Court order to shut down liquor vends and bars along highways. The liquor traders are hopeful that the order will not have a severe impact on their businesses as the apex court has reduced the area of ban to 220 metres in areas having a population of up to 20,000.

## Management Discussion and Analysis

### 3. Boycott of Soft Drinks by Tamil Nadu Traders

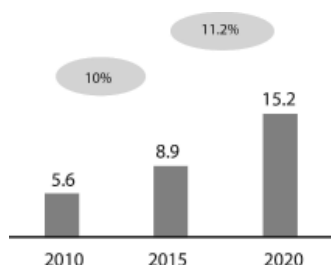
Traders in Tamil Nadu boycotted selling of Coca-Cola and Pepsi in March 2017. Over 15 lac members, across 6000 smaller associations decided not to sell these companies' products, accusing the firms of exploiting state water bodies. This likely to cost ₹ 1400 Crores in annual sales to these two companies.

### 4. Goods and Service Tax (GST)

Goods and Services Tax (GST) is a landmark reform which will have a lasting impact on the economy and on businesses. With the implementation of Goods and Services Tax (GST) in second quarter of the year, the Indian Economy is expected to grow and your Directors are confident that the same will increase the performance of the Company. In the long-term it is expected to give a strong fillip to the economic activity with rationalisation of the market place and also boost competitiveness of the industry, however it is bound to have some complications at the initial stage of implementation.

## Segment Wise Analysis

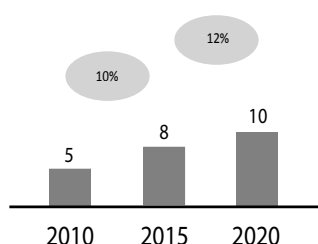
### 1. Indian made Foreign Liquor (IEFL)



The present IMFL market in India is approximately 8.9 USD Billion size & expected to grow at 11% over next 5 years.

Increasing urbanisation and higher disposable income to drive demand of IMFL. Buoyed by the trend of shifting from Country liquor to IMFL sector, the Industry is witnessing a strong growth in the middle and lower price segments. State governments also putting up regulations on use of glass bottles in liquor industry. With many multinational brands entering into Indian market and greater acceptance of alcoholic beverages in social circles, consumer preference is changing towards premium offerings of IMFL.

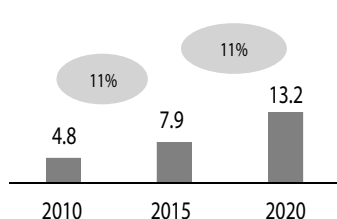
### 2. Country Liquor



The present Country Liquor (CL) market in India is approximately 8 USD Billion size & expected to grow at 12% over next 5 years.

Market of unorganized manufacturers is 1.5 -2 times of organized manufacturers in country liquor segment. Increasing quality of IMIL and price gap between entry level IMFL and premium CL may lead to increase in demand. CL manufacturers are using mainly reused glass bottles for packaging & State governments also putting up regulations on use of glass bottles in liquor industry.

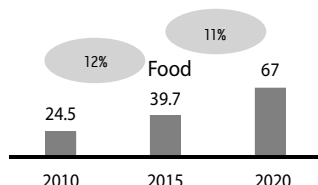
### 3. Beer



The present Beer market in India is around 7.9 USD Billion size & expected to grow at 11% over next 5 years.

India has one of the lowest per capita beer consumption rates in the world. Currently, per capita consumption of beer is 1.9 liters which is projected to increase to 2.4 liters by 2020. Beer manufacturers are using mainly reused glass bottles for packaging. However, increasing urbanisation and higher disposable income to drive demand of beer.

### 4. Food & Beverages

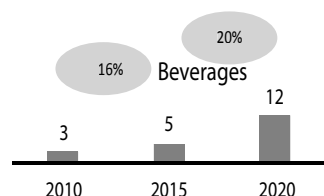


The present Food market in India is approximately 39.7 USD Billion size & expected to grow at 11% over next 5 years. Similarly, the beverage market is around 5 USD Billion size & expected to grow at 20% over next 5 years.

The demand for processed food is increasing due to increasing disposable income, urbanisation,



## Management Discussion and Analysis

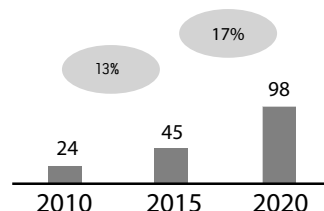


young population and nuclear families leading to changing lifestyle and increasing awareness on health and nutritional foods.

Rapid growth in organized retail is also a catalyst for the food industry.

There is a global shift to outsourcing from India across products/ services including food & it gives rise to export opportunities.

### 5. Pharma

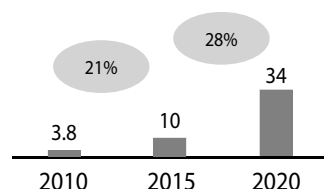


The present Pharma market in India is around 45 USD Billion size & expected to grow at 17% over next 5 years.

Around 1800 companies expected to upgrade under WHO-GMP compliance in next 5 years and export to increase under USFDA approval. Increasing presence of Global EPCs like Jacobs, Mott MacDonald.

Government of India has proposed to ban use of Plastic and PET bottles in oral formulation. Pharma companies have also increased spending to tap rural markets and develop better infrastructure.

### 6. Soft Drinks

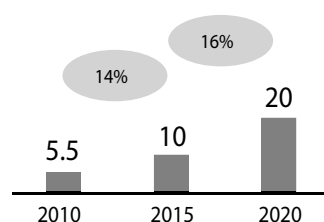


The present Pharma market in India is approximately 10 USD Billion size & expected to grow at 28% over next 5 years.

Many new players including Delhi-based Xalta, Alwar-based Jayanti Beverages and Bareilly's Boss Beverages have entered into soft drink segment.

However, increasingly the industry is moving towards PET bottles from glass.

### 7. Cosmetics



The present cosmetics market in India is approximately 10 USD Billion size & expected to grow at 16% over next 5 years.

Products rising awareness about cosmetics and personal care and the growth in working population in the country, people are becoming more conscious about personal hygiene

Aggressive media advertising is educating consumers about cosmetics and personal care products which is driving strong demand for newer products.

### 5 year CAGR growth of glass bottle market (segment wise)

	IMFL & CL	Beer	F&B	Pharma	Soft Drinks	Cosmetics
2010 - 15	9%	10%	15%	7%	5%	7%
2016 - 21	9%	10&	17%	15%	2%	6%



# 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, 2017.

## FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Gross sales (including excise duty)	2,05,330	2,16,207
Profit before interest, depreciation and tax	19,116	27,182
Interest and finance charges	23,800	25,483
<b>Profit/(Loss) before depreciation and tax</b>	<b>(4,684)</b>	<b>1,699</b>
Depreciation	17,487	19,931
Exceptional Profit	9,459	-
Profit/(Loss) before tax & after Exceptional Profit	(12,712)	(18,231)
Profit/(Loss) for the year (Before Other Comprehensive Income)	(12,712)	(18,231)
Balance brought forward from previous year	(34,890)	(16,655)
Amount available for appropriation	(47,603)	(34,890)
<b>Balance carried forward to the next year</b>	<b>(47,603)</b>	<b>(34,890)</b>

**Note:** The financial statements for the year ended 31st March, 2016 has been restated in accordance with Ind AS and necessary adjustments were made as and where necessary.

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

During the financial year, at standalone level your Company reported a total income of ₹ 2,07,128 Lakhs in 2016-17 (before exceptional income of ₹ 9,459 Lakhs) compared to ₹ 2,18,598 Lakhs in 2015-16, EBITDA of ₹ 19,116 Lakhs (before exceptional income of ₹ 9,459 Lakhs) and a net loss of ₹ 12,712 Lakhs (after considering the effect of exceptional items). During the year direct export turnover was ₹ 12,006 Lakhs compared to ₹ 10,964 Lakhs during the preceeding year.

Lower capacity utilization continues to impact the performance of the Company. Your Directors are pleased to report that consistent

## Board's Report

efforts and policy to cut down the cost has resulted in reduction in per unit cost and consequently enable the company to achieve better margin.

### DIVIDEND & RESERVE

Your Directors do not recommend any dividend for the year ended 2016-17. Further, during the year under review no amount was transferred to General Reserve.

### SUBSIDIARY COMPANY

As on 31st March, 2017, your Company does not have any subsidiary company.

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

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

### INDIAN ACCOUNTING STANDARDS (IND AS)

During the year under review, your Company has adopted Ind AS by replacing the existing Indian GAAP as per notification dated 16th February, 2015 on the Companies (Indian Accounting Standards) Rules, 2015 issued by the Ministry of Corporate Affairs.

The following are the areas which had an impact on account of transition to Ind AS:

1. Business combinations including recording of intangibles and deferred taxes and accounting for common control.
2. Fair valuation of certain financial instruments

The reconciliations and descriptions of the effect of transition from IGAAP to Ind AS have been provided in the notes to accounts in the Standalone and Consolidated financial system.

### 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 77,97,240 & 68,44,360 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 76,62,490 Shares of HNG Trust has been pledged in favour of SBICAP Trustee Company Limited in compliance of Corrective Action Plan (CAP) approved by the Joint Lender Forum.

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

### DIRECTORS & KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act, 2013, Shri Mukul Somany (DIN: 00124625), Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, have offered himself for re-appointment. The Board recommends his re-appointment.

During the year under review, Shri Rakesh Kumar Sharma (DIN: 02166966), Executive Director and Shri Sujit Bhattacharya (DIN: 00059282), Independent Director has resigned from the Directorship of the Company w.e.f 28th February, 2017 and 31st March, 2017 respectively. The Board places on record its sincere appreciation for the guidance and valuable services rendered by them during their association as Directors of the Company.

Shri Narayanaswami Sitaraman (DIN:01114920) was appointed as an Additional Independent Director of the Company w.e.f 13th April, 2017. Necessary declaration and consent have been received from him under the relevant provisions of the Companies Act, 2013 and requisite notices under Section 160 of the Act have been received from a member proposing his appointment as an Independent Director of the Company.

Shri Ratna Kumar Daga (DIN: 00227746), Shri Dipankar Chatterji (DIN: 00031256), Shri Narayanaswami Sitaraman (DIN: 01114920) & Smt. Rita Bhimani (DIN: 07106069) are the Independent Directors of the Company.

## Board's Report

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

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

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

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

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

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

Sl. No.	Name of Key Managerial Personnel	Designation
1	Shri Sanjay Somany	Vice Chairman & Managing Director
2	Shri Mukul Somany	Vice Chairman & Managing Director
3	Shri Rakesh Kumar Sharma (Upto 28th February, 2017)	Executive Director
4	Shri Bimal Kumar Garodia	Chief Financial Officer
5	Shri Ajay Kumar Rai	Company Secretary

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) In the preparation of the annual accounts for the year ended 31st March, 2017, 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 true and fair view of the state of affairs of the Company as at 31st March, 2017 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.

### CORPORATE GOVERNANCE

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

Our Corporate Governance Report for the financial year 2017 forms part of this Annual Report.

## Board's Report

### CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

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

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

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

### DEBT MANAGEMENT

The repayment of long term loans of the Company is realigned as per the Corrective Action Plan (CAP) formulated by Joint Lender Forum (JLF) as per the RBI Guidelines. During the year under review, your Company has complied with all the repayment schedule and honoured all its obligation on time.

### MANAGEMENT DISCUSSION AND ANALYSIS

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

### CONSOLIDATED FINANCIAL STATEMENTS

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

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

### RISK MANAGEMENT

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

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

### INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

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

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

## Board's Report

### AUDITORS AND AUDITORS' REPORT

#### Statutory Auditors

Pursuant to Section 139 of the Companies Act, 2013, M/s Lodha & Co, Chartered Accountants would complete their current term as Statutory Auditors of the Company at the conclusion of the ensuing 71st Annual General Meeting of the Company. Accordingly, the Board of Directors has considered and recommended the appointment of M/s Doshi, Chatterjee, Bagri & Co LLP, Chartered Accountants (Firm Registration Number 325197E/E300020) as Statutory Auditors of the Company for a period of five (5) consecutive years from the conclusion of 71st Annual General Meeting till the conclusion of the 76th Annual General Meeting, of the Company subject to ratification by the shareholders at each Annual General Meeting.

M/s Doshi, Chatterjee, Bagri & Co LLP, Chartered Accountants have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for appointment as auditors of the Company.

Appointment of M/s Singhi & Co, as Branch Auditor is also placed for ratification by shareholders at the ensuing Annual General Meeting.

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

#### Auditors Report

The Auditors Report contains the following observations:

As stated in Note of the financial results due to inadequacy of profit managerial remuneration has become in excess of the limits laid down in the Companies Act, 2013 awaiting Central Government approval. Necessary application has been filed with the Central Government for their approval.

The effect of the decision of Supreme Court on entry tax matter is yet to be given by the various State Governments and the amount of said levy is yet to be determined. Accordingly the same has not been recognised by the Company.

Due to reasons given here above, impact thereof on the financial statements is not ascertainable.

#### Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder, the Company has appointed Shri Babu Lal Patni, Practising Company Secretary to conduct the Secretarial Audit for the financial year 2016-17. The Secretarial Audit for the financial year ended 31st March, 2017 does not contain any qualification, reservation or adverse remark and is annexed herewith and marked as "Annexure II" to this report.

#### DISCLOSURES:

##### Audit Committee

The Audit Committee comprises of all Independent Directors namely Shri Ratna Kumar Daga (Chairman), Shri Dipankar Chatterji and Shri Narayanaswami Sitaraman as members. All the recommendations made by the Audit Committee were accepted by the Board during the financial year 2016-17.

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 Sujit Bhattacharya (upto 31st March, 2017)	Member
4	Shri Narayanaswami Sitaraman (w.e.f. 13th April, 2017)	Member

#### Vigil Mechanism/Whistle Blower Policy

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

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



# Board's Report

## Meetings of the Board

During the year under review 4(four) meetings of the Board of Directors were held. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013. Details of compositions and other information are provided in the Corporate Governance Report.

## Extract of Annual Return

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

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

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

## Change in nature of business

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

## Remuneration from subsidiary

None of the Vice Chairmen and Managing Directors, Executive Director of the Company has received any remuneration or commission from its subsidiary.

## Significant or Material order

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

## Material changes and commitments

There have been no material changes and commitments affecting the financial position between the end of the financial year and the date of the report.

## Sexual Harassment

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

## Business Responsibility Reporting

The Business Responsibility Reporting as required by Regulation 34(2) of the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015, is not applicable to your company for the financial year ending 31st March, 2017.

## ANNUAL LISTING FEES

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

The annual listing fee for the year 2017-18 has been paid to all these Exchanges.

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

## TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

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

## Board's Report

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

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

### PERSONNEL AND INDUSTRIAL RELATIONS

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

People are the Company's key assets. The focus in 2016-17 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

Place : Kolkata

Date : 15th May, 2017

**Sanjay Somany**

*Vice Chairman & Managing Director*  
(DIN: 00124538)

**Mukul Somany**

*Vice Chairman & Managing Director*  
(DIN: 00124625)

# Annexure I to the Board's Report

## IA. Nomination & Remuneration Policy

### 1. Introduction

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

### 2. Objective and purpose of the policy

The objectives and purpose of this policy are:

- 2.1 To formulate the criteria for determining qualification, competencies, positive attributes and independence for appointment of a Director (Executive/Non-Executive) and recommend to the Board, policies relating to the remuneration of the Directors, Key Managerial Personnel and other employees. This includes, reviewing and approving corporate goals and objectives relevant to the compensation of the Vice Chairmen & Managing Directors (VC & MD) and Executive Director (ED), evaluating the VC & MD's and ED's performance in light of those goals and objectives, and, either as a committee or together with the other independent directors (as directed by the Board), determine and approve the VC & MD's and ED's compensation level based on this evaluation, and making recommendations to the board with respect to executive officer compensation, and incentive-compensation that are subject to Board approval;
- 2.2 The policy also addresses the following items: Committee member qualifications; Committee member appointment and removal; Committee structure and operations; and Committee reporting to the Board.
- 2.3 To formulate the criteria for evaluation of performance of all the Directors on the Board;
- 2.4 To devise a policy on Board diversity; and
- 2.5 To lay out remuneration principles for employees linked to their effort, performance and achievement relating to the Company's goals.

### 3. Constitution of the Nomination and Remuneration Committee

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

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

#### Definitions

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

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

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

**'Company'** means Hindusthan National Glass & Industries Ltd.

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

**'Key Managerial Personnel (KMP)'** means –

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

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

## 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 framework for evaluation of performance of every Director on the Board of the Company.

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

e) Board diversity:

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

f) Remuneration framework and policies:

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

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

# Annexure I to the Board's Report

## Part – B

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

#### Appointment criteria and qualifications

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

#### Term/Tenure

#### 1. Managing Director/Whole-time Director

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

#### 2. Independent Director

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

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

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

#### Removal

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

#### Retirement

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

# Annexure I to the Board's Report

## PART - C

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

#### General

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

#### Remuneration to KMPs and other employees

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

#### Remuneration to Non-Executive / Independent Directors

##### 1. Remuneration

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

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

##### 2. Stock options

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

#### Policy Review

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

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

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

### IB. Board Evaluation Policy

#### 1. Introduction

- 1.1 The challenge for Board is to prevent crisis in the organisation they govern. Performance evaluation is a key means by which board can recognise and correct corporate governance problems and add real value to their organisations.
- 1.2 Board and Director's evaluation involves board members undertaking a constructive but critical review of their own



## Annexure I to the Board's Report

performance, identifying strengths, weaknesses and implementing plans for further professional development. The provision of feedback on board performance and governance processes is the most crucial element of Director's evaluation.

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

### 2. Purpose

- 2.1 The primary objective of the Policy is to provide a framework and set standards for the evaluation of the Board as a whole, its Committees and Directors. The Company aims to achieve a balance of merit, experience and skills on the Board.
- 2.2 The Board's policy is to assess the effectiveness of the Board as a whole and its Board Committees. Individual Board members are assessed on their effective contribution and commitment to their role and responsibilities as directors. The Board evaluation process shall be carried out by the Nomination and Remuneration Committee of the Board of Directors ("The NR Committee").

### 3. Objectives of evaluation

- 3.1 The objective to undertake evaluation of Board and individual directors are as under:
  - (a) To demonstrate commitment to performance management;
  - (b) To review problems in the dynamics of the Board room or between the Board and Management;
  - (c) To enhance good corporate governance;
  - (d) To provide Directors with guidance for their learning and growth; and
  - (e) To develop appropriate skills, competencies and motivation on the Board.

### 4. Scope of Evaluation

- 4.1 Evaluation of the Board as a whole

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

- 4.2 Individual Directors' Evaluation

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

### 5. Method of Evaluation

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

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

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

## Annexure I to the Board's Report

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

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

### 7. Process for Evaluation of Individual Directors

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

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

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

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

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

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

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

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

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

### 8. Reporting to Board

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

## Annexure II to the Board's Report

FORM No MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

*[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, 2017 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, 2017 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
  - ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
  - v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')-
    - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit Period).
    - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the Audit Period).
    - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period).
    - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period).
    - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period).
  - vi) I have been informed that no other sector/ industry specific law is applicable to the Company.
- I have also examined compliance with the applicable clauses of the following:
- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
  - ii) The Listing Agreements entered into by the Company with The National Stock Exchange of India Ltd, The BSE Ltd. and The Calcutta Stock Exchange Ltd.

## Annexure II to the Board's Report

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 subject to the following observations: -NIL-

### I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

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

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

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

**I further report that** during the Audit period the Company has made a reference to the Board of Industrial and Financial Reconstruction (BIFR) of the fact that the accumulated losses of the Company as on 31st March 2016 have resulted in the erosion of more than fifty percent of its net worth during the immediately preceeding four years as required under Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). The Shareholders at the Extra -Ordinary General Meeting of the Company held on 28.09.2016 have considered and approved the reference of the Board of Directors in this regard.

**BABU LAL PATNI**

*Company Secretary in practice*

FCS No : 2304

C.P. No. : 1321

Place: Kolkata

Dated: 24th April, 2017

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

### 'Annexure A'

To,

The Members,

**Hindusthan National Glass & Industries Limited,**

2 Red Cross Place, Kolkata - 700001

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

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

**BABU LAL PATNI**

*Company Secretary in practice*

FCS No : 2304

C.P. No. : 1321

Place: Kolkata

Dated: 24th April, 2017

## Annexure III to the Board's Report

### Form No. MGT - 9

#### EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

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

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl No.	Name and address of the company	CIN/GLN	Holding/Subsidiary/ associate	% of shares held	Applicable Section
			Not Applicable		

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

##### i) Category wise shareholding

Category of Shareholders	No of Shares held at the beginning of the year [As on 1st April, 2016]				No of Shares held at the end of the year [As on 31st March, 2017]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	1,46,68,285	-	1,46,68,285	16.7947	1,46,68,285	-	1,46,68,285	16.7947	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	4,64,55,555	-	4,64,55,555	53.1902	4,64,55,555	-	4,64,55,555	53.1902	-
e) Banks/Fi	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1)</b>	<b>6,11,23,840</b>	<b>-</b>	<b>6,11,23,840</b>	<b>69.9849</b>	<b>6,11,23,840</b>	<b>-</b>	<b>6,11,23,840</b>	<b>69.9849</b>	<b>-</b>

## Annexure III to the Board's Report

Category of Shareholders	No of Shares held at the beginning of the year [As on 1st April, 2016]				No of Shares held at the end of the year [As on 31st March, 2017]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>6,11,23,840</b>	<b>-</b>	<b>6,11,23,840</b>	<b>69.9849</b>	<b>6,11,23,840</b>	<b>-</b>	<b>6,11,23,840</b>	<b>69.9849</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Alternate Investment Funds									
Foreign Portfolio Investors	63,48,025	-	63,48,025	7.2683	63,48,025	-	63,48,025	7.2683	-
Provident Funds / Pension Funds	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
<b>Sub-total(B)(1):</b>	<b>63,48,025</b>	<b>-</b>	<b>63,48,025</b>	<b>7.2683</b>	<b>63,48,025</b>	<b>-</b>	<b>63,48,025</b>	<b>7.2683</b>	<b>-</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	32,92,514	4,400	32,96,914	3.7749	33,11,596	4,400	33,15,996	3.7967	0.5788
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	18,55,810	7347	18,63,157	2.1333	17,69,782	7347	17,77,129	2.0348	(4.6173)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1,46,96,600	-	1,46,96,600	16.8272	1,46,96,600	-	1,46,96,600	16.8272	-
c) Others (Specify)									
Non Resident Indians	4,996	-	4,996	0.0057	1,979	-	1,979	0.0023	(60.3883)



## Annexure III to the Board's Report

Category of Shareholders	No of Shares held at the beginning of the year [As on 1st April, 2016]				No of Shares held at the end of the year [As on 31st March, 2017]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Clearing Members	5,033	-	5,033	0.0058	74,996	-	74,996	0.0859	1390.0854
<b>Sub-total(B)(2):-</b>	1,98,54,953	11,747	1,98,66,700	22.7469	1,98,54,953	11,747	1,98,66,700	22.7469	-
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	2,62,02,978	11,747	2,62,14,725	30.0152	2,62,02,978	11,747	2,62,14,725	30.0152	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>8,73,26,818</b>	<b>11,747</b>	<b>8,73,38,565</b>	<b>100.0000</b>	<b>8,73,26,818</b>	<b>11,747</b>	<b>8,73,38,565</b>	<b>100.0000</b>	<b>-</b>

### ii) Shareholding of Promoters-

Sl. Shareholder's Name No.	Shareholding at the beginning of the year [As on 1st April , 2016]			Shareholding at the end of the year [As on 31st March , 2017]			% change in share holding during the Year
	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1 Brabourne Commerce Pvt. Ltd	2,14,14,485	24.5189	100.0000	2,14,14,485	24.5189	100.0000	-
2 Spotlight Vanijya Ltd	1,61,99,975	18.5485	100.0000	1,61,99,975	18.5485	100.0000	-
3 Rungamattee Trexim Pvt. Ltd.	44,20,550	5.0614	100.0000	44,20,550	5.0614	100.0000	-
4 Spotme Tracon Private Limited	44,20,545	5.0614	-	44,20,545	5.0614	100.0000	-
5 Mukul Somany	36,91,370	4.2265	100.0000	36,91,370	4.2265	100.0000	-
6 Sanjay Somany	27,82,865	3.1863	100.0000	27,82,865	3.1863	100.0000	-
7 Chandra Kumar Somany (Huf)	18,61,870	2.1318	100.0000	18,61,870	2.1318	100.0000	-
8 Sudha Somany	15,09,070	1.7278	100.0000	15,09,070	1.7278	100.0000	-
9 Rashmi Somany	11,04,250	1.2643	100.0000	11,04,250	1.2643	100.0000	-
10 Amita Somany	8,93,000	1.0225	100.0000	8,93,000	1.0225	100.0000	-
11 Sanjay Somany (Huf)	8,22,635	0.9419	100.0000	8,22,635	0.9419	100.0000	-
12 Chandra Kumar Somany	8,04,750	0.9214	100.0000	8,04,750	0.9214	100.0000	-
13 Bharat Somany	7,47,800	0.8562	100.0000	7,47,800	0.8562	100.0000	-
14 Mukul Somany (Huf)	4,50,675	0.5160	100.0000	4,50,675	0.5160	100.0000	-
<b>Total</b>	<b>6,11,23,840</b>	<b>69.9849</b>	<b>92.7679</b>	<b>6,11,23,840</b>	<b>69.9849</b>	<b>100.0000</b>	<b>-</b>

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

Sl No	Shareholding at the beginning of the Year (As on 1st April , 2016)		Cumulative shareholding during the Year (1st April , 2016 –31st March,2017)	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1 At the beginning of the year	6,11,23,840	69.9849	-	-
2 Changes during the year	No Changes during the year			
3 At the end of the year	-	-	6,11,23,840	69.9849

## Annexure III to the Board's Report

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

Sl. No.	For each of the Top 10 shareholders	Shareholding at the beginning of the Year (As on 1st April, 2016)		Cumulative shareholding during the Year (1st April, 2016 – 31st March, 2017)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Goyal Commercial Private Limited				
	At the beginning of the year	4,08,437	0.4676	-	-
	Changes during the year	No Changes during the year			
	At the end of the year	-	-	4,08,437	0.4676
2	Virat Leasing Limited #				
	At the beginning of the year	2,67,000	0.3057		
	02/09/2016 - Transfer	(2,67,000)	0.3057	-	-
	At the end of the year	-	-	-	-
3	Vedik Holdings Private Limited #				
	At the beginning of the year	2,20,000	0.2519		
	31/03/2017 - Transfer	(1,90,000)	0.2175	30,000	0.0343
	At the end of the year	-	-	30,000	0.0343
4	Dilip S. Damle				
	At the beginning of the year	77,97,240	8.9276	-	-
	Changes during the year	No Changes during the year			
	At the end of the year	-	-	77,97,240	8.9276
5	I.T. Gallery (P) Ltd.				
	At the beginning of the year	4,44,712	0.5092	-	-
	Changes during the year	No Changes during the year			
	At the end of the year	-	-	4,44,712	0.5092
6	Jaganath Vyapaar Private Limited				
	At the beginning of the year	3,04,214	0.3483	-	-
	Changes during the year	No Changes during the year			
	At the end of the year	-	-	3,04,214	0.3483
7	Pushkar Banijya Limited				
	At the beginning of the year	2,64,638	0.3030	-	-
	Changes during the year	No Changes during the year			
	At the end of the year	-	-	2,64,638	0.3030
8	Ironwood Investment Holdings				
	At the beginning of the year	63,48,025	7.2683	-	-
	Changes during the year	No Changes during the year			
	At the end of the year	-	-	63,48,025	7.2683
9	Dilip S. Damle				
	At the beginning of the year	68,44,360	7.8366	-	-
	Changes during the year	No Changes during the year			
	At the end of the year	-	-	68,44,360	7.8366

## Annexure III to the Board's Report

Sl. No.	For each of the Top 10 shareholders	Shareholding at the beginning of the Year (As on 1st April, 2016)		Cumulative shareholding during the Year (1st April, 2016 – 31st March, 2017)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
10	Prachi Projects Private Limited *				
	At the beginning of the year	2,12,100	0.2428	-	-
	Changes during the year	No Changes during the year			
	At the end of the year	-	-	2,12,100	0.2428
11	Shrinathji Dealers Private Limited				
	At the beginning of the year	2,82,447	0.3234	-	-
	Changes during the year	No Changes during the year			
	At the end of the year	-	-	2,82,447	0.3234
12	VZ Vanijya Llp *				
	At the beginning of the year	-	-		
	02/09/2016 - Transfer	3,30,640	0.3786	3,30,640	0.3786
	03/03/2017 - Transfer	16,000	0.0183	3,46,640	0.3969
	10/03/2017 - Transfer	15,989	0.0183	3,62,629	0.4152
	17/03/2017 - Transfer	6,044	0.0069	3,68,673	0.4221
	24/03/2017 - Transfer	38,450	0.0440	4,07,123	0.4661
	31/03/2017 - Transfer	1,54,100	0.1764	5,61,223	0.6426
	At the end of the year	-	-	5,61,223	0.6426

\* Not in the list of Top 10 shareholders as on 01/04/2016 The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2017.

# Ceased to be in the list of Top 10 shareholders as on 31/03/2017. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2016.

### v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (As on 1st April, 2016)		Cumulative Shareholding during the year (1st April, 2016 – 31st March, 2017)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Shri Chandra Kumar Somany (Chairman )				
	a) At the beginning of the year	8,04,750	0.9214	-	-
	b) Changes during the year	No Changes during the year			
	c) At the end of the year	-	-	8,04,750	0.9214
2	Shri Sanjay Somany (Vice Chairman & Managing Director)				
	a) At the beginning of the year	27,82,865	3.1863	-	-
	b) Changes during the year	No Changes during the year			
	c) At the end of the year	-	-	27,82,865	3.1863

## Annexure III to the Board's Report

Sl No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (As on 1st April, 2016)		Cumulative Shareholding during the year (1st April, 2016 – 31st March, 2017)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	Shri Mukul Somany (Vice Chairman & Managing Director)				
	a) At the beginning of the year	36,91,370	4.2265	-	-
	b) Changes during the year	No Changes during the year			
	c) At the end of the year	-	-	36,91,370	4.2265
4	Shri Bimal Kumar Garodia (Sr. Vice President & Chief Financial Officer)				
	a) At the beginning of the year	5			
	b) Changes during the year	No Changes during the year			
	c) At the end of the year			5	

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

### V) INDEBTEDNESS –

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(In ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	25,61,91,84,808	423061541	-	26,04,22,46,349
ii) Interest due but not paid	8,34,79,420	-	-	8,34,79,420
iii) Interest accrued but not due	15,15,32,634	-	-	15,15,32,634
<b>Total (i+ii+iii)</b>	<b>25,85,41,96,862</b>	<b>42,30,61,541</b>	<b>-</b>	<b>26,27,72,58,403</b>
Change in Indebtedness during the financial year			-	-
* Addition	45,27,86,429	3,45,36,380	-	48,73,22,809
* Reduction	82,01,56,899		-	82,01,56,899
<b>Net Change</b>	<b>(36,73,70,470)</b>	<b>3,45,36,380</b>	<b>-</b>	<b>(33,28,34,090)</b>
<b>Indebtedness at the end of the financial year</b>			-	-
i) Principal Amount	25,25,18,14,338	45,75,97,921	-	25,70,94,12,259
ii) Interest due but not paid	8,39,75,429	-	-	8,39,75,429
iii) Interest accrued but not due	10,61,37,444	-	-	10,61,37,444
<b>Total (i+ii+iii)</b>	<b>25,44,19,27,211</b>	<b>45,75,97,921</b>	<b>-</b>	<b>25,89,95,25,132</b>

## Annexure III to the Board's Report

### VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

#### Remuneration to Managing Director, Whole-time Directors and/or Manager:

(In ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Shri Sanjay Somany	Shri Mukul Somany	Shri Rakesh Kumar Sharma	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,96,81,496	2,96,81,496	53,67,087	6,47,30,079
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	44,867	94,394	-	1,39,261
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify	-	-	-	-
5	Others, please specify Employer's contribution towards Provident Fund, club membership expenses. Employer's contribution towards Provident Fund, club membership expenses Employer's contribution towards Provident Fund, club membership expenses Employer's contribution towards Provident Fund, club membership expenses	24,01,200	24,01,200	3,63,000	51,65,400
	<b>Total (A)</b>	<b>3,21,27,563</b>	<b>3,21,77,090</b>	<b>57,30,087</b>	<b>7,00,34,740</b>
	*Ceiling as per the Act	2,78,04,000	2,78,04,000	2,78,04,000	8,34,12,000

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

#### B. Remuneration to other directors

(In ₹)

Sl. No.	Particulars of Remuneration	Name of Independent Director				Non-Executive Directors	Total Amount
		Shri Sujit Bhattacharya	Shri Ratna Kumar Daga	Shri Dipankar Chatterjee	Smt Rita Bhimani	Shri Chandra Kumar Somany	
1	Fee for attending board committee meetings	2,45,000	2,45,000	2,30,000	80,000	50,000	8,50,000
	Commission						
	Others, please specify						
	<b>Total (B)</b>	<b>2,45,000</b>	<b>2,45,000</b>	<b>2,30,000</b>	<b>80,000</b>	<b>50,000</b>	<b>8,50,000</b>
	Total Managerial Remuneration						7,08,84,740
	Overall Ceiling as per the Act	Sitting fees paid is within the limit prescribed as per Section 197 of the Act.					

## Annexure III to the Board's Report

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

(In ₹)

Sl No	Particulars of Remuneration	Key Managerial Personnel		Total
		Shri Ajay Kumar Rai (Company Secretary & Legal Counsel)	Shri Bimal Kumar Garodia (Sr .Vice President & Chief Financial Officer)	
1	Gross salary	20,37,653	52,83,534	73,21,187
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	32,400	32,400
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	<b>20,37,653</b>	<b>53,15,934</b>	<b>73,53,587</b>

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board

Place : Kolkata  
 Date : 15th May, 2017

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

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



## Annexure IV to the Board's Report

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

Sl. No.	Name	Age (Years)	Qualification & Experience in years	Date of Appointment	Designation (Nature of Duties)	Gross Remuneration (Rs.)	Last Employment held (Designation)	% of Equity Shares held by an employee
1	Shri Sanjay Somany	59	B. Com. Dip. In Diesel Engg. 37 years	01.10.2005	Vice Chairman and Managing Director (To Manage the affairs of the Company on day to day basis)	3,21,27,563	Glass Equipment (India) Ltd. (Managing Director)	3.1863
2	Shri Mukul Somany	52	B. Com (Hons.) 30 years	01.10.2005	Vice Chairman and Managing Director (To manage the affairs of the Company on day to day basis)	3,21,77,090	None	4.2265
3	Shri Rakesh Kumar Sharma	65	B.E. (Mech.), MBA-Marketing 43 years	01.03.2011	Executive Director (To manage the affairs of the Company on day to day basis)	57,30,087	Larsen & Toubro Ltd. (Vice President)	-

#### Notes:

- 1) Remuneration includes Salary, Commission, and contribution to P.F and perquisites.
- 2) Shri C. K. Somany is related to both Shri Sanjay Somany and Shri Mukul Somany and both of them are also related to each other.
- 3) All appointments of the above employees are contractual.
- 4) Remuneration of Shri Rakesh Kumar Sharma is considered upto 28th February, 2017

#### Disclosure on the Remuneration of the Managerial Personnel

- a. The median remuneration of employees of the company during the financial year was ₹ 3.94 lakh (INR)
- b. In the financial year, there was an increase of 9% in the median remuneration of employees.
- c. There were 1136 Staff & 2415 Permanent Workers on the rolls of Company as on 31st March 2017.
- d. There is no increase in the remuneration paid to Executive and Non-Executive Directors.
- e. Ratio of remuneration of Shri Sanjay Somany, Shri Mukul Somany and Shri Rakesh Kumar Sharma to median remuneration of employees of are 81.61, 81.74 and 14.55 respectively.
- f. The increase in remuneration of CFO and Company Secretary is 13.10% and 12.00% respectively and increase in median remuneration of CFO and CS is 13.92% and 5.50%.
- g. Affirmation that the remuneration is as per the remuneration policy of the Company – Yes

## Annexure IV to the Board's Report

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

#### Details of top 10 employees in terms of remuneration drawn

Sl No	Name	Designation	Remuneration received	Qualifications	Experience	Date of commencement of employment	Age	The last employment held before joining the company
1	R.K. Sharma*	Executive Director	57,30,087	B.E.(Mech.),MBA-Marketing	43	01.03.2011	65	Larsen & Turbo Limited (Vice President)
2	Bimal Kumar Garodia	SR. VP & CFO	53,15,934	FCA, FCS, FICWA	25	26.04.2008	49	Bajaj Eco-Tech Products Ltd ( VP (Finance) & Co. Secretary)
3	Vinay Saran	SR. VP - Marketing	51,13,875	B.Sc, MBA	31	12.02.2007	51	Indo Rama Synthetics Limited ( GM Marketing & Product Head)
4	Ajay Kr. Rai	VP - SMC	41,73,692	BE Mech	23	02.02.2012	42	Baxter India Pvt. Ltd. (Plant Manager)
5	Somnath Sengupta	VP - Management Audit	39,94,763	CA, ICWA, B.Sc (Hons)	27	01.07.2011	52	Eveready Industries (GM Internal Audit)
6	J.P. Kasera #	SR. President	37,35,000	FCA,FCS,ICWA	46	01.01.1998	69	Ispat Industries Limited
7	Bishnu Kumar Kedia	VP - Purchase	37,29,877	B.Com (Hons), CA	31	01-01-2003	52	Magma Leasing Ltd. (Accounts Controller)
8	Pawan Kumar Sharma	VP - Tech Centre	35,12,100	B. E (Mech ), MBA	21	17-07-1995	41	NA
9	Shiv Raj Bansal	VP - Commercial	33,32,321	C.A., M.Com.	31	01.02.2011	57	M/s Motherson Sumi
10	Naresh Gupta	VP - Marketing (West)	32,00,053	B.Sc.	38	02-11-2015	58	Radico Khaitan Ltd. (AVP - Supply Chain (Procurement))

\*Remuneration of Shri Rakesh Kumar Sharma is considered upto 28th February,2017

# Remuneration of Shri J.P.Kasera is considered upto 31st December,2016

For and on behalf of the Board

Place : Kolkata

Date : 15th May, 2017

**Sanjay Somany**

Vice Chairman & Managing Director

(DIN: 00124538)

**Mukul Somany**

Vice Chairman & Managing Director

(DIN: 00124625)

## Annexure V to the Board's Report

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

Information pursuant to section 134(3)(m) and rules made therein and forming a part of the Board's Report for the year ended 31st March, 2017.

#### 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>1. Modification of Air Dryer No 3 from Reciprocating to Screw type to improve output and power saving (Connected load reduced from 110 KW to 80 KW)</li> <li>2. Optimized Mold Cooling Blowers operation by controlling frequency through VFD, to reduce power consumption. Achieved average reduction of ~800 KWH per day</li> <li>3. Planned to run Two Stage Compressors in place of 3 Stage Compressors, to save in compressor energy consumption by ~3000 KWH Per day.</li> <li>4. Post Drier Piping modification and Segregation of Tank-6 Air Compressors and Drier from Tank 1 in progress (estimated energy saving of ~ 1500 KWH)</li> <li>5. Ceramic welding done at Fur#1 and #2 to arrest heat loss from crown and superstructure.</li> </ol>
Bahadurgarh	<ol style="list-style-type: none"> <li>1. Ceramic welding done for Fur#4 and Fur#5 for sealing holes and to reduce heatloss</li> <li>2. Modified 02 No. air dryers after replacing 90KW reciprocating compressors with 60KW screw compressor. Saved around 720units/day. Modification of two more air dryer is planned in this year.</li> <li>3. Replaced two no. Atlas compressor water pumps with energy efficient pumps- saved 924 units/day</li> <li>4. Stopped Sulzer booster unit after converting it on HSD. Saved around 720 units/day.</li> <li>5. Converted furnace fuel firing on RLNG. Saved around 7200 units/day.</li> <li>6. Installed 112 LED lights in first phase. Saved around 80 units/day. 2nd phase is in process.</li> <li>7. Fur#3 is rebuilt with higher superstructure for better fuel efficiency.</li> </ol>
Rishikesh	<ol style="list-style-type: none"> <li>1. Modification of Line 73 blower air discharge from down ward to upward which has resulted in saving of energy ~ 300 Units and availability of required pressure at M/C</li> <li>2. Replacement of 10 HP Pumps - 10 Nos old pumps at Cooling Tower with energy efficient water pump of 25 HP X 2. (Energy saving ~3600 unit / day)</li> <li>3. Making ring man system in compressed airline to reduce further pressure loss &amp; Energy reduction of ~ 1500 unit per day.</li> <li>4. Laying of 2.5" Dia water pipe line from main cooling tower to vacuum pumps in place of 1.25" pipe line which will stop 1 No 10 HP pump &amp; cooling tower fan 7.5HP. A Saving of about 300 KWH per day</li> <li>5. Planned to do auto starting of electrode cooling water pump, which will stop one pump with an energy saving of 100 units per day.</li> <li>6. Ceramic welding done at Fur#8 to arrest unwanted heatloss from leakages at crown.</li> </ol>
Sinnar	<ol style="list-style-type: none"> <li>1. Pump Impeller Diameter reduced by 24 mm to improve centrifugal Pump performance. Total Energy saving of ~ 770 KWH per day</li> <li>2. Stopped Cooling Water Pump (45 KW) for Chiller System and fed with F-12 Cooling water pump (250 KW). Total Saving of 335 KWH per day</li> <li>3. Daily Water Consumption reduced from 800 KL to 550 KL. Blow down water has been diverted to Hydrant Tank.</li> <li>4. Backwash, Regeneration water of Softening Plant and RO Plant diverted to Cullet Yard for Glass Washing and stopped using Fresh water. Saving Rs.110000/Month.</li> <li>5. Reduction of Gas Consumption in F10 lehrs by Fixing of Actuator in Lehr 101 Burners &amp; Replacement of Pipe Header by bigger size. Saving Rs. 90000/ month.</li> <li>6. F12 Shrink Wrapping Machine Tunnel Power Consumption reduced by providing heat Shield at Inlet and Outlet. Energy saving of ~ 720 KWH per month per line.</li> <li>7. Ceramic welding done at F10 and F12 to plug extra heat leakages from crown.</li> <li>8. Installation of case erector.</li> </ol>

## Annexure V to the Board's Report

Plant	Initiatives & Developments
Naidupeta	<ol style="list-style-type: none"> <li>1. Ware house, Mould repair &amp; Machine Maintenance shops lighting circuits segregated to have independent circuit with programmable timing circuit. Energy Savings of ~ 125 KWH / day</li> <li>2. Compressed air lines auto drain valves with liquid level sensor installed replacing programmable timer based valves to have zero air wastage. Power savings of ~ 100 KWH / day</li> <li>3. Air guns installed in AIS machine area for equipment cleaning in place manual operated valves. Energy reduction of ~ 150 KWH / day</li> <li>4. Cooling tower fan blades angles being changed according to whether / seasonal changes, resulting in Saving of ~ 50 KWH / day</li> <li>5. Improved power factor by 0.004 (from 0.99 to 0.994) to save in power billing.</li> </ol>
Pondicherry	<ol style="list-style-type: none"> <li>1. Optimization of cooling tower pump operation along with energy efficient motors. Estimated saving of ~300 KWH per day.</li> <li>2. Ceramic welding done to plug heat leakages</li> <li>3. New Wartsila DG of 6.2 MW installed for captive power generation.</li> </ol>

### 2. Research and Development

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

Plant	Initiatives & Developments
Bahadurgarh	<ol style="list-style-type: none"> <li>1. Installation of dedicated air compressor &amp; dryer at furnace 4 camera to ensure better quality of air for camera cooling. It is taken as a pilot project and will be installed on all furnace after successful trial.</li> <li>2. Barium carbonate introduced in batch composition at fur#3 to improve alkalinity and brilliancy in Glass. TY II and TY III values improved after addition of barium carbonate.</li> </ol>
Rishikesh	F7 regenerator profile changed – single pass regenerator installed in two pass shell to lower exit flue temperature.
Rishra	Dirty Pink glass developed successfully at Fur# 6.
HNG Group plants	Design of tank blocks from rectangular to taper top is being adopted in Neemrana and F5 for better life of the blocks. This technique will be followed for the 1 <sup>st</sup> time in any furnace in the world.

### 3. Future plans of action

Plant	Initiatives & Developments
Rishra	<ol style="list-style-type: none"> <li>1. Cold repair of F1 to improve energy consumption and productivity</li> <li>2. Coloured fore hearth in line 62</li> <li>3. Planned to go for 132 KV dedicated power line to utilise the IEX option.</li> </ol>
Bahadurgarh	F5 will be rebuilt with expanded capacity of 85m2 and addition of one coloured fore hearth.
Rishikesh	<ol style="list-style-type: none"> <li>1. Fur# 8 cold repair planned to get desired pull and fuel efficiency.</li> <li>2. Mold Cooling Blower room cooling to be improved by making ring man. (Saving 300 to 400 KWH / Day).</li> <li>3. Main Cooling Tower water stream improvement for stopping additional Vacuum pump cooling tower. (Saving 200 KWH / day).</li> <li>4. Automation of electrode cooling water pump system. (Saving 100 KWH / day).</li> <li>5. PPC to be installed on Line 81 &amp; 82 to control plunger operation and gob weight automatically for NNPB process.</li> <li>6. Installation of individual digital plunger pressure control system for NNPB operation on line 81 &amp; 82.</li> </ol>
Sinnar	1. Installation of stirrer mechanism at F/123 and F/H 124 to improve homogeneity and reduce cat-scratch.
Naidupeta	<ol style="list-style-type: none"> <li>1. One colored fore hearth planned.</li> <li>2. Captive solar power generation for Naidupeta plant.</li> </ol>
Pondicherry	<ol style="list-style-type: none"> <li>1. Upgradation of cooling water circulation pumps with energy efficient and high pressure pumping system.</li> <li>2. Planned to purchase power from open IEX. Estimated saving ~ 50 Lacs per year.</li> <li>3. Upgradation of connectivity from 22 KV to 110 KV voltage level. It will help in getting uninterrupted power, remove dependency on costly diesel generators &amp; potential savings will be ₹ 1.64 Crores p.a.</li> </ol>

## Annexure V to the Board's Report

### 4. Expenditure on R & D

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

### 5. Technology Absorption, Adoption and Innovation

- NNPB Job developments specially for 650 ML beer bottles. Total 11 Products has been validated across the group and also 2 jobs have been commercialized.
- Technical assistance from GTC has been taken in SNR plant, according to their observation action points implemented for productivity improvement
- Organized Audit from HEYE International conducted for BGH and SNR plant for process improvement
- KCR Improvement tools had been incorporated to increase further KCR Values across plants
- Development of indigenous Hot end coating hood and Cold end coating has been completed.
- Indigenization of Atlas Copco Intercooler with the help of local vendor to save price.
- Light weighting of around 32 prime jobs completed and process is continuing for other prime jobs
- Conversion of reciprocating air dryers to screw dryer to get better efficiency and operational performance at RSR and BGH plant
- Necessary modification in furnace oil storage, loading and unloading system has been done to enable HVFO firing in furnace- completed in BGH, Rishikesh and SNR.
- Optimized glass composition with improved physical specifications of raw materials to optimize the melting thereby reducing the specific energy consumption in the furnace.
- Regular Decongestion of all the furnaces done to keep the regenerators in healthy conditions and for better heat recovery.
- Higher percentage of cullet used (Fur# 1,2,5,8 &10) to improve specific energy consumption (1% cullet increase = saving of 2.5 Kcal/Kg glass).
- Improvement in WRI (working range index) of glass to make it more suitable for NNPB process.
- New formulation done at Fur#10 (flint glass) to reduce batch cost
- Cullet percentage increased at Rishra /Nasik to reduce batch cost and improve energy.
- Special technique used at fur#9 of Pondicherry to repair the furnace (under running condition) and retrieve the operation after port wall collapse.

### FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign exchange earnings and outgo are detailed below:

(₹ in lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Earnings in foreign exchanges	3,518.88	4, 843.62
Expenditure incurred in foreign exchanges		
Raw Materials	16,827.20	22,833.39
Capital Goods	2,145.92	453.90
Components, Spare parts and Repairs	3,858.15	4,578.53
Other Expenses	2,993.52	3,380.62

For and on behalf of the Board

**Sanjay Somany**

Vice Chairman & Managing Director  
(DIN: 00124538)

**Mukul Somany**

Vice Chairman & Managing Director  
(DIN: 00124625)

Place : Kolkata

Date : 15th May, 2017



## 1. Company's philosophy on Code of Governance

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

During the financial year 2016-17, the Company kept its commitment towards the required norms and disclosures on Corporate Governance under Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations").

## 2. Board of Directors

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

### • Composition, category and size of the Board :

The composition and category of the Board of Directors as on 31st March, 2017 is given below.

#### Out of the total 7 (Seven) Directors on the Board:

- 2 (Two) are Executive Directors
- 5 (Five) are Non-Executive Directors of which 4 (Four) are Independent Directors including 1 (One) Woman Independent Director.

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

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

Name of the Director	Category of Director	Attendance at meetings held during 2016-17		Directorship in other companies <sup>^</sup>	Number of Board Committees in which he is Chairman/Member <sup>#</sup>		
		Board	AGM		Chairman	Member	Total
Shri Chandra Kumar Somany (Promoter)	(Chairman)Non-Executive, Non Independent	2	No	4	-	-	-
Shri Sanjay Somany (Promoter)	(Vice Chairman & Managing Director) Executive	4	Yes	5	1	-	1
Shri Mukul Somany (Promoter)	(Vice Chairman & Managing Director) Executive	4	No	5	1	1	2
Shri Sujit Bhattacharya <sup>#</sup>	Independent, Non-Executive	4	No	-	-	-	-
Shri Ratna Kumar Daga	Independent, Non-Executive	3	Yes	2	2	-	2
Shri Dipankar Chatterji	Independent, Non-Executive	3	No	7	4	2	6
Shri Rakesh Kumar Sharma *	Executive	3	No	Not Applicable			
Smt. Rita Bhimani	Independent, Non-Executive	4	Yes	1	-	-	-
Shri Narayanaswami Sitaraman \$	Independent, Non-Executive	-	-	Not Applicable			

\*Resigned from the company w.e.f. 28th February 2017.

<sup>#</sup>Resigned from the company w.e.f the close of business hours on 31st March 2017.

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

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

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

- Shri Sanjay Somany, Vice Chairman & Managing Director and Shri Mukul Somany, Vice Chairman & Managing Director, are brothers and are related to Shri Chandra Kumar Somany, Chairman of the Company.
- None of the Non-Executive Directors hold any share/NCD in the Company except Shri Chandra Kumar Somany who holds 8,04,750 Equity Share/NCD's in his personal capacity.
- Board meetings held during the year :**

In the financial year 2016-17, 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	27th May, 2016	April 2016–June 2016	6
2	12th September, 2016	July 2016–September 2016	7
3	10th December, 2016	October 2016–December 2016	7
4	10th February, 2017	January 2017-March 2017	7

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

## Report on Corporate Governance

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

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

### • 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 16th March, 2017 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 and Non-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.

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

## 3. Audit Committee

### • Terms of Reference

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

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

### • Composition, meetings and attendance during the year

In the financial year 2016-17, 12 (Twelve) meetings of the Audit Committee were held and the attendance of each member of the Committee is given below.



## Report on Corporate Governance

### Dates of meetings:

2nd April, 2016	16th May, 2016	27th May, 2016	15th July, 2016
8th August, 2016	13th August, 2016	12th September, 2016	24th September, 2016
10th December, 2016	15th December, 2016	10th February, 2017	16th March, 2017

Members of the Audit Committee have the requisite financial and management expertise. The Chairman of the Audit Committee attended the 70th Annual General Meeting of the Company.

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

Designation	Members	Category	Number of meetings held	Number of meetings Attended
Chairman	Shri Ratna Kumar Daga	Non-Executive, Independent Director	12	11
Member	Shri Sujit Bhattacharya #	Non-Executive, Independent Director	12	11
Member	Shri Dipankar Chatterji	Non-Executive, Independent Director	12	10
Member	Shri Narayanaswami Sitaraman \$	Non-Executive, Independent Director	--	--

# Resigned from the company w.e.f the close of business hours on 31st March, 2017.

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

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

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

### Internal Control and Governance Process

The Company has In-house Management Team as well as External & Internal Auditors to review and report on Internal Control Systems. The Report of the In house Management Team as well as of the External Internal Auditors 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 2016-17, 2 (Two) meetings of the Nomination & Remuneration Committee was held on 12th September, 2016 and 10th February, 2017.

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 Chandra Kumar Somany	Non-Executive, Non-Independent Director	2	1
Member	Shri Dipankar Chatterji	Non-Executive, Independent Director	2	2

### • Nomination & Remuneration Policy of the Company

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

#### Details of the remuneration paid to the Directors during 2016-17

### • To Non-Executive Directors

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

### • The details of sitting fees paid and commission payable during 2016-17 are as follows:

(In ₹)

Directors	Business relationship with HNG	Sitting fees	Commission	Total
Shri Chandra Kumar Somany*	Promoter	50,000	-	50,000
Shri Sujit Bhattacharya	None	2,45,000	-	2,45,000
Shri Ratna Kumar Daga	None	2,45,000	-	2,45,000
Shri Dipankar Chatterji	None	2,30,000	-	2,30,000
Smt. Rita Bhimani	None	80,000	-	80,000

**\*Disclosure with respect to Non-Executive Directors - Pecuniary Relationship or Transactions:** During the year under review and in compliance of the Corrective Action Plan (CAP) approved by the lenders Shri Chandra Kumar Somany has given loan of ₹ 48.18 Lakhs.

### • To Executive Directors

The details of remuneration paid to Executive Directors during 2016-17 as per their respective agreements are as follows:

(In ₹)

Break-up of Remuneration	Shri Sanjay Somany Vice Chairman & Managing Director	Shri Mukul Somany Vice Chairman & Managing Director	Shri Rakesh Kumar Sharma Executive Director
Salary	29,681,496	29,681,496	5,367,087
Provident fund	2,401,200	2,401,200	363,000
Perquisites	44,867	94,394	-
Commission	-	-	-
<b>Total</b>	<b>32,127,563</b>	<b>32,177,090</b>	<b>5,730,087</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. Further, as per the agreement dated 7th May, 2015, Shri Rakesh Kumar Sharma is entitled to a commission of ₹ 13.2 lakhs p.a. Due to the inadequacy of profits during the financial year 2016-17, 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 no meetings were held.

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

### Terms of Reference-

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

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

### Shareholders' complaints and pending share transfer

No investor grievance was pending at the beginning and at the end of the financial year 2016-17 and there was no investor grievances received during the year under review.

## 6. Corporate Social Responsibility (CSR) Committee

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

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

The Role and Responsibility of the Committee are as follows:

- (a) To frame the CSR Policy and to review the same time to time.
- (b) To ensure effective implementation and monitoring of the CSR activities as per the approved policy.
- (c) To ensure compliance with the various laws, rules and regulations.

## Report on Corporate Governance

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

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

### 7. Subsidiary

As on 31st March 2017, the Company does not have any subsidiary.

### 8. Whistle Blower Policy

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

### 9. General Body Meetings

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

General Meeting	Venue	Day and date	Time
70 <sup>th</sup> Annual General Meeting	CII-Suresh Neotia Centre of excellence for leadership, DC-36, Sector – I, Salt lake city, Kolkata - 700 064	Wednesday, 28th September, 2016	10:00 a.m.
69 <sup>th</sup> Annual General Meeting	CII-Suresh Neotia Centre of excellence for leadership, DC-36, Sector – I, Salt lake city, Kolkata - 700 064	Monday, 28th September, 2015	10:00 a.m.
68 <sup>th</sup> Annual General Meeting	CII-Suresh Neotia Centre of excellence for leadership, DC-36, Sector – I, Salt Lake City, Kolkata - 700 064	Friday, 05th September, 2014	10:00 a.m.

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

Shareholders' Meeting	Special Business requiring Special Resolution
70 <sup>th</sup> Annual General Meeting	1. No Special Resolution was passed.
69 <sup>th</sup> Annual General Meeting	1. Option to lenders for conversion of entire debt into fully paid-up Equity Shares and Issue of Equity shares to Lenders.
68 <sup>th</sup> Annual General Meeting	1. Sale of Investment in equity shares of HNG Float Glass Limited. 2. Approval of borrowing limits in terms of Section 180(1)(c) of the Companies Act, 2013. 3. Creation of charge /mortgage /hypothecation etc. on Company's movable or immovable properties in terms of Section 180(1)(a) of the Companies Act, 2013

### Extra-Ordinary General Meeting and Postal Ballot

During the year under review 1 (one) Extra-ordinary General Meeting (EGM) was held on Wednesday, 28th September, 2016 at 11.30 a.m. at CII-Suresh Neotia Centre of Excellence for Leadership, DC-36, Sector – I, Salt Lake City, Kolkata.

The item transacted at the EGM was Erosion of Net worth of the Company as per Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985.

In the financial year 2016-17, no resolution was passed through Postal Ballot.

### 10. Disclosures

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

## Report on Corporate Governance

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

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

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

During the financial year 2016-17, the Company didn't make any public or right issue.

The Financial Statements for 2016-17 were prepared in accordance with the applicable Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013.

The Vice Chairmen & Managing Directors 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 2017.

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, 2017.

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

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

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

The Company complies with all mandatory requirement specified under SEBI Listing Obligations & Disclosures Requirement Regulations, 2015.

As per Regulation 34(3) read with Schedule V of the Listing Regulation, the Company does not have any shares in the Suspense Account.

### 11. Means of Communication

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

### 12. General shareholder information

<b>Incorporation</b>	The Company was incorporated in Calcutta, in the Province of Bengal, on 23rd February 1946.
<b>Corporate Identification Number (CIN)</b>	L26109WB1946PLC013294
<b>Date, time and venue of AGM</b>	Monday, the 18th September, 2017 at 10.00 a.m.
	Venue :CII-Suresh Neotia Centre of excellence for leadership, DC-36, Sector – I, Salt Lake City, Kolkata - 700 064
<b>Financial calendar (Tentative)</b>	April 2017 to March 2018
1st quarter results by	2nd week of August, 2017
2nd quarter results by	2nd week of November, 2017

## Report on Corporate Governance

3rd quarter results by	2nd week of February, 2018
4th quarter results by	3rd / 4th Week of May, 2018
<b>Date of Book Closure</b>	11th September, 2017 to 18th September, 2017 (both days inclusive)

### • Listing on Stock Exchanges

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

- |  |  |  |
|--|--|--|
| <p>1] The Calcutta Stock Exchange Limited,<br/>7, Lyons Range,<br/>Kolkata - 700 001<br/>Email: cseadm@cnseindia.com<br/>Website : www.cse-india.com<br/>Scrip code : 10018003</p> | <p>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</p> | <p>3] National Stock Exchange of India Limited<br/>Exchange Plaza, Bandra Kurla Complex,<br/>Bandra (E), Mumbai- 400051<br/>Email : cmlist@nse.co.in<br/>Website :www.nseindia.com<br/>Scrip symbol:HINDNATGLS</p> |
|--|--|--|

- **Listing fees** Paid for the year 2017-18 for all the above Stock Exchanges.

### • High / Low share price data

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

#### At BSE Limited

Month	High (in Rs)	Low (in Rs)	Volume (shares)
April, 2016	84.00	73.00	43,699
May, 2016	95.00	72.50	5,924
June, 2016	90.00	77.10	18,703
July, 2016	96.00	81.35	30,255
August, 2016	109.60	79.05	10,538
September, 2016	154.80	93.15	53,471
October, 2016	117.10	92.50	18,893
November, 2016	113.80	85.25	80,296
December, 2016	124.95	92.10	66,782
January, 2017	146.00	101.10	1,24,216
February, 2017	131.00	115.10	17,042
March, 2017	131.90	100.00	1,84,701

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

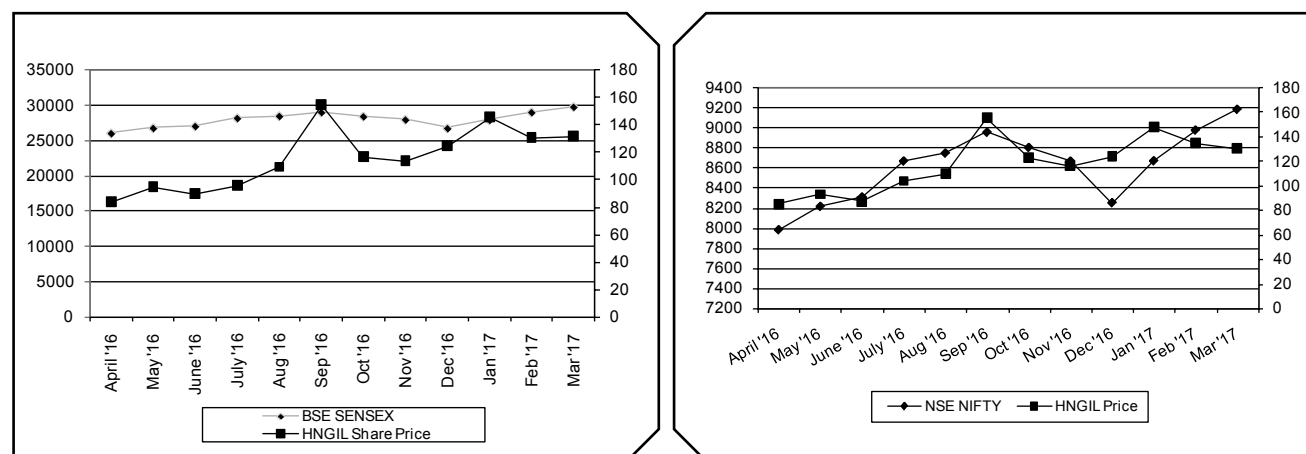
#### At National Stock Exchange of India Limited

Month	High (in Rs)	Low (in Rs)	Volume (shares)
April, 2016	85.40	73.00	62,709
May, 2016	93.60	75.00	23,210
June, 2016	87.90	76.00	32,359
July, 2016	104.30	82.80	44,990
August, 2016	110.10	76.95	42,793
September, 2016	155.75	90.05	1,49,400
October, 2016	123.00	95.25	11,377
November, 2016	116.50	88.00	10,474
December, 2016	124.20	96.05	1,05,388
January, 2017	147.95	101.60	2,10,774
February, 2017	134.90	114.00	66,834
March, 2017	131.00	104.60	2,80,010

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

## Report on Corporate Governance

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



### Registrar and Share Transfer Agent

In compliance with the SEBI directive, the Company has appointed M/s Maheshwari Datamatics Pvt. Ltd., as its Registrar and Share Transfer Agent for all matters relating to shares both in physical as well as in dematerialised mode.

However, documents relating to shares are also received at the Company's Registered Office at 2, Red Cross Place, Kolkata 700 001,

Tel. No : (033) 2254 3100, Fax No: (033) 2254 3130,

e-mail address: cosec@hngil.com

### Share Transfer System

The transfer of shares in physical form is processed and completed by M/s Maheshwari Datamatics Pvt. Ltd. within prescribed times from the date of receipt there of, 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, 2017

No. of equity shares held	Holders	%	Shares	%
1 to 5,000	4,001	97.2296	6,21,948	0.7121
5,001 to 10,000	17	0.4131	1,33,761	0.1532
10,001 to 20,000	27	0.6561	4,05,097	0.4638
20,001 to 30,000	28	0.6804	6,52,133	0.7467
30,001 to 40,000	8	0.1944	3,00,700	0.3443
40,001 to 50,000	2	0.0486	89,800	0.1028
50,001 to 1,00,000	5	0.1215	3,54,028	0.4053
1,00,001 and above	27	0.6563	8,47,81,098	97.0718
<b>Grand Total</b>	<b>4,115</b>	<b>100</b>	<b>8,73,38,565</b>	<b>100</b>
<b>No. of shareholders in :</b>				
Physical mode	18	0.4374	11,747	0.0135
Electronic mode				
NSDL	2,497	60.6804	8,10,14,570	92.7592
CDSL	1,600	38.8822	63,12,248	7.2273
<b>Total</b>	<b>4,115</b>	<b>100</b>	<b>8,73,38,565</b>	<b>100</b>

## Report on Corporate Governance

### • Shareholding Pattern as on 31st March, 2017

Category	No. of shares	%
Promoters & Associates	6,11,23,840	69.9849
Institutions - F.P.I	63,48,025	7.2683
Domestic Companies	33,15,996	3.7967
Resident Individuals	1,64,73,729	18.8619
Foreign residents and NRI's	1,979	0.0023
Trust	0	0
Clearing Member	74,996	0.0859
<b>Total</b>	<b>8,73,38,565</b>	<b>100</b>

### • Dematerialisation of shares and liquidity

As on 31st March, 2017, 8,73,26,818 shares comprising of 99.9865 % of the paid up capital of the Company are in dematerialised mode. Chandra Kumar Somany Group, promoter of the Company, holds around 69.9849% of the Paid-up Capital of the Company as on 31st March, 2017 and as on 31st March, 2016, of which all the shares are held in dematerialised mode.

### • Details of Secured Non-Convertible Debentures

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

### • Demat ISIN Number of Company's Equity Shares for NSDL and CDSL

INE952A01022

### • Outstanding 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 033
- 14, RIICO Industrial Area  
Neemrana, Distt. Alwar  
Pin - 301705 (Rajasthan)  
Tel - 01494 - 246712, 513935  
Fax - 01494 - 246713
- Thondamanatham Village,  
Vezhudavoor S. O.  
Puducherry - 605 502  
Phone : (0413) 2677319,  
Fax (0413) 2677366/2677666
- APIIC Industrial Park  
Menakuruvillage, Naidupeta  
SPSR Nellore, Andhra Pradesh  
Phone: 91-8623-211001
- Bahadurgarh - 124507,  
Dist : Jhajjar, Haryana.  
Phone : (01276) 221400,  
Fax (01276) 221666
- P.O. Virbhadra,  
Rishikesh - 249201,  
Dist. Dehradun, Uttarakhand  
Phone : (0135) 2470700,  
Fax (0135) 2470777
- Nashik Glass Work,  
F1, MIDC Malegaon,  
Dist. Sinnar, Nashik - 422113  
Phone : (025511) 228900,  
Fax (025511) 228999



## Report on Corporate Governance

- **Address for correspondence** Company Secretary & Legal Counsel  
Hindusthan National Glass & Industries Ltd  
2, Red Cross Place, Kolkata 700 001  
Telephone No. (033) 2254 3100, Fax No. (033) 2254 3130  
Email : cosec@hngil.com  
cosec@hngil.com
- **E-mail ID for investors' grievance**
- B. Non-mandatory requirements specified under Part E of Schedule II of the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 :**
  - **The Board** At present, the Chairman of the Company Shri Chandra Kumar Somany does not have a separate office in the Company. The Corporate Office supports the Chairman in discharging his responsibilities.
  - **Shareholders' Right** Half-yearly results including summary of the significant events are currently not being sent to the shareholders of the Company. However, quarterly results are posted at the Company's website, in addition to being published into two newspaper, one in English and another in Vernacular language.
  - **Separate Posts of Chairman and MD** The Company has separate position for Chairman and Managing Director.
  - **Reporting of Internal Auditors** The Internal Auditors report to the Audit Committee of the Company, to ensure independence of the Internal Audit function.
  - **Treasury Management Committee** The Board of Directors at its meeting held on 9th May, 2005, constituted a Treasury Management Committee to approve and authorise transactions involving the day-to-day management of the funds with more efficiency. The Committee comprises of Shri Sanjay Somany, Shri Mukul Somany, Shri Ratna Kumar Daga and Shri Dipankar Chatterji as its members. During 2016-17, 13 meetings of the Treasury Management Committee were held.

For and on behalf of the Board

Place : Kolkata

Date :15th May, 2017

**Sanjay Somany**

*Vice Chairman & Managing Director*

(DIN: 00124538)

**Mukul Somany**

*Vice Chairman & Managing Director*

(DIN: 00124625)

## 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 2016-17 in terms of Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Place : Kolkata

Date : 15th May, 2017

**Sanjay Somany**

*Vice Chairman & Managing Director*

**Mukul Somany**

*Vice Chairman & Managing Director*

### CEO & CFO Compliance Certificate

We, hereby certify that:-

1. We have reviewed the financial statements and the cash flow statement of the Company for the year ended 31st March, 2017 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, 2017 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.

**Sanjay Somany**

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

**Mukul Somany**

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

**Bimal Kumar Garodia**

*Sr. Vice President &  
Chief Financial Officer*

Date : 15th May, 2017

Place : Kolkata

# Report on Corporate Governance

## AUDITOR'S CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To  
The Members of  
Hindusthan National Glass & Industries Limited

1. We have examined the compliance of conditions of Corporate Governance by Hindusthan National Glass & Industries Limited ('the Company'), for the year ended on 31st March, 2017, as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

### Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

### Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), to the extent relevant, the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations during the year ended 31st March, 2017.
8. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

### Restriction on use

9. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with therequirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **Lodha & Co.**  
Chartered Accountants  
Firm's ICAI Registration No.:301051E

**H. K. Verma**  
Partner

Place: Kolkata  
Date: 15th May, 2017

Membership No: 055104

# Independent Auditor's Report

To the Members of

**Hindusthan National Glass & Industries Limited**

## Report on the Ind AS Standalone Financial Statements

We have audited the accompanying standalone financial statements of Hindusthan National Glass & Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information in which are incorporated the Returns for the year ended on that date audited by the branch auditors of the company's branches at Puducherry, Nashik and Rishikesh (here in after referred to as Standalone Ind AS financial statements).

## Management's Responsibility for the Ind AS Standalone Financial Statements

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

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

## Auditor's Responsibility

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

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

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

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

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

## Basis for Qualified Opinion

- a) As stated in Note no. 2.38.1 of the Standalone Ind AS financial statements, due to inadequacy of profit managerial remuneration to the extent of ₹ 1,212 Lakhs has become in excess of the limits laid down in the Companies Act, 2013 awaiting Central Government approval. Pending such approvals, impact thereof on the Standalone Ind AS Financial Statements is not ascertainable.
- b) As stated in Note No. 2.43 of the Standalone Ind AS Financial Statements, levy of Entry Tax by relevant State Governments, pending determination of the amount leviable upon and payable has not been provided for by the Company.
- c) Impact of (a & b) above are presently not ascertainable and as such cannot be commented upon by us.

# Independent Auditor's Report

## Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, its Loss, Total Comprehensive Income, the Changes in Equity and its Cash Flows for the year ended on that date.

## Emphasis of Matter

Attention is invited to Note 2.40 of the Standalone Ind AS Financial Statements of the Company. The accounts of the Company have been prepared on a going concern assumption. The appropriateness of preparing the accounts on going concern assumption is dependent on the favourable market conditions over a period of time and outcome of ameliorative measures under implementation and impact thereof as such cannot be commented upon by us.

Our opinion is not modified in respect of this matter.

## Other Matter

We did not audit the financial statements / information of Puducherry, Rishikesh and Nashik included in the standalone Ind AS financial statements of the Company whose financial statement / financial information reflect total assets of ₹ 1,19,980.77 Lakhs as at 31st March, 2017 and total revenues of ₹ 73,826.21 Lakhs for the year ended on that date, as considered in the standalone financial statements. The financial statements / information of these branches have been audited by the Branch Auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the Report of such branch auditors.

Our opinion is not modified in respect of above matter.

## Report on Other Legal and Regulatory Requirements

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

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- c) The report on the accounts of the branch offices of the Company audited under section 143(8) of the Act by Branch auditors have been sent to us and have been properly dealt with by us in preparing this report;
- d) Except for the possible effect of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us;
- e) In our opinion, the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows comply with the Indian Accounting Standards specified under section 133 of the Act;
- f) The matter described in the Basis for Qualified Opinion paragraph above, in the event of being decided unfavorably, in our opinion, may have an adverse effect on the functioning of the Company;
- g) On the basis of the written representations received from the directors as on 31st March 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017, from being appointed as a director in terms of section 164 (2) of the Act;

## Independent Auditor's Report

- h) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the basis for qualified opinion paragraph above;
- i) 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's Internal Financial Control Over Financial Reporting;
- j) 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, in our opinion and to the best of our information and according to the explanations given to us:
  - i. Pending litigations (Other than those already recognized in the accounts) having material impact on the financial position of the Company have been disclosed in the standalone Ind AS financial statements as required in terms of the accounting standards and provisions of the Companies Act, 2013 – refer Note no. 2.34.A and 2.34.A.1 of the standalone Ind AS financial statements;
  - ii. The Company does not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
  - iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes (Bank notes of denominations of five hundred and one thousand rupees existing on November 08, 2016) (SBN's) during the period from November 08, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosure are in accordance with books of account maintained by the Company and as produced to us by the management. Refer Note No. 2.8A.3 of the standalone Ind AS financial statement.

For **Lodha & Co.**  
*Chartered Accountants*  
Firm's ICAI Registration No. : 301051E

**H K Verma**  
*Partner*  
Membership No: 055104

Place : Kolkata  
Date : 15th May 2017

## Annexure to the Independent Auditor's Report

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

- i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- b. All the property, plant and equipment have not been physically verified by the management during the year but there is regular programme of verification, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verifications.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the Balance Sheet date.

In respect of immovable properties been taken on lease and disclosed as property, plant and equipment in the standalone Ind AS financial statements, the lease agreements are in the name of the Company.

- ii) The inventory except stock lying with third parties, in few of the units and in transit has been physically verified by the management at regular intervals during the year. In our opinion and according to the information and explanations given to us, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material to the extent verified.
- iii) The Company has not granted any loans secured or unsecured to companies, firms, Limited Liability Partnerships or parties covered in the register maintained under Section 189 of the Act. Accordingly, clause 3 (iii) of the Order is not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees and security made.
- v) The Company has not accepted any deposits from public covered under Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder.
- vi) According to the information and explanations given to us, the maintenance of cost records under Section 148(1) of the Act has not been prescribed and as such, paragraph 3(vi) of the Order is not applicable to the Company.
- vii) a. According to the information and explanations given to us, during the year, the Company has generally been regular in depositing to the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues as applicable to it.
- b. According to the information and explanations given to us, the details of disputed dues of income tax, sales tax, service tax, duty of customs, duty of excise, and value added tax, if any, as at 31st March, 2017, are as follows:

₹ in Lakhs

Name of the Statute	Nature of the dues	Amount	Forum where the dispute is pending	Period to which amount relates
Finance Act, 1994	Service Tax	2.95	CESTAT, New Delhi	2006-07 to 2008-09
Finance Act, 1994	Service Tax	96.73	Commissioner, Rohtak	2005-06 to 2007-08
Income Tax Act, 1961	Income Tax	1.30	CIT (Appeals) - VI, Kolkata	2011-12
Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices Act, 1972 ("MRTU & PULP Act, 1971")	Labour Wages	0.39	High Court, Mumbai	1998-2000

## Annexure to the Independent Auditor's Report

₹ in Lakhs

Name of the Statute	Nature of the dues	Amount	Forum where the dispute is pending	Period to which amount relates
Maharashtra Tax on the Entry of Goods Into Local Areas Act, 2002	Levy of Entry Tax on Natural Gas purchased.	2338.88	High Court, Mumbai	2012-13 to 2016-17
Maharashtra Value Added Tax Act, 2002	Sales Tax	114.00	Jt Commissioner (Sales Tax Appeal) Nashik	2005-06 & 2006-07
The Central Excise Act 1944	Excise Duty	0.30	Commissioner (Appeal), Gurgaon	2002-03
	Excise Duty	32.88	Commissioner of Customs & Central Excise, Guntur	Nov-12 to Sep-13
	Excise Duty	114.46	CESTAT, Bangalore	Oct-11 to Mar-12
	Excise Duty	5.27	Asst. Commissioner of Customs & Central Excise, Nellore	Oct-13 to Mar-14
	Excise Duty	5.86	Asst. Commissioner of Customs & Central Excise, Nellore	Apr-14 to Sep-14
	Excise Duty	2.58	Dy. Commissioner of Customs & Central Excise, Nellore	Oct-14 to Jun-15
	Service Tax	0.01	CESTAT	2007-08 & 2008-09
	Service Tax	0.99	CESTAT	2008-09
	Service Tax	0.27	CESTAT	2006-07 & 2007-08
	Service Tax	4.17	Dy Commissioner Central Excise	2008-09
	Service Tax	0.64	Dy Commissioner Central Excise	2009-10
	Service Tax	0.82	CESTAT	2006-07
	Excise Duty	67.84	Supreme Court	1999-2000
	Excise Duty	46.18	Supreme Court	1995-1997
	Excise Duty	195.00	Supreme Court	2001-02, 2002-03, 2003-04, 2004-05 & 2005-06
	Excise Duty	28.18	Central Excise & Service Tax Appellate Tribunal, New Delhi	2002 to 2006
	Excise Duty	3.99	Central Excise & Service Tax Appellate Tribunal, New Delhi	2006 to 2007



**Annexure to the Independent Auditor's Report**

₹ in Lakhs

Name of the Statute	Nature of the dues	Amount	Forum where the dispute is pending	Period to which amount relates
	Excise Duty	115.11	Commissioner Central Excise, Meerut	2006-07
	Excise Duty	4.47	Asst. Commissioner of Central Excise Kolkata-IV	2007-08
	Excise Duty	85.36	Assistant Commissioner Central Excise Rishra Division, Kolkata -IV Commissionerate	2008-09
	Excise Duty	6.07	Commissioner of Central Excise Appeal -III, Kolkata	2006-07
	Excise Duty	3.88	Assistant Commissioner, Central Excise, Rishra Division, Kolkata -IV	2008-09
	Excise Duty	6.65	Assistant Commissioner, Central Excise, Rishra Division, Kolkata -IV	2010-11
	Excise Duty	1.71	Commissioner of Excise Kol -IV	2009-10
	Excise Duty	94.05	Commissioner of Excise Kol -IV	2009-10
	Excise Duty	293.62	CESTAT	2011-12
	Excise Duty	47.44	Commissioner Appeals -II	2008-09 to 2012-13
	Excise Duty	0.66	Commissioner Appeals -II	2009-10
	Excise Duty	3.32	Commissioner Appeals -II	2009-10
	Excise Duty	2.77	Commissioner Appeals -II	2009-10
	Excise Duty	1.03	Commissioner Appeals -II	April 2012 to March 2013
	Excise Duty	34.60	Commissioner Appeals -II	April 2009 to March 2010
	Excise Duty	3.84	Commissioner (Appeal), Chennai	2007-2011
	Excise Duty	0.66	CESTAT, SZB, Chennai	2007-08
	Excise Duty	5.80	Commissioner (Appeal), Chennai	2004-2006
	Excise Duty	13.07	Dy Commissioner Central Excise	1993-97
	Excise Duty	199.94	CESTAT, SZB, Chennai	2009-2014
	Excise Duty	0.72	Dy Commissioner Central Excise	1995-96
	Excise Duty	2.19	Dy Commissioner Central Excise	2013-14

## Annexure to the Independent Auditor's Report

₹ in Lakhs

Name of the Statute	Nature of the dues	Amount	Forum where the dispute is pending	Period to which amount relates
The Finance Act 1994	Service Tax	8.71	Asst. Commissioner of Customs & Central Excise, Nellore	Aug-13 to Mar-15
	Service Tax	256.25	Assistant Commissioner Central Excise	2007-08 to 2009-10
	Service Tax	34.70	Assistant Commissioner Central Excise Rishra Division, Kolkata -IV Commissionerate	2010-11 to 2015-16
The Maharashtra Mathadi Hamal & Other Manual Workers (Regulation of Employment and Welfare) Act, 1969	Violation of Mathadi Act	1.46	Labour Court Pune	1999-2001
The Rajasthan Tax on Entry of Goods Into Local Area Act, 1999	Entry Tax	153.04	Supreme Court	2007-08 to 2013-14
The Sales Tax Act, 1932	Sales Tax	1.25	J.C. (Appeal), Dehradun	2008-09
The West Bengal, Value Added Tax, 2003	Sales Tax	104.38	JCST	2006-07
	Sales Tax	108.72	Sr. Joint Commissioner of Commercial Tax Appeal	2008-09
	Sales Tax	5.95	Sr. Joint Commissioner of Commercial Tax Appeal	2010-11
The Central Sales Tax (CST) 1956	Sales Tax	64.72	JCST	2006-07
	Sales Tax	9.01	Sr. Joint Commissioner of Commercial Tax Appeal	2009-10
	Sales Tax	149.30	Sr. Joint Commissioner of Commercial Tax Appeal	2008-09
	Sales Tax	10.11	Sr. Joint Commissioner of Commercial Tax Appeal	2011-12
	Sales Tax	0.77	Sr. Joint Commissioner of Commercial Tax Appeal	2011-12
	Sales Tax	4.86	Sr. Joint Commissioner of Commercial Tax Appeal	2012-13
	Sales Tax	59.92	Commissioner Commerical Taxes	2002-03

## Annexure to the Independent Auditor's Report

- viii) Having regard to Corrective Action Plan (CAP) and terms of settlement agreed upon by the lenders as given in note 2.15.7, there is no default in repayment of dues to the Financial Institutions, Banks, Government and Debenture Holders as on this date. However, as stated in the said note, settlement with one of the banker is yet to be arrived at and pending this and final decision of the court on the matter, it is not possible to ascertain and comment in this respect.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- x) During the course of our examination of books of account carried out in accordance with generally accepted auditing practices in India, we have neither come across any incidence of material fraud by the Company or material fraud on the Company by its officers or employees nor have we been informed of any such cases by the management.
- xi) According to the information and explanations given to us and based on our examination of the records of the Company, during the year the Company has paid remuneration of ₹ 606 Lakhs to Vice Chairmen and Managing Directors which has exceeded the limits prescribed under Section 197 of the Act read with Schedule V of the Act. The company has applied to the Central Government for approval for such managerial remuneration paid in excess of prescribed limits including ₹ 606 Lakhs for previous year.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Ind AS financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Lodha & Co.**

*Chartered Accountants*

Firm's ICAI Registration No.: 301051E

**H K Verma**

*Partner*

Membership No: 055104

Place : Kolkata

Date : 15th May 2017

## Annexure to the Independent Auditor's Report

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

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

We have audited the internal financial controls over financial reporting of Hindusthan National Glass & Industries Limited ("the Company") as at 31st March 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

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

#### **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, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

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

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial 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.

## Annexure to the Independent Auditor's Report

### 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 31st March 2017, 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 **Lodha & Co.**

*Chartered Accountants*

Firm's ICAI Registration No.: 301051E

**H K Verma**

*Partner*

Membership No: 055104

Place : Kolkata

Date : 15th May 2017

**Balance Sheet as at 31st March 2017**

₹ in Lakhs

Particulars	Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>ASSETS</b>				
<b>1. Non-current assets</b>				
(a) Property, Plant and Equipment	2.1.A	2,29,148.11	2,42,395.10	2,52,564.23
(b) Capital work-in-progress		10,038.06	7,498.37	12,070.96
(c) Intangible assets	2.1.B	269.70	15.36	17.73
(d) Financial assets				
(i) Investments	2.2	3,627.29	10,765.06	10,765.06
(ii) Loans	2.3	116.50	116.50	116.50
(iii) Other financial assets	2.4	2,913.17	3,719.58	2,791.60
(e) Other non-current assets	2.5	1,105.23	1,724.22	1,822.99
		<b>2,47,218.06</b>	<b>2,66,234.19</b>	<b>2,80,149.07</b>
<b>2. Current assets</b>				
(a) Inventories	2.6	60,092.24	50,759.17	52,776.77
(b) Financial assets				
(i) Investments	2.2	-	-	12,500.00
(ii) Trade receivables	2.7	39,997.09	41,898.02	43,213.47
(iii) Cash and cash equivalents	2.8.A	532.15	789.32	394.85
(iv) Bank balances other than (iii) above	2.8.B	91.04	69.49	6.62
(v) Loans	2.9	18.68	22.19	21.15
(vi) Other financial assets	2.10	715.96	912.42	458.73
(c) Current Tax Assets (Net)	2.11	302.17	253.15	395.04
(d) Other current assets	2.12	9,625.17	11,054.13	11,391.17
		<b>1,11,374.50</b>	<b>1,05,757.89</b>	<b>1,21,157.80</b>
<b>Total assets</b>		<b>3,58,592.56</b>	<b>3,71,992.08</b>	<b>4,01,306.87</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Equity Share Capital	2.13	1,746.77	1,746.77	1,746.77
(b) Other Equity	2.14	37,731.21	50,517.99	69,337.68
<b>Total Equity</b>		<b>39,477.98</b>	<b>52,264.76</b>	<b>71,084.45</b>
<b>LIABILITIES</b>				
<b>1. Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	2.15	1,88,909.33	2,03,033.84	1,81,690.54
(ii) Other financial liabilities	2.16	385.74	437.24	505.15
(b) Provisions	2.17	1,195.44	1,068.14	971.05
(c) Deferred tax liabilities (Net)	2.18	-	-	-
(d) Other non-current liabilities	2.19	1,146.22	1,154.32	1,167.17
		<b>1,91,636.73</b>	<b>2,05,693.54</b>	<b>1,84,333.91</b>
<b>2. Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	2.20	52,856.27	49,828.41	65,743.70
(ii) Trade payables	2.21	45,244.04	44,173.27	42,806.38
(iii) Other financial liabilities	2.22	20,452.61	11,878.85	29,318.63
(b) Other current liabilities	2.23	8,595.30	7,937.84	6,820.71
(c) Provisions	2.24	329.63	215.41	1,199.09
		<b>1,27,477.85</b>	<b>1,14,033.78</b>	<b>1,45,888.51</b>
<b>Total liabilities</b>		<b>3,19,114.58</b>	<b>3,19,727.32</b>	<b>3,30,222.42</b>
<b>Total equity and liabilities</b>		<b>3,58,592.56</b>	<b>3,71,992.08</b>	<b>4,01,306.87</b>

Summary of Significant Accounting Policies

Notes on Financial Statements

The notes are an integral part of the Financial Statements.

1  
2.1 to 2.53

As per our report of even date

For **Lodha & Co.**

Chartered Accountants

FRN : 301051E

For and on behalf of the Board

**H. K. Verma**

Partner

Membership No. 055104

Place : Kolkata

Date : 15th May 2017

**Sanjay Somany**

Vice Chairman and Managing Director

DIN: 00124538

**Mukul Somany**

Vice Chairman and Managing Director

DIN: 00124625

**Bimal Kumar Garodia**Sr. Vice President and  
Chief Financial Officer**Ajay Kumar Rai**Company Secretary  
& Legal Counsel

**Statement of Profit and Loss for the year ended 31st March 2017**

₹ in Lakhs

Particulars	Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>REVENUE</b>			
I. Revenue from Operations	2.25	2,06,433.69	2,17,991.26
II. Other Income	2.26	694.30	606.83
<b>III. Total Income (I+II)</b>		<b>2,07,127.99</b>	<b>2,18,598.09</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	2.27	59,694.62	64,016.71
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	2.28	(5,794.89)	482.63
Excise duty on sale of goods		20,373.76	20,123.26
Employee Benefit Expenses	2.29	21,114.80	17,929.17
Other Expenses	2.30	92,623.68	88,864.60
<b>IV. Total Expenses</b>		<b>1,88,011.97</b>	<b>1,91,416.37</b>
<b>V. Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) and Exceptional Items (III-IV)</b>		<b>19,116.02</b>	<b>27,181.72</b>
VI. Depreciation and Amortization expense	2.1.A & 2.1.B	17,486.88	19,930.63
<b>VII. Finance costs</b>	2.31	23,799.96	25,482.51
<b>VIII. Profit/(loss) before exceptional items and tax (V-VI-VII)</b>		<b>(22,170.82)</b>	<b>(18,231.42)</b>
IX. Exceptional Items	2.32	9,459.33	-
<b>X. Profit/(loss) before tax (VIII+IX)</b>		<b>(12,711.49)</b>	<b>(18,231.42)</b>
<b>XI. Tax expense:</b>			
(1) Current tax		-	-
(2) Deferred tax		-	-
<b>Tax expense</b>		<b>-</b>	<b>-</b>
<b>XII. Profit/(Loss) for the year after tax (X-XI)</b>		<b>(12,711.49)</b>	<b>(18,231.42)</b>
<b>XIII. Other Comprehensive Income</b>			
<b>A (i) Items that will not be reclassified to Profit or Loss</b>			
Re-measurement gains/ (losses) on defined benefit plans		(74.24)	(584.40)
<b>(ii) Income tax relating to items that will not be reclassified to Profit or Loss</b>		-	-
<b>B (i) Items that will be reclassified to Profit or Loss</b>			
(ii) Income tax relating to items that will be reclassified to Profit or Loss		-	-
<b>Other comprehensive income for the year after taxes</b>		<b>(74.24)</b>	<b>(584.40)</b>
<b>XIV. Total Comprehensive Income for the year (XII+XIII) (Comprising Profit/ (Loss) and Other Comprehensive Income for the year)</b>		<b>(12,785.73)</b>	<b>(18,815.82)</b>
<b>XV. Earnings per equity share</b>			
(1) Basic	2.33	(14.55)	(20.87)
(2) Diluted	2.33	(14.55)	(20.87)
Number of shares used in computing earnings per share			
(1) Basic		8,73,38,565	8,73,38,565
(2) Diluted		8,73,38,565	8,73,38,565

Summary of Significant Accounting Policies

1

Notes on Financial Statements

2.1 to 2.53

The notes are an integral part of the Financial Statements.

As per our report of even date

For **Lodha & Co.**

Chartered Accountants

FRN :301051E

For and on behalf of the Board

**H. K. Verma**

Partner

Membership No. 055104

Place : Kolkata

Date : 15th May 2017

**Sanjay Somany**

Vice Chairman and Managing Director

DIN: 00124538

**Mukul Somany**

Vice Chairman and Managing Director

DIN: 00124625

**Bimal Kumar Garodia**

Sr. Vice President and

Chief Financial Officer

**Ajay Kumar Rai**

Company Secretary

&amp; Legal Counsel

## Statement of Changes in Equity for the year ended 31st March 2017

### (a) Equity Share Capital

₹ in Lakhs

Particulars	Number of Shares	Amount
Equity Shares of ₹ 2/- each issued, subscribed and fully paid up		
As at 1st April 2015	8,73,38,565	1,746.77
As at 31st March 2016	8,73,38,565	1,746.77
As at 31st March 2017	8,73,38,565	1,746.77

**Note:** There is no change in the equity share capital

### (b) Other Equity

₹ in Lakhs

Particulars	Reserves and Surplus					Other Comprehensive Income - Remeasurement of defined benefit plans	Total
	Capital Reserve	Security Premium Reserve	Debenture Redemption Reserve	General Reserve	Retained earnings		
Balance at 1st April 2015	5,595.85	5,823.09	5,416.67	69,157.21	(16,655.14)	-	69,337.68
Transfer/Adjustments during the year	-	-	(208.33)	208.33	(3.87)	-	(3.87)
Profit/(Loss) for the year	-	-	-	-	(18,231.42)	-	(18,231.42)
Other comprehensive income for the year	-	-	-	-	-	(584.40)	(584.40)
<b>Total comprehensive income for the year</b>	-	-	(208.33)	208.33	(18,235.29)	(584.40)	(18,819.69)
Balance at 31st March 2016	5,595.85	5,823.09	5,208.34	69,365.54	(34,890.43)	(584.40)	50,517.99
Transfer/Adjustments during the year	-	-	(208.34)	208.34	(1.05)	-	(1.05)
Profit/(Loss) for the year	-	-	-	-	(12,711.49)	-	(12,711.49)
Other comprehensive income for the year	-	-	-	-	-	(74.24)	(74.24)
<b>Total comprehensive income for the year</b>	-	-	(208.34)	208.34	(12,712.54)	(74.24)	(12,786.78)
Balance at 31st March 2017	5,595.85	5,823.09	5,000.00	69,573.88	(47,602.97)	(658.64)	37,731.21

Refer Note No. 2.14 for nature and purpose of reserves

Summary of Significant Accounting Policies

1

Notes on Financial Statements

2.1 to 2.53

The notes are an integral part of the Financial Statements.

As per our report of even date

For **Lodha & Co.**

Chartered Accountants

FRN :301051E

For and on behalf of the Board

**H. K. Verma**

Partner

Membership No. 055104

Place : Kolkata

Date : 15th May 2017

**Sanjay Somany**

Vice Chairman and Managing Director

DIN: 00124538

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Vice Chairman and Managing Director

DIN: 00124625

**Bimal Kumar Garodia**

Sr. Vice President and

Chief Financial Officer

**Ajay Kumar Rai**

Company Secretary

& Legal Counsel



**Statement of Cash Flow** for the year ended 31st March 2017

₹ in Lakhs

Particulars	Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit/(Loss) before tax		(12,711.49)	(18,231.42)
<b>Non-cash adjustments to reconcile profit/(loss) before tax to net cash flows</b>			
Depreciation/Amortisation		17,486.88	19,930.63
Loss/(profit) on sale/discard of Property Plant and Equipment		884.27	102.37
Bad Debts and Impairment allowances for trade receivables		16.78	20.76
Interest Income		(146.96)	(147.83)
Dividend Income on Non current Investments		(1.67)	(1.67)
Net Loss/(Gain) on sale of Current Investments		(163.21)	(257.51)
Finance Costs		23,799.96	25,482.51
Liability no longer required written back		(259.98)	(743.43)
<b>Operating Profit before exceptional items and working capital changes</b>		<b>28,904.58</b>	<b>26,154.41</b>
<b>Less: Exceptional items</b>			
Profit on sale of investment in subsidiary (Refer Note No. 2.32)		(9,459.33)	-
<b>Operating Profit before working capital changes</b>		<b>19,445.25</b>	<b>26,154.41</b>
<b>Movement in working capital :</b>			
Increase/(Decrease) in Trade Payables and Other Liabilities		1,958.46	1,734.88
Decrease/(Increase) in Trade Receivables		1,884.15	1,294.68
Decrease/(Increase) in Inventories		(9,333.07)	2,017.61
Decrease/(Increase) in Loans and Advances		2,710.92	(527.99)
<b>Cash generated from/(used in) Operations</b>		<b>16,665.71</b>	<b>30,673.59</b>
Direct taxes (paid)/Refunds (net)		(49.02)	101.89
<b>Net Cash Flow from/(used in) Operating activities (A)</b>		<b>16,616.69</b>	<b>30,775.48</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Property Plant and Equipment, Intangible assets, Capital Work in Progress and Capital Advances		(7,556.47)	(8,095.68)
Proceeds from sale of Property Plant and Equipment		200.48	523.47
Proceeds from sale of investment in subsidiary		16,597.11	-
Sale/(Purchase) of current investment		163.21	12,757.51
Redemption /(Investment) in bank deposits with maturity more than 3 months		(21.54)	(62.88)
Interest received		223.07	104.00
Dividend received from Non Current Investments		1.67	1.67
<b>Net Cash Flow from/(used in) Investing activities (B)</b>		<b>9,607.53</b>	<b>5,228.09</b>

**Statement of Cash Flow** for the year ended 31st March 2017

₹ in Lakhs

Particulars	Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		1,845.36	10,930.62
Repayment of borrowings		(4,077.80)	(21,694.67)
Interest paid		(24,248.95)	(24,845.05)
<b>Net Cash Flow from/(used in) Financing activities (C)</b>		<b>(26,481.39)</b>	<b>(35,609.10)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>		<b>(257.17)</b>	<b>394.47</b>
Cash and cash equivalents at the beginning of the year		789.32	394.85
<b>Cash and cash equivalents at the end of the year</b>		<b>532.15</b>	<b>789.32</b>
<b>Components of Cash and Cash Equivalents</b>			
<b>Balances with banks:</b>			
In current accounts		438.83	676.60
In deposit accounts (With original maturity of less than 3 months)		80.20	89.28
In dividend accounts		1.50	1.93
Cash in hand		11.62	21.51
<b>Total cash and cash equivalents</b>	<b>2.8.A</b>	<b>532.15</b>	<b>789.32</b>

Summary of Significant Accounting Policies

1

Notes on Financial Statements

2.1 to 2.53

The notes are an integral part of the Financial Statements.

As per our report of even date

For **Lodha & Co.**

Chartered Accountants

FRN :301051E

**H. K. Verma**

Partner

Membership No. 055104

Place : Kolkata

Date : 15th May 2017

For and on behalf of the Board

**Sanjay Somany**

Vice Chairman and Managing Director

DIN: 00124538

**Mukul Somany**

Vice Chairman and Managing Director

DIN: 00124625

**Bimal Kumar Garodia**

Sr. Vice President and

Chief Financial Officer

**Ajay Kumar Rai**

Company Secretary

&amp; Legal Counsel

## Notes to Financial Statements as at and for the year ended 31st March 2017

### 1. Summary of Significant Accounting Policies

#### 1. Corporate Information

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

#### 2. Statement of Compliance and Recent Pronouncements

##### 2.1 Statement of Compliance

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

These are the Company's first Ind AS Standalone Financial Statements and the date of transition to Ind AS as required has been considered to be 1st April 2015.

The financial statement upto the year ended 31st March 2016, were prepared under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles and Accounting Standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 then applicable (Previous GAAP) to the Company. Previous period figures in the Financial Statements have now been restated in compliance to Ind AS.

In accordance with Ind AS 101- "First Time adoption of Indian Accounting Standards" (Ind AS 101), the Company has presented Note 2.51 a reconciliation of Shareholders' equity as given earlier under Previous GAAP and those considered in these accounts as per Ind AS as at 31st March 2016, and 1st April 2015 and also the Net Profit as per Previous GAAP and that arrived including Other Comprehensive Income under Ind AS for the year ended 31st March 2016. The mandatory exceptions and optional exemptions availed by the Company on First-time adoption have been detailed in Note 2.52 of the financial statement.

##### 2.2 Recent Pronouncements

In March 2017, Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to the Ind AS 7 'Statement of Cash flows' and Ind AS 102, 'Share Based Payment' which are applicable w.e.f. 1st April, 2017.

The amendment to Ind AS 7 "Statement of Cash Flows" requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The effect of this amendment on the financial statements of the Company is being evaluated.

The amendment to Ind AS 102 "Share Based Payment" provides specific guidance to measurement of cash-settled share based payment transaction and share based payment transaction with a net settlement feature for withholding tax obligations. As the Company has not issued any stock options plans this amendment does not have any impact on the financial statements of the Company.

#### 3. Significant Accounting Policies

##### A. Basis of Preparation

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

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

As the operating cycle cannot be identified in normal course, the same has been assumed to have duration of 12 months.

## Notes to Financial Statements as at and for the year ended 31st March 2017

All Assets and Liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in Ind AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

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

### Fair value measurement

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

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

- a) Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b) Level 2 : inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.
- c) Level 3 : inputs for the asset or liability which are not based on observable market data.

### B. Property, Plant and Equipment

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

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

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

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

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

- (i) Depreciation has been provided (a) as per the useful life specified under Schedule II to the Companies Act, 2013 on assets installed/acquired up to 31st March 1990 on written down value method and in respect of additions thereafter on straight line method; (b) in case of certain items of Plants and Equipments where useful life ranging from 5 to 30 years has been considered based on technical assessment, which is different from the useful life prescribed under Schedule II of the Companies Act, 2013.
- (ii) Certain Plant and Equipments have been considered as continuous process plant as defined under Schedule II to the Companies Act, 2013 on the basis of technical evaluation.
- (iii) Subsequent costs are depreciated over the remaining life of the plant and equipment.
- (iv) Depreciation on incremental cost of arising on account of exchange difference is amortised on straight line method over the remaining life of the asset.

## Notes to Financial Statements as at and for the year ended 31st March 2017

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

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

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

### C. Intangible Assets

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

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

### D. Derecognition of Tangible and Intangible Assets

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

### E. Leases

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

Finance leases are capitalized at the inception of the lease at lower of its fair value and the present value of the minimum lease payments and a liability is recognized for an equivalent amount. Any initial direct cost of the lessee is added to the amount recognized as an asset. Each Lease payment is apportioned between finance charge and reduction of the lease liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the outstanding amount of the liabilities.

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

### F. Impairment of Tangible and Intangible Assets

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

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

## Notes to Financial Statements as at and for the year ended 31st March 2017

### G. Financial Assets and Liabilities

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

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

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

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

#### (i) Cash and cash equivalents

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

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

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

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

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (including all fees and points paid or received, transaction costs and other premiums or discounts) through the expected life of the Financial Asset or Financial Liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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

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

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

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

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

## Notes to Financial Statements as at and for the year ended 31st March 2017

in certain foreign currencies. The Company uses hedging instruments that are governed by the policies of the Company which are approved by the Board of Directors and provide principles on the use of such financial derivatives consistent with the risk management strategy of the Company. The hedge instruments are designated and documented as hedges and effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis.

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

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

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

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

### Impairment of financial assets

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

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

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

### De-recognition of financial instruments

The Company de-recognizes 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 de-recognition 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 de-recognition of assets measured at FVTOCI the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

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

## H. Inventories

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

## Notes to Financial Statements as at and for the year ended 31st March 2017

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

### I. Foreign Currency Transactions

#### Presentation Currency:

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

#### Transactions and Balances:

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

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

### J. Equity Share Capital

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

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

### K. Provisions, Contingent Liabilities and Contingent Assets

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

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

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

### L. Employee Benefits

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

**Provident & Family Pension Fund:** In accordance with the provisions of the Employee Provident Funds and Miscellaneous Provisions Act, 1952, eligible employees of the company are entitled to receive benefits with respect to provident fund, a defined contribution plan, in which both the company and employee contribute monthly to Provident Fund Scheme by



## Notes to Financial Statements as at and for the year ended 31st March 2017

the Central Government/Trust at a determined rate. The company contributes to the Employees' Pension Scheme, 1995 for certain categories of employees. The Company's contribution is charged off to the Statement of Profit and Loss.

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

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

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

### M. Revenue

#### Sale of Goods

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

#### Interest, Dividend and Claims

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

#### Export Benefits

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

### N. Borrowing Cost

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

### O. Research and Development

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

### P. Government Grants

Government grants are recognized on systematic basis when there is reasonable certainty of realization of the same. Revenue grants including subsidy/rebates are credited to Statement of Profit and Loss Account under "Other Income" or deducted from the related expenses for the period to which these are related. Grants which are meant for purchase, construction or otherwise acquire non current assets are recognized as Deferred Income and disclosed under Non Current

## Notes to Financial Statements as at and for the year ended 31st March 2017

Liabilities and transferred to Statement of Profit and Loss on a systematic basis over the useful life of the respective asset. Grants relating to non-depreciable assets is transferred to Statement of Profit and Loss over the periods that bear the cost of meeting the obligations related to such grants.

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

### Q. Taxes on Income

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

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

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

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

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

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

### R. Earnings Per Share

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

### S. Non-current assets held for sale

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

The Company classifies non-current assets as held for sale if their carrying amount will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that

## Notes to Financial Statements as at and for the year ended 31st March 2017

significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

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

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

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

### U. Measurement of EBITDA

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

## Notes to Financial Statements as at and for the year ended 31st March 2017

### 2.1.A PROPERTY, PLANT AND EQUIPMENT

₹ in Lakhs

Particulars	Property, Plant and Equipment								Total
	Freehold Land	Leasehold Land	Buildings	Leasehold Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	
<b>(A) Gross Carrying Value/Deemed Cost</b>									
As at 1st April 2015	34,713.42	5,185.37	53,021.77	7.95	1,57,484.57	292.37	1,771.76	87.02	2,52,564.23
Additions	-	-	4,112.51	-	3,841.77	3.26	-	10.34	7,967.88
Disposals / deductions	-	-	(79.15)	-	(400.33)	-	(282.13)	(0.15)	(761.76)
Other adjustments									
Foreign Exchange differences	-	-	-	-	2,405.00	-	-	-	2,405.00
As at 31st March 2016	34,713.42	5,185.37	57,055.13	7.95	1,63,331.01	295.63	1,489.63	97.21	2,62,175.35
Additions	-	-	159.98	-	6,247.18	1.28	31.52	17.98	6,457.94
Disposals / deductions	-	-	(1.05)	-	(1,389.48)	(0.01)	(103.00)	(0.11)	(1,493.65)
Other adjustments									
Foreign Exchange differences	-	-	-	-	(1,146.30)	-	-	-	(1,146.30)
As at 31st March 2017	34,713.42	5,185.37	57,214.06	7.95	1,67,042.41	296.90	1,418.15	115.08	2,65,993.34
<b>(B) Accumulated Depreciation</b>									
As at 1st April 2015	-	-	-	-	-	-	-	-	-
Charge for the year	-	31.84	1,933.24	0.15	17,422.73	51.53	437.11	39.57	19,916.17
Deductions	-	-	(2.28)	-	(77.55)	-	(56.08)	(0.01)	(135.92)
As at 31st March 2016	-	31.84	1,930.96	0.15	17,345.18	51.53	381.03	39.56	19,780.25
Charge for the year	-	31.84	1,921.59	0.15	15,094.51	45.57	352.69	27.54	17,473.89
Deductions	-	-	(0.08)	-	(352.43)	-	(56.35)	(0.05)	(408.91)
As at 31st March 2017	-	63.68	3,852.47	0.30	32,087.26	97.10	677.37	67.05	36,845.23
<b>(C) Net Block (A-B)</b>									
As at 1st April 2015 (Deemed Cost)	34,713.42	5,185.37	53,021.77	7.95	1,57,484.57	292.37	1,771.76	87.02	2,52,564.23
As at 31st March 2016	34,713.42	5,153.53	55,124.17	7.80	1,45,985.83	244.10	1,108.60	57.65	2,42,395.10
As at 31st March 2017	34,713.42	5,121.69	53,361.59	7.65	1,34,955.15	199.80	740.78	48.03	2,29,148.11

**2.1.A.1** Building includes ₹ 1,144.89 lakhs (31st March 2016 : ₹ 1,144.89 lakhs ; 1st April 2015 : ₹ 1,144.89 lakhs) for acquiring Equity Shares in a body corporate. By virtue of acquiring the Shares, the Company has right to use and occupy certain office space.

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

**2.1.A.3** The company has considered the net carrying value of Property, Plant and Equipment as on the date of transition as deemed cost under Ind AS 101 "First-Time Adoption of Indian Accounting Standards" except Freehold Land and Lease hold Land which have been fair valued as on 1 April 2015 and have been considered as deemed cost under Ind AS. **(Refer note 2.51.A & 2.52).**

**2.1.A.4** The Company, being a first-time adopter has opted to use the exemption under Ind AS 101 First Time Adoption of Indian Accounting Standards and has continued the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP i.e. 31st March 2016. The Company has capitalised/decapitalised exchange loss/gain respectively arising on long-term foreign currency loan. Accordingly, exchange gain amounting to ₹ 1146.30 Lakhs (31st March 2016 - exchange loss ₹ 2405.00 Lakhs; 1st April 2015 - exchange loss ₹ 1771.25 Lakhs) has been adjusted to the cost of Plant and Equipments. The unamortised amount as on 31st March 2017 ₹ 5612.75 Lakhs (31st March 2016 : ₹ 7694.02 Lakhs ; 1st April 2015 : ₹ 5971.64 Lakhs).

## Notes to Financial Statements as at and for the year ended 31st March 2017

**2.1.A.5** The company has elected to measure all its Property, Plant and Equipment (except Freehold Land and Lease hold Land which have been fair valued as mentioned in **note 2.1.A.3** above) at the previous GAAP carrying amount i.e. 31st March 2015 as its deemed cost (Gross Block Value) on the date of transition to Ind AS i.e. 1st April 2015. The movement in carrying value of Property, Plant and Equipment as per previous GAAP is mentioned below:

₹ in Lakhs

Particulars	Property, Plant and Equipment								Total
	Freehold Land	Leasehold Land	Buildings	Leasehold Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	
<b>(A) Gross Carrying Value</b>									
<b>As at 1st April 2015</b>	<b>34,713.42</b>	<b>5,379.78</b>	<b>62,610.81</b>	<b>9.18</b>	<b>2,86,055.32</b>	<b>636.75</b>	<b>4,177.33</b>	<b>534.39</b>	<b>3,94,116.98</b>
Additions	-	-	4,112.51	-	3,841.77	3.26	-	10.34	7,967.88
Disposals / deductions	-	-	(80.25)	-	(2,128.71)	-	(631.70)	(0.34)	(2,841.00)
Other adjustments									
Foreign Exchange differences	-	-	-	-	2,405.00	-	-	-	2,405.00
<b>As at 31st March 2016</b>	<b>34,713.42</b>	<b>5,379.78</b>	<b>66,643.07</b>	<b>9.18</b>	<b>2,90,173.38</b>	<b>640.01</b>	<b>3,545.63</b>	<b>544.39</b>	<b>4,01,648.86</b>
Additions	-	-	159.98	-	6,247.18	1.28	31.52	17.98	6,457.94
Disposals / deductions	-	-	(1.31)	-	(5,381.92)	(0.14)	(395.90)	(1.23)	(5,780.50)
Other adjustments									
Foreign Exchange differences	-	-	-	-	(1,146.30)	-	-	-	(1,146.30)
<b>As at 31st March 2017</b>	<b>34,713.42</b>	<b>5,379.78</b>	<b>66,801.74</b>	<b>9.18</b>	<b>2,89,892.34</b>	<b>641.15</b>	<b>3,181.25</b>	<b>561.14</b>	<b>4,01,180.00</b>
<b>(B) Accumulated Depreciation</b>									
<b>As at 1st April 2015</b>	<b>-</b>	<b>194.41</b>	<b>9,589.04</b>	<b>1.23</b>	<b>1,28,570.75</b>	<b>344.38</b>	<b>2,405.57</b>	<b>447.37</b>	<b>1,41,552.75</b>
Charge for the year	-	31.84	1,933.24	0.15	17,422.73	51.53	437.11	39.57	19,916.17
Deductions	-	-	(3.38)	-	(1,805.93)	-	(405.65)	(0.20)	(2,215.16)
<b>As at 31st March 2016</b>	<b>-</b>	<b>226.25</b>	<b>11,518.90</b>	<b>1.38</b>	<b>1,44,187.55</b>	<b>395.91</b>	<b>2,437.03</b>	<b>486.74</b>	<b>1,59,253.76</b>
Charge for the year	-	31.84	1,921.59	0.15	15,094.51	45.57	352.69	27.54	17,473.89
Deductions	-	-	(0.34)	-	(4,344.87)	(0.13)	(349.25)	(1.17)	(4,695.76)
<b>As at 31st March 2017</b>	<b>-</b>	<b>258.09</b>	<b>13,440.15</b>	<b>1.53</b>	<b>1,54,937.19</b>	<b>441.35</b>	<b>2,440.47</b>	<b>513.11</b>	<b>1,72,031.89</b>
<b>(C) Net Block (A-B)</b>									
<b>As at 1st April 2015 (Deemed Cost)</b>	<b>34,713.42</b>	<b>5,185.37</b>	<b>53,021.77</b>	<b>7.95</b>	<b>1,57,484.57</b>	<b>292.37</b>	<b>1,771.76</b>	<b>87.02</b>	<b>2,52,564.23</b>
<b>As at 31st March 2016</b>	<b>34,713.42</b>	<b>5,153.53</b>	<b>55,124.17</b>	<b>7.80</b>	<b>1,45,985.83</b>	<b>244.10</b>	<b>1,108.60</b>	<b>57.65</b>	<b>2,42,395.10</b>
<b>As at 31st March 2017</b>	<b>34,713.42</b>	<b>5,121.69</b>	<b>53,361.59</b>	<b>7.65</b>	<b>1,34,955.15</b>	<b>199.80</b>	<b>740.78</b>	<b>48.03</b>	<b>2,29,148.11</b>

## Notes to Financial Statements as at and for the year ended 31st March 2017

### 2.1.B INTANGIBLE ASSETS

₹ in Lakhs

Particulars	Computer Softwares
<b>(A) Gross carrying value</b>	
As at 1st April 2015	17.73
Additions	12.09
As at 31st March 2016	29.82
Additions	267.33
As at 31st March 2017	297.15
<b>(B) Accumulated Amortisation</b>	
As at 1st April 2015	-
Charge for the year	14.46
As at 31st March 2016	14.46
Charge for the year	12.99
As at 31st March 2017	27.45
<b>(C) Net Block (A-B)</b>	
As at 1st April 2015 (Deemed Cost)	17.73
As at 31st March 2016	15.36
As at 31st March 2017	269.70

**2.1.B.1** The company has considered the net carrying value of intangible assets as on the date of transition as deemed cost under Ind AS 101 "First-Time Adoption of Indian Accounting Standards".

**2.1.B.2** The company has elected to measure all its Intangibles at the previous GAAP carrying amount i.e. 31st March 2015 as its deemed cost (Gross Block Value) on the date of transition to Ind AS i.e. 1st April 2015. The movement in carrying value of Intangibles as per previous GAAP is mentioned below:

₹ in Lakhs

Particulars	Computer Softwares
<b>(A) Gross carrying value</b>	
As at 1st April 2015	1,481.83
Additions	12.09
As at 31st March 2016	1,493.92
Additions	267.33
Disposals / deductions	(112.23)
As at 31st March 2017	1,649.02
<b>(B) Accumulated Amortisation</b>	
As at 1st April 2015	1,464.10
Charge for the year	14.46
As at 31st March 2016	1,478.56
Charge for the year	12.99
Deductions	(112.23)
As at 31st March 2017	1,379.32
<b>(C) Net Block (A-B)</b>	
As at 1st April 2015 (Deemed Cost)	17.73
As at 31st March 2016	15.36
As at 31st March 2017	269.70

**Notes to Financial Statements** as at and for the year ended 31st March 2017**2.2 INVESTMENTS**

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Non-Current Investments</b>				
<b>Investments valued at cost</b>				
<b>Unquoted Equity Instruments</b>				
<b>Subsidiary - Fully paid-up Equity Share of Euro 1 each</b>	2.2.4 & 2.2.7			
HNG Global GmbH NIL (31st March, 2016 - 1,10,00,000; 1st April, 2015 - 1,10,00,000) number of shares		-	7,137.77	7,137.77
<b>Joint Venture - Fully paid-up Equity Shares of ₹ 10 each</b>				
HNG Float Glass Limited 3,45,93,005 (31st March, 2016 - 3,45,93,005 ; 1st April, 2015 - 3,45,93,005) number of shares	2.2.7	3,459.30	3,459.30	3,459.30
<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 Face Value of ₹ 10 each 107 (31st March, 2016 - 107; 1st April, 2015 - 107) number of shares		0.09	0.09	0.09
The Calcutta Stock Exchange Association Limited Face Value of ₹ 1 each 8,364 (31st March, 2016 - 8,364; 1st April, 2015 - 8,364) number of shares		167.28	167.28	167.28
Capexil Agencies Limited of ₹ 1000 each 5 (31st March, 2016 - 5; 1st April, 2015 - 5) number of shares		0.05	0.05	0.05
<b>Government Securities at amortised cost</b>				
National Savings Certificates	2.2.3	0.57	0.57	0.57
		<b>3,627.29</b>	<b>10,765.06</b>	<b>10,765.06</b>
<b>Current Investments at fair value through profit or loss</b>				
<b>Quoted Instruments</b>				
<b>Investments in Mutual Funds</b>				
SBI Premier Liquid Fund - Super Inst - Growth Nil (31st March, 2016 - Nil; 1st April 2015 - 5,68,744.048 units)		-	-	12,500.00
		-	-	<b>12,500.00</b>

**Notes to Financial Statements** as at and for the year ended 31st March 2017

₹ in Lakhs

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
2.2.1 Aggregate amount of quoted Investment	-	-	12,500.00
2.2.2 Market value of quoted Investment	-	-	12,500.00
2.2.3 Aggregate amount of unquoted Investment	3,627.29	10,765.06	10,765.06
2.2.4 Investment held by the company in HNG Global GmbH are pledged in the favour of the term lender of HNG Global GmbH in respect of its borrowing facility.			
2.2.5 Particulars of Investment as required in terms of Sec 186(4) of the Companies Act, 2013, have been disclosed under note no. 2.2 above.			
2.2.6 Refer Note 2.46 for information about Fair Value Measurement.			

**2.2.7 Details of Investment in subsidiary and joint venture**

Name of the entity	Relationship	Principal Activity	Place of incorporation and principal place of Business	Percentage of ownership interest		
				As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(i) HNG Float Glass Limited (Refer Note no. 2.50.G)	Joint Venture	Manufacturer of float glass	India	11.23%	11.23%	11.23%
(ii) HNG Global GmbH	Subsidiary	Manufacturer of container glass	Germany	0%	100%	100%

**2.3 NON CURRENT ASSETS - LOANS**

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>At amortised cost</b>				
<b>Unsecured, Considered good</b>				
Loan to Body Corporate	2.3.1	116.50	116.50	116.50
		<b>116.50</b>	<b>116.50</b>	<b>116.50</b>

2.3.1 Represents Loan granted for business purposes.



**Notes to Financial Statements** as at and for the year ended 31st March 2017**2.4 OTHER NON CURRENT FINANCIAL ASSETS**

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Unsecured, Considered good</b>				
<b>At amortised cost</b>				
Deposits with Bank (having maturity of more than 12 months)	2.4.1	48.59	127.85	127.76
Security Deposits		1,862.06	1,812.76	1,257.08
<b>Derivative instruments at fair value through profit or loss</b>				
<b>Derivative instruments not designated as hedges</b>				
Receivable on account of Derivative Contract		1,002.52	1,778.97	1,406.76
		<b>2,913.17</b>	<b>3,719.58</b>	<b>2,791.60</b>

2.4.1 Deposit with Banks are pledged with the Government Authorities.

**2.5 OTHER NON-CURRENT ASSETS**

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Capital Advances		746.69	1,014.00	638.92
Prepaid Expenses		34.74	13.88	16.81
State Incentives	2.5.1	323.80	696.34	1,167.26
		<b>1,105.23</b>	<b>1,724.22</b>	<b>1,822.99</b>

2.5.1 State incentive includes:

- ₹ 43.29 Lakhs (31st March 2016 - ₹ 103.80 Lakhs; 1st April 2015 - ₹ 215.70 Lakhs) for Input VAT Credit - Deferred, which can be utilised only after repayment of corresponding amount of Sales Tax Deferred Loan.
- ₹ 280.51 Lakhs (31st March 2016 - ₹ 592.54 Lakhs; 1st April 2015 - ₹ 951.56 Lakhs) as Industrial Promotion Assistance.

## Notes to Financial Statements as at and for the year ended 31st March 2017

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

(Value taken and certified by the management)

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Raw Materials [Including in transit ₹ 2006.60 Lakhs (31st March 2016 - ₹ 1113.87 Lakhs ; 1st April 2015 - ₹ 3999.54 Lakhs)]		9,457.33	6,773.40	8,659.64
Work in Progress		917.55	792.00	709.54
Finished Goods		32,122.44	26,453.10	27,018.19
Stores and Spare [Including in transit ₹ 2035.76 Lakhs (31st March, 2016 - ₹ 802.61 Lakhs ; 1st April 2015 - ₹ 1540.49 Lakhs)]	2.6.1, 2.6.2 & 2.6.3	16,314.15	15,543.19	15,167.57
Packing Materials [Including in transit ₹ 43.36 Lakhs (31st March 2016 - ₹ 2.11 Lakhs ; 1st April 2015 - ₹ 14.27 Lakhs)]	2.6.3	1,280.77	1,197.48	1,221.83
		<b>60,092.24</b>	<b>50,759.17</b>	<b>52,776.77</b>

- 2.6.1 Inventories of Stores and Spare Parts include certain slow moving, non-moving and obsolete items. An impairment allowance of ₹ 788.05 Lakhs (31st March 2016 - ₹ 746.05 Lakhs ; 1st April 2015 - ₹ 741.10 Lakhs) towards obsolescence for such slow moving, non-moving and obsolete items is carried in the books and the management is of the opinion that the same is adequate and no further impairment is required there against.
- 2.6.2 Includes Scrap Inventory (burnt Refractories) amounting to ₹ NIL Lakhs (31st March 2016 - ₹ 25.76 Lakhs ; 1st April 2015 - ₹ 25.76 Lakhs) which is intended for sale.
- 2.6.3 Inventories includes items lying with third parties.
- 2.6.4 Refer Note 2.15.6 and 2.20.1 to Financial Statements in respect of charge created.

### 2.7 TRADE RECEIVABLES

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Unsecured</b>				
Considered Good		39,997.09	41,898.02	43,213.47
Considered Doubtful		243.51	100.80	359.02
Less: Impairment Allowances for receivables	2.7.4	(243.51)	(100.80)	(359.02)
		<b>39,997.09</b>	<b>41,898.02</b>	<b>43,213.47</b>

- 2.7.1 The accounts of some of the customers are pending reconciliation / confirmation.
- 2.7.2 There are no customers who represent more than 10% of the total balance of trade receivables as at the end of the reporting period.

## Notes to Financial Statements as at and for the year ended 31st March 2017

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

₹ in Lakhs

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Within Credit Period	26,458.13	24,538.46	27,296.77
1 to 90 days past due	9,957.33	14,138.28	12,077.67
91 to 180 days past due	1,458.05	1,533.03	1,701.90
More than 180 days past due	2,367.09	1,789.05	2,496.15

2.7.4 Movement of Impairment allowances for receivables

₹ in Lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
Balance at Beginning of the year	100.80	359.02
Add: Impairment Allowances recognised during the year	16.78	-
Less: Impairment Allowances written back during the year	-	(10.19)
Add/(Less): Impairment Allowances adjusted during the year	125.93	(248.03)
Balance at the end of the year	243.51	100.80

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

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

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Balances with banks:				
In Current accounts		438.83	676.60	275.27
In Cash credit accounts		-	-	2.11
In Deposit accounts (With original maturity of less than 3 months)	2.8.A.1	80.20	89.28	82.45
In Dividend accounts	2.8.A.2	1.50	1.93	2.20
Cheques on hand		-	-	7.24
Cash in hand		11.62	21.51	25.58
		<b>532.15</b>	<b>789.32</b>	<b>394.85</b>

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

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

## Notes to Financial Statements as at and for the year ended 31st March 2017

2.8.A.3 The details of Specified Bank Notes (SBN) (₹ 1000 and ₹ 500 note existing as on 8th November 2016) and other notes held and transacted during the period from 8th November 2016 to 30th December 2016 as defined and required vide notification number GSR 308(E) dated 30th March 2017 are given below:

₹ in Lakhs

Particulars	Specified Bank Notes	Other Denomination Notes	Total
Closing balance as on 8th November 2016	17.22	7.11	24.33
(+) Permitted receipt	-	42.19	42.19
(-) Permitted payment	-	42.26	42.26
(-) Amount Deposited in Banks	17.22	-	17.22
Closing cash on hand as on 30th December 2016	-	7.04	7.04

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

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
In deposit accounts (With original maturity more than 3 months but less than 12 months)	2.8.B.1	91.04	69.49	6.62
		91.04	69.49	6.62

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

### 2.9 CURRENT ASSETS - LOANS

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
At Amortised Cost				
Unsecured, Considered good				
Loans and Advances to Employees		18.68	22.19	21.15
		18.68	22.19	21.15

### 2.10 OTHER CURRENT FINANCIAL ASSETS

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
At Amortised Cost				
Unsecured, Considered good				
Advance to Related party		-	-	122.64
Security Deposits		1.80	-	10.02
Interest Receivable		186.16	262.26	218.43
Others	2.10.1	110.28	440.87	87.37
Derivative instruments at fair value through Profit or Loss				
Derivative instruments not designated as hedges				
Receivable on account of Derivative Contract	2.22.3	417.72	209.29	20.27
		715.96	912.42	458.73

**Notes to Financial Statements as at and for the year ended 31st March 2017**

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
2.10.1 Includes:				
(i) Insurance Claim Receivable		45.35	45.35	45.35
(ii) Excess remuneration paid to Vice Chairmen and Managing Directors for financial year 2014-15 (Also refer note- 2.38.1 and 2.38.II (e))		-	327.10	-

**2.11 CURRENT TAX ASSETS (NET)**

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Advance Income Tax		2,337.79	2,288.77	4,834.65
Less: Provision for Tax		(2,035.62)	(2,035.62)	(4,439.61)
		<b>302.17</b>	<b>253.15</b>	<b>395.04</b>

**2.12 OTHER CURRENT ASSETS**

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
State Incentives	2.12.2	566.06	1,266.16	757.28
Balances / Deposit with Government Authorities	2.12.1	6,333.46	6,807.07	7,684.32
Prepaid expenses		607.21	596.18	148.03
Property, Plant and Equipment held for sale	2.12.3	69.95	49.01	7.17
Advance to Suppliers		2,048.49	2,335.71	2,794.37
<b>Considered Doubtful</b>				
Advance to Suppliers		88.02	57.31	58.10
Less: Impairment Allowances for loans and advances	2.12.4	(88.02)	(57.31)	(58.10)
Balances / Deposit with Government Authorities		-	49.95	49.95
Less: Impairment Allowances for balances/deposit with government authorities	2.12.5	-	(49.95)	(49.95)
		<b>9,625.17</b>	<b>11,054.13</b>	<b>11,391.17</b>

2.12.1 Includes ₹ 19.59 Lakhs (31st March 2016 - ₹ 19.12 Lakhs ; 1st April 2015 - ₹ 23.21 Lakhs) deposited against demand raised by the Sales Tax Authority.

2.12.2 State incentive includes:

(a) ₹ 87.10 Lakhs (31st March 2016 - ₹ 110.39 Lakhs ; 1st April 2015 - ₹ 80.48 Lakhs) for Input VAT Credit - Deferred, which can be utilised only after repayment of corresponding amount of Sales Tax Deferred Loan.

(b) ₹ 478.96 Lakhs (31st March 2016 - ₹ 1155.77 Lakhs; 1st April 2015 - ₹ 676.80 Lakhs) as Industrial Promotion Assistance.

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

## Notes to Financial Statements as at and for the year ended 31st March 2017

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

₹ in Lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
Balance at Beginning of the year	57.31	58.10
Add: Impairment Allowances recognised during the year	30.71	-
Less: Impairment Allowances adjusted during the year	-	0.79
<b>Balance at the end of the year</b>	<b>88.02</b>	<b>57.31</b>

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

₹ in Lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
Balance at Beginning of the year	49.95	49.95
Add: Impairment Allowances recognised during the year	-	-
Less: Impairment Allowances adjusted during the year	49.95	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>49.95</b>

### 2.13 EQUITY SHARE CAPITAL

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
		Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Authorised Share Capital - Equity Shares of ₹ 2/- each		2,55,75,00,000	51,150.00	2,55,75,00,000	51,150.00	2,55,75,00,000	51,150.00
Issued, Subscribed and fully paid - up Share Capital - Equity Shares of ₹ 2/- each		8,73,38,565	1,746.77	8,73,38,565	1,746.77	8,73,38,565	1,746.77
Out of above 3,21,21,725 (31st March 2016 - 3,21,21,725 ; 1st April 2015 - 3,21,21,725) Equity Shares had been issued pursuant to a Scheme of Amalgamation and Arrangement for consideration other than cash.							
			1,746.77		1,746.77		1,746.77

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

2.13.2 There is no change in the number of shares outstanding at the beginning and at the end of the reporting periods.

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

Name of Share Holders	Number of Shares held 31st March 2017	Number of Shares held 31st March 2016	Number of Shares held 1st April 2015
Brabourne Commerce Private Limited	2,14,14,485	2,14,14,485	2,14,14,485
Spotlight Vanijya Limited	1,61,99,975	1,61,99,975	1,61,99,975
Dilip S Damle (Trustee HNG Trust and ACE Trust)	1,46,41,600	1,46,41,600	1,46,41,600
Ironwood Investment Holdings	63,48,025	63,48,025	63,48,025
Rungamattee Trexim Private Limited	44,20,550	44,20,550	44,20,550
Spotme Tracon Private Limited	44,20,545	44,20,545	44,20,545

**Notes to Financial Statements** as at and for the year ended 31st March 2017**2.14 OTHER EQUITY**

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Capital Reserve	2.14.1	5,595.85	5,595.85	5,595.85
Securities Premium Reserve	2.14.2	5,823.09	5,823.09	5,823.09
Debenture Redemption Reserve	2.14.3	5,000.00	5,208.34	5,416.67
General Reserve	2.14.4	69,573.88	69,365.54	69,157.21
Retained Earnings	2.14.5	(47,602.97)	(34,890.43)	(16,655.14)
Other Comprehensive Income	2.14.6	(658.64)	(584.40)	-
		<b>37,731.21</b>	<b>50,517.99</b>	<b>69,337.68</b>

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

**2.14.1 Capital Reserve comprises of:**

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

In terms of Scheme of Arrangement pursuant to the Order of Hon'ble High Court, Calcutta dated April 7, 2008 and by the Hon'ble High Court, Delhi dated March 19, 2008 (the Scheme) sanctioning the amalgamation of Ace Glass Containers Limited (AGCL) with the Company, 13,68,872 and 21,41,448 equity shares of ₹ 10/- each of the Company issued in lieu of the shares of the Company held by AGCL and shares of AGCL held by the Company were transferred to ACE Trust and HNG Trust respectively in earlier years for the sole benefit of the Company. Out of the shares so transferred 68,44,360 and 77,97,240 equity shares of ₹ 2/- each of the Company (after subdivision of 1 equity share of ₹ 10/- each into 5 equity shares of ₹ 2/- each w.e.f. 13/11/2009) are held by ACE Trust and HNG Trust respectively as on 31st March 2017. In view of the shares being held for the sole benefit of the Company as mentioned above, the book value of ₹ 6,014.85 Lakhs of these investments has been shown as deduction from Share Holders Fund and thereby General Reserve is adjusted to that extent. Receipt from the Trusts on account of beneficial interest is credited to Capital reserve.

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

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

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

2.14.5 Retained Earnings generally represent the undistributed profits/amount of accumulated earnings of the Company. It includes ₹ 31,138.35 Lakhs (31st March 2016 - ₹ 31,223.06 Lakhs; 1st April 2015 - ₹ 31,316.39 Lakhs) which is not available for distribution as dividend represented by change in carrying amount of Freehold and Leasehold Land upon measurement of Fair Value for deemed cost on the date of transition (Refer Note No. 2.51.A.1) and revaluation reserve as on the date of the transition. Additional Depreciation due to Fair Value Measurement to the extent provided each year becomes available for distribution as dividend.

## Notes to Financial Statements as at and for the year ended 31st March 2017

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

### 2.15 BORROWINGS

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
		Non Current	Current Maturities	Non Current	Current Maturities	Non Current	Current Maturities
<b>At Amortised Cost</b>							
<b>Secured Loans</b>							
<b>a) Debentures</b>							
(i) 10.40% Redeemable Non Convertible Debentures privately placed with Life Insurance Corporation of India	2.15.1, 2.15.6 (A) and 2.15.6 (F)	19,928.61	-	19,913.61	-	19,898.63	-
(ii) 10.75% Redeemable Non Convertible Debentures privately placed with General Insurance Corporation of India	2.15.1, 2.15.6 (A) and 2.15.6 (F)	-	-	-	833.34	833.34	833.33
<b>b) Term Loans</b>							
From Banks	2.15.2, 2.15.6 (C), 2.15.6 (E) and 2.15.6 (F)	1,53,232.78	13,801.12	1,66,670.95	5,736.00	1,45,720.77	18,247.16
From a Financial Institution	2.15.3, 2.15.6 (C) and 2.15.6 (F)	8,688.41	362.45	9,050.87	87.34	9,133.56	-
From Other	2.15.4, 2.15.6 (D), 2.15.6 (E) and 2.15.6 (F)	2,342.12	623.91	2,965.77	155.00	-	-
<b>Unsecured Loans</b>							
<b>c) Term Loans</b>							
From Other		-	-	-	-	1,870.77	1,248.75
From Related Parties	2.15.8 & 2.38.11 (e)	4,575.98	-	4,230.62	-	3,300.00	-
<b>d) Deferred Payment Liabilities</b>							
Sales Tax Deferment Loan	2.15.5	141.43	247.29	202.02	453.96	848.68	494.10
<b>e) Long term maturities of finance lease obligation</b>							
From Banks							
- Vehicle Finance Loan	2.15.6 (B)	-	-	-	51.23	84.79	280.58
		<b>1,88,909.33</b>	<b>15,034.77</b>	<b>2,03,033.84</b>	<b>7,316.87</b>	<b>1,81,690.54</b>	<b>21,103.92</b>

₹ in Lakhs

2.15.1 Security and repayment details of Non Convertible Debentures at unamortised cost outstanding as on 31st March, 2017 are as follows:	Repayment in Financial Year 2021-22
10.40% Secured Non Convertible Debentures allotted on 03.02.2012 are due for redemption at par at the end of the tenure i.e 03.02.2022. However, there is a put and call option available to the issuer/investor which can be exercised at the end of seventh year from the deemed date of allotment.	10,000.00
10.40% Secured Non Convertible Debentures allotted on 23.11.2011 are due for redemption at par at the end of the tenure i.e 23.11.2021. However, there is a put and call option available to the issuer/investor which can be exercised at the end of seventh year from the deemed date of allotment.	10,000.00



**Notes to Financial Statements** as at and for the year ended 31st March 2017

2.15.2 Repayment details of Term Loans from Banks at unamortised cost outstanding as on 31st March, 2017 are as follows:

₹ in Lakhs

Financial Year	Foreign Currency Term Loan	Effective Interest: 10.20%- 12.50% p.a	Effective Interest: 12.51% - 14.50% p.a	Total
2017-2018	6,231.84	7,348.95	400.00	13,980.79
2018-2019	8,828.44	9,773.23	-	18,601.67
2019-2020	11,035.55	11,990.16	-	23,025.71
2020-2021	16,553.33	15,622.18	-	32,175.51
2021-2022	9,932.00	15,247.18	-	25,179.18
2022-2023	-	24,093.71	-	24,093.71
2023-2024	-	20,593.71	-	20,593.71
2024-2025	-	9,967.93	-	9,967.93
<b>Total</b>	<b>52,581.16</b>	<b>1,14,637.05</b>	<b>400.00</b>	<b>1,67,618.21</b>

2.15.3 Repayment details of Term Loans from a Financial Institution at unamortised cost outstanding as on 31st March, 2017 are as follows:

₹ in Lakhs

Financial Year	Effective Interest: 10.20%-12.50%	Total
2017-2018	367.00	367.00
2018-2019	550.00	550.00
2019-2020	642.00	642.00
2020-2021	917.00	917.00
2021-2022	917.00	917.00
2022-2023	2,200.00	2,200.00
2023-2024	2,200.00	2,200.00
2024-2025	1,281.67	1,281.67
<b>Total</b>	<b>9,074.67</b>	<b>9,074.67</b>

2.15.4 Repayment details of Term Loan from Other at unamortised cost outstanding as on 31st March, 2017 are as follows:

₹ in Lakhs

Financial Year	Effective Interest: 10.20%-12.50%	Total
2017-2018	625.00	625.00
2018-2019	625.00	625.00
2019-2020	625.00	625.00
2020-2021	625.00	625.00
2021-2022	469.00	469.00
<b>Total</b>	<b>2,969.00</b>	<b>2,969.00</b>

2.15.5 Deferred Sales Tax Loan at unamortised cost outstanding as on 31st March, 2017 is interest free and is payable as per the repayment schedule as follows:

₹ in Lakhs

Financial Year	Total
2017-2018	247.29
2018-2019	141.43
<b>Total</b>	<b>388.72</b>

## Notes to Financial Statements as at and for the year ended 31st March 2017

### 2.15.6 Nature of Security for Borrowings:

- A) Non-Convertible Debentures are secured by first charge ranking pari-passu on all immovable properties by way of equitable mortgage and hypothecation of all movable properties both present and future of the Company.
- B) Vehicle Loans are secured against vehicles hypothecated against them.
- C) Term loans from Banks and Financial Institution other than a loan of ₹ 7500 Lakhs from a Bank (Refer note - 2.15.6(D) below), are secured by first charge ranking pari-passu on all immovable properties by way of equitable mortgage and hypothecation of all movable 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.
- D) Term Loan from Other represent Loan from a Body Corporate. The said Loan and a loan of ₹ 7500 Lakhs from a Bank (Refer Note - 2.15.6(C) above) are secured by second charge ranking pari-passu on all immovable properties by way of equitable mortgage and hypothecation of all movable properties both present and future of the Company.
- E) Pledge of treasury shares of the Company held by HNG Trust and ACE Trust.
- F) 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.

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

In terms of the CAP approved by JLF, the terms and conditions of the outstanding term loans from Banks and Financial Institutions have been restructured with effect from 1st December, 2014. This inter-alia includes moratorium for repayment of principal for two years and thereafter the aforesaid loans to be repaid over the period of 5 to 8 years depending on the nature of the loan. The said restructuring is, however subject to fulfillment of certain conditions and creation of securities etc. including those given in Note 2.15.8, which are being complied with.

Lenders of the Company (comprising of 93% in number and values) except The Hongkong and Shanghai Banking Corporation (HSBC) have agreed to the CAP and have decided to provide the required assistance to the Company. HSBC has not agreed to the terms and conditions of the CAP and has recalled their entire facilities (including working capital facilities). HSBC had filed a suit before the Hon'ble High Court at Calcutta and has also initiated recovery proceedings at Debt Recovery Tribunal (DRT). The DRT vide its order dated 24th February 2017 has stated that original application filed by HSBC is premature and is liable to be dismissed for the reasons mentioned in the order. Subsequent to the order, HSBC vide its letter dated 05th April 2017 has informed to the company that it had assigned all the rights, title and interest in financial assistance granted by them to the company in favour of Edelweiss Asset Reconstruction Company Limited ("EARC"), acting in its capacity as trustee of EARC Trust - SC 245 vide assignment agreement executed in favour of EARC on 22nd March 2017. The amount of term loan recalled by HSBC on 7th January 2015 and outstanding as on Balance sheet date amounting to ₹ 17,113.15 Lakhs have continued to be classified as per terms and conditions of CAP.

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

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

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

**Notes to Financial Statements** as at and for the year ended 31st March 2017**2.16 OTHER NON CURRENT FINANCIAL LIABILITIES**

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>At Amortised Cost</b>				
Retention Money		385.74	437.24	505.15
		<b>385.74</b>	<b>437.24</b>	<b>505.15</b>

**2.17 PROVISIONS**

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Provision for Employee Benefits	2.17.1	1,195.44	1,068.14	971.05
		<b>1,195.44</b>	<b>1,068.14</b>	<b>971.05</b>

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

**2.18 DEFERRED TAX LIABILITIES (NET)**

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	Current Year Charge/ (Credit) to P/L	As at 31st March 2016	Current Year Charge/ (Credit) to P/L	As at 1st April 2015
<b>Deferred Tax Liabilities</b>						
Accelerated Tax Depreciation		33,420.08	(7,400.36)	40,820.44	15,431.61	25,388.83
<b>Gross Deferred Tax Liability</b>		<b>33,420.08</b>	<b>(7,400.36)</b>	<b>40,820.44</b>	<b>15,431.61</b>	<b>25,388.83</b>
<b>Deferred Tax Assets</b>						
Provision for Post Retirement Benefits and Other Employment Benefits		587.83	529.54	58.29	(376.87)	435.16
Brought Forward Unabsorbed Depreciation		32,749.49	(7,978.40)	40,727.89	15,932.98	24,794.91
Provision for Loss on Derivative Transaction		-	-	-	-	-
Short Term Capital Loss		-	-	-	-	-
Impairment Allowances of Trade Receivable		82.76	48.50	34.26	(124.50)	158.76
<b>Gross Deferred Tax Asset</b>		<b>33,420.08</b>	<b>(7,400.36)</b>	<b>40,820.44</b>	<b>15,431.61</b>	<b>25,388.83</b>
<b>Net Deferred Tax Liability</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

2.18.1 Unrecognised unused Tax Losses and unused Tax credits

(i) Unused Tax Losses and unabsorbed depreciation	17,198.42	6,153.82	15,730.87
(ii) Unused Tax Credits (Minimum Alternate Tax)	3,152.01	3,152.01	3,152.01

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

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

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

## Notes to Financial Statements as at and for the year ended 31st March 2017

### 2.19 OTHER NON-CURRENT LIABILITIES

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Other Liabilities</b>				
Advance received from Customers		1,146.22	1,154.32	1,167.17
		<b>1,146.22</b>	<b>1,154.32</b>	<b>1,167.17</b>

### 2.20 BORROWING

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Secured Loans</b>				
Working Capital Facilities from Banks (repayable on demand)	2.20.1 & 2.15.7	52,856.27	44,512.12	58,659.21
Buyer's Credit	2.20.1	-	5,316.29	7,084.49
		<b>52,856.27</b>	<b>49,828.41</b>	<b>65,743.70</b>

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

- A) Pari passu first charge hypothecation of entire current assets of the Company, both present and future and pari passu second charge on entire Property, Plant and Equipment of the company in favour of consortium bankers led by State Bank of India.
- B) Additional Security to lenders who have agreed to CAP:
  - (i) Pledge of 51% of the Company's Shareholding held by Promoter and Promoter Group on pari passu basis with other lenders.
  - (ii) Personal Guarantee of Mr Sanjay Somany and Mr Mukul Somany.

### 2.21 TRADE PAYABLES

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Payables for goods and services	2.21.1 & 2.21.2	45,244.04	44,173.27	42,806.38
		<b>45,244.04</b>	<b>44,173.27</b>	<b>42,806.38</b>

2.21.1 Payable for goods and services includes acceptances 13,542.21 11,759.85 7,004.23

2.21.2 Disclosure of sundry creditors under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprise Development Act, 2006 (the Act). Total Overdue amount out of principal amount outstanding at the end of the year is ₹ 409.14 Lakhs (31st March 2016 - ₹ 420.21 Lakhs; 1st April 2015 - ₹ 608.24 Lakhs). Based on above the relevant disclosures u/s 22 of the Act are as follows:

₹ in Lakhs

1. Principal amount outstanding at the end of the year	759.36	644.24	1,460.13
2. Interest amount due at the end of the year	193.56	183.78	126.71
	<b>952.92</b>	<b>828.02</b>	<b>1,586.84</b>

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

**Notes to Financial Statements** as at and for the year ended 31st March 2017**2.22 OTHER CURRENT FINANCIAL LIABILITIES**

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Financial liabilities at fair value through profit or loss</b>				
<b>Derivatives not designated as hedges</b>				
Liability on derivative contracts	2.22.3	-	117.34	97.94
<b>Other financial liabilities at amortised cost</b>				
Current maturities of long term debt	2.15 & 2.22.1	15,034.77	7,265.64	20,823.34
Current maturities of vehicle finance loan	2.15	-	51.23	280.58
Interest accrued but not due on borrowings		1,061.37	1,515.33	1,250.19
Interest accrued and due on borrowings		839.75	834.79	462.47
Unpaid dividend	2.22.2	1.50	1.93	2.20
<b>Other payables</b>		3,515.22	2,092.59	6,401.91
Creditors on account of Capital Goods		3,348.60	1,907.42	6,220.63
Book Overdraft		-	4.48	25.77
Others		166.62	180.69	155.51
		<b>20,452.61</b>	<b>11,878.85</b>	<b>29,318.63</b>

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

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

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

**2.23 OTHER CURRENT LIABILITIES**

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Other payables</b>				
Statutory Dues - PF, ESI, Service Tax, TDS, Entry Tax etc.		3,941.33	3,409.56	2,604.78
Excise Duty Liability on Closing Stock		3,425.81	3,089.01	2,920.72
Advance from Customers		1,228.16	1,439.27	1,295.21
		<b>8,595.30</b>	<b>7,937.84</b>	<b>6,820.71</b>

## Notes to Financial Statements as at and for the year ended 31st March 2017

### 2.24 PROVISIONS

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Provision for Employee Benefits		329.63	215.41	1,199.09
		<b>329.63</b>	<b>215.41</b>	<b>1,199.09</b>

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

### 2.25 REVENUE FROM OPERATIONS

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>Sale of Products (including excise duty)</b>			
Finished Goods	2.25.3	2,05,330.28	2,16,207.16
<b>Other Operating Revenue</b>			
Scrap Sales		229.24	224.58
Insurance Claim received		254.24	52.53
Liabilities no longer required written back		259.98	743.43
Others	2.25.1 & 2.25.2	359.95	763.56
<b>Revenue from Operations</b>		<b>2,06,433.69</b>	<b>2,17,991.26</b>

2.25.1 Includes Industrial Promotion Assistance received under State Incentive Scheme during the period is ₹ 277.68 Lakhs (Previous year: ₹ 466.80 Lakhs) and export incentives of ₹ 31.42 Lakhs (Previous year : ₹ 151.84 lakhs)

2.25.2 Sale of goods includes excise duty collected from customers of ₹ 20373.76 lakhs (31st March 2016: ₹ 20,123.26 lakhs).

2.25.3 Damages, rebate and discount are adjusted with revenue.

### 2.26 OTHER INCOME

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
Interest Income at amortised cost on deposits and others		146.96	147.83
Dividend Income from Non current Investments	2.26.1	1.67	1.67
<b>Other Non Operating income (net of expense directly attributable to such income)</b>			
Rent and Hire Charges		141.96	139.39
Miscellaneous Income		239.14	60.43
<b>Other Gains and Losses</b>			
Net Gain on sale of Current Investments		163.21	257.51
Exchange Gain (Net)		1.36	-
		<b>694.30</b>	<b>606.83</b>

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

**Notes to Financial Statements** as at and for the year ended 31st March 2017**2.27 COST OF MATERIALS CONSUMED**

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
Raw Materials Consumed	2.42	59,694.62	64,016.71
		<b>59,694.62</b>	<b>64,016.71</b>
<b>Movement of Raw Material Consumed:</b>			
Opening Stock		6,773.40	8,659.64
Add: Purchases		62,378.55	62,130.47
Less: Closing Stock		9,457.33	6,773.40
Raw Materials Consumed		<b>59,694.62</b>	<b>64,016.71</b>

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

2.27.2 Supplier's Claims adjusted with Raw Material consumption.

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

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>Closing Stock</b>			
Finished Goods		32,122.44	26,453.10
Work-in-Progress		917.55	792.00
		<b>33,039.99</b>	<b>27,245.10</b>
Less:			
<b>Opening Stock</b>			
Finished Goods		26,453.10	27,018.19
Work-in-Progress		792.00	709.54
		<b>27,245.10</b>	<b>27,727.73</b>
		<b>(5,794.89)</b>	<b>482.63</b>

**2.29 EMPLOYEE BENEFIT EXPENSES**

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
Salaries and Wages	2.29.1	19,347.77	17,120.71
Contribution to Provident and Other Funds		1,212.65	289.73
Workmen and Staff Welfare Expenses		554.38	518.73
		<b>21,114.80</b>	<b>17,929.17</b>

2.29.1 Refer note 2.38.1 for Remuneration paid to Vice Chairmen &amp; Managing Directors

## Notes to Financial Statements as at and for the year ended 31st March 2017

### 2.30 OTHER EXPENSES

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31st March 2017		For the year ended 31st March 2016	
Stores and Spare Parts Consumed	2.30.1		8,059.63		8,435.98
Power and Fuel	2.30.2		57,066.69		53,447.99
Packing Material Consumed and Packing Charges			16,043.59		16,158.18
Rent			1,188.13		1,115.10
Rates and Taxes			307.31		253.14
Repairs:					
Buildings			200.97		109.28
Plant and Equipment			1,115.89		805.25
Others			281.11		214.09
Freight outwards, Transport and Other Selling Expenses (Net of realisation ₹ 7708.51 Lakhs, Previous Year ₹ 6778.58 Lakhs)			2,440.43		2,739.74
Commission on Sales			105.01		74.26
Insurance			506.93		319.72
Excise Duty on Increase/(Decrease) of Stock			708.35		317.12
Bad Debts Written Off		-	-	30.95	
Less: Write Back of impairment allowances for trade receivable		-	-	(10.19)	20.76
Balance with government authorities written off		49.95		-	
Less: Write Back of impairment allowances		(49.95)	-	-	
Impairment Allowances against Trade Receivables			16.78		-
Charity and Donation			1.90		0.42
Loss on Sale/Discard of Property Plant and Equipment			884.27		102.37
Exchange Loss (Net)			-		650.30
Other Miscellaneous Expenses	2.30.3		3,696.69		4,100.90
			<b>92,623.68</b>		<b>88,864.60</b>

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

2.30.2 Electricity duty waiver benefit under State Incentive Schemes credited to Power and Fuel Account is ₹ 278.05 Lakhs (Previous year : ₹ 659.78 Lakhs)

2.30.3 Other Miscellaneous Expenses include :

₹ in Lakhs

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
a) Payment to Auditors including Swachh Bharat Cess		
<b>To Statutory Auditor:</b>		
Audit Fees	15.29	15.25
Tax Audit Fees	5.26	5.25
Certifications etc	4.31	3.81
<b>To Branch Auditor:</b>		
Audit Fees	11.34	11.25
Certifications etc	3.02	3.00
	<b>39.22</b>	<b>38.56</b>
b) Directors Travelling Expenses	<b>26.80</b>	<b>33.05</b>
c) Directors Sitting Fees	<b>8.53</b>	<b>10.30</b>



**Notes to Financial Statements** as at and for the year ended 31st March 2017**2.31 FINANCE COSTS**

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
Interest Expense		23,473.28	24,760.34
Other borrowing Costs		326.68	722.17
		<b>23,799.96</b>	<b>25,482.51</b>

**2.32 EXCEPTIONAL ITEMS**

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
Profit on disposal of Non current investments	2.32.1	9,459.33	-
		<b>9,459.33</b>	<b>-</b>

2.32.1 During the year, HNG Global GmbH has ceased to be the subsidiary of the Company with effect from 1st April 2016 on disposal of its entire shareholdings. Profit of ₹ 9459.33 Lakhs (Net of ₹ 486.20 Lakhs being expenditure recognised during the year) has been recognised and included under exceptional items.

**2.33 EARNINGS PER SHARE (EPS)**

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

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Profit /(Loss) after Tax (₹ in Lakhs)	(12,711.49)	(18,231.42)
Net Profit/(Loss) for calculation of Basic and Diluted EPS (₹ In Lakhs) (a)	<b>(12,711.49)</b>	<b>(18,231.42)</b>
Weighted Average number of Equity shares in calculating Basic and Diluted EPS (b)	8,73,38,565	8,73,38,565
Basic and Diluted EPS (a/b) (In ₹)	(14.55)	(20.87)

2.33.1 As the impact of lenders right of conversion of term loan to Equity shares is anti-dilutive, computation for diluted Earnings per share has not been worked out.

## Notes to Financial Statements as at and for the year ended 31st March 2017

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

#### A. CONTINGENT LIABILITIES

₹ in Lakhs

Sl. No.	Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>(I)</b>	<b>Claims against the company not acknowledged as debt</b>				
1	Central Excise/Sales Tax matter under appeals		1,171.22	1,193.83	3,224.54
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.		1,675.81	1,987.59	1,563.70
3	Cases pending with labour courts (to the extent ascertainable)		562.05	543.56	530.72
4	Other Claims against the Company not acknowledged as debt.		1,138.88	1,137.71	450.36
5	Octroi on Transportation of natural gas through pipeline.		351.13	337.45	323.77
6	Demand of stamp duty against leasehold land purchased from Haryana Sheet Glass Limited.		-	96.10	96.10
7	Mathadi Act for 1999-2001		-	-	45.48
8	Demand from Gas Authority of India limited for underdrawn quantity of LNG**		-	-	1,758.00
9	Income Tax under Appeal for the A Y 2011-12		1.30	1.30	1.30
<b>(II)</b>	<b>Other money for which the Company is contingently liable</b>				
10	Interest on Disputed Entry Tax*		255.41	160.12	168.43
11	Right to Recompense of Lenders as per CAP guidelines		7,232.00	4,088.00	1,242.00
<b>(III)</b>	<b>Guarantees excluding financial guarantees</b>				
12	Guarantee furnished to banks on behalf of Subsidiary	2.34.A.2 (i)&(ii)	-	27,230.45	29,449.50
13	Guarantee furnished to bank on behalf of an entity over which directors of the Company has significant influence.	2.34.A.2 (iii)	1,800.00	1,800.00	1,800.00

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

\*\* In respect of certain units, in terms of the Long Term Gas Supply Agreement with GAIL (India) Limited (referred to as the seller), there are under drawn quantities of Re-liquefied Natural Gas (RLNG) for the contract year 2015 and for the first quarter of contract year 2016. The Company has signed a "Side Letter" dated 18th January, 2016 with the Seller and whereas the Seller has agreed that the AACQ for the contract year 2015 shall be treated as downward flexibility of the Annual Contract Quantity for the contract year 2015. Further the Company has also entered into an agreement with the Seller and RLNG @ 23000 SCM/day has been transferred to another unit at Bahadurgarh with effect from 19th October, 2015. The Seller has preferred not to raise any demand on the Company for the contract year 2015. Further the Company has made the provision for the under drawn quantities equal to 12000 SCM/day for the period from 1st January 2016 to 31st March, 2016 on the same basis as the Company has settled the liability for under drawn quantity for the contract year 2014.

## Notes to Financial Statements as at and for the year ended 31st March 2017

2.34.A.1 The Company's pending litigation comprises of claims against the Company and proceeding pending with tax/statutory/ government authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, and disclosed the contingent liabilities, where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position. Future cash outflows in respect of item no. (1) to (10) as mentioned above are determinable only on receipt of judgement/decisions pending with various forums/authorities.

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

₹ in Lakhs

On Behalf of	Purpose	Date of Guarantee Issued	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(i) HNG Global GmbH.	Term loan	22nd July 11	-	23,104.62	26,064.50
(ii) HNG Global GmbH.	Working Capital Loan	10th March 14	-	4,125.83	3,385.00
(iii) AMCL Machinery Limited.	Working Capital Loan	25th June 12	1,800.00	1,800.00	1,800.00
			<b>1,800.00</b>	<b>29,030.45</b>	<b>31,249.50</b>

### B. CAPITAL AND OTHER COMMITMENTS

₹ in Lakhs

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for; Net of advance of ₹ 2216.11 Lakhs (31st March 2016 - ₹ 280.63 Lakhs; 1st April 2015 - ₹ 2162.19 Lakhs)	2,448.44	7,047.42	9,424.97

### 2.35 CAPITALISATION OF EXPENDITURE

The company had capitalised the following expenses of revenue nature incurred for construction of Property, Plant and Equipment and trial run, to the cost of Property, Plant and Equipment/Capital Work-in-Progress (CWIP). Consequently, expenses/revenue disclosed under the respective notes are net of amounts capitalised by the company.

₹ in Lakhs

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(i) Salaries and Wages	-	-	0.83
(ii) Power and Fuel	-	80.22	0.97
(iii) Miscellaneous expenses	127.62	246.58	37.49
(iv) Stores & Spares Consumed	215.95	2,148.84	64.82
(v) Payment to Contractors	-	1.09	-
(vi) Cost of Material Consumed	-	63.57	-
(vii) Packing Material Consumed and Packing Charges*	-	0.00	0.00
<b>Total</b>	<b>343.57</b>	<b>2,540.30</b>	<b>104.11</b>
Add: Brought Forward from previous year	98.28	202.39	98.28
Add: Adjustment Pursuant to Merger	-	-	1,282.96
Less: Capitalised during the year	67.64	2,644.41	1,282.96
<b>Total carried forward</b>	<b>374.21</b>	<b>98.28</b>	<b>202.39</b>

\* Represents ₹ Nil (31st March 2016- ₹ 0.00113 Lakhs ; 1st April 2015 - ₹ 0.00197 Lakhs)

## Notes to Financial Statements as at and for the year ended 31st March 2017

### 2.36 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

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

Particulars	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	Foreign Currency (in Lakhs)	INR Value (₹ in Lakhs)	Foreign Currency (in Lakhs)	INR Value (₹ in Lakhs)	Foreign Currency (in Lakhs)	INR Value (₹ in Lakhs)
<b>USD</b>						
<b>Nature of Instrument/Nature of Loan</b>						
Cross Currency Coupon Swap-External Commercial Borrowings	170.00	11,035.55	190.00	12,613.15	200.00	12,537.00
- Number of Contracts-31st March 2017 - 2, (31st March 2016 - 2; 1st April 2015 - 2)						
Derivative Contract to buy US Dollar						
- Buyers Credit	-	-	80.64	5,353.08	113.39	7,107.95
- Hedge of Foreign currency loan	170.00	11,035.55	190.00	12,613.15	200.00	12,537.00

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

Particulars	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	Foreign Currency (in Lakhs)	INR Value (₹ in Lakhs)	Foreign Currency (in Lakhs)	INR Value (₹ in Lakhs)	Foreign Currency (in Lakhs)	INR Value (₹ in Lakhs)
<b>USD</b>						
<b>Import payables</b>						
-EUR	17.55	1,216.34	20.97	1,572.63	37.47	2,537.05
-GBP	0.64	51.63	1.06	100.89	1.92	177.82
-JPY	0.84	0.49	0.84	0.50	0.84	0.44
-USD	14.02	910.17	27.78	1,844.51	43.65	2,736.14
-AUD	0.51	25.13	0.70	35.38	0.70	33.30
-CHF	0.0014	0.09	-	-	-	-
<b>Export receivables</b>						
-USD	18.21	1,182.16	13.52	897.86	18.23	1,142.93
-EUR	-	-	2.47	185.28	2.30	155.78
<b>Foreign Currency loans</b>						
-USD	640.00	41,545.60	650.00	43,150.25	650.00	40,745.25

### 2.37 SEGMENT INFORMATION

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

**Notes to Financial Statements as at and for the year ended 31st March 2017****Geographical Segment**

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

₹ in Lakhs

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Domestic Market	1,94,427.84	2,07,027.62
Overseas Market	12,005.85	10,963.64
<b>Total</b>	<b>2,06,433.69</b>	<b>2,17,991.26</b>

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

₹ in Lakhs

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Domestic Market	37,454.41	39,550.25	41,922.04
Overseas Market	2,786.19	2,448.57	1,650.45
<b>Total</b>	<b>40,240.60</b>	<b>41,998.82</b>	<b>43,572.49</b>

**2.38 RELATED PARTY DISCLOSURES****I Names of the related parties and nature of relationship****A) Subsidiary Company**

HNG Global GmbH (ceases to be subsidiary with effect from 1st April 2016) (Refer Note no. 2.2.7)

**B) Joint Venture Company**

HNG Float Glass Limited (Refer Note 2.2.7)

**C) Key Managerial Personnels and their relatives.**

- (i) Shri Chandra Kumar Somany - Chairman and Non Executive Director (Relative of Key Managerial Personnel)
- (ii) Shri Sanjay Somany - Vice Chairman and Managing Director and Key Managerial Personnel
- (iii) Shri Mukul Somany - Vice Chairman and Managing Director and Key Managerial Personnel
- (iv) Shri Rakesh Kumar Sharma - Executive Director and Key Managerial Personnel (Upto 28th February 2017)
- (v) Shri Sujit Bhattacharya - Independent Director
- (vi) Shri Ratna Kumar Daga - Independent Director
- (vii) Shri Dipankar Chatterji - Independent Director
- (viii) Smt. Rita Bhimani - Independent Director
- (ix) Shri Bharat Somany - Relative of the Director

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

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

**Notes to Financial Statements** as at and for the year ended 31st March 2017**II Related Party Transactions****a) Aggregate amount of Transactions with Subsidiary Company:**

₹ in Lakhs

Nature of transaction	Name of the related party	For the year ended 31st March 2017	For the year ended 31st March 2016
Recovery of expenses	HNG Global GmbH	-	21.43

**b) Aggregate amount of Transactions with Joint Venture Company:**

₹ in Lakhs

Nature of transactions	Name of the related party	For the year ended 31st March 2017	For the year ended 31st March 2016
Provision for Facilities	HNG Float Glass Limited	59.23	55.62
Recovery of expenses	HNG Float Glass Limited	49.24	-
Purchase of Stores & Spares	HNG Float Glass Limited	4.94	-
Receipt of Services	HNG Float Glass Limited	26.89	25.37

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

₹ in Lakhs

Nature of transactions	Ref Note No.	Name of the related party	For the year ended 31st March 2017	For the year ended 31st March 2016
Remuneration (included in Employee Benefit Expenses-Note 2.29)#		Chandra Kumar Somany	-	2.15
	2.38.1	Sanjay Somany	320.88	320.83
	2.38.1	Mukul Somany	321.37	321.16
		Bharat Somany	23.09	19.64
		Rakesh Kumar Sharma	57.30	60.13
Advance to Vice Chairmen & Managing Directors	2.38.1	Sanjay Somany	-	163.55
	2.38.1	Mukul Somany	-	163.55
Refund of Remuneration	2.38.1	Sanjay Somany	163.55	155.93
	2.38.1	Mukul Somany	163.55	155.93
Loan taken from		Chandra Kumar Somany	48.18	319.74
		Sanjay Somany	50.10	228.12
		Mukul Somany	50.10	228.12
Interest paid		Chandra Kumar Somany	43.50	30.86
		Sanjay Somany	44.17	39.38
		Mukul Somany	44.17	39.38
Sitting Fees		Chandra Kumar Somany	0.50	1.20
		Sujit Bhattacharya - Independent Director	2.45	2.55
		Ratna Kumar Daga - Independent Director	2.45	2.95
		Dipankar Chatterji - Independent Director	2.30	2.60
		Rita Bhimani - Independent Director	0.80	1.00

# Compensation of Key Management Personnel

**Notes to Financial Statements as at and for the year ended 31st March 2017**

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

₹ in Lakhs

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Short Term Employee Benefits	722.65	723.91
Post Employment Benefits*	-	-

\* Excluding contribution to gratuity fund

2.38.1 Remuneration paid to Vice Chairmen and Managing Directors amounting to ₹ 606.00 Lakhs & ₹ 606.00 Lakhs for the financial year ended 2016-17 & 2015-16 which due to inadequacy of profit has exceeded the limits prescribed under the provisions of Companies Act, 2013. The Company has made an application before the Central Government and necessary approvals in this respect are awaited.

**d) Aggregate amount of Transactions with related parties as mentioned in (D) above are as follows:** ₹ in Lakhs

Nature of transactions	Ref Note No.	Name of the related party	For the year ended 31st March 2017	For the year ended 31st March 2016
Purchase of Goods		Mould Equipment Limited	22.62	15.17
		AMCL Machinery Limited	0.85	13.11
Purchase of Property, plant and equipment		AMCL Machinery Limited	-	0.97
		Spotlight Vanijya Limited	10.47	-
Recovery of expenses		AMCL Machinery Limited	-	-
		Mould Equipment Limited	-	0.11
		Spotlight Vanijya Limited	0.64	-
Purchase of Stores & Spares		AMCL Machinery Limited	0.84	13.16
		Mould Equipment Limited	3.82	-
Receipt of Services		Mould Equipment Limited	262.24	247.11
Interest Paid		Brabourne Commerce Private Limited	45.32	56.20
		Rungamattee Trexim Private Limited	22.66	28.10
		Saurav Contractors Private Limited	37.77	46.83
		Khazana Marketing Private Limited	37.77	46.83
		Spotme Tracon Private Limited	22.66	28.10
Rent Paid		Spotlight Vanijya Limited	6.00	6.00
		Rungamattee Trexim Private Limited	3.00	3.00
Rent Received		Mould Equipment Limited	15.86	15.72
Loan Taken during the year		Brabourne Commerce Private Limited	53.73	42.17
		Rungamattee Trexim Private Limited	26.86	21.09
		Saurav Contractors Private Limited	44.77	35.14
		Khazana Marketing Private Limited	44.76	35.15
		Spotme Tracon Private Limited	26.86	21.09

**Notes to Financial Statements** as at and for the year ended 31st March 2017**e) Balance of related parties is as follows:**

₹ in Lakhs

Nature of transaction	Ref Note No.	Name of the related party	As At 31st March 2017	As At 31st March 2016	As At 1st April 2015
Receivable/Advances		HNG Global GmbH	-	-	122.64
Advance to Vice Chairmen & Managing Directors	2.10.1	Sanjay Somany	-	163.55	-
		Mukul Somany	-	163.55	-
Payable		AMCL Machinery Limited	-	-	173.01
		Mould Equipment Limited	26.53	-	40.66
Corporate Guarantee given to banks on behalf of		AMCL Machinery Limited	1,800.00	1,800.00	1,800.00
		HNG Global GmbH	-	27,230.45	29,449.50
Loan Outstanding	2.15	Chandra Kumar Somany	667.92	619.74	300.00
		Sanjay Somany	678.22	628.12	400.00
		Mukul Somany	678.22	628.12	400.00
		Brabourne Commerce Private Limited	695.90	642.17	600.00
		Khazana Marketing Private Limited	579.91	535.15	500.00
		Spotme Tracon Private Limited	347.95	321.09	300.00
		Rungamattee Trexim Private Limited	347.95	321.09	300.00
		Saurav Contractors Private Limited	579.91	535.14	500.00

**Terms and conditions of transactions with related parties**

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. The Company has provided corporate Guarantees to related parties, as disclosed above, towards their borrowing facilities (refer note 2.34.A.2) and no amount/income is being received by the Company in this regard. For the year ended 31st March 2017, the Company has not recorded any impairment allowances in respect of receivables relating to amounts owed by related parties (31st March 2016: Nil, 1st April 2015: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**2.39 LEASES**

The company has taken certain land on Finance Lease. Carrying Value of Land taken on Lease is ₹ 5121.69 Lakhs (31st March 2016 - 5153.53 Lakhs; 1st April 2015 - 5185.37 Lakhs).

The Company has acquired certain assets under financial lease, the cost of which is included in the Gross Blocks of Buildings and Vehicles. The lease term is 75 years (Rishikesh and Head Office) and 95 years (In case of Sinnar) for Building. The lease term is 3-5 years for Vehicles, after which the legal title will pass to the Company. The lease has been recognised as an asset at the present value of the minimum lease payments. Minimum lease payments payable in future at the balance sheet date and their present value are as under:

**Assets taken under Finance Lease**

₹ in Lakhs

Particulars	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	Lease Payments	Present Value	Lease Payments	Present Value	Lease Payments	Present Value
Not more than one year	0.50	0.12	7.64	7.17	61.02	51.09
Later than one year and not more than five years	1.99	0.36	1.98	0.41	35.14	32.18
Later than five years	41.33	0.59	41.83	0.67	42.32	0.75



## Notes to Financial Statements as at and for the year ended 31st March 2017

### Assets taken under Operating Leases:

Office equipments and system storage and support are obtained on operating lease. There is no contingent rent in the lease agreements. The lease term is for 1-3 years and is renewable at the mutual agreement of both the parties. There is no escalation clause in the lease agreements. There are no restrictions imposed by lease agreements. There are no sub-lease and all the leases are cancelable in nature. The aggregate lease rentals are charged as "Rent" in Note '2.30' of the financial statement.

₹ in Lakhs

Particulars	Lease Payments		
	31st March 2017	31st March 2016	1st April 2015
Not more than one year	216.74	217.37	187.80
Later than one year and not more than five years	173.86	321.45	540.17
Later than five years	-	-	-

- 2.40** The Company is incurring losses since the Financial Year 2012-2013 which at the year-ended 31st March 2017 has resulted in erosion of net-worth. Due to prevailing market conditions and resultant adverse financial performance, the lenders had decided to restructure the term loans and stipulations thereof which among other things include moratorium in repayment of installments and infusion of equity by Promoters and disposal of Investment in its Subsidiary have largely been implemented and ameliorative measures are being pursued actively. In view of the above, considering the expected improvement in the performance of the Company over a period of time and asset coverage etc., the accounts of the Company has been continued to be prepared on a going concern basis.

### 2.41 FINISHED GOODS STOCK AND SALES

₹ in Lakhs

Particulars	Sales *		Closing Stock		
	For the year ended		As at	As at	As at
	31st March 2017	31st March 2016	31st March 2017	31st March 2016	1st April 2015
<b>Bottles</b>	2,05,330.28	2,16,207.16	32,122.44	26,453.10	27,018.19

\* Sales include breakages of bottles.

### 2.42 RAW MATERIAL CONSUMED

₹ in Lakhs

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Silica Sand	9,687.58	10,251.30
Soda Ash	31,121.90	33,946.24
Cullet	11,388.74	11,606.75
Others	7,380.61	8,161.66
<b>Total</b>	<b>59,578.83</b>	<b>63,965.95</b>
Excluding Raw Materials Processing / ACL Printing Charges	115.79	50.76

- 2.43** The Hon'ble Supreme Court vide its order dated 11th November, 2016 has upheld the constitutional validity of levy of Entry Tax. This is being given effect to by the various state governments subject to follow up decisions before various judicial forums and appropriate authorities and the amount of said levy is yet to be determined. Accordingly, the same has not been recognised by the company. In the event of the levy being held sustainable, amount on overall basis in this respect has been estimated to be ₹ 2026 Lakhs (excluding amount of interest if any there against) and the same will be given effect to on determination thereof.

## Notes to Financial Statements as at and for the year ended 31st March 2017

### 2.44 GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with the insurance companies.

The Company also extends benefit of compensated absences to the employees, whereby they are eligible to carry forward their entitlement of earned leave for encashment upon retirement/separation. This is an unfunded plan.

The Company has a separate Provident Fund Trust (funded) whereby, all the employees are entitled to benefits as per Provident Fund Act / Trust Deed. Any shortfall for the Trust is borne by the Company, hence the same is treated as a defined benefit scheme.

As per Ind AS "Employee Benefits" (Ind AS - 19), the disclosures of Employee Benefits as defined in the Standard are given below:

#### a) Defined Contribution Scheme

Contribution to Defined Contribution Plan, recognised for the respective years are as under:

₹ in Lakhs

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Employer's Contribution to Provident Fund	429.06	429.76
Employer's Contribution to Pension Fund	451.94	434.82
Employer's Contribution to Superannuation Fund	-	9.13

The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities during the quarter ended 31st December 2011. The actuary has accordingly provided a valuation and based on the below provided assumptions there is no shortfall as at 31st March 2017; 31st March 2016; 1st April 2015.

The Company contributed ₹ NIL towards provident fund during the year ended 31st March 2017 (₹ NIL during the year ended 31st March 2016).

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

₹ in Lakhs

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Plan assets at year end, at fair value	10,186.83	8,936.85	8,410.61
Present value of benefit obligation at year end	9,835.64	8,926.12	8,287.61
Asset / Liability recognised in Balance Sheet	351.20	10.73	123.00

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

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Fixed Income/Debt Securities	9.25%	9.30%	8.79%
Expected guaranteed interest rate	8.65%	8.80%	8.75%

#### 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.

## Notes to Financial Statements as at and for the year ended 31st March 2017

### I. Change in the present value of the Defined Benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

₹ in Lakhs

Particulars	Gratuity Funded		
	2016-17	2015-16	2014-15
Liability at the beginning of the year	2,799.14	3,150.53	2,917.69
Current Service Cost	215.60	191.25	231.80
Curtailment Cost	-	(862.18)	-
Interest Cost	196.62	170.66	218.70
Actuarial (gain)/loss on obligations due to Change in Financial Assumption	120.21	290.09	230.36
Actuarial (gain)/loss on obligations due to Change in Demographic assumption	-	-	-
Actuarial (gain)/loss on obligations due to Unexpected Experience	93.29	169.05	(80.05)
Benefits paid	(354.96)	(310.26)	(367.97)
Liability at the end of the year	3,069.90	2,799.14	3,150.53

₹ in Lakhs

Particulars	Gratuity Unfunded		
	2016-17	2015-16	2014-15
Liability at the beginning of the year	758.30	507.42	335.14
Current Service Cost	92.04	89.88	59.31
Interest Cost	56.58	40.36	26.60
Actuarial (gain)/loss on obligations due to Change in Financial Assumption	50.90	157.56	56.67
Actuarial (gain)/loss on obligations due to Change in Demographic assumption	-	-	-
Actuarial (gain)/loss on obligations due to Unexpected Experience	(137.95)	(31.06)	34.92
Benefits paid	(7.69)	(5.87)	(5.23)
Liability at the end of the year	812.17	758.30	507.42

₹ in Lakhs

Particulars	Total Defined Benefit Obligations		
	2016-17	2015-16	2014-15
Defined benefit obligation (funded) at the end of the year	3,069.90	2,799.14	3,150.53
Defined benefit obligation (unfunded) at the end of the year	812.17	758.30	507.42
Total Defined benefit obligation at the end of the year	3,882.07	3,557.44	3,657.95

**Notes to Financial Statements** as at and for the year ended 31st March 2017

₹ in Lakhs

Particulars	Compensated Absences Unfunded		
	2016-17	2015-16	2014-15
Liability at the beginning of the year	448.79	551.47	407.71
Current Service Cost	169.83	150.78	198.30
Curtailment Cost	-	(226.84)	-
Interest Cost	30.20	21.47	28.71
Actuarial (Gain) / Loss	(47.61)	64.38	14.37
Benefits paid	(92.45)	(112.47)	(97.63)
Liability at the end of the year	508.73	448.79	551.47

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

₹ in Lakhs

Particulars	Gratuity Funded		
	2016-17	2015-16	2014-15
Fair value of plan assets at the beginning of the year	3,058.05	2,518.86	2,378.87
Interest Income	229.35	214.11	214.10
Return on Plan Assets excluding Interest Income	52.20	1.24	82.80
Employer contribution	-	634.08	211.07
Benefits paid	(354.96)	(310.26)	(367.97)
Fair value of plan assets at the end of the year	2,984.65	3,058.05	2,518.86

**III. Expense recognised in the Statement of Profit and Loss (Under the head "Contribution to provident and other funds" - Refer Note 2.29) and Other Comprehensive Income**

₹ in Lakhs

Particulars	Gratuity Funded		
	2016-17	2015-16	2014-15
Current Service Cost	215.60	191.25	231.80
Curtailment Cost	-	(862.18)	-
Net Interest Cost	(32.73)	(43.45)	4.60
Expenses recognised in Statement of Profit and Loss	182.87	(714.38)	236.40

₹ in Lakhs

Particulars	Gratuity Funded		
	2016-17	2015-16	2014-15
Actuarial (gain)/loss on obligations due to Change in Financial Assumption	120.21	290.09	230.36
Actuarial (gain)/loss on obligations due to Unexpected Experience	93.29	169.05	(80.05)
<b>Total Actuarial (gain)/losses</b>	<b>213.50</b>	<b>459.14</b>	<b>150.31</b>
Return on Plan Asset, excluding Interest Income	(52.20)	(1.24)	(82.80)
Net expenses recognised in Other Comprehensive Income	161.29	457.90	67.51

**Notes to Financial Statements** as at and for the year ended 31st March 2017

₹ in Lakhs

Particulars	Gratuity Unfunded		
	2016-17	2015-16	2014-15
Current Service Cost	92.04	89.88	59.31
Interest Cost	56.58	40.36	26.60
Expenses recognised in Statement of Profit and Loss	148.62	130.24	85.91

₹ in Lakhs

Particulars	Gratuity Unfunded		
	2016-17	2015-16	2014-15
Actuarial (gain)/loss on obligations due to Change in Financial Assumption	50.90	157.56	56.67
Actuarial (gain)/loss on obligations due to Unexpected Experience	(137.95)	(31.06)	34.92
<b>Total Actuarial (gain)/losses</b>	<b>(87.05)</b>	<b>126.50</b>	<b>91.59</b>
Return on Plan Asset, excluding Interest Income	-	-	-
Net expenses recognised in Other Comprehensive Income	(87.05)	126.50	91.59

₹ in Lakhs

Particulars	Compensated Absences Unfunded		
	2016-17	2015-16	2014-15
Current Service Cost	169.83	150.78	198.30
Curtailment Cost	-	(226.84)	-
Interest Cost	30.20	21.47	28.71
Net Actuarial (Gain) / Loss to be recognized	(47.61)	64.38	14.37
Expenses recognised in Profit and Loss account	152.42	9.79	241.38

**IV. Balance Sheet Reconciliation**

₹ in Lakhs

Particulars	Gratuity Funded		
	2016-17	2015-16	2014-15
Present value of the defined benefit obligations at the end of the year	3,069.90	2,799.14	3,150.53
Fair value of the plan assets at the end of the year	2,984.65	3,058.05	2,518.86
Amount Recognised in Balance Sheet	85.25	(258.91)	631.67

₹ in Lakhs

Particulars	Gratuity Unfunded		
	2016-17	2015-16	2014-15
Present value of the defined benefit obligations at the end of the year	812.17	758.30	507.42
Fair value of the plan assets at the end of the year	-	-	-
Amount Recognised in Balance Sheet	812.17	758.30	507.42

**Notes to Financial Statements** as at and for the year ended 31st March 2017

₹ in Lakhs

Particulars	Compensated Absences Unfunded		
	2016-17	2015-16	2014-15
Present value of the defined benefit obligations at the end of the year	508.73	448.79	551.47
Fair value of the plan assets at the end of the year	-	-	-
Amount Recognised in Balance Sheet	508.73	448.79	551.47

₹ in Lakhs

Particulars	Gratuity Funded		
	2016-17	2015-16	2014-15
Opening Net Liability	(258.91)	631.66	538.82
Expenses as above	344.17	(256.48)	303.91
Employers Contribution	-	634.08	211.07
Amount Recognised in Balance Sheet	85.25	(258.91)	631.66

₹ in Lakhs

Particulars	Gratuity Unfunded		
	2016-17	2015-16	2014-15
Opening Net Liability	758.29	507.42	335.14
Expenses as above	61.57	256.75	177.51
Employers Contribution	(7.69)	(5.87)	(5.23)
Amount Recognised in Balance Sheet	812.17	758.30	507.42

₹ in Lakhs

Particulars	Compensated Absences Unfunded		
	2016-17	2015-16	2014-15
Opening Net Liability	448.79	551.47	407.71
Expenses as above	152.42	9.79	241.39
Employers Contribution	(92.45)	(112.47)	(97.63)
Amount Recognised in Balance Sheet	508.73	448.79	551.47

**V. Compensated Absences**

The actuarial liability of Compensated Absences (Unfunded) of accumulated privileged leave of the employees of the company as at 31st March, 2017 is ₹ 440.59 Lakhs (31st March, 2016 is ₹ 384.70 Lakhs, 1st April, 2015 - ₹ 469.60 Lakhs).

- VI.** In respect of Gratuity (funded), the funds are managed by the Insurers. Accordingly, the percentage or amount that each major category constitutes the Fair value of total plan assets and effect thereof on overall expected rate of return on asset have not been disclosed.

## Notes to Financial Statements as at and for the year ended 31st March 2017

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

Particulars	Gratuity Funded		
	2016-17	2015-16	2014-15
Mortality Table	IALM (2006-2008) ULTIMATE	IALM (2006-2008) ULTIMATE	LICI 1994-1996
Discount rate (per annum)	7.50%	8.00%	8.00%
Expected rate of return on plan assets (per annum)	7.50%	8.50%	9.00%
Average expected future service (Remaining working Life)	58	58	58
Average Duration of Liabilities	16	14	14
Early Retirement & Disablement (All Causes Combined)			
above age 45	Varying between 8% per annum to 1% per annum depending on duration and age of the employees		
Between 29-45			
below age 29			
Rate of escalation in salary (per annum)	7.80%	7.80%	6.00%

Particulars	Gratuity Unfunded		
	2016-17	2015-16	2014-15
Mortality Table	IALM (2006-2008) ULTIMATE	IALM (2006-2008) ULTIMATE	LICI 1994-1996
Discount rate (per annum)	7.50%	8.00%	8.00%
Expected rate of return on plan assets (per annum)	-	-	-
Average expected future service (Remaining working Life)	58	58	58
Average Duration of Liabilities	21	21	21
Early Retirement & Disablement (All Causes Combined)			
above age 45	Varying between 8% per annum to 1% per annum depending on duration and age of the employees		
Between 29-45			
below age 29			
Rate of escalation in salary (per annum)	7.80%	7.80%	6.00%

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 2017-18 is yet to be determined.

## Notes to Financial Statements as at and for the year ended 31st March 2017

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

#### a) Gratuity Funded

₹ in Lakhs

	2016-17		2015-16	
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 0.5%)	2,945.58	3,204.37	2,706.43	2,897.39
%Change Compared to base due to sensitivity	(4.05%)	4.38%	(3.30%)	3.53%
Salary Growth (-/+ 0.5%)	3,204.37	2,944.35	2,899.84	2,703.46
%Change Compared to base due to sensitivity	4.38%	(4.09%)	3.62%	(3.40%)
Attrition Rate (-/+ 0.5%)	3,068.99	3,070.83	2,798.47	2,798.82
%Change Compared to base due to sensitivity	(0.03%)	0.03%	(0.01%)	0.01%
Mortality Rate (-/+ 10%)	3,070.52	3,069.29	2,800.44	2,796.84
%Change Compared to base due to sensitivity	0.02%	(0.02%)	0.06%	(0.06%)

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

₹ in Lakhs

	2016-17		2015-16	
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 0.5%)	761.33	868.05	710.58	810.69
%Change Compared to base due to sensitivity	(6.26%)	6.88%	(6.29%)	6.91%
Salary Growth (-/+ 0.5%)	867.40	761.41	810.30	710.50
%Change Compared to base due to sensitivity	6.80%	(6.25%)	6.86%	(6.30%)
Attrition Rate (-/+ 0.5%)	811.44	812.90	757.55	759.04
%Change Compared to base due to sensitivity	(0.09%)	0.09%	(0.10%)	0.10%
Mortality Rate (-/+ 10%)	811.93	812.41	758.18	758.41
%Change Compared to base due to sensitivity	(0.03%)	0.03%	(0.02%)	0.02%

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.



# Notes to Financial Statements as at and for the year ended 31st March 2017

## FINANCIAL INSTRUMENTS DISCLOSURE

### 2.45 CATEGORIES OF FINANCIAL INSTRUMENTS

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Financial Assets</b>				
<b>Measured at Amortised Cost</b>				
Investments	2.2	0.57	0.57	0.57
Long Term Loans	2.3	116.50	116.50	116.50
Deposit with Bank	2.4	48.59	127.85	127.76
Trade Receivables	2.7	39,997.09	41,898.02	43,213.47
Cash and Cash Equivalents	2.8.A	532.15	789.32	394.85
Other Bank Balances	2.8.B	91.04	69.49	6.62
Security Deposits	2.4 & 2.10	1,863.86	1,812.76	1,267.10
Loans and Advances to employees	2.9	18.68	22.19	21.15
Other Current Financial Assets	2.10	296.44	703.13	428.43
<b>Total financial assets measured at amortised cost</b>		<b>42,964.92</b>	<b>45,539.83</b>	<b>45,576.46</b>
<b>Measured at Fair Value through Profit or Loss</b>				
Investment	2.2			
Non-current		167.42	167.42	167.42
Current		-	-	12,500.00
Receivable on account of derivative contract	2.4 & 2.10	1,420.24	1,988.26	1,427.03
<b>Total Financial Assets measured at Fair Value through Profit or Loss</b>		<b>1,587.66</b>	<b>2,155.68</b>	<b>14,094.45</b>
<b>Financial Liabilities</b>				
<b>Measured at Amortised Cost</b>				
Non Current Borrowings	2.15	1,88,909.33	2,03,033.84	1,81,690.54
Retention Money	2.16	385.74	437.24	505.15
Current Borrowings	2.20	52,856.27	49,828.41	65,743.70
Trade Payables	2.21	45,244.04	44,173.27	42,806.38
Current maturities of long term debt	2.22	15,034.77	7,265.64	20,823.34
Current maturities of vehicle finance loan	2.22	-	51.23	280.58
Interest accrued but not due on borrowings	2.22	1,061.37	1,515.33	1,250.19
Interest accrued and due on borrowings	2.22	839.75	834.79	462.47
Unpaid dividend	2.22	1.50	1.93	2.20
Other Payables	2.22	3,515.22	2,092.59	6,401.91
<b>Total financial liabilities measured at amortised cost</b>		<b>3,07,847.99</b>	<b>3,09,234.27</b>	<b>3,19,966.46</b>
<b>Measured at Fair Value through Profit or Loss</b>				
Liability on derivative contracts	2.22	-	117.34	97.94
<b>Total financial liabilities measured at Fair Value through Profit or Loss</b>		<b>-</b>	<b>117.34</b>	<b>97.94</b>

## Notes to Financial Statements as at and for the year ended 31st March 2017

### 2.46 FAIR VALUES

#### (i) Class wise fair value of the Company's financial instruments:

₹ in Lakhs

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Investments (unquoted) in mutual funds	-	-	12,500.00
Non Current Investments, other than investment in subsidiary and joint venture	167.42	167.42	167.42
Cross Currency Swap	1,420.24	1,988.26	1,427.03
Derivative Contract	-	117.34	97.94

#### (ii) Fair value hierarchy

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

₹ in Lakhs

Particulars	Date of valuation	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Quantitative disclosures of fair value measurement hierarchy for assets as at 31 March 2017:				
Assets measured at fair value:				
Investments (quoted) in mutual funds	31st March 17	-	NA	NA
Non Current Investments, other than investment in subsidiary and joint venture	31st March 17	NA	NA	167.42
Liability measured at fair value:				
Derivative Contract - Cross Currency Swap	31st March 17	NA	1,420.24	NA
Derivative Contract - Forward	31st March 17	NA	-	NA
Quantitative disclosures of fair value measurement hierarchy for assets as at 31 March 2016:				
Assets measured at fair value:				
Investments (quoted) in mutual funds	31st March 16	-	NA	NA
Non Current Investments, other than investment in subsidiary and joint venture	31st March 16	NA	NA	167.42
Liability measured at fair value:				
Derivative Contract - Cross Currency Swap	31st March 16	NA	1,988.26	NA
Derivative Contract - Forward	31st March 16	NA	117.34	NA
Quantitative disclosures of fair value measurement hierarchy for assets as at 1 April 2015:				
Assets measured at fair value:				
Investments (quoted) in mutual funds	1st April 15	12,500.00	NA	NA
Non Current Investments, other than investment in subsidiary and joint venture	1st April 15	NA	NA	167.42
Liability measured at fair value:				
Derivative Contract - Cross Currency Swap	1st April 15	NA	1,427.03	NA
Derivative Contract - Forward	1st April 15	NA	97.94	NA

## Notes to Financial Statements as at and for the year ended 31st March 2017

### (iii) Fair Value Technique

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between participants at the measurement date. The following methods and assumptions were used to estimate the fair values:

- 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.
- Investments in liquid and short- term mutual funds are measured using quoted market prices at the reporting date multiplied by the quantity held.
- Fair Value for valuation of unquoted equity instruments is arrived based on the valuation done by an independent valuer.
- During the year ended 31st March 2017 and 31st March 2016, there were no transfer between different levels of fair value measurement.

### (iv) Significant unobservable inputs used in Level 3 fair values

As at 31st March 2017	Significant unobservable inputs	Sensitivity of input to fair value measurement
Fair Valuation of unquoted equity instruments	Valuation by independent valuer	Increase in book value by 10% will have a positive impact of ₹ 16.74 Lakhs
		Decrease in book value by 10% will have a negative impact of ₹ 16.74 Lakhs

## 2.47 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial liabilities comprise borrowings, capital creditors and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets include trade and other receivables, cash and cash equivalents, investments at cost/fair value and deposits.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

### 1) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and other price risk, such as raw material and fuel price risk. Financial instruments affected by market risk include FVTPL investments, trade payables, trade receivables, etc.

#### (a) Foreign currency risk

The company undertakes transactions denominated in different foreign currencies primarily in USD and consequently exposed to exchange rate fluctuations. Exchange Rate exposures are managed within approved policy parameters. The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as disclosed under note no. 2.36 above.

#### Foreign currency sensitivity

The company is principally exposed to foreign currency risks against USD. Sensitivity of profit or loss arises mainly from USD denominated receivables and payables.

As per management assessment of reasonable possible changes in the exchange rate of +/- 5% between USD-INR currency pair, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the period end is presented below:

## Notes to Financial Statements as at and for the year ended 31st March 2017

Particulars	Changes in USD rate	Foreign currency Payable (net)	Effect on profit/(loss) before tax
	%	(₹) in Lakhs	(₹) in Lakhs
<b>As at 31st March 2017</b>			
Weakening of INR	5%	285.59	13.60
Strengthening of INR	-5%	258.39	(13.60)
<b>As at 31st March 2016</b>			
Weakening of INR	5%	(993.98)	(47.33)
Strengthening of INR	-5%	(899.32)	47.33

\* The above sensitivity do not include foreign currency risk on borrowings amounting to ₹ 640 Lakhs (31st March 2016 - ₹ 650 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 ₹ in Lakhs
<b>As at 31st March 2017</b>		
INR	+50	(785.64)
USD	+50	(262.91)
INR	-50	785.64
USD	-50	262.91
<b>As at 31st March 2016</b>		
INR	+50	(799.33)
USD	+50	(278.82)
INR	-50	799.33
USD	-50	278.82

### (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 2017

### Trade receivables

Credit quality of a customer is assessed based on an appraisal of customer creation form and individual credit limits are defined in accordance with this assessment and performance of the customer. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for all the customers. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in Note 2.7. The Company has evaluated the concentration of risk with respect to trade receivables as low, as its customers are located in several geographical locations.

### III) Liquidity Risk

The Company's objective is to at all times maintain optimum level of liquidity to meet its cash and collateral requirement at all times. The need of the funds of the company are being met by internal accrual and borrowings. The short and medium term requirements are met through the committed lines of credit.

The table provides undiscounted cash flow towards non-derivative financial liability and net settled derivative financial liabilities into relevant maturities based on the remaining period at balance sheet date to contractual maturity date.

₹ in Lakhs

Particulars	0 - 180 days	181 - 365 days	Payable in more than 1 Year	Total
<b>As at 31st March 2017</b>				
Non Current Borrowings	6,337.67	8,882.41	1,89,406.48	2,04,626.56
Current Borrowings	52,856.27	-	-	52,856.27
Trade payable	45,244.04	-	-	45,244.04
Interest accrued but not due on borrowings	1,061.37	-	-	1,061.37
Interest accrued and due on borrowings	839.75	-	-	839.75
Unpaid dividend	1.50	-	-	1.50
<b>As at 31st March 2016</b>				
Non Current Borrowings	2,897.18	4,567.90	2,03,784.95	2,11,250.03
Current Borrowings	49,828.41	-	-	49,828.41
Trade payable	44,173.27	-	-	44,173.27
Interest accrued but not due on borrowings	1,515.33	-	-	1,515.33
Interest accrued and due on borrowings	834.79	-	-	834.79
Unpaid dividend	1.93	-	-	1.93
<b>As at 1st April 2015</b>				
Non Current Borrowings	8,510.36	12,765.55	1,83,638.67	2,04,914.58
Current Borrowings	65,743.70	-	-	65,743.70
Trade payable	42,806.38	-	-	42,806.38
Interest accrued but not due on borrowings	1,250.19	-	-	1,250.19
Interest accrued and due on borrowings	462.47	-	-	462.47
Unpaid dividend	2.20	-	-	2.20

### 2.48 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity 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

## Notes to Financial Statements as at and for the year ended 31st March 2017

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 ₹ 39,477.98 Lakhs (Refer Note No. 2.13 & 2.14). The company is not subject to any externally imposed capital requirements.

### 2.49 GEARING RATIO

The Company has long term Debt of ₹ 2,03,944.10 Lakhs as on 31st March 2017 (31st March 2016 : 2,10,350.71 Lakhs, 1st April 2015: 2,02,794.46 Lakhs). Accordingly the Company has 0.83 gearing ratio as at 31st March 2017 and 0.80 gearing ratio as at 31st March 2016 and 0.74 gearing ratio as on 1st April 2015.

₹ in Lakhs

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Net Long Term Debt	1,99,038.08	2,05,507.16	1,98,872.09
Total Equity	39,477.98	52,264.76	71,084.45
Net Long Term Debt to Value Ratio	0.83	0.80	0.74

### 2.50 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### Judgements

#### 2.50.A Fair Value as Deemed Cost for Property Plant and Equipment:

The company has opted to Fair Value Property, Plant and Equipment as carried out by external valuer and thereby Fair Valuation of Freehold and Leasehold Land been considered to be deemed cost as on the transition date. Such Fair Valuations involves higher degree of uncertainty and subjectivity.

#### 2.50.B Depreciation/Amortisation of and impairment loss on Property Plant and Equipment/Intangible Assets:

Property, Plant and Equipment are depreciated and Intangible assets are amortised on straight line basis over the estimated useful lives (or Lease Term if shorter) in accordance with Schedule II of the Companies Act 2013, taking into account the estimated residual value, wherever applicable. The company reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation/ amortisation expense to be recorded during any reporting period. This reassessment may result in change in depreciation expense in future periods. The company reviews its carrying value of its Tangible and Intangible assets whenever there is objective evidence that the assets are impaired. The required level of impairment losses to be made is estimated by reference to the estimated value in use or recoverable amount.

#### 2.50.C Impairment loss on Trade receivables:

The company evaluated whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment loss as a result of the inability of the debtors to make required payments. The company bases the estimates on the ageing of the trade receivables balance, creditworthiness of the trade receivables and historical writeoff experience. If the financial conditions of the trade receivables were to deteriorate, actual writeoffs would be higher than estimated.

#### 2.50.D Deferred tax assets on unused tax losses:

Tax credit and Minimum Alternate Tax (MAT) Credit are recognised to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets/MAT Credit that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The Company has decided not to recognize deferred tax asset on such unused tax losses nor any MAT credit entitlement.

## Notes to Financial Statements as at and for the year ended 31st March 2017

- 2.50.E** Liability towards decommissioning cost for Nashik and Neemrana land lease has not recognized based on management's decision that the Company will leave the leased property in as is condition at the expiry of the term of lease. As per the terms of the agreement, in such case the Company is not obligated for any decommissioning or site restoration activity.
- 2.50.F** As per CAP agreed with Joint lender forum, rate of interest for different loans taken by the Company shall be 10.5%p.a. in the financial year ended 31st March 2016 and 31st March 2017 and 11% p.a thereafter and the same has been considered for computing the EIR.
- 2.50.G** The company along with other promoters of the company had entered into a joint venture agreement with Trakya Cam Sanayii AS of Turkey in HNG Float Glass Ltd. By virtue of the terms of the agreement, the company is required to be the shareholder of HNG Float Glass Ltd.

### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

### 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 various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is 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. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

## Notes to Financial Statements as at and for the year ended 31st March 2017

**2.51** In terms of Ind AS 101, "First-Time Adoption of Indian Accounting Standards" the required reconciliation of Equity, Other Comprehensive Income and Cash Flows with respect to the figures reported under the previous GAAP are as under:

### First-Time Adoption of Ind AS reconciliation

#### 2.51.A Effect of Ind AS adoption on the Balance Sheet as on 1st April 2015

₹ in Lakhs

Particulars	Note No.	Previous GAAP Balance Sheet as at 1st April 2015	Effect of transition to Ind AS	Ind AS Balance Sheet as at 1st April 2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, plant and equipment	2.51.A.1	2,30,649.01	21,915.22	2,52,564.23
(b) Capital work-in-progress	2.51.A.1	12,122.91	(51.95)	12,070.96
(c) Intangible assets		17.73	-	17.73
(d) Financial assets				
(i) Investments		10,765.06	-	10,765.06
(ii) Loans		116.50	-	116.50
(iii) Other financial assets	2.51.A.2	2,747.96	43.64	2,791.60
(e) Deferred Tax Assets	2.51.A.3	2,587.57	(2,587.57)	-
(f) Other non-current assets		1,822.99	-	1,822.99
		<b>2,60,829.73</b>	<b>19,319.34</b>	<b>2,80,149.07</b>
<b>Current assets</b>				
(a) Inventories	2.51.A.1	53,313.66	(536.89)	52,776.77
(b) Financial assets				
(i) Investments		12,500.00	-	12,500.00
(ii) Trade receivables		43,213.47	-	43,213.47
(iii) Cash and cash equivalents		394.85	-	394.85
(iv) Bank balances other than (iii) above		6.62	-	6.62
(v) Loans		21.15	-	21.15
(vi) Other financial assets	2.51.A.2	529.62	(70.89)	458.73
(c) Current Tax Assets (Net)		395.04	-	395.04
(d) Other current assets		11,391.17	-	11,391.17
		<b>1,21,765.58</b>	<b>(607.78)</b>	<b>1,21,157.80</b>
<b>Total Assets</b>		<b>3,82,595.31</b>	<b>18,711.56</b>	<b>4,01,306.87</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital		1,746.77	-	1,746.77
(b) Other Equity		49,459.32	19,878.36	69,337.68
<b>Total Equity</b>	2.51.C	<b>51,206.09</b>	<b>19,878.36</b>	<b>71,084.45</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	2.51.A.4	1,82,638.67	(948.13)	1,81,690.54
(ii) Other financial Liabilities		505.15	-	505.15
(b) Provisions		971.05	-	971.05
(c) Other non-current liabilities		1,167.17	-	1,167.17
		<b>1,85,282.04</b>	<b>(948.13)</b>	<b>1,84,333.91</b>



**Notes to Financial Statements as at and for the year ended 31st March 2017**

₹ in Lakhs

Particulars	Note No.	Previous GAAP Balance Sheet as at 1st April 2015	Effect of transition to Ind AS	Ind AS Balance Sheet as at 1st April 2015
<b>Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings		65,743.70	-	65,743.70
(ii) Trade payables		42,806.38	-	42,806.38
(iii) Other financial liabilities	2.51.A.2 & 2.51.A.4	29,537.30	(218.67)	29,318.63
(b) Other current liabilities		6,820.71	-	6,820.71
(c) Provisions		1,199.09	-	1,199.09
		<b>1,46,107.18</b>	<b>(218.67)</b>	<b>1,45,888.51</b>
<b>Total Liabilities</b>		<b>3,31,389.22</b>	<b>(1,166.80)</b>	<b>3,30,222.42</b>
<b>Total Equity and Liabilities</b>		<b>3,82,595.31</b>	<b>18,711.56</b>	<b>4,01,306.87</b>

Previous GAAP figures have been reclassified to conform with Ind AS presentation requirement for the purpose of these notes.

**Explanatory Notes to Balance Sheet Reconciliation as at April 1, 2015****2.51.A.1 Property, Plant and Equipment**

- (i) Under previous GAAP, the Company has capitalised the processing fees of ₹ 1379.93 lakhs charged by the lenders against loans taken for Project/Property, Plant and Equipment. As a consequence of the adjustment in 2.51.A.4 below with respect to effective interest rate (EIR) adjustments, i.e. to restate the carrying amount of loan in accordance with paragraph 10 of Ind AS 101 "First- Time Adoption of Indian Accounting Standards", the carrying amount of Property, Plant and Equipment as at the date of the transition has also been reduced by ₹ 1173.62 lakhs which is the value of processing fees (net of cumulative depreciation impact till the date of transition) capitalised.
- (ii) As per para 8 of Ind AS 16 "Property, Plant and Equipment" certain items categorised as spares meet the definition of Property, Plant and Equipment are capitalised, otherwise such items are classified as inventories of stores and spares. As a consequence of above, sum of ₹ 588.84 Lakhs lying under Capital Work in Progress/ Inventories has been capitalised with Property, Plant and Equipment at the date of transition and corresponding credit of ₹ 51.95 lakhs and ₹ 536.89 Lakhs to Capital Work in Progress and inventory of Stores and Spares respectively.
- (iii) The company has elected to measure all its Property, Plant and Equipment as per the provisions of Ind AS 101 "First Time Adoption of Indian Accounting Standard" at the previous GAAP carrying amount as on the date of transition i.e. 1st April 2015; as its "Deemed Costs" except in case of Freehold Land and Leasehold Land where fair values as valued by an independent valuer has been considered as "Deemed Costs". Refer Note. 2.52 The details regarding the fair value of Land as above are as follows:
  1. The fair Value of Freehold Land and Leasehold Land is ₹ 34,713.42 Lakhs and ₹ 5,185.37 Lakhs respectively; and
  2. The aggregate adjustment to the carrying amount of Freehold Land and Leasehold Land reported under previous GAAP is ₹ 19,860.05 Lakhs and ₹ 2639.95 Lakhs.

The fair value above has been determined based on the valuation carried out by external independent valuers. These were determined based on market value of similar assets, significantly adjusted for differences in the nature, location or condition of the specific items of Property, Plant and Equipment. The fair valuation involves higher degree of uncertainty and subjectivity.

## Notes to Financial Statements as at and for the year ended 31st March 2017

### 2.51.A.2 Derivative instruments

The fair value of derivative instruments is recognised under Ind AS.

### 2.51.A.3 Deferred Tax Assets

In terms of Ind AS 12 "Income Taxes" deferred tax includes Minimum Alternate Tax (MAT). Deferred tax assets on unused tax losses; tax credit and Minimum Alternate Tax (MAT) Credit are recognised to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Based on the same the Company has decided not to recognize deferred tax asset on such unused tax losses/MAT credit entitlement. Accordingly, MAT credit entitlement has been adjusted.

### 2.51.A.4 Non Current Borrowings

Under previous GAAP, the Company accounted for borrowings measured at transaction value. Under Ind AS, the Company has to recognise the borrowings at amortised cost using effective interest.

### 2.51.B Effect of Ind AS adoption on the Balance Sheet as on 31st March 2016

₹ In Lakhs

Particulars	Note No.	Previous GAAP Balance Sheet as at 31st March 2016	Effect of transition to Ind AS	Ind AS Balance Sheet as at 31st March 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, plant and equipment	2.51.B.1	2,20,459.17	21,935.93	2,42,395.10
(b) Capital work-in-progress	2.51.B.1	7,550.32	(51.95)	7,498.37
(c) Intangible assets		15.36	-	15.36
(d) Financial assets				
(i) Investments		10,765.06	-	10,765.06
(ii) Loans		116.50	-	116.50
(iii) Other financial assets	2.51.B.2	3,744.95	(25.37)	3,719.58
(e) Deferred Tax Assets	2.51.B.3	1,815.00	(1,815.00)	-
(f) Other non-current assets		1,724.22	-	1,724.22
		<b>2,46,190.58</b>	<b>20,043.61</b>	<b>2,66,234.19</b>
<b>Current assets</b>				
(a) Inventories		51,296.06	(536.89)	50,759.17
(b) Financial assets				
(i) Investments		-	-	-
(ii) Trade receivables		41,898.02	-	41,898.02
(iii) Cash and cash equivalents		789.32	-	789.32
(iv) Bank balances other than (iii) above		69.49	-	69.49
(v) Loans		22.19	-	22.19
(vi) Other financial assets	2.51.B.2	926.85	(14.43)	912.42
(c) Current Tax Assets (Net)		293.15	(40.00)	253.15
(d) Other current assets		11,014.13	40.00	11,054.13
		<b>1,06,309.21</b>	<b>(551.32)</b>	<b>1,05,757.89</b>
<b>Total Assets</b>		<b>3,52,499.79</b>	<b>19,492.29</b>	<b>3,71,992.08</b>

**Notes to Financial Statements as at and for the year ended 31st March 2017**

₹ in Lakhs

Particulars	Note No.	Previous GAAP Balance Sheet as at 31st March 2016	Effect of transition to Ind AS	Ind AS Balance Sheet as at 31st March 2016
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Equity Share Capital		1,746.77	-	1,746.77
(b) Other Equity		30,122.74	20,395.25	50,517.99
<b>Total Equity</b>	2.51.C	<b>31,869.51</b>	<b>20,395.25</b>	<b>52,264.76</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	2.51.B.4	2,03,784.95	(751.11)	2,03,033.84
(ii) Other financial Liabilities		437.24	-	437.24
(b) Provisions		1,068.14	-	1,068.14
(c) Other non-current liabilities		1,154.32	-	1,154.32
		<b>2,06,444.65</b>	<b>(751.11)</b>	<b>2,05,693.54</b>
<b>Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings		49,828.41	-	49,828.41
(ii) Trade payables		44,173.27	-	44,173.27
(iii) Other financial liabilities	2.51.B.2 & 2.51.B.4	12,030.70	(151.85)	11,878.85
(b) Other current liabilities		7,937.84	-	7,937.84
(c) Provisions		215.41	-	215.41
		<b>1,14,185.63</b>	<b>(151.85)</b>	<b>1,14,033.78</b>
<b>Total Liabilities</b>		<b>3,20,630.28</b>	<b>(902.96)</b>	<b>3,19,727.32</b>
<b>Total Equity and Liabilities</b>		<b>3,52,499.79</b>	<b>19,492.29</b>	<b>3,71,992.08</b>

Previous GAAP figures have been reclassified to conform with Ind AS presentation requirement for the purpose of these notes.

**Explanatory Notes to Balance Sheet Reconciliation as at 31st March 2016****2.51.B.1 Property, Plant and Equipment**

- (i) Under previous GAAP, the Company has capitalised the processing fees of loans. As a consequence of the adjustment in 2.51.B.4 below, to restate the carrying amount of loan in accordance with paragraph 10 of Ind AS 101 "First-Time adoption of Indian Accounting Standard", the carrying amount of property, plant and equipment as at the date of the transition has also been reduced by the amount of processing cost (net of cumulative depreciation impact).
- (ii) As per para 8 of Ind AS 16 "Property, Plant and Equipment" certain items categorised as spares meet the definition of property, plant and equipment are capitalised, otherwise such items are classified as inventories of stores and spares.

**2.51.B.2 Derivative instruments**

The fair value of derivative instruments is recognised under Ind AS.

## Notes to Financial Statements as at and for the year ended 31st March 2017

### 2.51.B.3 Deferred Tax Assets

Deferred tax assets on unused tax losses; tax credit and Minimum Alternate Tax (MAT) Credit are recognised to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Based on the same the Company has decided not to recognize deferred tax asset on such unused tax losses/MAT credit entitlement. Accordingly, MAT credit entitlement has been adjusted.

### 2.51.B.4 Non Current Borrowings

Under previous GAAP, the Company accounted for borrowings measured at transaction value. Under Ind AS, the Company has to recognise the borrowings at amortised cost using effective interest.

### 2.51.C Reconciliation of Total Equity as given above:

₹ in Lakhs		
Particulars	As at 31st March 2016	As at 1st April 2015
<b>Total Equity (including Shareholder's Fund) under previous GAAP</b>	<b>31,869.51</b>	<b>51,206.09</b>
Effect on fair valuation of forward/derivative	(36.15)	19.42
Effect on fair valuation of financial instrument	-	-
Finance Cost as per Effective Interest Rate Method	899.30	1,120.12
Effect of Fair Valuation/Deemed Cost and Other adjustments for Property Plant and Equipment	21,347.10	21,326.39
Effect of Deferred Tax Assets (MAT Credit) in the opening Balance Sheet	(1,815.00)	(2,587.57)
<b>Total Equity (including Shareholder's Fund) as per Ind AS</b>	<b>52,264.76</b>	<b>71,084.45</b>

### 2.51.D Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended 31st March 2016

₹ in Lakhs				
Particulars	Note No.	Previous GAAP Statement of Profit or Loss for the year ended 31st March 2016	Effect of transition to Ind AS	Ind AS Statement of Profit or Loss for the year ended 31st March 2016
<b>Revenue</b>				
I. Revenue from Operations	2.51.D.1	1,97,868.00	20,123.26	2,17,991.26
II. Other Income		606.83	-	606.83
<b>III. Total Income (I+II)</b>		<b>1,98,474.83</b>	<b>20,123.26</b>	<b>2,18,598.09</b>
<b>Expenses</b>				
Cost of Materials Consumed		64,016.71	-	64,016.71
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		482.63	-	482.63
Excise duty on sale of goods	2.51.D.1	-	20,123.26	20,123.26
Employee Benefit Expenses	2.51.D.2	18,513.57	(584.40)	17,929.17
Other Expenses	2.51.D.3	88,819.60	45.00	88,864.60
<b>IV. Total Expenses</b>		<b>1,71,832.51</b>	<b>19,583.86</b>	<b>1,91,416.37</b>
<b>V. Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) (III-IV)</b>		<b>26,642.32</b>	<b>539.40</b>	<b>27,181.72</b>
<b>VI. Depreciation and Amortization expense</b>	2.51.D.4	19,951.34	(20.71)	19,930.63
<b>VII. Finance costs</b>	2.51.D.5	25,251.11	231.40	25,482.51
<b>VIII. Profit/(loss) before tax (V-VI-VII)</b>		<b>(18,560.13)</b>	<b>328.71</b>	<b>(18,231.42)</b>

**Notes to Financial Statements** as at and for the year ended 31st March 2017

₹ in Lakhs

Particulars	Note No.	Previous GAAP Statement of Profit or Loss for the year ended 31st March 2016	Effect of transition to Ind AS	Ind AS Statement of Profit or Loss for the year ended 31st March 2016
<b>IX. Tax expense:</b>				
(1) Current tax		-	-	-
(2) Deferred tax		-	-	-
(3) Reversal of MAT Credit Entitlement	2.51.D.6	772.57	(772.57)	-
<b>Tax expense</b>		<b>772.57</b>	<b>(772.57)</b>	<b>-</b>
<b>X. Profit/(Loss) for the year after Tax (VIII-IX)</b>		<b>(19,332.70)</b>	<b>1,101.28</b>	<b>(18,231.42)</b>
<b>XI. Other Comprehensive Income</b>				
<b>A (i) Items that will not be reclassified to Profit or Loss</b>				
Re-measurement gains/ (losses) on defined benefit plans	2.51.D.2	-	(584.40)	(584.40)
<b>(ii) Income tax relating to items that will not be reclassified to Profit or Loss</b>		-	-	-
<b>B (i) Items that will be reclassified to Profit or Loss</b>		-	-	-
<b>(ii) Income tax relating to items that will be reclassified to Profit or Loss</b>		-	-	-
<b>Other Comprehensive Income for the year after tax</b>		<b>-</b>	<b>(584.40)</b>	<b>(584.40)</b>
<b>XII. Total Comprehensive Income for the year (X+XI)(Comprising Profit/ (Loss) and Other Comprehensive Income for the year)</b>		<b>(19,332.70)</b>	<b>516.88</b>	<b>(18,815.82)</b>

Previous GAAP figures have been reclassified to conform with Ind AS presentation requirements for the purpose of these notes.

**Explanatory Notes to Statement of Profit and Loss Reconciliation for the year 2015-16**

- 2.51.D.1 Under previous GAAP Sales was shown net of Excise Duty but under Ind AS Sales is shown at Gross Value and consequently excise duty has been shown as a part of expense.
- 2.51.D.2 Gain or Loss on Actuarial assumption under Ind AS 19 "Employee Benefits" is separately shown under Other Comprehensive Income (OCI), whereas under previous GAAP it was net off with Employee Benefit Expenses.
- 2.51.D.3 The fair value of derivative instruments is recognised under Ind AS.
- 2.51.D.4 The Processing fees on Loan was decapitalised on transition to Ind AS and insurance spares were capitalised. Hence, relevant depreciation has been adjusted.
- 2.51.D.5 Under previous GAAP, the Company accounted for long term borrowings measured at transaction value. Under Ind AS, the Company has to recognise the long term borrowings at amortised cost using effective interest.
- 2.51.D.6 In terms of Ind AS 12 "Income Taxes" deferred tax includes Minimum Alternate Tax (MAT). Deferred tax assets on unused tax losses; tax credit and Minimum Alternate Tax (MAT) Credit are recognised to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Based on the same the Company has decided not to recognize deferred tax asset on such unused tax losses / MAT credit entitlement. Accordingly, MAT credit entitlement has been adjusted. The Company charged off ₹ 772.57 Lakhs under Ind AS but entire balance of MAT Credit as on 01.04.2015 was written off against Retained Earnings, hence, reversal done.

## Notes to Financial Statements as at and for the year ended 31st March 2017

### 2.51.E Reconciliation of Total Comprehensive Income for the year ended 31st March 2016

₹ In Lakhs

Particulars	For the year ended 31st March 2016
Net Profit (+)/loss (-) under previous GAAP	(19,332.70)
Adjustment for amount recognised in other comprehensive income	584.40
Effect on fair valuation of forward/derivative	(55.40)
Effect on fair valuation of financial instrument	-
Finance Cost as per Effective Interest Rate Method	(221.00)
Effect of Decapitalisation of Processing Fees and Others	20.71
Effect of Deferred Tax Assets (MAT Credit) in the opening Balance Sheet	772.57
<b>Net profit (+)/loss (-) for the period under Ind-AS</b>	<b>(18,231.42)</b>
<b>Other Comprehensive Income (net of taxes)</b>	
Actuarial gain/(loss) on Employee defined benefit	(584.40)
<b>Total Comprehensive Income under Ind-AS</b>	<b>(18,815.82)</b>

### 2.51.F Reconciliation of Statement of Cash Flow for the year ended 31st March 2016

There were no material differences between the Statement of Cash Flow presented under Ind AS and the previous GAAP.

### 2.52 FIRST-TIME ADOPTION OF Ind AS- Exceptions and Exemptions

- These financial statements, for the year ended 31st March 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31st March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31st March 2017, together with the comparative period data as at and for the year ended 31st March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April 2015 and the financial statements as at and for the year ended 31st March 2016.

- Ind AS 103 Business Combinations has not been applied to acquisitions of companies, which are considered businesses under Ind AS that occurred before 1st April 2015. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS. The Company recognises all assets acquired and liabilities assumed in a past business combination, except (i) certain financial assets and liabilities that were derecognised and that fall under the derecognition exception, and (ii) assets and liabilities that were not recognised in the acquirer's consolidated balance sheet under its previous GAAP and that would not qualify for recognition under Ind AS in the individual balance sheet of the acquiree. Assets and liabilities that do not qualify for recognition under Ind AS are excluded from the opening Ind AS balance sheet. The Company did not recognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements.
- The company has opted to Fair Value Property, Plant and Equipment and thereby Fair Valuation of Freehold and Leasehold Land been considered to be deemed cost as on the transition date. Other items of Property, Plant and Equipment has been taken at carrying value on that date. Differential arising with respect to value as per previous GAAP has been credited to retained earnings.
- As per para 8 of Ind AS 16 certain items categorised as spares meet the definition of property, plant and equipment are capitalised, otherwise such items are classified as inventories of stores and spares.

## Notes to Financial Statements as at and for the year ended 31st March 2017

- The Company has designated unquoted equity instruments/ investment in mutual fund held at 1st April 2015 as fair value through profit or loss.
- In separate financial statements, a first-time adopter that subsequently measures an investment in a subsidiary, joint ventures or associate at cost, may measure such investment at cost (determined in accordance with Ind AS 27 "Separate Financial Statements") or deemed cost (fair value or previous GAAP carrying amount) in its separate opening Ind AS balance sheet. The Company has opted for valuing these investments at cost.
- The Company, being a first-time adopter, has applied the requirements in Ind AS 109, Financial Instruments, and Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance, prospectively to government loans existing at the date of transition to Ind AS and has not recognised the corresponding benefit of the government loan at a below-market rate of interest as a government grant.
- The Company, being a first-time adopter, has continued the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP i.e. 31st March 2016.

**2.53** These financial statements have been approved by the Board of Directors of the Company on 15th May, 2017 for issue to the shareholders for their adoption.

Summary of Significant Accounting Policies

Notes on Financial Statements

1

2.1 to 2.53

The notes are an integral part of the Financial Statements.

As per our report of even date

For **Lodha & Co.**

Chartered Accountants

FRN :301051E

For and on behalf of the Board

**H. K. Verma**

Partner

Membership No. 055104

Place : Kolkata

Date : 15th May 2017

**Sanjay Somany**

Vice Chairman and Managing Director  
DIN: 00124538

**Mukul Somany**

Vice Chairman and Managing Director  
DIN: 00124625

**Bimal Kumar Garodia**

Sr. Vice President and  
Chief Financial Officer

**Ajay Kumar Rai**

Company Secretary  
& Legal Counsel

# Independent Auditor's Report

To the Members of

**Hindusthan National Glass & Industries Limited**

## Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated financial statements of Hindusthan National Glass & Industries Limited (hereinafter referred to as "the Company") and jointly controlled entity comprising the Consolidated Balance Sheet as at 31st March 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

## Management's Responsibility for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows including its jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act read with relevant rules issued thereunder. The respective Board of Directors of the companies included in the Consolidated Ind AS financial statements are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the companies included in the Consolidated Ind AS financial statements and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Company, as aforesaid.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditor in terms of their report referred to in other matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated Ind AS financial statements.

## Basis for Qualified Opinion

- a) As stated in Note no. 2.38.1 of the Consolidated Ind AS Financial Statements, due to inadequacy of profit of the Company, managerial remuneration to the extent of ₹ 1,212 Lakhs has become in excess of the limits laid down in the Companies Act, 2013 awaiting Central Government approval. Pending such approvals, impact thereof on the Standalone Ind AS Financial Statements is not ascertainable.
- b) As stated in Note No. 2.41 of the Consolidated Ind AS Financial Statements, levy of Entry Tax by relevant State Governments, pending determination of the amount leviable upon and payable has not been provided for by the Company.
- c) Impact of (a & b) above are presently not ascertainable and as such cannot be commented upon by us.



# Independent Auditor's Report

## Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs as at 31st March 2017 and its jointly controlled entity as at 31st March 2017, their consolidated Loss, consolidated Total Comprehensive Income, consolidated changes in equity and their consolidated Cash Flows for the year ended on that date.

## Emphasis of Matter

Attention is invited to Note 2.40 of the Consolidated Ind AS Financial Statements of the Company. The accounts of the Company have been prepared on a going concern assumption. The appropriateness of preparing the accounts on going concern assumption is dependent on the favourable market conditions over a period of time and outcome of ameliorative measures under implementation and impact thereof as such cannot be commented upon by us.

Our opinion is not modified in respect of this matter.

## Other Matters

We did not audit the financial statements/financial information of its jointly controlled entity, included in the consolidated Ind AS financial statements for the year ended 31st March 2017 whose financial statement reflects share of total Comprehensive Income of Rs. 583 Lakhs for the year ended as on that date, as considered in the consolidated Ind AS financial statements. The aforesaid financial statements and other financial information have been audited by the other auditor whose report have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statement, in so far as it relates to the amounts and disclosures included in respect of the jointly controlled entity, and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid jointly controlled entity, is based solely on the report of the other auditor.

Our opinion on the consolidated Ind AS financial statements, and our report on other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

## Report on other Legal and Regulatory Requirements

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- b) In our opinion proper books of accounts as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor;
- c) The report on the accounts of the branch offices of the Company and its jointly controlled entity incorporated in India audited under section 143(8) of the Act by the branch auditors/other auditor have been sent to us and have been properly dealt with in preparing this report;
- d) Except for the possible effect of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the consolidated statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS financial statements;
- e) In our opinion, the Consolidated Balance Sheet, Consolidated Statement of Profit and loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows comply with the Indian Accounting Standards specified under section 133 of the Act;
- f) The matter described in the Basis for Qualified Opinion paragraph above, in the event of being decided unfavorably, in our opinion, may have an adverse effect on the functioning of the Company;
- g) On the basis of the written representations received from the directors of the Company as on 31st March 2017, taken on record by the Board of Directors of the Company and the report of the other statutory auditor of its jointly controlled entity, none of the directors is disqualified as on 31st March 2017, from being appointed as a director in terms of section 164(2) of the Act;
- h) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the basis for qualified opinion paragraph above;

## Independent Auditor's Report

- i) With respect to the adequacy of the Internal Financial Controls Over Financial Reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Company and jointly controlled entity incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of the Company and Jointly controlled entity incorporated in India;
- j) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. Pending litigations (Other than those already recognised in the consolidated accounts) having material impact on the financial position of the Company and its jointly controlled entity have been disclosed in the consolidated Ind AS financial statement as required in terms of the accounting standards and provisions of the Companies Act, 2013– refer Note 2.35.A and 2.35.A.1 of the consolidated Ind AS financial statements;
  - ii. The Company and its jointly controlled entity do not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses.;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. Further, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the jointly controlled entity.
  - iv. The Company has provided requisite disclosures in the consolidated Ind AS financial statements as to Parents as well as dealings in Specified Bank Notes (Bank notes of denominations of five hundred and one thousand rupees existing on November 08, 2016) (SBN's) during the period from November 08, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosure are in accordance with books of account maintained by the Company and as produced to us by the management. Refer Note No.2.8A.3 of the consolidated Ind AS financial statement.

For **Lodha & Co.**  
Chartered Accountants  
Firm's ICAI Registration No. : 301051E

**H K Verma**  
Partner  
Membership No: 055104

Place : Kolkata  
Date : 15th May 2017

## Annexure to the Independent Auditor's Report

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Hindusthan National Glass & Industries Limited (herein referred to as "the Company") and jointly controlled entity which are companies incorporated in India, as of that date.

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

The respective Board of Directors of the Company and jointly controlled entity incorporated in India 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

## Annexure to the Independent Auditor's Report

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the jointly controlled entity which is incorporated in India, in terms of their reports referred to in the other matters paragraph below 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial 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 and its Jointly controlled entity incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and the operating effectiveness of the internal financial controls over financial reporting in so far as it relates to jointly controlled entity which is incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

For **Lodha & Co.**

*Chartered Accountants*

Firm's ICAI Registration No. : 301051E

**H K Verma**

*Partner*

Membership No: 055104

Place : Kolkata

Date : 15th May 2017

**Consolidated Balance Sheet as at 31st March 2017**

₹ in Lakhs

Particulars	Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>ASSETS</b>				
<b>1. Non-current assets</b>				
(a) Property, Plant and Equipment	2.1.A	2,29,148.11	2,63,479.60	2,74,371.98
(b) Capital work-in-progress		10,038.06	7,512.09	12,121.30
(c) Goodwill on consolidation		-	1.65	1.65
(d) Other Intangible assets	2.1.B	269.70	198.34	144.68
(e) Financial assets				
(i) Investments	2.2	3,951.44	3,367.49	2,779.99
(ii) Loans	2.3	116.50	116.50	116.50
(iii) Other financial assets	2.4	2,913.17	3,719.58	2,791.60
(f) Other non-current assets	2.5	1,105.23	1,724.22	1,822.99
		<b>2,47,542.21</b>	<b>2,80,119.47</b>	<b>2,94,150.69</b>
<b>2. Current assets</b>				
(a) Inventories	2.6	60,092.24	60,620.77	61,428.45
(b) Financial assets				
(i) Investments	2.2	-	-	12,500.00
(ii) Trade receivable	2.7	39,997.09	44,717.90	45,818.60
(iii) Cash and cash equivalents	2.8.A	532.15	1,521.84	998.73
(iv) Bank balances other than (iii) above	2.8.B	91.04	69.49	6.62
(v) Loans	2.9	18.68	22.19	21.44
(vi) Other financial assets	2.10	715.96	912.42	494.18
(c) Current Tax Assets (Net)	2.11	302.17	253.15	395.15
(d) Other current assets	2.12	9,625.17	11,214.12	12,084.13
		<b>1,11,374.50</b>	<b>1,19,331.88</b>	<b>1,33,747.30</b>
<b>Total assets</b>		<b>3,58,916.71</b>	<b>3,99,451.35</b>	<b>4,27,897.99</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Equity Share capital	2.13	1,746.77	1,746.77	1,746.77
(b) Other Equity	2.14	38,055.36	49,854.66	65,608.28
<b>Total equity</b>		<b>39,802.13</b>	<b>51,601.43</b>	<b>67,355.05</b>
<b>LIABILITIES</b>				
<b>1. Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	2.15	1,88,909.33	2,17,051.67	2,00,646.54
(ii) Other financial Liabilities	2.16	385.74	437.24	505.15
(b) Provisions	2.17	1,195.44	1,068.14	971.05
(c) Deferred tax liabilities (Net)	2.18	-	-	-
(d) Other non-current liabilities	2.19	1,146.22	1,154.32	1,167.17
		<b>1,91,636.73</b>	<b>2,19,711.37</b>	<b>2,03,289.91</b>
<b>2. Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	2.20	52,856.27	53,958.66	69,128.70
(ii) Trade payables	2.21	45,244.04	45,668.86	45,172.84
(iii) Other financial liabilities	2.22	20,452.61	19,180.32	34,413.27
(b) Other current liabilities	2.23	8,595.30	8,130.55	7,145.35
(c) Provisions	2.24	329.63	1,200.16	1,392.87
		<b>1,27,477.85</b>	<b>1,28,138.55</b>	<b>1,57,253.03</b>
<b>Total liabilities</b>		<b>3,19,114.58</b>	<b>3,47,849.92</b>	<b>3,60,542.94</b>
<b>Total equity and liabilities</b>		<b>3,58,916.71</b>	<b>3,99,451.35</b>	<b>4,27,897.99</b>

Summary of Significant Accounting Policies

1

Notes on Consolidated Financial Statements

2.1 to 2.54

The notes are an integral part of the Consolidated Financial Statements.

As per our report of even date

For **Lodha & Co.**

Chartered Accountants

FRN :301051E

**H. K. Verma**

Partner

Membership No. 055104

Place : Kolkata

Date : 15th May 2017

For and on behalf of the Board

**Sanjay Somany**

Vice Chairman and Managing Director

DIN: 00124538

**Mukul Somany**

Vice Chairman and Managing Director

DIN: 00124625

**Bimal Kumar Garodia**

Sr. Vice President and

Chief Financial Officer

**Ajay Kumar Rai**

Company Secretary

&amp; Legal Counsel

**Consolidated Statement of Profit and Loss** for the year ended 31st March 2017

₹ in Lakhs

Particulars	Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>REVENUE</b>			
I. Revenue from Operations	2.25	2,06,433.69	2,45,582.16
II. Other Income	2.26	694.30	1,428.69
<b>III. Total Income (I+II)</b>		<b>2,07,127.99</b>	<b>2,47,010.85</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	2.27	59,694.62	70,823.21
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	2.28	(5,794.89)	(178.67)
Excise duty on sale of goods		20,373.76	20,123.26
Employee Benefit Expenses	2.29	21,114.80	22,151.89
Other Expenses	2.30	92,623.68	99,243.37
<b>IV. Total Expenses</b>		<b>1,88,011.97</b>	<b>2,12,163.06</b>
<b>V. Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) and Exceptional Items (III-IV)</b>		<b>19,116.02</b>	<b>34,847.79</b>
VI. Depreciation and Amortization expense	2.1.A & 2.1.B	17,486.88	23,256.27
<b>VII. Finance costs</b>	2.31	23,799.96	27,137.24
<b>VIII. Profit/(loss) before exceptional items and tax (V-VI-VII)</b>		<b>(22,170.82)</b>	<b>(15,545.72)</b>
IX. Exceptional Items	2.32	10,146.01	-
<b>X. Profit/(loss) before tax (VIII+IX)</b>		<b>(12,024.81)</b>	<b>(15,545.72)</b>
<b>XI. Tax expense:</b>			
(1) Current tax	2.33	-	284.89
(2) Deferred tax		-	-
<b>Tax expense</b>		<b>-</b>	<b>284.89</b>
<b>XII. Profit/(Loss) for the year after tax (X-XI) but before share of Profit/(Loss) of Joint Venture</b>		<b>(12,024.81)</b>	<b>(15,830.61)</b>
XIII. Add: Share of Profit/(Loss) of Joint Venture		585.48	589.59
<b>XIV. Profit/(Loss) for the year after tax (XII+XIII)</b>		<b>(11,439.33)</b>	<b>(15,241.02)</b>
<b>XV. Other Comprehensive Income</b>			
<b>A (i) Items that will not be reclassified to Profit or Loss</b>			
Re-measurement gains/ (losses) on defined benefit plans		(74.24)	(584.40)
<b>(ii) Income tax relating to items that will not be reclassified to Profit or Loss</b>		<b>-</b>	<b>-</b>
		<b>(74.24)</b>	<b>(584.40)</b>
Add: Share of Other Comprehensive Income of Joint Venture		(1.53)	(2.09)
<b>B (i) Items that will be reclassified to Profit or Loss</b>		<b>-</b>	<b>-</b>
<b>(ii) Income tax relating to items that will be reclassified to Profit or Loss</b>		<b>-</b>	<b>-</b>
<b>Other comprehensive income for the year after taxes</b>		<b>(75.77)</b>	<b>(586.49)</b>
<b>XVI. Total Comprehensive Income for the year (XIV+XV) (Comprising Profit/ (Loss) and Other Comprehensive Income for the year)</b>		<b>(11,515.10)</b>	<b>(15,827.51)</b>
<b>XVII. Earnings per equity share</b>			
(1) Basic	2.34	(13.10)	(17.45)
(2) Diluted	2.34	(13.10)	(17.45)
Number of shares used in computing earnings per share			
(1) Basic		8,73,38,565	8,73,38,565
(2) Diluted		8,73,38,565	8,73,38,565

Summary of Significant Accounting Policies

1

Notes on Consolidated Financial Statements

2.1 to 2.54

The notes are an integral part of the Consolidated Financial Statements.

As per our report of even date

For **Lodha & Co.**

Chartered Accountants

FRN :301051E

**H. K. Verma**

For and on behalf of the Board

Partner

Membership No. 055104

Place : Kolkata

Date : 15th May 2017

**Sanjay Somany**

Vice Chairman and Managing Director

DIN: 00124538

**Mukul Somany**

Vice Chairman and Managing Director

DIN: 00124625

**Bimal Kumar Garodia**Sr. Vice President and  
Chief Financial Officer**Ajay Kumar Rai**Company Secretary  
& Legal Counsel

**Consolidated Statement of Changes in Equity** for the year ended 31st March 2017**(a) Equity Share Capital**

₹ in Lakhs

Particulars	Number of Shares	Amount
Equity Shares of ₹ 2/- each issued, subscribed and fully paid up		
As at 1st April 2015	8,73,38,565	1,746.77
As at 31st March 2016	8,73,38,565	1,746.77
As at 31st March 2017	8,73,38,565	1,746.77

**Note:** There is no change in the equity share capital**(b) Other Equity**

₹ in Lakhs

Particulars	Reserves and Surplus					Exchange Differences on translating the financial statements of a foreign operation	Other Comprehensive Income - Remeasurement of defined benefit plans	Total
	Capital Reserve	Security Premium Reserve	Debenture Redemption Reserve	General Reserve	Retained earnings			
Balance at 1st April 2015	5,595.85	5,823.09	5,416.67	69,157.21	(20,589.93)	205.39	-	65,608.28
Transfer/Adjustments during the year	-	-	(208.33)	208.33	(3.87)	77.76	-	73.89
Profit/(Loss) for the year	-	-	-	-	(15,241.02)	-	-	(15,241.02)
Other comprehensive income for the year	-	-	-	-	-	-	(586.49)	(586.49)
<b>Total comprehensive income for the year</b>	-	-	(208.33)	208.33	(15,244.89)	77.76	(586.49)	(15,753.62)
Balance at 31st March 2016	5,595.85	5,823.09	5,208.34	69,365.54	(35,834.82)	283.15	(586.49)	49,854.66
Transfer/Adjustments during the year	-	-	(208.34)	208.34	(1.05)	(283.15)	-	(284.20)
Profit/(Loss) for the year	-	-	-	-	(11,439.33)	-	-	(11,439.33)
Other comprehensive income for the year	-	-	-	-	-	-	(75.77)	(75.77)
<b>Total comprehensive income for the year</b>	-	-	(208.34)	208.34	(11,440.38)	(283.15)	(75.77)	(11,799.30)
Balance at 31st March 2017	5,595.85	5,823.09	5,000.00	69,573.88	(47,275.20)	-	(662.26)	38,055.36

Refer Note No. 2.14 for nature and purpose of reserves

Summary of Significant Accounting Policies

1

Notes on Consolidated Financial Statements

2.1 to 2.54

The notes are an integral part of the Consolidated Financial Statements.

As per our report of even date

For **Lodha & Co.**

Chartered Accountants

FRN :301051E

**H. K. Verma**

Partner

Membership No. 055104

Place : Kolkata

Date : 15th May 2017

For and on behalf of the Board

**Sanjay Somany**

Vice Chairman and Managing Director

DIN: 00124538

**Mukul Somany**

Vice Chairman and Managing Director

DIN: 00124625

**Bimal Kumar Garodia**

Sr. Vice President and

Chief Financial Officer

**Ajay Kumar Rai**

Company Secretary

&amp; Legal Counsel

**Consolidated Statement of Cash Flow** for the year ended 31st March, 2017

₹ in Lakhs

Particulars	Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit / (Loss) before tax		(12,024.81)	(15,545.72)
<b>Non-cash adjustments to reconcile profit/(loss) before tax to net cash flows</b>			
Depreciation/Amortisation		17,486.88	23,256.27
Loss/(profit) on sale/discard of Property Plant and Equipment		884.27	102.77
Bad Debts and Impairment allowances for trade receivables		16.78	20.76
Receipt of Subsidy		-	(763.40)
Interest Income		(146.96)	(147.83)
Dividend Income on Non current Investments		(1.67)	(1.67)
Net Loss/(Gain) on sale of Current Investments		(163.21)	(257.51)
Finance Costs		23,799.96	27,137.24
Liability no longer required written back		(259.98)	(743.43)
<b>Operating Profit before exceptional items and working capital changes</b>		<b>29,591.26</b>	<b>33,057.48</b>
<b>Less: Exceptional items</b>			
Profit on sale of investment in subsidiary (Refer Note No. 2.32)		(10,146.01)	-
<b>Operating Profit before working capital changes</b>		<b>19,445.25</b>	<b>33,057.48</b>
<b>Movement in working capital :</b>			
Increase/(Decrease) in Trade Payables and Other Liabilities		1,958.46	1,523.02
Decrease/(Increase) in Trade Receivables		1,884.15	1,079.93
Decrease/(Increase) in Inventories		(9,333.07)	807.70
Decrease/(Increase) in Loans and Advances		2,710.92	5.38
<b>Cash generated from/(used in) Operations</b>		<b>16,665.71</b>	<b>36,473.51</b>
Direct taxes (paid)/Refunds (net)		(49.02)	(183.00)
<b>Net Cash Flow from/(used in) Operating activities (A)</b>		<b>16,616.69</b>	<b>36,290.51</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Property Plant and Equipment, Intangible assets, Capital Work in Progress and Capital Advances		(7,556.47)	(10,717.87)
Proceeds from sale of Property Plant and Equipment		200.48	523.47
Proceeds from sale of investment in subsidiary		16,597.11	-
Sale/(Purchase) of current investment		163.21	12,757.51
Redemption /(Investment) in bank deposits with maturity more than 3 months		(21.54)	(62.88)
Interest received		223.07	104.00
Dividend received from Non Current Investments		1.67	1.67
<b>Net Cash Flow from/(used in) Investing activities (B)</b>		<b>9,607.53</b>	<b>2,605.90</b>

**Consolidated Statement of Cash Flow** for the year ended 31st March, 2017

₹ in Lakhs

Particulars	Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		1,845.36	11,675.87
Repayment of borrowings		(4,077.80)	(24,362.93)
Interest paid		(24,248.95)	(26,562.85)
Receipt of Subsidy		-	798.85
<b>Net Cash Flow from/(used in) Financing activities (C)</b>		<b>(26,481.39)</b>	<b>(38,451.06)</b>
<b>Exchange Differences on Translation of Foreign Subsidiary (D)</b>		-	77.76
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C+D)</b>		<b>(257.17)</b>	<b>523.11</b>
Cash and cash equivalents at the beginning of the year		1,521.84	998.73
Less: Adjustment of cash balance of Subsidiary included above under cash and cash equivalent at the beginning of the year on account of disposal of subsidiary during the year		(732.52)	-
<b>Cash and cash equivalents at the end of the year</b>		<b>532.15</b>	<b>1,521.84</b>
<b>Components of Cash and Cash Equivalents</b>			
<b>Balances with banks:</b>			
In current accounts		438.83	1,408.74
In deposit accounts (With original maturity of less than 3 months)		80.20	89.28
In dividend accounts		1.50	1.93
Cash in hand		11.62	21.89
<b>Total cash and cash equivalents</b>	<b>2.8.A</b>	<b>532.15</b>	<b>1,521.84</b>

Refer Note No. 2.2.8 (b) for amount of assets and liabilities in the subsidiaries over which control is lost.

Summary of Significant Accounting Policies

1

Notes on Consolidated Financial Statements

2.1 to 2.54

The notes are an integral part of the Consolidated Financial Statements.

As per our report of even date

For **Lodha & Co.**

Chartered Accountants

FRN :301051E

**H. K. Verma**

Partner

Membership No. 055104

Place : Kolkata

Date : 15th May 2017

For and on behalf of the Board

**Sanjay Somany**

Vice Chairman and Managing Director

DIN: 00124538

**Mukul Somany**

Vice Chairman and Managing Director

DIN: 00124625

**Bimal Kumar Garodia**

Sr. Vice President and

Chief Financial Officer

**Ajay Kumar Rai**

Company Secretary

&amp; Legal Counsel



# Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017

## 1. Summary of Significant Accounting Policies

### 1. Corporate Information

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

The Consolidated Financial Statements (CFS) have been prepared in accordance with the Indian Accounting Standard 110 "Consolidated Financial Statements" and Indian Accounting Standard 28 "Investments in Associates and Joint Ventures" as notified under Section 133 of the Companies Act, 2013.

The Subsidiary and its Joint Venture considered in these consolidated financial statements are:

#### a) Subsidiary

Name of the Company	Country of Incorporation	Percentage of voting power either directly or through subsidiary as at		
		31.03.2017	31.03.2016	01.04.2015
HNG Global GmbH	Germany	0%	100%	100%

#### b) Joint Venture

Name of the Company	Country of Incorporation	Percentage of voting power held as at		
		31.03.2017	31.03.2016	01.04.2015
HNG Float Glass Limited	India	11.23%	11.23%	11.23%

## 2. Statement of Compliance and Recent Pronouncements

### 2.1 Statement of Compliance

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

These are the Company's first Ind AS Consolidated Financial Statements and the date of transition to Ind AS as required has been considered to be 1st April, 2015.

The consolidated financial statement upto the year ended 31st March, 2016, were prepared under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles and Accounting Standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 then applicable (Previous GAAP) to the Company. Previous period figures in the Consolidated Financial Statements have now been restated in compliance to Ind AS.

In accordance with Ind AS 101- "First Time adoption of Indian Accounting Standards" (Ind AS 101), the Company has presented (Note 2.50) a reconciliation of Shareholders' equity as given earlier under Previous GAAP and those considered in these accounts as per Ind AS as at 31st March, 2016, and 1st April, 2015 and also the Net Profit as per Previous GAAP and that arrived including Other Comprehensive Income under Ind AS for the year ended 31st March, 2016. The mandatory exceptions and optional exemptions availed by the Company on First-time adoption have been detailed in Note 2.51 of the financial statement.

### 2.2 Recent Pronouncements

In March 2017, Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to the Ind AS 7 'Statement of Cash flows' and Ind AS 102, 'Share Based Payment' which are applicable w.e.f. 1st April, 2017.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017

The amendment to Ind AS 7 "Statement of Cash Flows" requires the entities to provide disclosures that enable users of Consolidated Financial Statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The effect of this amendment on the Consolidated Financial Statements of the Company is being evaluated.

The amendment to Ind AS 102 "Share Based Payment" provides specific guidance to measurement of cash-settled share based payment transaction and share based payment transaction with a net settlement feature for withholding tax obligations. As the Company has not issued any stock options plans this amendment does not have any impact on the Consolidated Financial Statements of the Company.

### 3. Significant Accounting Policies

#### A. Basis of Preparation

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

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

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

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

#### Principles of Consolidation

Subsidiaries are entities where the Company exercise or controls more than one-half of its total share capital. The net assets and results of acquired businesses are included in the consolidated financial statements from their respective dates of acquisition, being the date on which the Company obtains control. The results of disposed businesses are included in the consolidated financial statements up to their date of disposal, being the date control ceases.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year. The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-Company balances, intra-Company transactions and the unrealised profits/losses, unless cost/revenue cannot be recovered.

The excess of cost to the Company of its investment in subsidiaries, on the acquisition dates over and above the Company's share of equity in the subsidiaries, is recognised as 'Goodwill on Consolidation' being an asset in the consolidated financial statements. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for. On the other hand, where the share of equity in subsidiaries as on the date of investment is in excess of cost of investments of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus' in the consolidated financial statements.

Non-controlling interests in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately within equity.

Non-controlling interests in the net assets of consolidated subsidiaries consists of:

- (a) The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and
- (b) The non-controlling interests' share of movements in equity since the date Company subsidiary relationship came into existence.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017

The profit and other comprehensive income attributable to non-controlling interests of subsidiaries are shown separately in the Statement of Profit and Loss and Statement of Changes in Equity.

Investments in associates and joint ventures has been accounted under the equity method as per Ind AS 28 "Investments in Associates and Joint Ventures".

The Company accounts for its share of post acquisition changes in net assets of associates and joint ventures, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Consolidated Statement of Profit and Loss, to the extent such change is attributable to the associates' Statement of Profit and Loss and through its reserves for the balance based on available information.

### Fair value measurement

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

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

- a) Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b) Level 2 : inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.
- c) Level 3 : inputs for the asset or liability which are not based on observable market data.

### B. Property, Plant and Equipment

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

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

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

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

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

- (i) Depreciation has been provided (a) as per the useful life specified under Schedule II to the Companies Act, 2013 on assets installed/acquired up to 31st March 1990 on written down value method and in respect of additions thereafter on straight line method; (b) in case of certain items of Plants and Equipments where useful life ranging from 5 to 30 years has been considered based on technical assessment, which is different from the useful life prescribed under Schedule II of the Companies Act, 2013.
- (ii) Certain Plant and Equipments have been considered as continuous process plant as defined under Schedule II to the Companies Act, 2013 on the basis of technical evaluation.
- (iii) Subsequent costs are depreciated over the remaining life of the plant and equipment.
- (iv) Depreciation on incremental cost of arising on account of exchange difference is amortised on straight line method over the remaining life of the asset.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017

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

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

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

### C. Intangible Assets

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

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

### D. Derecognition of Tangible and Intangible Assets

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

### E. Leases

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

Finance leases are capitalized at the inception of the lease at lower of its fair value and the present value of the minimum lease payments and a liability is recognized for an equivalent amount. Any initial direct cost of the lessee is added to the amount recognized as an asset. Each Lease payment is apportioned between finance charge and reduction of the lease liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the outstanding amount of the liabilities.

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

### F. Impairment of Tangible and Intangible Assets

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

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

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017

### G. Financial Assets and Liabilities

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

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

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

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

#### (i) Cash and cash equivalents

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

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

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

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

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (including all fees and points paid or received, transaction costs and other premiums or discounts) through the expected life of the Financial Asset or Financial Liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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

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

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

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

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.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017

### Derivatives and Hedge Accounting

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

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

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

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

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

### Impairment of financial assets

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

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

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

### De-recognition of financial instruments

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

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

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

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

## H. Inventories

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

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017

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

### I. Foreign Currency Transactions

#### Presentation currency:

These Consolidated Financial Statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

#### Transactions and balances:

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

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

### J. Equity Share Capital

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

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

### K. Provisions, Contingent Liabilities and Contingent Assets

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

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

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

### L. Employee Benefits

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

**Provident & Family Pension Fund:** In accordance with the provisions of the Employee Provident Funds and Miscellaneous Provisions Act, 1952, eligible employees of the Company are entitled to receive benefits with respect to provident fund, a defined contribution plan, in which both the Company and employee contribute monthly to Provident Fund Scheme by

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017

the Central Government/Trust at a determined rate. The Company contributes to the Employees' Pension Scheme, 1995 for certain categories of employees. The Company's contribution is charged off to the Statement of Profit and Loss.

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

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

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

### M. Revenue

#### Sale of Goods

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

#### Interest, Dividend and Claims

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

#### Export Benefits

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

### N. Borrowing Cost

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

### O. Research and Development

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

### P. Government Grants

Government grants are recognized on systematic basis when there is reasonable certainty of realization of the same. Revenue grants including subsidy/rebates are credited to Statement of Profit and Loss Account under "Other Income" or deducted from the related expenses for the period to which these are related. Grants which are meant for purchase, construction or otherwise acquire non current assets are recognized as Deferred Income and disclosed under Non Current



## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017

Liabilities and transferred to Statement of Profit and Loss on a systematic basis over the useful life of the respective asset. Grants relating to non-depreciable assets is transferred to Statement of Profit and Loss over the periods that bear the cost of meeting the obligations related to such grants.

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

### Q. Taxes on Income

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

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

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

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

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

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

### R. Earnings Per Share

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

### S. Non-current assets held for sale

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

The Company classifies non-current assets as held for sale if their carrying amount will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017

significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

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

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

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

### **U. Measurement of EBITDA**

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

**Notes to Consolidated Financial Statements** as at and for the year ended 31st March 2017**2.1.A PROPERTY, PLANT AND EQUIPMENT**

₹ in Lakhs

Particulars	Property, Plant and Equipment								Total
	Freehold Land	Leasehold Land	Buildings	Leasehold Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	
<b>(A) Gross Carrying Value</b>									
<b>As at 1st April 2015</b>	<b>35,521.84</b>	<b>5,185.37</b>	<b>60,200.88</b>	<b>7.95</b>	<b>1,70,101.16</b>	<b>1,496.00</b>	<b>1,771.76</b>	<b>87.02</b>	<b>2,74,371.98</b>
Additions	3.62	-	4,185.20	-	3,961.05	44.02	-	10.34	<b>8,204.23</b>
Disposals / deductions	-	-	(79.15)	-	(400.33)	(1.32)	(282.13)	(0.15)	<b>(763.08)</b>
Other adjustments									
Foreign Exchange differences	88.45	-	919.59	-	4,672.21	230.71	-	-	<b>5,910.96</b>
<b>As at 31st March 2016</b>	<b>35,613.91</b>	<b>5,185.37</b>	<b>65,226.52</b>	<b>7.95</b>	<b>1,78,334.09</b>	<b>1,769.41</b>	<b>1,489.63</b>	<b>97.21</b>	<b>2,87,724.09</b>
Additions	-	-	159.98	-	6,247.18	1.28	31.52	17.98	<b>6,457.94</b>
Disposals / deductions	-	-	(1.05)	-	(1,389.48)	(0.01)	(103.00)	(0.11)	<b>(1,493.65)</b>
Other adjustments									
Foreign Exchange differences	-	-	-	-	(1,146.30)	-	-	-	<b>(1,146.30)</b>
Disposal of Subsidiary	(900.49)	-	(8,171.39)	-	(15,003.08)	(1,473.78)	-	-	<b>(25,548.74)</b>
<b>As at 31st March 2017</b>	<b>34,713.42</b>	<b>5,185.37</b>	<b>57,214.06</b>	<b>7.95</b>	<b>1,67,042.41</b>	<b>296.90</b>	<b>1,418.15</b>	<b>115.08</b>	<b>2,65,993.34</b>
<b>(B) Accumulated Depreciation</b>									
<b>As at 1st April 2015</b>	-	-	-	-	-	-	-	-	-
Charge for the year	-	31.84	2,364.53	0.15	19,909.95	346.73	437.11	39.57	<b>23,129.88</b>
Deductions	-	-	(2.28)	-	(77.55)	(0.91)	(56.08)	(0.01)	<b>(136.83)</b>
Other adjustments									
Foreign Exchange differences	-	-	149.17	-	980.28	121.99	-	-	<b>1,251.44</b>
<b>As at 31st March 2016</b>	-	<b>31.84</b>	<b>2,511.42</b>	<b>0.15</b>	<b>20,812.68</b>	<b>467.81</b>	<b>381.03</b>	<b>39.56</b>	<b>24,244.49</b>
Charge for the year	-	31.84	1,921.59	0.15	15,094.51	45.57	352.69	27.54	<b>17,473.89</b>
Deductions	-	-	(0.08)	-	(352.43)	-	(56.35)	(0.05)	<b>(408.91)</b>
Other adjustments									
Foreign Exchange differences	-	-	-	-	-	-	-	-	-
Disposal of Subsidiary	-	-	(580.46)	-	(3,467.50)	(416.28)	-	-	<b>(4,464.24)</b>
<b>As at 31st March 2017</b>	-	<b>63.68</b>	<b>3,852.47</b>	<b>0.30</b>	<b>32,087.26</b>	<b>97.10</b>	<b>677.37</b>	<b>67.05</b>	<b>36,845.23</b>
<b>(C) Net Block (A-B)</b>									
<b>As at 1st April 2015 (Deemed Cost)</b>	<b>35,521.84</b>	<b>5,185.37</b>	<b>60,200.88</b>	<b>7.95</b>	<b>1,70,101.16</b>	<b>1,496.00</b>	<b>1,771.76</b>	<b>87.02</b>	<b>2,74,371.98</b>
<b>As at 31st March 2016</b>	<b>35,613.91</b>	<b>5,153.53</b>	<b>62,715.10</b>	<b>7.80</b>	<b>1,57,521.41</b>	<b>1,301.60</b>	<b>1,108.60</b>	<b>57.65</b>	<b>2,63,479.60</b>
<b>As at 31st March 2017</b>	<b>34,713.42</b>	<b>5,121.69</b>	<b>53,361.59</b>	<b>7.65</b>	<b>1,34,955.15</b>	<b>199.80</b>	<b>740.78</b>	<b>48.03</b>	<b>2,29,148.11</b>

**2.1.A.1** Building includes ₹ 1,144.89 lakhs (31st March, 2016 : ₹ 1,144.89 lakhs ; 1st April 2015 : ₹ 1,144.89 lakhs) for acquiring Equity Shares in a body corporate. By virtue of acquiring the Shares, the Company has right to use and occupy certain office space.

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

**2.1.A.3** The company has considered the net carrying value of Property, Plant and Equipment as on the date of transition as deemed cost under Ind AS 101 "First-Time Adoption of Indian Accounting Standards" except Freehold Land and Lease hold Land which have been fair valued as on 1st April 2015 and have been considered as deemed cost under Ind AS. (Refer note 2.50.A & 2.51).

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017

**2.1.A.4** The Company, being a first-time adopter has opted to use the exemption under Ind AS 101 First Time Adoption of Indian Accounting Standards and has continued the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP i.e. 31st March 2016. The Company has capitalised/decapitalised exchange loss/gain respectively arising on long-term foreign currency loan. Accordingly, exchange gain amounting to ₹ 1146.30 Lakhs (31st March 2016 - exchange loss ₹ 2405.00 Lakhs; 1st April 2015 - exchange loss ₹ 1771.25 Lakhs) has been adjusted to the cost of Plant and Equipments. The unamortised amount as on 31st March 2017 ₹ 5612.75 Lakhs (31st March 2016 : ₹ 7694.02 Lakhs; 1st April 2015 : ₹ 5971.64 Lakhs).

**2.1.A.5** The company has elected to measure all its Property, Plant and Equipment (except Freehold Land and Lease hold Land which have been fair valued as mentioned in **note 2.1.A.3** above) at the previous GAAP carrying amount i.e. 31st March 2015 as its deemed cost (Gross Block Value) on the date of transition to Ind AS i.e. 1st April 2015. The movement in carrying value of Property, Plant and Equipment as per previous GAAP is mentioned below:

₹ in Lakhs

Particulars	Property, Plant and Equipment								Total
	Freehold Land	Leasehold Land	Buildings	Leasehold Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	
<b>(A) Gross Carrying Value</b>									
<b>As at 1st April 2015</b>	<b>35,521.84</b>	<b>5,379.78</b>	<b>71,003.26</b>	<b>9.18</b>	<b>3,06,767.66</b>	<b>2,858.36</b>	<b>4,177.33</b>	<b>534.39</b>	<b>4,26,251.80</b>
Additions	3.62	-	4,185.20	-	3,961.05	44.02	-	10.34	8,204.23
Disposals / deductions	-	-	(80.25)	-	(2,128.71)	(1.32)	(631.70)	(0.34)	(2,842.32)
Other adjustments									
Foreign Exchange differences	88.45	-	919.59	-	4,672.21	230.71	-	-	5,910.96
<b>As at 31st March 2016</b>	<b>35,613.91</b>	<b>5,379.78</b>	<b>76,027.80</b>	<b>9.18</b>	<b>3,13,272.21</b>	<b>3,131.77</b>	<b>3,545.63</b>	<b>544.39</b>	<b>4,37,524.67</b>
Additions	-	-	159.98	-	6,247.18	1.28	31.52	17.98	6,457.94
Disposals / deductions	-	-	(1.31)	-	(5,381.92)	(0.14)	(395.90)	(1.23)	(5,780.50)
Other adjustments									
Foreign Exchange differences	-	-	-	-	(1,146.30)	-	-	-	(1,146.30)
Disposal of Subsidiary	(900.49)	-	(9,384.73)	-	(23,098.83)	(2,491.76)	-	-	(35,875.81)
<b>As at 31st March 2017</b>	<b>34,713.42</b>	<b>5,379.78</b>	<b>66,801.74</b>	<b>9.18</b>	<b>2,89,892.34</b>	<b>641.15</b>	<b>3,181.25</b>	<b>561.14</b>	<b>4,01,180.00</b>
<b>(B) Accumulated Depreciation</b>									
<b>As at 1st April 2015</b>	<b>-</b>	<b>194.41</b>	<b>10,802.38</b>	<b>1.23</b>	<b>1,36,666.50</b>	<b>1,362.36</b>	<b>2,405.57</b>	<b>447.37</b>	<b>1,51,879.82</b>
Charge for the year	-	31.84	2,364.53	0.15	19,909.95	346.73	437.11	39.57	23,129.88
Deductions	-	-	(3.38)	-	(1,805.93)	(0.91)	(405.65)	(0.20)	(2,216.07)
Other adjustments									
Foreign Exchange differences	-	-	149.17	-	980.28	121.99	-	-	1,251.44
<b>As at 31st March 2016</b>	<b>-</b>	<b>226.25</b>	<b>13,312.70</b>	<b>1.38</b>	<b>1,55,750.80</b>	<b>1,830.17</b>	<b>2,437.03</b>	<b>486.74</b>	<b>1,74,045.07</b>
Charge for the year	-	31.84	1,921.59	0.15	15,094.51	45.57	352.69	27.54	17,473.89
Deductions	-	-	(0.34)	-	(4,344.87)	(0.13)	(349.25)	(1.17)	(4,695.76)
Other adjustments									
Foreign Exchange differences	-	-	-	-	-	-	-	-	-
Disposal of Subsidiary	-	-	(1,793.80)	-	(11,563.25)	(1,434.26)	-	-	(14,791.31)
<b>As at 31st March 2017</b>	<b>-</b>	<b>258.09</b>	<b>13,440.15</b>	<b>1.53</b>	<b>1,54,937.19</b>	<b>441.35</b>	<b>2,440.47</b>	<b>513.11</b>	<b>1,72,031.89</b>
<b>(C) Net Block (A-B)</b>									
<b>As at 1st April 2015 (Deemed Cost)</b>	<b>35,521.84</b>	<b>5,185.37</b>	<b>60,200.88</b>	<b>7.95</b>	<b>1,70,101.16</b>	<b>1,496.00</b>	<b>1,771.76</b>	<b>87.02</b>	<b>2,74,371.98</b>
<b>As at 31st March 2016</b>	<b>35,613.91</b>	<b>5,153.53</b>	<b>62,715.10</b>	<b>7.80</b>	<b>1,57,521.41</b>	<b>1,301.60</b>	<b>1,108.60</b>	<b>57.65</b>	<b>2,63,479.60</b>
<b>As at 31st March 2017</b>	<b>34,713.42</b>	<b>5,121.69</b>	<b>53,361.59</b>	<b>7.65</b>	<b>1,34,955.15</b>	<b>199.80</b>	<b>740.78</b>	<b>48.03</b>	<b>2,29,148.11</b>

**Notes to Consolidated Financial Statements** as at and for the year ended 31st March 2017**2.1.B INTANGIBLE ASSETS**

₹ in Lakhs

Particulars	Computer Softwares
<b>(A) Gross carrying value</b>	
<b>As at 1st April 2015</b>	<b>144.68</b>
Additions	164.60
Disposals / deductions	-
Other adjustments	
Foreign Exchange differences	55.31
<b>As at 31st March 2016</b>	<b>364.59</b>
Additions	267.33
Disposals / deductions	-
Other adjustments	
Foreign Exchange differences	-
Disposal of Subsidiary	(334.77)
<b>As at 31st March 2017</b>	<b>297.15</b>
<b>(B) Accumulated Amortisation</b>	
<b>As at 1st April 2015</b>	<b>-</b>
Charge for the year	126.39
Deductions	-
Other adjustments	
Foreign Exchange differences	39.86
<b>As at 31st March 2016</b>	<b>166.25</b>
Charge for the year	12.99
Deductions	-
Other adjustments	
Foreign Exchange differences	-
Disposal of Subsidiary	(151.79)
<b>As at 31st March 2017</b>	<b>27.45</b>
<b>(C) Net Block (A-B)</b>	
<b>As at 1st April 2015 (Deemed Cost)</b>	<b>144.68</b>
<b>As at 31st March 2016</b>	<b>198.34</b>
<b>As at 31st March 2017</b>	<b>269.70</b>

**2.1.B.1** The company has considered the net carrying value of intangible assets as on the date of transition as deemed cost under Ind AS 101 "First-Time Adoption of Indian Accounting Standards".

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017

**2.1.B.2** The company has elected to measure all its Intangibles at the previous GAAP carrying amount i.e. 31st March 2015 as its deemed cost (Gross Block Value) on the date of transition to Ind AS i.e. 1st April 2015. The movement in carrying value of Intangibles as per previous GAAP is mentioned below:

₹ in Lakhs	
Particulars	Computer Softwares
<b>(A) Gross carrying value</b>	
<b>As at 1st April 2015</b>	<b>1,934.29</b>
Additions	164.60
Disposals / deductions	-
Other adjustments	
Foreign Exchange differences	55.31
<b>As at 31st March 2016</b>	<b>2,154.20</b>
Additions	267.33
Disposals / deductions	(112.23)
Other adjustments	
Foreign Exchange differences	-
Disposal of Subsidiary	(660.28)
<b>As at 31st March 2017</b>	<b>1,649.02</b>
<b>(B) Accumulated Amortisation</b>	
<b>As at 1st April 2015</b>	<b>1,789.61</b>
Charge for the year	126.39
Deductions	-
Other adjustments	
Foreign Exchange differences	39.86
<b>As at 31st March 2016</b>	<b>1,955.86</b>
Charge for the year	12.99
Deductions	(112.23)
Other adjustments	
Foreign Exchange differences	-
Disposal of Subsidiary	(477.30)
<b>As at 31st March 2017</b>	<b>1,379.32</b>
<b>(C) Net Block (A-B)</b>	
<b>As at 1st April 2015 (Deemed Cost)</b>	<b>144.68</b>
<b>As at 31st March 2016</b>	<b>198.34</b>
<b>As at 31st March 2017</b>	<b>269.70</b>

**Notes to Consolidated Financial Statements** as at and for the year ended 31st March 2017**2.2 INVESTMENTS**

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
<b>Non-Current Investments</b>							
<b>Investment in Joint Venture</b>							
<b>Fully paid-up Equity Shares of ₹ 10 each</b>							
HNG Float Glass Limited 3,45,93,005 (31st March, 2016 - 3,45,93,005; 1st April 2015 - 3,45,93,005) number of shares	2.2.6 & 2.2.7	2,612.00		2,612.00		2,612.00	
Share of Profit carried forward		587.50		587.50		-	
Share of Profit for the current year		583.95	3,783.45	-	3,199.50	-	2,612.00
<b>Investments at fair value through profit or loss</b>							
<b>Unquoted Equity Instruments</b>	2.2.7						
<b>Other Bodies Corporate - Fully paid-up Equity Shares</b>							
Brabourne Commerce Private Limited Face Value of ₹ 10 each 107 (31st March, 2016 - 107; 1st April 2015 - 107) number of shares			0.09		0.09		0.09
The Calcutta Stock Exchange Association Limited Face Value of ₹ 1 each 8,364 (31st March, 2016 - 8,364, 1st April 2015 - 8,364) number of shares			167.28		167.28		167.28
Capexil Agencies Limited Face Value of ₹ 1000 each 5 (31st March, 2016 - 5; 1st April 2015 - 5) number of shares			0.05		0.05		0.05
<b>Government Securities at amortised cost</b>							
National Savings Certificates	2.2.3		0.57		0.57		0.57
			<b>3,951.44</b>		<b>3,367.49</b>		<b>2,779.99</b>
<b>Current Investments at fair value through profit or loss</b>							
<b>Quoted Instruments</b>							
<b>Investments in Mutual Funds</b>							
SBI Premier Liquid Fund - Super Inst - Growth Nil (31st March, 2016 - Nil; 1st April, 2015 - 5,68,744.048 units)			-		-		12,500.00
			-		-		<b>12,500.00</b>

**Notes to Consolidated Financial Statements** as at and for the year ended 31st March 2017

₹ in Lakhs

		As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
2.2.1	Aggregate amount of quoted Investment	-	-	12,500.00
2.2.2	Market value of quoted Investment	-	-	12,500.00
2.2.3	Aggregate amount of unquoted Investment	3,951.44	3,367.49	2,779.99
2.2.4	Particulars of Investment as required in terms of Sec 186(4) of the Companies Act, 2013, have been disclosed under note no. 2.2 above.			
2.2.5	Refer Note 2.45 for information about Fair Value Measurement.			

## 2.2.6 Details of Investment in joint venture:

Name of the entity	Relationship	Principal Activity	Place of incorporation and principal place of Business	Percentage of ownership interest		
				March 31, 2017	March 31, 2016	April 1, 2015
(i) HNG Float Glass Limited (Refer Note no. 2.49.G)	Joint Venture	Manufacture of float glass	India	11.23%	11.23%	11.23%

## 2.2.7 Information about joint venture

₹ In Lakhs

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>NON CURRENT ASSETS</b>	35,138.98	39,740.18	45,445.12
<b>CURRENT ASSETS</b>	21,996.66	11,307.63	14,720.74
<b>NON-CURRENT LIABILITIES</b>	11,220.80	13,506.67	15,271.18
<b>CURRENT LIABILITIES</b>	12,224.27	9,050.45	21,635.51
<b>The above amounts of assets and liabilities include the following:</b>			
Cash and cash equivalents	225.15	255.58	242.56
Current Financial Liabilities (excluding trade payables and provisions)	7,216.47	6,033.36	15,258.68
Non Current Financial Liabilities (excluding trade payables and provisions)	11,011.44	13,356.15	15,178.42
<b>REVENUE</b>	54,918.35	57,816.67	
<b>PROFIT OR (LOSS) FOR THE YEAR</b>	5,213.46	5,250.11	
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>	(13.58)	(18.59)	
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	5,199.88	5,231.52	
<b>DIVIDENDS RECEIVED FROM JOINT VENTURE DURING THE YEAR</b>	-	-	
<b>The above profit or (loss) for the year include the following:</b>			
Depreciation and Amortisation	5,097.71	5,508.28	
Interest Income	8.02	32.68	
Interest Expense	2,089.26	2,386.24	
Income Tax Expense/(income)	1,428.68	770.04	



## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017

**Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:**

Net Assets of the joint venture	33,690.57	28,490.69	23,259.17
Proportion of the Group's Ownership interest in the joint venture	11.23%	11.23%	11.23%
Goodwill	-	-	-
Other adjustments (Please Specify)	-	-	-
<b>Carrying amount of the Group's Interest in the joint venture</b>	<b>3,783.45</b>	<b>3,199.50</b>	<b>2,612.00</b>

### 2.2.8 Loss of Control over subsidiary

(a) Gain on disposal of investment in subsidiary (HNG Global GmbH) (disposed with effect from 1st April 2016) :

₹ in Lakhs

Particulars	
Consideration	16,597.11
Carrying amount of net assets sold	6,451.10
Gain on sale before income tax	10,146.01
<b>Gain on sale after income tax (Refer Note No. 2.32)</b>	<b>10,146.01</b>

(b) Other Financial Information :

(i) The carrying amounts of assets and liabilities as at the date of disposal of investment are as follows:

₹ in Lakhs

Particulars	HNG Global GmbH 1st April 2016
Property, Plant and Equipment	21,084.50
Capital Work in Progress	13.72
Goodwill	1.65
Intangible assets	182.98
Non-Current assets	-
Current Assets (including cash and cash equivalents of ₹ 732.52 Lakhs)	13,573.98
<b>Total Assets</b>	<b>34,856.83</b>
Non-Current Liabilities	14,017.83
Current Liabilities	14,104.75
Foreign Currency Translation Account	283.15
<b>Total Liabilities</b>	<b>28,405.73</b>
<b>Net Assets</b>	<b>6,451.10</b>

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017

(ii) Summarised Statement of Profit and Loss and Cash Flows of Subsidiary at the date of Sale were as follows :

₹ in Lakhs

Particulars	HNG Global GmbH 1st April 2016	31st March 2016
Revenue	-	28,412.77
Expenses	-	25,727.06
Profit before income tax	-	2,685.71
Income tax expense	-	284.89
Profit after income tax	-	2,400.82
Net cash inflow/(outflow) from operating activities	-	5,515.03
Net cash inflow/(outflow) from investing activities	-	(2,622.19)
Net cash inflow/(outflow) from financing activities	-	(2,764.20)
<b>Net Increase/(Decrease) in cash generated</b>	<b>-</b>	<b>128.64</b>

2.2.9 Refer note no. 1.3.A for method followed for accounting of investment in joint venture.

### 2.3 NON CURRENT ASSETS - LOANS

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>At amortised cost</b>				
<b>Unsecured, Considered good</b>				
Loan to Body Corporate	2.3.1	116.50	116.50	116.50
		<b>116.50</b>	<b>116.50</b>	<b>116.50</b>

2.3.1 Represents Loan granted for business purposes.

### 2.4 OTHER NON CURRENT FINANCIAL ASSETS

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Unsecured, Considered good</b>				
<b>At amortised cost</b>				
Deposits with Bank (having maturity of more than 12 months)	2.4.1	48.59	127.85	127.76
Security Deposits		1,862.06	1,812.76	1,257.08
<b>Derivative instruments at fair value through profit or loss</b>				
<b>Derivative instruments not designated as hedges</b>				
Receivable on account of Derivative Contract		1,002.52	1,778.97	1,406.76
		<b>2,913.17</b>	<b>3,719.58</b>	<b>2,791.60</b>

2.4.1 Deposit with Banks are pledged with the Government Authorities.

**Notes to Consolidated Financial Statements** as at and for the year ended 31st March 2017**2.5 OTHER NON-CURRENT ASSETS**

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Capital Advances		746.69	1,014.00	638.92
Prepaid Expenses		34.74	13.88	16.81
State Incentives	2.5.1	323.80	696.34	1,167.26
		<b>1,105.23</b>	<b>1,724.22</b>	<b>1,822.99</b>

**2.5.1 State incentive includes:**

- (a) ₹ 43.29 Lakhs (31st March, 2016 - ₹ 103.80 Lakhs; 1st April, 2015 - ₹ 215.70 Lakhs) for Input VAT Credit - Deferred, which can be utilised only after repayment of corresponding amount of Sales Tax Deferred Loan.
- (b) ₹ 280.51 Lakhs (31st March, 2016 - ₹ 592.54 Lakhs ; 1st April, 2015 - ₹ 951.56 Lakhs) as Industrial Promotion Assistance.

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

(Value taken and certified by the management)

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Raw Materials [Including in transit ₹ 2006.6 Lakhs (31st March, 2016 - ₹ 1113.87 Lakhs; 1st April, 2015 - ₹ 3999.54 Lakhs)]		9,457.33	6,914.80	8,770.10
Work in Progress		917.55	816.97	735.38
Finished Goods		32,122.44	31,127.06	31,029.98
Stores and Spare [Including in transit ₹ 2035.76 Lakhs (31st March, 2016 - ₹ 802.61 Lakhs; 1st April, 2015 - ₹ 1540.49 Lakhs)]	2.6.1, 2.6.2 & 2.6.3	16,314.15	19,832.03	19,065.34
Packing Materials [Including in transit ₹ 43.36 Lakhs (31st March, 2016 - ₹ 2.11 Lakhs; 1st April, 2015 - ₹ 14.27 Lakhs)]	2.6.3	1,280.77	1,929.91	1,827.65
		<b>60,092.24</b>	<b>60,620.77</b>	<b>61,428.45</b>

- 2.6.1 Inventories of Stores and Spare Parts include certain slow moving, non-moving and obsolete items. An impairment allowance of ₹ 788.05 Lakhs (31st March, 2016 - ₹ 746.05 Lakhs ; 1st April, 2015 - ₹ 741.10 Lakhs) towards obsolescence for such slow moving, non-moving and obsolete items is carried in the books and the management is of the opinion that the same is adequate and no further impairment is required there against.
- 2.6.2 Includes Scrap Inventory (burnt Refractories) amounting to ₹ NIL Lakhs (31st March, 2016 - ₹ 25.76 Lakhs ; 1st April, 2015 - ₹ 25.76 Lakhs) which is intended for sale.
- 2.6.3 Inventories includes items lying with third parties.
- 2.6.4 Refer Note 2.15.6 and 2.20.1 to Financial Statements in respect of charge created.

**Notes to Consolidated Financial Statements** as at and for the year ended 31st March 2017**2.7 TRADE RECEIVABLES**

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Unsecured</b>				
Considered Good		39,997.09	44,717.90	45,818.60
Considered Doubtful		243.51	100.80	359.02
Less: Impairment Allowances for receivables	2.7.4	(243.51)	(100.80)	(359.02)
		<b>39,997.09</b>	<b>44,717.90</b>	<b>45,818.60</b>

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

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

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

₹ in Lakhs

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Within Credit Period	26,458.13	24,538.46	27,296.77
1 to 90 days past due	9,957.33	14,861.11	14,682.80
91 to 180 days past due	1,458.05	1,533.03	1,701.90
More than 180 days past due	2,367.09	3,886.10	2,496.15

**2.7.4 Movement of Impairment allowances for receivables**

₹ in Lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
Balance at Beginning of the year	100.80	359.02
Add: Impairment Allowances recognised during the year	16.78	-
Less: Impairment Allowances written back during the year	-	(10.19)
Add/(Less): Impairment Allowances adjusted during the year	125.93	(248.03)
Balance at the end of the year	243.51	100.80

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

**Notes to Consolidated Financial Statements** as at and for the year ended 31st March 2017**2.8.A CASH AND CASH EQUIVALENTS** (As certified by the management)

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Balances with banks:				
In Current accounts		438.83	1,408.74	878.87
In Cash credit accounts		-	-	2.11
In Deposit accounts (With original maturity of less than 3 months)	2.8.A.1	80.20	89.28	82.45
In Dividend accounts	2.8.A.2	1.50	1.93	2.20
Cheques on hand		-	-	7.24
Cash in hand		11.62	21.89	25.86
		<b>532.15</b>	<b>1,521.84</b>	<b>998.73</b>

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

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

2.8.A.3 The details of Specified Bank Notes (SBN) (₹ 1000 and ₹ 500 note existing as on 8th November 2016) and other notes held and transacted during the period from November 8, 2016 to 30th December 2016 as defined and required vide notification number GSR 308(E) dated 30th March 2017 are given below:

₹ in Lakhs

Particulars	Specified Bank Notes	Other Denomination Notes	Total
Closing balance as on 8th November 2016	17.22	7.11	24.33
(+) Permitted receipt	-	42.19	42.19
(-) Permitted payment	-	42.26	42.26
(-) Amount Deposited in Banks	17.22	-	17.22
Closing cash on hand as on 30th December 2016	-	7.04	7.04

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

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
In deposit accounts (With original maturity more than 3 months but less than 12 months)	2.8.B.1	91.04	69.49	6.62
		<b>91.04</b>	<b>69.49</b>	<b>6.62</b>

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

**2.9 CURRENT ASSETS - LOANS**

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>At Amortised Cost</b>				
<b>Unsecured, Considered good</b>				
Loans and Advances to Employees		18.68	22.19	21.44
		<b>18.68</b>	<b>22.19</b>	<b>21.44</b>

**Notes to Consolidated Financial Statements** as at and for the year ended 31st March 2017**2.10 OTHER CURRENT FINANCIAL ASSETS**

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>At Amortised Cost</b>				
<b>Unsecured, Considered good</b>				
Advance to Related party		-	-	122.64
Security Deposits		1.80	-	10.02
Interest receivable		186.16	262.26	253.88
Others	2.10.1	110.28	440.87	87.37
<b>Derivative instruments at fair value through Profit or Loss</b>				
<b>Derivative instruments not designated as hedges</b>				
Receivable on account of Derivative Contract	2.22.3	417.72	209.29	20.27
		<b>715.96</b>	<b>912.42</b>	<b>494.18</b>

2.10.1 Includes:

(i) Insurance Claim Receivable	45.35	45.35	45.35
(ii) Excess remuneration paid to Vice Chairmen and Managing Directors for financial year 2014-15 (Also refer note- 2.38.1 and 2.38.II (d))	-	327.10	-

**2.11 CURRENT TAX ASSETS (NET)**

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Advance Income Tax		2,337.79	2,288.77	4,834.76
Less: Provision for Tax		(2,035.62)	(2,035.62)	(4,439.61)
		<b>302.17</b>	<b>253.15</b>	<b>395.15</b>

**2.12 OTHER CURRENT ASSETS**

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
State Incentives	2.12.2	566.06	1,266.16	757.28
Balances / Deposit with Government Authorities	2.12.1	6,333.46	6,807.07	8,258.63
Prepaid expenses		607.21	756.17	266.65
Property, Plant and Equipment held for sale	2.12.3	69.95	49.01	7.17
Advance to Suppliers		2,048.49	2,335.71	2,794.40
<b>Considered Doubtful</b>				
Advance to Suppliers		88.02	57.31	58.10
Less: Impairment Allowances for loans and advances	2.12.4	(88.02)	(57.31)	(58.10)
Balances / Deposit with Government Authorities		-	49.95	49.95
Less: Impairment Allowances for balances/deposit with government authorities	2.12.5	-	(49.95)	(49.95)
		<b>9,625.17</b>	<b>11,214.12</b>	<b>12,084.13</b>

**Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017**

2.12.1 Includes ₹ 19.59 Lakhs (31st March, 2016 - ₹ 19.12 Lakhs ; 1st April, 2015 - ₹ 23.21 Lakhs) deposited against demand raised by the Sales Tax Authority.

2.12.2 State incentive includes:

- (a) ₹ 87.10 Lakhs (31st March, 2016 - ₹ 110.39 Lakhs ; 1st April, 2015 - ₹ 80.48 Lakhs) for Input VAT Credit - Deferred, which can be utilised only after repayment of corresponding amount of Sales Tax Deferred Loan.
- (b) ₹ 478.96 Lakhs (31st March 2016 - ₹ 1155.77 Lakhs ; 1st April 2015 - ₹ 676.80 Lakhs) as Industrial Promotion Assistance.

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

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

₹ in Lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
Balance at Beginning of the year	57.31	58.10
Add: Impairment Allowances recognised during the year	30.71	-
Less: Impairment Allowances adjusted during the year	-	0.79
<b>Balance at the end of the year</b>	<b>88.02</b>	<b>57.31</b>

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

₹ in Lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
Balance at Beginning of the year	49.95	49.95
Add: Impairment Allowances recognised during the year	-	-
Less: Impairment Allowances adjusted during the year	49.95	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>49.95</b>

**2.13 EQUITY SHARE CAPITAL**

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
		Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Authorised Share Capital - Equity Shares of ₹ 2/- each		2,55,75,00,000	51,150.00	2,55,75,00,000	51,150.00	2,55,75,00,000	51,150.00
Issued, Subscribed and fully paid - up Share Capital - Equity Shares of ₹ 2/- each		8,73,38,565	1,746.77	8,73,38,565	1,746.77	8,73,38,565	1,746.77
Out of above 3,21,21,725 (31st March 2016 - 3,21,21,725 ; 1st April 2015 - 3,21,21,725) Equity Shares had been issued pursuant to a Scheme of Amalgamation and Arrangement for consideration other than cash.							
			<b>1,746.77</b>		<b>1,746.77</b>		<b>1,746.77</b>

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

2.13.2 There is no change in the number of shares outstanding at the beginning and at the end of the reporting periods.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017

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

Name of Share Holders	Number of Shares held 31st March 2017	Number of Shares held 31st March 2016	Number of Shares held 1st April 2015
Brabourne Commerce Private Limited	2,14,14,485	2,14,14,485	2,14,14,485
Spotlight Vanijya Limited	1,61,99,975	1,61,99,975	1,61,99,975
Dilip S Damle (Trustee HNG Trust and ACE Trust)	1,46,41,600	1,46,41,600	1,46,41,600
Ironwood Investment Holdings	63,48,025	63,48,025	63,48,025
Rungamatttee Trexim Private Limited	44,20,550	44,20,550	44,20,550
Spotme Tracon Private Limited	44,20,545	44,20,545	44,20,545

### 2.14 OTHER EQUITY

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Capital Reserve	2.14.1	5,595.85	5,595.85	5,595.85
Securities Premium Reserve	2.14.2	5,823.09	5,823.09	5,823.09
Debenture Redemption Reserve	2.14.3	5,000.00	5,208.34	5,416.67
General Reserve	2.14.4	69,573.88	69,365.54	69,157.21
Retained Earnings	2.14.5	(47,275.20)	(35,834.82)	(20,589.93)
Foreign Exchange Fluctuation Reserve (arising on Consolidation)	2.14.6	-	283.15	205.39
Other Comprehensive Income	2.14.7	(662.26)	(586.49)	-
		<b>38,055.36</b>	<b>49,854.66</b>	<b>65,608.28</b>

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

#### 2.14.1 Capital Reserve comprises of:

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

In terms of Scheme of Arrangement pursuant to the Order of Hon'ble High Court, Calcutta dated April 7, 2008 and by the Hon'ble High Court, Delhi dated March 19, 2008 (the Scheme) sanctioning the amalgamation of Ace Glass Containers Limited (AGCL) with the Company, 13,68,872 and 21,41,448 equity shares of ₹ 10/- each of the Company issued in lieu of the shares of the Company held by AGCL and shares of AGCL held by the Company were transferred to ACE Trust and HNG Trust respectively in earlier years for the sole benefit of the Company. Out of the shares so transferred 68,44,360 and 77,97,240 equity shares of ₹ 2/- each of the Company (after subdivision of 1 equity share of ₹ 10/- each into 5 equity shares of ₹ 2/- each w.e.f. 13/11/2009) are held by ACE Trust and HNG Trust respectively as on 31st March 2017. In view of the shares being held for the sole benefit of the Company as mentioned above, the book value of ₹ 6,014.85 Lakhs of these investments has been shown as deduction from Share Holders Fund and thereby General Reserve is adjusted to that extent. Receipt from the Trusts on account of beneficial interest is credited to Capital reserve.

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

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



**Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017**

- 2.14.4 The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and it will not be reclassified subsequently to Consolidated Statement of Profit and Loss.
- 2.14.5 Retained Earnings generally represent the undistributed profits/amount of accumulated earnings of the Company. It includes ₹ 31,138.35 Lakhs (31st March 2016 - ₹ 31,223.06 Lakhs; 1st April 2015 - ₹ 31,316.39 Lakhs) which is not available for distribution as dividend represented by change in carrying amount of Freehold and Leasehold Land upon measurement of Fair Value for deemed cost on the date of transition (Refer Note No. 2.50.A.1) and revaluation reserve as on the date of the transition. Additional Depreciation due to Fair Value Measurement to the extent provided each year becomes available for distribution as dividend.
- 2.14.6 Foreign Currency Translation Reserves has been created for exchange differences relating to translation of the results and net assets of the company's foreign operation from their functional currency to the Company's presentation currency (i.e. Rupees).
- 2.14.7 Other Comprehensive Income (OCI) represent the balance in equity relating to remeasurement gains/(losses) on defined benefit obligations. This will not be reclassified to Consolidated Statement of Profit and Loss.

**2.15 BORROWINGS**

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
		Non Current	Current Maturities	Non Current	Current Maturities	Non Current	Current Maturities
<b>At Amortised Cost</b>							
<b>Secured Loans</b>							
<b>a) Debentures</b>							
(i) 10.40% Redeemable Non Convertible Debentures privately placed with Life Insurance Corporation of India	2.15.1, 2.15.6 (A) and 2.15.6 (F)	19,928.61	-	19,913.61	-	19,898.63	-
(ii) 10.75% Redeemable Non Convertible Debentures privately placed with General Insurance Corporation of India	2.15.1, 2.15.6 (A) and 2.15.6 (F)	-	-	-	833.34	833.34	833.33
<b>b) Term Loans</b>							
From Banks	2.15.2, 2.15.6 (C), 2.15.6 (E) and 2.15.6 (F)	1,53,232.78	13,801.12	1,80,688.78	12,744.91	1,64,676.77	22,986.16
From a Financial Institution	2.15.3, 2.15.6 (C) and 2.15.6 (F)	8,688.41	362.45	9,050.87	87.34	9,133.56	-
From Other	2.15.4, 2.15.6 (D), 2.15.6 (E) and 2.15.6 (F)	2,342.12	623.91	2,965.77	155.00	-	-
<b>Unsecured Loans</b>							
<b>c) Term Loans</b>							
From Other		-	-	-	-	1,870.77	1,248.75
From Related Parties	2.15.8 & 2.38.II (d)	4,575.98	-	4,230.62	-	3,300.00	-
<b>d) Deferred Payment Liabilities</b>							
Sales Tax Deferment Loan	2.15.5	141.43	247.29	202.02	453.96	848.68	494.10
<b>e) Long term maturities of finance lease obligation</b>							
From Banks							
- Vehicle Finance Loan	2.15.6 (B)	-	-	-	51.23	84.79	280.58
		<b>1,88,909.33</b>	<b>15,034.77</b>	<b>2,17,051.67</b>	<b>14,325.78</b>	<b>2,00,646.54</b>	<b>25,842.92</b>

**Notes to Consolidated Financial Statements** as at and for the year ended 31st March 2017

₹ in Lakhs

2.15.1	<b>Security and repayment details of Non Convertible Debentures at unamortised cost outstanding as on 31st March, 2017 are as follows:</b>	<b>Repayment in Financial Year 2021-22</b>
	10.40% Secured Non Convertible Debentures allotted on 03.02.2012 are due for redemption at par at the end of the tenure i.e 03.02.2022. However, there is a put and call option available to the issuer/investor which can be exercised at the end of seventh year from the deemed date of allotment.	10,000.00
	10.40% Secured Non Convertible Debentures allotted on 23.11.2011 are due for redemption at par at the end of the tenure i.e 23.11.2021. However, there is a put and call option available to the issuer/investor which can be exercised at the end of seventh year from the deemed date of allotment.	10,000.00

**2.15.2 Repayment details of Term Loans from Banks at unamortised cost outstanding as on 31st March, 2017 are as follows:**

₹ in Lakhs

Financial Year	Foreign Currency Term Loan	Effective Interest: 10.20%- 12.50% p.a	Effective Interest: 12.51% - 14.50% p.a	Total
2017-2018	6,231.84	7,348.95	400.00	13,980.79
2018-2019	8,828.44	9,773.23	-	18,601.67
2019-2020	11,035.55	11,990.16	-	23,025.71
2020-2021	16,553.33	15,622.18	-	32,175.51
2021-2022	9,932.00	15,247.18	-	25,179.18
2022-2023	-	24,093.71	-	24,093.71
2023-2024	-	20,593.71	-	20,593.71
2024-2025	-	9,967.93	-	9,967.93
<b>Total</b>	<b>52,581.16</b>	<b>1,14,637.05</b>	<b>400.00</b>	<b>1,67,618.21</b>

**2.15.3 Repayment details of Term Loans from a Financial Institution at unamortised cost outstanding as on 31st March, 2017 are as follows:**

₹ in Lakhs

Financial Year	Effective Interest: 10.20%-12.50%	Total
2017-2018	367.00	367.00
2018-2019	550.00	550.00
2019-2020	642.00	642.00
2020-2021	917.00	917.00
2021-2022	917.00	917.00
2022-2023	2,200.00	2,200.00
2023-2024	2,200.00	2,200.00
2024-2025	1,281.67	1,281.67
<b>Total</b>	<b>9,074.67</b>	<b>9,074.67</b>

**Notes to Consolidated Financial Statements** as at and for the year ended 31st March 2017**2.15.4 Repayment details of Term Loan from Other at unamortised cost outstanding as on 31st March, 2017 are as follows:**

₹ in Lakhs

Financial Year	Effective Interest: 10.20%-12.50%	Total
2017-2018	625.00	625.00
2018-2019	625.00	625.00
2019-2020	625.00	625.00
2020-2021	625.00	625.00
2021-2022	469.00	469.00
<b>Total</b>	<b>2,969.00</b>	<b>2,969.00</b>

**2.15.5 Deferred Sales Tax Loan at unamortised cost outstanding as on 31st March, 2017 is interest free and is payable as per the repayment schedule as follows:**

₹ in Lakhs

Financial Year	Total
2017-2018	247.29
2018-2019	141.43
<b>Total</b>	<b>388.72</b>

**2.15.6 Nature of Security for Borrowings:**

- A) Non-Convertible Debentures are secured by first charge ranking pari-passu on all immovable properties by way of equitable mortgage and hypothecation of all movable properties both present and future of the Company.
- B) Vehicle Loans are secured against vehicles hypothecated against them.
- C) Term loans from Banks and Financial Institution other than a loan of ₹ 7500 Lakhs from a Bank (Refer note - 2.15.6(D) below), are secured by first charge ranking pari-passu on all immovable properties by way of equitable mortgage and hypothecation of all movable 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.
- D) Term Loan from other represent Loan from a Body Corporate. The said Loan and a loan of ₹ 7500 Lakhs from a Bank (Refer Note - 2.15.6(C) above) are secured by second charge ranking pari-passu on all immovable properties by way of equitable mortgage and hypothecation of all movable properties both present and future of the Company.
- E) Pledge of treasury shares of the Company held by HNG Trust and ACE Trust.
- F) 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.

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

In terms of the CAP approved by JLF, the terms and conditions of the outstanding term loans from Banks and Financial Institutions have been restructured with effect from 1st December, 2014. This inter-alia includes moratorium for repayment of principal for two years and thereafter the aforesaid loans to be repaid over the period of 5 to 8 years depending on the nature of the loan. The said restructuring is, however subject to fulfillment of certain conditions and creation of securities etc. including those given in Note 2.15.8, which are being complied with.

Lenders of the Company (comprising of 93% in number and values) except The Hongkong and Shanghai Banking Corporation (HSBC) have agreed to the CAP and have decided to provide the required assistance to the Company. HSBC has not agreed to the terms and conditions of the CAP and has recalled their entire facilities (including working capital facilities). HSBC had filed a suit before the Hon'ble High Court at Calcutta and has also initiated recovery

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017

proceedings at Debt Recovery Tribunal (DRT). The DRT vide its order dated 24th February 2017 has stated that original application filed by HSBC is premature and is liable to be dismissed for the reasons mentioned in the order. Subsequent to the order, HSBC vide its letter dated 05th April 2017 has informed to the company that it had assigned all the rights, title and interest in financial assistance granted by them to the company in favour of Edelweiss Asset Reconstruction Company Limited ("EARC"), acting in its capacity as trustee of EARC Trust - SC 245 vide assignment agreement executed in favour of EARC on 22nd March 2017. The amount of term loan recalled by HSBC on 7th January 2015 and outstanding as on Balance sheet date amounting to ₹ 17,113.15 Lakhs have continued to be classified as per terms and conditions of CAP.

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

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

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

### 2.16 OTHER NON CURRENT FINANCIAL LIABILITIES

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>At Amortised Cost</b>				
Retention Money		385.74	437.24	505.15
		<b>385.74</b>	<b>437.24</b>	<b>505.15</b>

### 2.17 PROVISIONS

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Provision for Employee Benefits		1,195.44	1,068.14	971.05
		<b>1,195.44</b>	<b>1,068.14</b>	<b>971.05</b>

2.17.1 The provision for employee benefits includes gratuity and vested long service leave entitlements accrued and compensation claim payable to employees which are payable as per the terms of the appointment. For other disclosures, refer Note 2.43

**Notes to Consolidated Financial Statements** as at and for the year ended 31st March 2017**2.18 DEFERRED TAX LIABILITIES (NET)**

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	Current Year Charge/ (Credit) to P/L	As at 31st March 2016	Current Year Charge/ (Credit) to P/L	As at 1st April 2015
<b>Deferred Tax Liabilities</b>						
Accelerated Tax Depreciation		33,420.08	(7,400.36)	40,820.44	15,431.61	25,388.83
<b>Gross Deferred Tax Liability</b>		<b>33,420.08</b>	<b>(7,400.36)</b>	<b>40,820.44</b>	<b>15,431.61</b>	<b>25,388.83</b>
<b>Deferred Tax Assets</b>						
Provision for Post Retirement Benefits and Other Employment Benefits		587.83	529.54	58.29	(376.87)	435.16
Brought Forward Unabsorbed Depreciation		32,749.49	(7,978.40)	40,727.89	15,932.98	24,794.91
Provision for Loss on Derivative Transaction		-	-	-	-	-
Short Term Capital Loss		-	-	-	-	-
Impairment Allowances of Trade Receivable		82.76	48.50	34.26	(124.50)	158.76
<b>Gross Deferred Tax Asset</b>		<b>33,420.08</b>	<b>(7,400.36)</b>	<b>40,820.44</b>	<b>15,431.61</b>	<b>25,388.83</b>
<b>Net Deferred Tax Liability</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

- 2.18.1 Unrecognised unused Tax Losses and unused Tax credits ₹ in Lakhs
- |   |           |          |           |
|---|-----------|----------|-----------|
| (i) Unused Tax Losses and unabsorbed depreciation | 17,198.42 | 6,153.82 | 15,730.87 |
| (ii) Unused Tax Credits (Minimum Alternate Tax)   | 3,152.01  | 3,152.01 | 3,152.01  |
- 2.18.2 Carry forward unabsorbed depreciation has been considered to the extent of deferred tax liability. As a matter of prudence, the remaining amount of unabsorbed depreciation resulting in deferred tax asset has been ignored.
- 2.18.3 Since Company is into losses and unrecognised unused tax losses and unused tax credits and there is no tax expense, therefore the reconciliation of tax expense has not been provided.
- 2.18.4 Items of Deferred Tax Assets and Liabilities above have been recognised in Consolidated Statement of Profit and Loss.

**2.19 OTHER NON-CURRENT LIABILITIES**

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Other Liabilities</b>				
Advance received from Customers		1,146.22	1,154.32	1,167.17
		<b>1,146.22</b>	<b>1,154.32</b>	<b>1,167.17</b>

**Notes to Consolidated Financial Statements** as at and for the year ended 31st March 2017**2.20 BORROWING**

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Secured Loans</b>				
Working Capital Facilities from Banks (repayable on demand)	2.20.1 & 2.15.7	52,856.27	48,642.37	62,044.21
Buyer's Credit	2.20.1	-	5,316.29	7,084.49
		<b>52,856.27</b>	<b>53,958.66</b>	<b>69,128.70</b>

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

- A) Pari passu first charge hypothecation of entire current assets of the company, both present and future and pari passu second charge on entire Property, Plant and Equipment of the company in favour of consortium bankers led by State Bank of India.
- B) Additional Security to lenders who have agreed to CAP:
  - (i) Pledge of 51% of the Company's Shareholding held by Promoter and Promoter Group on pari passu basis with other lenders.
  - (ii) Personal Guarantee of Mr Sanjay Somany and Mr Mukul Somany.

**2.21 TRADE PAYABLES**

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Payables for goods and services	2.21.1 & 2.21.2	45,244.04	45,668.86	45,172.84
		<b>45,244.04</b>	<b>45,668.86</b>	<b>45,172.84</b>

2.21.1 Payable for goods and services includes acceptances 13,542.21 11,759.85 7,004.23

2.21.2 Disclosure of sundry creditors under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprise Development Act, 2006 (the Act). Total Overdue amount out of principal amount outstanding at the end of the year is ₹ 409.14 Lakhs (31 March, 2016 - ₹ 420.21 Lakhs ; 1 April, 2015 - ₹ 608.24 Lakhs). Based on above the relevant disclosures u/s 22 of the Act are as follows:

₹ in Lakhs

1. Principal amount outstanding at the end of the year	759.36	644.24	1,460.13
2. Interest amount due at the end of the year	193.56	183.78	126.71
	<b>952.92</b>	<b>828.02</b>	<b>1,586.84</b>

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

**Notes to Consolidated Financial Statements** as at and for the year ended 31st March 2017**2.22 OTHER CURRENT FINANCIAL LIABILITIES**

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Financial liabilities at fair value through profit or loss</b>				
<b>Derivatives not designated as hedges</b>				
Liability on derivative contracts	2.22.3	-	117.34	97.94
<b>Other financial liabilities at amortised cost</b>				
Current maturities of long term debt	2.15 & 2.22.1	15,034.77	14,274.55	25,562.34
Current maturities of vehicle finance loan	2.15	-	51.23	280.58
Interest accrued but not due on borrowings		1,061.37	1,515.33	1,250.19
Interest accrued and due on borrowings		839.75	1,127.35	818.11
Unpaid dividend	2.22.2	1.50	1.93	2.20
<b>Other payables</b>		3,515.22	2,092.59	6,401.91
Creditors on account of Capital Goods		3,348.60	1,907.42	6,220.63
Book Overdraft		-	4.48	25.77
Others		166.62	180.69	155.51
		<b>20,452.61</b>	<b>19,180.32</b>	<b>34,413.27</b>

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

2.22.2 This is not due for payment to Investor Education and Protection Fund.

2.22.3 Derivatives not designated as hedging instruments:

The Company uses foreign exchange derivative contracts - forward to manage some of its transaction exposures related to foreign currency denominated borrowings. The foreign exchange forward contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one to six months.

**2.23 OTHER CURRENT LIABILITIES**

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Other payables</b>				
Statutory Dues - PF, ESI, Service Tax, TDS, Entry Tax etc.		3,941.33	3,602.27	2,929.42
Excise Duty Liability on Closing Stock		3,425.81	3,089.01	2,920.72
Advance from Customers		1,228.16	1,439.27	1,295.21
		<b>8,595.30</b>	<b>8,130.55</b>	<b>7,145.35</b>

**2.24 PROVISIONS**

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Provision for Employee Benefits		329.63	340.16	1,338.71
Provision for Derivative Transactions		-	860.00	54.16
		<b>329.63</b>	<b>1,200.16</b>	<b>1,392.87</b>

2.24.1 The provision for employee benefits includes gratuity and vested long service leave entitlements accrued and compensation claim payable to employees which are payable as per the terms of the appointment. For other disclosures, refer Note. 2.43

**Notes to Consolidated Financial Statements** as at and for the year ended 31st March 2017**2.25 REVENUE FROM OPERATIONS**

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>Sale of Products (including excise duty)</b>			
Finished Goods	2.25.3	2,05,330.28	2,43,405.62
<b>Other Operating Revenue</b>			
Scrap Sales		229.24	309.88
Insurance Claim received		254.24	55.63
Liabilities no longer required written back		259.98	743.43
Others	2.25.1 & 2.25.2	359.95	1,067.60
<b>Revenue from Operations</b>		<b>2,06,433.69</b>	<b>2,45,582.16</b>

2.25.1 Includes Industrial Promotion Assistance received under State Incentive Scheme during the period is ₹ 277.68 Lakhs (Previous year: ₹ 466.80 Lakhs) and export incentives of ₹ 31.42 Lakhs (Previous year : ₹ 151.84 lakhs)

2.25.2 Sale of goods includes excise duty collected from customers of ₹ 20373.76 lakhs (31st March 2016: ₹ 20,123.26 lakhs).

2.25.3 Damages, rebate and discount are adjusted with revenue.

**2.26 OTHER INCOME**

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
Interest Income at amortised cost on deposits and others		146.96	147.83
Dividend Income from Non current Investments	2.26.1	1.67	1.67
<b>Other Non Operating income (net of expense directly attributable to such income)</b>			
Rent and Hire Charges		141.96	139.39
Receipt of Subsidy		-	763.40
Miscellaneous Income		239.14	118.89
<b>Other Gains and Losses</b>			
Net Gain on sale of Current Investments		163.21	257.51
Exchange Gain (Net)		1.36	-
		<b>694.30</b>	<b>1,428.69</b>

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

**2.27 COST OF MATERIALS CONSUMED**

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
Raw Materials Consumed		59,694.62	70,823.21
		<b>59,694.62</b>	<b>70,823.21</b>
<b>Movement of Raw Material Consumed:</b>			
Opening Stock		6,914.80	8,770.10
Less: Adjustment on disposal of subsidiary		141.40	-
Add: Purchases		62,378.55	68,967.91
Less: Closing Stock		9,457.33	6,914.80
Raw Materials Consumed		<b>59,694.62</b>	<b>70,823.21</b>



**Notes to Consolidated Financial Statements** as at and for the year ended 31st March 2017

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

2.27.2 Supplier's Claims adjusted with Raw Material consumption.

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

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>Closing Stock</b>			
Finished Goods		32,122.44	31,127.06
Work-in-Progress		917.55	816.97
		<b>33,039.99</b>	<b>31,944.03</b>
Less:			
<b>Opening Stock</b>			
Finished Goods		31,127.06	31,029.98
Work-in-Progress		816.97	735.38
		<b>31,944.03</b>	<b>31,765.36</b>
Less: Inventory adjusted on account of disposal of subsidiary		(4,698.93)	-
		<b>27,245.10</b>	<b>31,765.36</b>
		<b>(5,794.89)</b>	<b>(178.67)</b>

**2.29 EMPLOYEE BENEFIT EXPENSES**

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
Salaries and Wages	2.29.1	19,347.77	20,611.74
Contribution to Provident and Other Funds		1,212.65	897.41
Workmen and Staff Welfare Expenses		554.38	642.74
		<b>21,114.80</b>	<b>22,151.89</b>

2.29.1 Refer note 2.38.1 for Remuneration paid to Vice Chairmen & Managing Directors

**Notes to Consolidated Financial Statements** as at and for the year ended 31st March 2017**2.30 OTHER EXPENSES**

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31st March 2017		For the year ended 31st March 2016	
Stores and Spare Parts Consumed	2.30.1		8,059.63		10,535.81
Power and Fuel	2.30.2		57,066.69		57,330.70
Packing Material Consumed and Packing Charges			16,043.59		17,361.72
Rent			1,188.13		1,166.22
Rates and Taxes			307.31		356.93
Repairs:					
Buildings			200.97		155.33
Plant and Equipment			1,115.89		1,256.93
Others			281.11		214.09
Freight outwards, Transport and Other Selling Expenses (Net of realisation ₹ 7708.51 Lakhs, Previous Year ₹ 6778.58 Lakhs)			2,440.43		4,145.83
Commission on Sales			105.01		74.26
Insurance			506.93		467.06
Excise Duty on Increase/(Decrease) of Stock			708.35		317.12
Bad Debts Written Off		-	-	30.95	-
Less: Write Back of impairment allowances for trade receivable		-	-	(10.19)	20.76
Balance with government authorities written off		49.95	-	-	-
Less: Write Back of impairment allowances		(49.95)	-	-	-
Impairment Allowances against Trade Receivables			16.78		-
Charity and Donation			1.90		1.00
Loss on Sale/Discard of Property Plant and Equipment			884.27		102.77
Exchange Loss (Net)			-		650.30
Other Miscellaneous Expenses	2.30.3		3,696.69		5,086.54
			<b>92,623.68</b>		<b>99,243.37</b>

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

2.30.2 Electricity duty waiver benefit under State Incentive Schemes credited to Power and Fuel Account is ₹ 278.05 Lakhs (Previous year : ₹ 659.78 Lakhs)

2.30.3 Other Miscellaneous Expenses include :

₹ in Lakhs

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
a) Payment to Auditors including Swachh Bharat Cess		
<b>To Statutory Auditor:</b>		
Audit Fees	15.29	41.86
Tax Audit Fees	5.26	5.25
Certifications etc	4.31	3.81
<b>To Branch Auditor:</b>		
Audit Fees	11.34	11.25
Certifications etc	3.02	3.00
	<b>39.22</b>	<b>65.17</b>
b) Directors Travelling Expenses	<b>26.80</b>	<b>33.05</b>
c) Directors Sitting Fees	<b>8.53</b>	<b>10.30</b>

**Notes to Consolidated Financial Statements** as at and for the year ended 31st March 2017**2.31 FINANCE COSTS**

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
Interest Expense		23,473.28	26,259.88
Other borrowing Costs		326.68	877.36
		<b>23,799.96</b>	<b>27,137.24</b>

**2.32 EXCEPTIONAL ITEMS**

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
Profit on disposal of Subsidiary	2.32.1	10,146.01	-
		<b>10,146.01</b>	<b>-</b>

2.32.1 During the year, HNG Global GmbH has ceased to be the subsidiary of the Company with effect from 1st April 2016 on disposal of its entire shareholdings. Profit of ₹ 10146.01 Lakhs (Net of ₹ 486.20 Lakhs being expenditure recognised during the year) has been recognised and included under exceptional items.

**2.33 TAX EXPENSE**

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
Provision for:			
Current Tax		-	284.89
Tax for earlier years		-	-
		<b>-</b>	<b>284.89</b>

2.33.1 Tax expense represents amount recognised by subsidiary company. Since the parent company is into losses and unrecognised unused tax losses and unused tax credits, therefore the reconciliation of tax expense has not been provided.

**2.34 EARNINGS PER SHARE (EPS)**

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

Particulars		For the year ended 31st March 2017	For the year ended 31st March 2016
Profit/(Loss) after Tax (₹ in Lakhs)		(11,439.33)	(15,241.02)
Net Profit/(Loss) for calculation of Basic and Diluted EPS (₹ in Lakhs)	(a)	<b>(11,439.33)</b>	<b>(15,241.02)</b>
Weighted Average number of Equity shares in calculating Basic and Diluted EPS	(b)	8,73,38,565	8,73,38,565
Basic and Diluted EPS (a/b) (in ₹)		(13.10)	(17.45)

2.34.1 As the impact of lenders right of conversion of term loan to Equity shares is anti-dilutive, computation for diluted Earnings per share has not been worked out.

**Notes to Consolidated Financial Statements** as at and for the year ended 31st March 2017**2.35 CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)****A. CONTINGENT LIABILITIES**

₹ in Lakhs

Sl. No.	Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>(I)</b>	<b>Claims against the company, its subsidiary and joint venture not acknowledged as debt</b>				
1	Central Excise/Sales Tax matter under appeals		1,171.22	1,193.83	3,224.54
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.		1,675.81	1,987.59	1,563.70
3	Cases pending with labour courts (to the extent ascertainable)		562.05	543.56	530.72
4	Other Claims against the Company not acknowledged as debt.		1,138.88	1,137.71	450.36
5	Octroi on Transportation of natural gas through pipeline.		351.13	337.45	323.77
6	Demand of stamp duty against leasehold land purchased from Haryana Sheet Glass Limited.		-	96.10	96.10
7	Mathadi Act for 1999-2001		-	-	45.48
8	Demand from Gas Authority of India limited for underdrawn quantity of LNG**		-	-	1,758.00
9	Income Tax under Appeal for the A Y 2011-12		1.30	1.30	1.30
<b>(II)</b>	<b>Other money for which the Company is contingently liable</b>				
10	Interest on Disputed Entry Tax*		255.41	160.12	168.43
11	Right to Recompense of Lenders as per CAP guidelines		7,232.00	4,088.00	1,242.00
<b>(III)</b>	<b>Guarantees excluding financial guarantees</b>				
12	Guarantee furnished to bank on behalf of an entity over which directors of the Company has significant influence.	2.35.A.2	1,800.00	1,800.00	1,800.00

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

\*\* In respect of certain units, in terms of the Long Term Gas Supply Agreement with GAIL (India) Limited (referred to as the seller), there are under drawn quantities of Re-liquefied Natural Gas (RLNG) for the contract year 2015 and for the first quarter of contract year 2016. The Company has signed a "Side Letter" dated 18th January, 2016 with the Seller and whereas the Seller has agreed that the AACQ for the contract year 2015 shall be treated as downward flexibility of the Annual Contract Quantity for the contract year 2015. Further the Company has also entered into an agreement with the Seller and RLNG @ 23000 SCM/day has been transferred to another unit at Bahadurgarh with effect from 19th October, 2015. The Seller has preferred not to raise any demand on the Company for the contract year 2015. Further the Company has made the provision for the under drawn quantities equal to 12000 SCM/day for the period from 1st January, 2016 to 31st March, 2016 on the same basis as the Company has settled the liability for under drawn quantity for the contract year 2014.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017

2.35.A.1 The Company's pending litigation comprises of claims against the Company and proceeding pending with tax/statutory/government authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, and disclosed the contingent liabilities, where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position. Future cash outflows in respect of item no. (1) to (10) as mentioned above are determinable only on receipt of judgement/decisions pending with various forums/authorities.

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

₹ in Lakhs

On Behalf of	Purpose	Date of Guarantee Issued	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
AMCL Machinery Limited.	Working Capital Loan	25-June-12	1,800.00	1,800.00	1,800.00
			1,800.00	1,800.00	1,800.00

### B. CAPITAL AND OTHER COMMITMENTS

₹ in Lakhs

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for; Net of advance of ₹ 2216.11 Lakhs (31st March, 2016 - ₹ 280.63 Lakhs ; 1st April, 2015 - ₹ 2162.19 Lakhs)	2,448.44	7,047.42	9,424.97

### 2.36 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

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

Particulars	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	Foreign Currency (in Lakhs)	INR Value (₹ in Lakhs)	Foreign Currency (in Lakhs)	INR Value (₹ in Lakhs)	Foreign Currency (in Lakhs)	INR Value (₹ in Lakhs)
<b>USD</b>						
<b>Nature of Instrument/Nature of Loan</b>						
Cross Currency Coupon Swap-External Commercial Borrowings	170.00	11,035.55	190.00	12,613.15	200.00	12,537.00
- Number of Contracts-31 March 2017 - 2, (31 March 2016 - 2; 1 April 2015 - 2)						
Derivative Contract to buy US Dollar						
- Buyers Credit	-	-	80.64	5,353.08	113.39	7,107.95
- Hedge of Foreign currency loan	170.00	11,035.55	190.00	12,613.15	200.00	12,537.00

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017

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

Particulars	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	Foreign Currency (in Lakhs)	INR Value (₹ in Lakhs)	Foreign Currency (in Lakhs)	INR Value (₹ in Lakhs)	Foreign Currency (in Lakhs)	INR Value (₹ in Lakhs)
<b>USD</b>						
<b>Import payables</b>						
-EUR	17.55	1,216.34	20.97	1,572.63	37.47	2,537.05
-GBP	0.64	51.63	1.06	100.89	1.92	177.82
-JPY	0.84	0.49	0.84	0.50	0.84	0.44
-USD	14.02	910.17	27.78	1,844.51	43.65	2,736.14
-AUD	0.51	25.13	0.70	35.38	0.70	33.30
-CHF	0.0014	0.09	-	-	-	-
<b>Export receivables</b>						
-USD	18.21	1,182.16	13.52	897.86	18.23	1,142.93
-EUR	-	-	2.47	185.28	2.30	155.78
<b>Foreign Currency loans</b>						
-USD	640.00	41,545.60	650.00	43,150.25	650.00	40,745.25

### 2.37 SEGMENT INFORMATION

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

#### Geographical Segment

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

Particulars	₹ in Lakhs	
	For the year ended 31st March 2017	For the year ended 31st March 2016
In India	1,94,427.84	2,07,027.63
Outside India	12,005.85	38,554.54
<b>Total</b>	<b>2,06,433.69</b>	<b>2,45,582.17</b>

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

Particulars	₹ in Lakhs		
	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
In India	37,454.41	39,550.25	41,922.04
Outside India	2,786.19	5,268.45	4,255.58
<b>Total</b>	<b>40,240.60</b>	<b>44,818.70</b>	<b>46,177.62</b>

**Notes to Consolidated Financial Statements** as at and for the year ended 31st March 2017**2.38 RELATED PARTY DISCLOSURES****I Names of the related parties and nature of relationship****A) Joint Venture Company**

HNG Float Glass Limited (Refer Note 2.2.6)

**B) Key Managerial Personnels and their relatives.**

- (i) Shri Chandra Kumar Somany - Chairman and Non Executive Director (Relative of Key Managerial Personnel)
- (ii) Shri Sanjay Somany - Vice Chairman and Managing Director and Key Managerial Personnel
- (iii) Shri Mukul Somany - Vice Chairman and Managing Director and Key Managerial Personnel
- (iv) Shri Rakesh Kumar Sharma - Executive Director and Key Managerial Personnel (Upto 28th February 2017)
- (v) Shri Sujit Bhattacharya - Independent Director
- (vi) Shri Ratna Kumar Daga - Independent Director
- (vii) Shri Dipankar Chatterji - Independent Director
- (viii) Smt. Rita Bhimani - Independent Director
- (ix) Shri Bharat Somany - Relative of the Director

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

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

**II Related Party Transactions****a) Aggregate amount of Transactions with Joint Venture Company:**

₹ in Lakhs

Nature of transactions	Name of the related party	For the year ended 31st March 2017	For the year ended 31st March 2016
Provision for Facilities	HNG Float Glass Limited	59.23	55.62
Recovery of expenses	HNG Float Glass Limited	49.24	-
Purchase of Stores & Spares	HNG Float Glass Limited	4.94	-
Receipt of Services	HNG Float Glass Limited	26.89	25.37

**Notes to Consolidated Financial Statements** as at and for the year ended 31st March 2017**b) Aggregate amount of Transactions with Key Managerial Personnel and their relatives:**

₹ in Lakhs

Nature of transaction	Ref Note No.	Name of the related party	For the year ended 31st March 2017	For the year ended 31st March 2016
Remuneration (included in Employee Benefit Expenses-Note 2.29)#		Chandra Kumar Somany	-	2.15
	2.38.1	Sanjay Somany	320.88	320.83
	2.38.1	Mukul Somany	321.37	321.16
		Bharat Somany	23.09	19.64
		Rakesh Kumar Sharma	57.30	60.13
Advance to Vice Chairmen & Managing Directors	2.38.1	Sanjay Somany	-	163.55
	2.38.1	Mukul Somany	-	163.55
Refund of Remuneration	2.38.1	Sanjay Somany	163.55	155.93
	2.38.1	Mukul Somany	163.55	155.93
Loan taken from		Chandra Kumar Somany	48.18	319.74
		Sanjay Somany	50.10	228.12
		Mukul Somany	50.10	228.12
Interest paid		Chandra Kumar Somany	43.50	30.86
		Sanjay Somany	44.17	39.38
		Mukul Somany	44.17	39.38
Sitting Fees		Chandra Kumar Somany	0.50	1.20
		Sujit Bhattacharya - Independent Director	2.45	2.55
		Ratna Kumar Daga - Independent Director	2.45	2.95
		Dipankar Chatterji - Independent Director	2.30	2.60
		Rita Bhimani - Independent Director	0.80	1.00

**# Compensation of Key Management Personnel**

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

₹ in Lakhs

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Short Term Employee Benefits	722.65	723.91
Post Employment Benefits*	-	-

\* Excluding contribution to gratuity fund

2.38.1 Remuneration paid to Vice Chairmen and Managing Directors amounting to ₹ 606.00 Lakhs & ₹ 606.00 Lakhs for the financial year ended 2016-17 & 2015-16 which due to inadequacy of profit has exceeded the limits prescribed under the provisions of Companies Act, 2013. The Company has made an application before the Central Government and necessary approvals in this respect are awaited.



**Notes to Consolidated Financial Statements** as at and for the year ended 31st March 2017

c) Aggregate amount of Transactions with related parties as mentioned in (C) above are as follows: ₹ in Lakhs

Nature of transaction	Ref Note No.	Name of the related party	For the year ended 31st March 2017	For the year ended 31st March 2016
Purchase of Goods		Mould Equipment Limited	22.62	15.17
		AMCL Machinery Limited	0.85	13.11
Purchase of Property, plant and equipment		AMCL Machinery Limited	-	0.97
		Spotlight Vanijya Limited	10.47	-
Recovery of expenses		AMCL Machinery Limited	-	-
		Mould Equipment Limited	-	0.11
		Spotlight Vanijya Limited	0.64	-
Purchase of Stores & Spares		AMCL Machinery Limited	0.84	13.16
		Mould Equipment Limited	3.82	-
Receipt of Services		Mould Equipment Limited	262.24	247.11
Interest Paid		Brabourne Commerce Private Limited	45.32	56.20
		Rungamattee Trexim Private Limited	22.66	28.10
		Saurav Contractors Private Limited	37.77	46.83
		Khazana Marketing Private Limited	37.77	46.83
		Spotme Tracon Private Limited	22.66	28.10
Rent Paid		Spotlight Vanijya Limited	6.00	6.00
		Rungamattee Trexim Private Limited	3.00	3.00
Rent Received		Mould Equipment Limited	15.86	15.72
Loan Taken during the year		Brabourne Commerce Private Limited	53.73	42.17
		Rungamattee Trexim Private Limited	26.86	21.09
		Saurav Contractors Private Limited	44.77	35.14
		Khazana Marketing Private Limited	44.76	35.15
		Spotme Tracon Private Limited	26.86	21.09

**Notes to Consolidated Financial Statements** as at and for the year ended 31st March 2017**d) Balance of related parties is as follows:**

₹ in Lakhs

Nature of transaction	Ref Note No.	Name of the related party	As At 31st March 2017	As At 31st March 2016	As At 1st April 2015
Advance to Vice Chairmen & Managing Directors	2.10.1	Sanjay Somany	-	163.55	-
		Mukul Somany	-	163.55	-
Payable		AMCL Machinery Limited	-	-	173.01
		Mould Equipment Limited	26.53	-	40.66
Corporate Guarantee given to banks on behalf of Loan Outstanding		AMCL Machinery Limited	1,800.00	1,800.00	1,800.00
	2.15	Chandra Kumar Somany	667.92	619.74	300.00
		Sanjay Somany	678.22	628.12	400.00
		Mukul Somany	678.22	628.12	400.00
		Brabourne Commerce Private Limited	695.90	642.17	600.00
		Khazana Marketing Private Limited	579.91	535.15	500.00
		Spotme Tracon Private Limited	347.95	321.09	300.00
		Rungamattee Trexim Private Limited	347.95	321.09	300.00
		Saurav Contractors Private Limited	579.91	535.14	500.00

**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 2.35.A.2) and no amount/income is being received by the Company in this regard. For the year ended 31st March 2017, the Company has not recorded any impairment allowances in respect of receivables relating to amounts owed by related parties (31st March 2016: Nil, April 1, 2015: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**2.39 LEASES**

The company and its subsidiary has taken certain land on Finance Lease. Carrying Value of Land taken on Lease is ₹ 5121.69 Lakhs (31st March 2016 - ₹ 5153.53 Lakhs; 1st April 2015 - ₹ 5185.37 Lakhs).

The Company has acquired certain assets under financial lease, the cost of which is included in the Gross Blocks of Buildings and Vehicles. The lease term is 75 years (Rishikesh and Head Office) and 95 years (In case of Sinnar) for Building. The lease term is 3-5 years for Vehicles, after which the legal title will pass to the Company. The lease has been recognised as an asset at the present value of the minimum lease payments. Minimum lease payments payable in future at the balance sheet date and their present value are as under:

**Assets taken under Finance Lease**

₹ in Lakhs

Particulars	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	Lease Payments	Present Value	Lease Payments	Present Value	Lease Payments	Present Value
Not more than one year	0.50	0.12	7.64	7.17	61.02	51.09
Later than one year and not more than five years	1.99	0.36	1.98	0.41	35.14	32.18
Later than five years	41.33	0.59	41.83	0.67	42.32	0.75

**Notes to Consolidated Financial Statements** as at and for the year ended 31st March 2017**Assets taken under Operating Leases:**

Office equipments and system storage and support are obtained on operating lease. There is no contingent rent in the lease agreements. The lease term is for 1-3 years and is renewable at the mutual agreement of both the parties. There is no escalation clause in the lease agreements. There are no restrictions imposed by lease agreements. There are no sub-lease and all the leases are cancelable in nature. The aggregate lease rentals are charged as "Rent" in Note '2.30' of the consolidated financial statement.

₹ in Lakhs

Particulars	Lease Payments		
	31st March 2017	31st March 2016	1st April 2015
Not more than one year	216.74	217.37	187.80
Later than one year and not more than five years	173.86	321.45	540.17
Later than five years	-	-	-

**2.40** The Company is incurring losses since the Financial Year 2012-2013 which at the year-ended 31st March 2017 has resulted in erosion of net-worth. Due to prevailing market conditions and resultant adverse financial performance, the lenders had decided to restructure the term loans and stipulations thereof which among other things include moratorium in repayment of installments and infusion of equity by Promoters and disposal of Investment in its Subsidiary have largely been implemented and ameliorative measures are being pursued actively. In view of the above, considering the expected improvement in the performance of the Company over a period of time and asset coverage etc., the accounts of the Company has been continued to be prepared on a going concern basis.

**2.41** The Hon'ble Supreme Court vide its order dated 11th November, 2016 has upheld the constitutional validity of levy of Entry Tax. This is being given effect to by the various state governments subject to follow up decisions before various judicial forums and appropriate authorities and the amount of said levy is yet to be determined. Accordingly, the same has not been recognised by the company. In the event of the levy being held sustainable, amount on overall basis in this respect has been estimated to be ₹ 2026 Lakhs (excluding amount of interest if any there against) and the same will be given effect to on determination thereof.

**2.42 CAPITALISATION OF EXPENDITURE**

The company had capitalised the following expenses of revenue nature incurred for construction of Property, Plant and Equipment and trial run, to the cost of Property, Plant and Equipment/Capital Work-in-Progress (CWIP). Consequently, expenses/revenue disclosed under the respective notes are net of amounts capitalised by the company.

₹ in Lakhs

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(i) Salaries and Wages	-	-	0.83
(ii) Power and Fuel	-	80.22	0.97
(iii) Miscellaneous expenses	127.62	246.58	37.49
(iv) Stores & Spares Consumed	215.95	2,148.84	64.82
(v) Payment to Contractors	-	1.09	-
(vi) Cost of Material Consumed	-	63.57	-
(vii) Packing Material Consumed and Packing Charges*	-	0.00	0.00
<b>Total</b>	<b>343.57</b>	<b>2,540.30</b>	<b>104.11</b>
Add: Brought Forward from previous year	98.28	202.39	98.28
Add: Adjustment Pursuant to Merger	-	-	1,282.96
Less: Capitalised during the year	67.64	2,644.41	1,282.96
<b>Total carried forward</b>	<b>374.21</b>	<b>98.28</b>	<b>202.39</b>

\* Represents ₹ Nil (31st March, 2016 - ₹ 0.00113 Lakhs; 1st April, 2015 - ₹ 0.00197 Lakhs)

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017

### 2.43 GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with the insurance companies.

The Company also extends benefit of compensated absences to the employees, whereby they are eligible to carry forward their entitlement of earned leave for encashment upon retirement/separation. This is an unfunded plan.

The Company has a separate Provident Fund Trust (funded) whereby, all the employees are entitled to benefits as per Provident Fund Act / Trust Deed. Any shortfall for the Trust is borne by the Company, hence the same is treated as a defined benefit scheme.

As per Ind AS "Employee Benefits" (Ind AS - 19), the disclosures of Employee Benefits as defined in the Standard are given below:

#### a) Defined Contribution Scheme

Contribution to Defined Contribution Plan, recognised for the respective years are as under:

₹ in Lakhs

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Employer's Contribution to Provident Fund	429.06	429.76
Employer's Contribution to Pension Fund	451.94	434.82
Employer's Contribution to Superannuation Fund	-	9.13

The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities during the quarter ended 31st December 2011. The actuary has accordingly provided a valuation and based on the below provided assumptions there is no shortfall as at 31st March 2017; 31st March 2016; 1st April 2015.

The Company contributed ₹ NIL towards provident fund during the year ended 31st March 2017 (₹ NIL during the year ended 31st March 2016).

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

₹ in Lakhs

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Plan assets at year end, at fair value	10,186.83	8,936.85	8,410.61
Present value of benefit obligation at year end	9,835.64	8,926.12	8,287.61
Asset / Liability recognised in Balance Sheet	351.20	10.73	123.00

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

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Fixed Income/Debt Securities	9.25%	9.30%	8.79%
Expected guaranteed interest rate	8.65%	8.80%	8.75%

#### 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.

**Notes to Consolidated Financial Statements** as at and for the year ended 31st March 2017**I. Change in the present value of the Defined Benefit obligation representing reconciliation of opening and closing balances thereof are as follows:**

₹ in Lakhs

Particulars	Gratuity Funded		
	2016-17	2015-16	2014-15
Liability at the beginning of the year	2,799.14	3,150.53	2,917.69
Current Service Cost	215.60	191.25	231.80
Curtailment Cost	-	(862.18)	-
Interest Cost	196.62	170.66	218.70
Actuarial (gain)/loss on obligations due to Change in Financial Assumption	120.21	290.09	230.36
Actuarial (gain)/loss on obligations due to Change in Demographic assumption	-	-	-
Actuarial (gain)/loss on obligations due to Unexpected Experience	93.29	169.05	(80.05)
Benefits paid	(354.96)	(310.26)	(367.97)
Liability at the end of the year	3,069.90	2,799.14	3,150.53

₹ in Lakhs

Particulars	Gratuity Unfunded		
	2016-17	2015-16	2014-15
Liability at the beginning of the year	758.30	507.42	335.14
Current Service Cost	92.04	89.88	59.31
Interest Cost	56.58	40.36	26.60
Actuarial (gain)/loss on obligations due to Change in Financial Assumption	50.90	157.56	56.67
Actuarial (gain)/loss on obligations due to Change in Demographic assumption	-	-	-
Actuarial (gain)/loss on obligations due to Unexpected Experience	(137.95)	(31.06)	34.92
Benefits paid	(7.69)	(5.87)	(5.23)
Liability at the end of the year	812.17	758.30	507.42

₹ in Lakhs

Particulars	Total Defined Benefit Obligations		
	2016-17	2015-16	2014-15
Defined benefit obligation (funded) at the end of the year	3,069.90	2,799.14	3,150.53
Defined benefit obligation (unfunded) at the end of the year	812.17	758.30	507.42
Total Defined benefit obligation at the end of the year	3,882.07	3,557.44	3,657.95

₹ in Lakhs

Particulars	Compensated Absences Unfunded		
	2016-17	2015-16	2014-15
Liability at the beginning of the year	448.79	551.47	407.71
Current Service Cost	169.83	150.78	198.30
Curtailment Cost	-	(226.84)	-
Interest Cost	30.20	21.47	28.71
Actuarial (Gain) / Loss	(47.61)	64.38	14.37
Benefits paid	(92.45)	(112.47)	(97.63)
Liability at the end of the year	508.73	448.79	551.47

**Notes to Consolidated Financial Statements** as at and for the year ended 31st March 2017**II. Changes in the Fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows:**

₹ in Lakhs

Particulars	Gratuity Funded		
	2016-17	2015-16	2014-15
Fair value of plan assets at the beginning of the year	3,058.05	2,518.86	2,378.87
Interest Income	229.35	214.11	214.10
Return on Plan Assets excluding Interest Income	52.20	1.24	82.80
Employer contribution	-	634.08	211.07
Benefits paid	(354.96)	(310.26)	(367.97)
Fair value of plan assets at the end of the year	2,984.65	3,058.05	2,518.86

**III. Expense recognised in the Statement of Profit and Loss (Under the head "Contribution to provident and other funds" - Refer Note 2.29) and Other Comprehensive Income**

₹ in Lakhs

Particulars	Gratuity Funded		
	2016-17	2015-16	2014-15
Current Service Cost	215.60	191.25	231.80
Curtailment Cost	-	(862.18)	-
Net Interest Cost	(32.73)	(43.45)	4.60
Expenses recognised in Statement of Profit and Loss	182.87	(714.38)	236.40

₹ in Lakhs

Particulars	Gratuity Funded		
	2016-17	2015-16	2014-15
Actuarial (gain)/loss on obligations due to Change in Financial Assumption	120.21	290.09	230.36
Actuarial (gain)/loss on obligations due to Unexpected Experience	93.29	169.05	(80.05)
<b>Total Actuarial (gain)/losses</b>	<b>213.50</b>	<b>459.14</b>	<b>150.31</b>
Return on Plan Asset, excluding Interest Income	(52.20)	(1.24)	(82.80)
Net expenses recognised in Other Comprehensive Income	161.29	457.90	67.51

₹ in Lakhs

Particulars	Gratuity Unfunded		
	2016-17	2015-16	2014-15
Current Service Cost	92.04	89.88	59.31
Interest Cost	56.58	40.36	26.60
Expenses recognised in Statement of Profit and Loss	148.62	130.24	85.91

₹ in Lakhs

Particulars	Gratuity Funded		
	2016-17	2015-16	2014-15
Actuarial (gain)/loss on obligations due to Change in Financial Assumption	50.90	157.56	56.67
Actuarial (gain)/loss on obligations due to Unexpected Experience	(137.95)	(31.06)	34.92
<b>Total Actuarial (gain)/losses</b>	<b>(87.05)</b>	<b>126.50</b>	<b>91.59</b>
Return on Plan Asset, excluding Interest Income	-	-	-
Net expenses recognised in Other Comprehensive Income	(87.05)	126.50	91.59

**Notes to Consolidated Financial Statements** as at and for the year ended 31st March 2017

₹ in Lakhs

Particulars	Compensated Absences Unfunded		
	2016-17	2015-16	2014-15
Current Service Cost	169.83	150.78	198.30
Curtailment Cost	-	(226.84)	-
Interest Cost	30.20	21.47	28.71
Net Actuarial (Gain) / Loss to be recognized	(47.61)	64.38	14.37
Expenses recognised in Profit and Loss account	152.42	9.79	241.38

**IV. Balance Sheet Reconciliation**

₹ in Lakhs

Particulars	Gratuity Funded		
	2016-17	2015-16	2014-15
Present value of the defined benefit obligations at the end of the year	3,069.90	2,799.14	3,150.53
Fair value of the plan assets at the end of the year	2,984.65	3,058.05	2,518.86
Amount Recognised in Balance Sheet	85.25	(258.91)	631.67

₹ in Lakhs

Particulars	Gratuity Unfunded		
	2016-17	2015-16	2014-15
Present value of the defined benefit obligations at the end of the year	812.17	758.30	507.42
Fair value of the plan assets at the end of the year	-	-	-
Amount Recognised in Balance Sheet	812.17	758.30	507.42

₹ in Lakhs

Particulars	Compensated Absences Unfunded		
	2016-17	2015-16	2014-15
Present value of the defined benefit obligations at the end of the year	508.73	448.79	551.47
Fair value of the plan assets at the end of the year	-	-	-
Amount Recognised in Balance Sheet	508.73	448.79	551.47

₹ in Lakhs

Particulars	Gratuity Funded		
	2016-17	2015-16	2014-15
Opening Net Liability	(258.91)	631.66	538.82
Expenses as above	344.17	(256.48)	303.91
Employers Contribution	-	634.08	211.07
Amount Recognised in Balance Sheet	85.25	(258.91)	631.66

₹ in Lakhs

Particulars	Gratuity Unfunded		
	2016-17	2015-16	2014-15
Opening Net Liability	758.29	507.42	335.14
Expenses as above	61.57	256.75	177.51
Employers Contribution	(7.69)	(5.87)	(5.23)
Amount Recognised in Balance Sheet	812.17	758.30	507.42

**Notes to Consolidated Financial Statements** as at and for the year ended 31st March 2017

₹ in Lakhs

Particulars	Compensated Absences Unfunded		
	2016-17	2015-16	2014-15
Opening Net Liability	448.79	551.47	407.71
Expenses as above	152.42	9.79	241.39
Employers Contribution	(92.45)	(112.47)	(97.63)
Amount Recognised in Balance Sheet	508.73	448.79	551.47

**V. Compensated Absences**

The actuarial liability of Compensated Absences (Unfunded) of accumulated privileged leave of the employees of the company as at 31st March, 2017 is ₹ 440.59 Lakhs (31st March, 2016 is ₹ 384.70 Lakhs, 1st April, 2015 - ₹ 469.60 Lakhs).

- VI.** In respect of Gratuity (funded), the funds are managed by the Insurers. Accordingly, the percentage or amount that each major category constitutes the Fair value of total plan assets and effect thereof on overall expected rate of return on asset have not been disclosed.

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

Particulars	Gratuity Funded		
	2016-17	2015-16	2014-15
Mortality Table	IALM (2006-2008) ULTIMATE	IALM (2006-2008) ULTIMATE	LICI 1994-1996
Discount rate (per annum)	7.50%	8.00%	8.00%
Expected rate of return on plan assets (per annum)	7.50%	8.50%	9.00%
Average expected future service (Remaining working Life)	58	58	58
Average Duration of Liabilities	16	14	14
Early Retirement & Disablement (All Causes Combined)			
above age 45	Varying between 8% per annum to 1% per annum depending on duration and age of the employees.		
Between 29-45			
below age 29			
Rate of escalation in salary (per annum)	7.80%	7.80%	6.00%

Particulars	Gratuity Unfunded		
	2016-17	2015-16	2014-15
Mortality Table	IALM (2006-2008) ULTIMATE	IALM (2006-2008) ULTIMATE	LICI 1994-1996
Discount rate (per annum)	7.50%	8.00%	8.00%
Expected rate of return on plan assets (per annum)	-	-	-
Average expected future service (Remaining working Life)	58	58	58
Average Duration of Liabilities	21	21	21
Early Retirement & Disablement (All Causes Combined)			
above age 45	Varying between 8% per annum to 1% per annum depending on duration and age of the employees.		
Between 29-45			
below age 29			
Rate of escalation in salary (per annum)	7.80%	7.80%	6.00%



## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017

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 2017-18 is yet to be determined.

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

#### a) Gratuity Funded

₹ in Lakhs

	2016-17		2015-16	
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 0.5%)	2,945.58	3,204.37	2,706.43	2,897.39
%Change Compared to base due to sensitivity	(4.05%)	4.38%	(3.30%)	3.53%
Salary Growth (-/+ 0.5%)	3,204.37	2,944.35	2,899.84	2,703.46
%Change Compared to base due to sensitivity	4.38%	(4.09%)	3.62%	(3.40%)
Attrition Rate (-/+ 0.5%)	3,068.99	3,070.83	2,798.47	2,798.82
%Change Compared to base due to sensitivity	(0.03%)	0.03%	(0.01%)	0.01%
Mortality Rate (-/+ 10%)	3,070.52	3,069.29	2,800.44	2,796.84
%Change Compared to base due to sensitivity	0.02%	(0.02%)	0.06%	(0.06%)

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

	2016-17		2015-16	
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 0.5%)	761.33	868.05	710.58	810.69
%Change Compared to base due to sensitivity	(6.26%)	6.88%	(6.29%)	6.91%
Salary Growth (-/+ 0.5%)	867.40	761.41	810.30	710.50
%Change Compared to base due to sensitivity	6.80%	(6.25%)	6.86%	(6.30%)
Attrition Rate (-/+ 0.5%)	811.44	812.90	757.55	759.04
%Change Compared to base due to sensitivity	(0.09%)	0.09%	(0.10%)	0.10%
Mortality Rate (-/+ 10%)	811.93	812.41	758.18	758.41
%Change Compared to base due to sensitivity	(0.03%)	0.03%	(0.02%)	0.02%

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

**Notes to Consolidated Financial Statements** as at and for the year ended 31st March 2017**FINANCIAL INSTRUMENTS DISCLOSURE****2.44 CATEGORIES OF FINANCIAL INSTRUMENTS**

₹ in Lakhs

Particulars	Ref Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Financial Assets</b>				
<b>Measured at Amortised Cost</b>				
Investments	2.2	0.57	0.57	0.57
Non Current Loans	2.3	116.50	116.50	116.50
Deposit with Bank	2.4	48.59	127.85	127.76
Trade Receivables	2.7	39,997.09	44,717.90	45,818.60
Cash and Cash Equivalents	2.8.A	532.15	1,521.84	998.73
Other Bank Balances	2.8.B	91.04	69.49	6.62
Security Deposits	2.4 & 2.10	1,863.86	1,812.76	1,267.10
Loans and Advances to employees	2.9	18.68	22.19	21.44
Other Current Financial Assets	2.10	296.44	703.13	463.88
<b>Total financial assets measured at amortised cost</b>		42,964.92	49,092.23	48,821.20
<b>Measured at Fair Value through Profit or Loss</b>				
Investment	2.2			
Non-current		167.42	167.42	167.42
Current		-	-	12,500.00
Receivable on account of derivative contract	2.4 & 2.10	1,420.24	1,988.26	1,427.03
<b>Total Financial Assets measured at Fair Value through Profit or Loss</b>		1,587.66	2,155.68	14,094.45
<b>Financial Liabilities</b>				
<b>Measured at Amortised Cost</b>				
Non Current Borrowings	2.15	1,88,909.33	2,17,051.67	2,00,646.54
Retention Money	2.16	385.74	437.24	505.15
Current Borrowings	2.20	52,856.27	53,958.66	69,128.70
Trade Payables	2.21	45,244.04	45,668.86	45,172.84
Current maturities of long term debt	2.22	15,034.77	14,274.55	25,562.34
Current maturities of vehicle finance loan	2.22	-	51.23	280.58
Interest accrued but not due on borrowings	2.22	1,061.37	1,515.33	1,250.19
Interest accrued and due on borrowings	2.22	839.75	1,127.35	818.11
Unpaid dividend	2.22	1.50	1.93	2.20
Other Payables	2.22	3,515.22	2,092.59	6,401.91
<b>Total financial liabilities measured at amortised cost</b>		3,07,847.99	3,36,179.41	3,49,768.56
<b>Measured at Fair Value through Profit or Loss</b>				
Liability on derivative contracts	2.22	-	117.34	97.94
<b>Total financial liabilities measured at Fair Value through Profit or Loss</b>		-	117.34	97.94

**Notes to Consolidated Financial Statements** as at and for the year ended 31st March 2017**2.45 FAIR VALUES****(i) Class wise fair value of the Company's financial instruments:**

₹ in Lakhs

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Investments (unquoted) in mutual funds	-	-	12,500.00
Non Current Investments, other than investment in subsidiary and joint venture	167.42	167.42	167.42
Cross Currency Swap	1,420.24	1,988.26	1,427.03
Derivative Contract	-	117.34	97.94

**(ii) Fair value hierarchy**

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

₹ in Lakhs

Particulars	Date of valuation	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Quantitative disclosures of fair value measurement hierarchy for assets as at 31 March 2017:</b>				
<b>Assets measured at fair value:</b>				
Investments (quoted) in mutual funds	31st March 17	-	NA	NA
Non Current Investments, other than investment in subsidiary and joint venture	31st March 17	NA	NA	167.42
<b>Liability measured at fair value:</b>				
Derivative Contract - Cross Currency Swap	31st March 17	NA	1,420.24	NA
Derivative Contract - Forward	31st March 17	NA	-	NA
<b>Quantitative disclosures of fair value measurement hierarchy for assets as at 31 March 2016:</b>				
<b>Assets measured at fair value:</b>				
Investments (quoted) in mutual funds	31st March 16	-	NA	NA
Non Current Investments, other than investment in subsidiary and joint venture	31st March 16	NA	NA	167.42
<b>Liability measured at fair value:</b>				
Derivative Contract - Cross Currency Swap	31st March 16	NA	1,988.26	NA
Derivative Contract - Forward	31st March 16	NA	117.34	NA
<b>Quantitative disclosures of fair value measurement hierarchy for assets as at 1 April 2015:</b>				
<b>Assets measured at fair value:</b>				
Investments (quoted) in mutual funds	1st April 15	12,500.00	NA	NA
Non Current Investments, other than investment in subsidiary and joint venture	1st April 15	NA	NA	167.42
<b>Liability measured at fair value:</b>				
Derivative Contract - Cross Currency Swap	1st April 15	NA	1,427.03	NA
Derivative Contract - Forward	1st April 15	NA	97.94	NA

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017

### (iii) Fair Value Technique

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between participants at the measurement date. The following methods and assumptions were used to estimate the fair values:

- 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 consolidated financial statements approximates their fair values.
- Fair Value of Long term debt approximates their carrying value subject to adjustments made for transaction cost.
- Investments in liquid and short- term mutual funds are measured using quoted market prices at the reporting date multiplied by the quantity held.
- Fair Value for valuation of unquoted equity instruments is arrived based on the valuation done by an independent valuer.
- During the year ended 31st March 2017 and 31st March 2016, there were no transfer between different levels of fair value measurement.

### (iv) Significant unobservable inputs used in Level 3 fair values

As at 31st March 2017	Significant unobservable inputs	Sensitivity of input to fair value measurement
Fair Valuation of unquoted equity instruments	Valuation by independent valuer	Increase in book value by 10% will have a positive impact of ₹ 16.74 Lakhs
		Decrease in book value by 10% will have a negative impact of ₹ 16.74 Lakhs

## 2.46 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial liabilities comprise borrowings, capital creditors and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets include trade and other receivables, cash and cash equivalents, investments at cost/fair value and deposits.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

### 1) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and other price risk, such as raw material and fuel price risk. Financial instruments affected by market risk include FVTPL investments, trade payables, trade receivables, etc.

#### (a) Foreign currency risk

The company undertakes transactions denominated in different foreign currencies primarily in USD and consequently exposed to exchange rate fluctuations. Exchange Rate exposures are managed within approved policy parameters. The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as disclosed under note no. 2.36 above.

#### Foreign currency sensitivity

The company is principally exposed to foreign currency risks against USD. Sensitivity of profit or loss arises mainly from USD denominated receivables and payables.

As per management assessment of reasonable possible changes in the exchange rate of +/- 5% between USD-INR currency pair, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the period end is presented below:

**Notes to Consolidated Financial Statements** as at and for the year ended 31st March 2017

Particulars	Changes in USD rate	Foreign currency Payable (net)	Effect on profit/(loss) before tax
	%	(₹) in Lakhs	(₹) in Lakhs
<b>As at 31st March 2017</b>			
Weakening of INR	5%	285.59	13.60
Strengthening of INR	-5%	258.39	(13.60)
<b>As at 31st March 2016</b>			
Weakening of INR	5%	(993.98)	(47.33)
Strengthening of INR	-5%	(899.32)	47.33

\* The above sensitivity do not include foreign currency risk on borrowings amounting to ₹ 640 Lakhs (31st March 2016 - ₹ 650 Lakhs) which are capitalised with the Property, Plant and Equipment and not charged to Consolidated 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 ₹ in Lakhs
<b>As at 31st March 2017</b>		
INR	+50	(785.64)
USD	+50	(262.91)
INR	-50	785.64
USD	-50	262.91
<b>As at 31st March 2016</b>		
INR	+50	(799.33)
USD	+50	(278.82)
INR	-50	799.33
USD	-50	278.82

**(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).

**Trade receivables**

Credit quality of a customer is assessed based on an appraisal of customer creation form and individual credit limits are defined in accordance with this assessment and performance of the customer. Outstanding customer receivables are regularly monitored.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017

An impairment analysis is performed at each reporting date on an individual basis for all the customers. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in Note 2.7. The Company has evaluated the concentration of risk with respect to trade receivables as low, as its customers are located in several geographical locations.

### III) Liquidity Risk

The Company's objective is to at all times maintain optimum level of liquidity to meet its cash and collateral requirement at all times. The need of the funds of the company are being met by internal accrual and borrowings. The short and medium term requirements are met through the committed lines of credit.

The table provides undiscounted cash flow towards non-derivative financial liability and net settled derivative financial liabilities into relevant maturities based on the remaining period at balance sheet date to contractual maturity date.

₹ in Lakhs

Particulars	0 - 180 days	181 - 365 days	Payable in more than 1 Year	Total
<b>As at 31st March 2017</b>				
Non Current Borrowings	6,337.67	8,882.41	1,89,406.48	2,04,626.56
Current Borrowings	52,856.27	-	-	52,856.27
Trade payable	45,244.04	-	-	45,244.04
Interest accrued but not due on borrowings	1,061.37	-	-	1,061.37
Interest accrued and due on borrowings	839.75	-	-	839.75
Unpaid dividend	1.50	-	-	1.50
<b>As at 31st March 2016</b>				
Non Current Borrowings	6,401.64	8,072.36	2,17,802.78	2,32,276.77
Current Borrowings	53,958.66	-	-	53,958.66
Trade payable	45,668.86	-	-	45,668.86
Interest accrued but not due on borrowings	1,515.33	-	-	1,515.33
Interest accrued and due on borrowings	1,127.35	-	-	1,127.35
Unpaid dividend	1.93	-	-	1.93
<b>As at 1st April 2015</b>				
Non Current Borrowings	10,879.86	14,963.05	2,01,765.54	2,27,608.45
Current Borrowings	69,128.70	-	-	69,128.70
Trade payable	45,172.84	-	-	45,172.84
Interest accrued but not due on borrowings	1,250.19	-	-	1,250.19
Interest accrued and due on borrowings	818.11	-	-	818.11
Unpaid dividend	2.20	-	-	2.20

### 2.47 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity 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 ₹ 39802.13 Lakhs (Refer Note No. 2.13 & 2.14). The company is not subject to any externally imposed capital requirements.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017

### 2.48 GEARING RATIO

The Company has long term Debt of ₹ 2,03,944.10 Lakhs as on 31st March 2017 (31st March 2016 : ₹ 2,31,377.45 Lakhs, 1st April 2015: ₹ 2,26,489.45 Lakhs). Accordingly the Company has 0.83 gearing ratio as at 31st March 2017 and 0.81 gearing ratio as at 31st March 2016 and 0.77 gearing ratio as on 1st April 2015.

₹ in Lakhs

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Net Long Term Debt	1,99,038.08	2,25,801.39	2,21,963.19
Total Equity	39,802.13	51,601.43	67,355.06
Net Long Term Debt to Value Ratio	0.83	0.81	0.77

### 2.49 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods

#### Judgements

#### 2.49.A Fair Value as Deemed Cost for Property Plant and Equipment:

The company has opted to Fair Value Property, Plant and Equipment as carried out by external valuer and thereby Fair Valuation of Freehold and Leasehold Land been considered to be deemed cost as on the transition date. Such Fair Valuations involves higher degree of uncertainty and subjectivity.

#### 2.49.B Depreciation/Amortisation of and impairment loss on Property Plant and Equipment/Intangible Assets:

Property, Plant and Equipment are depreciated and Intangible assets are amortised on straight line basis over the estimated useful lives (or Lease Term if shorter) in accordance with Schedule II of the Companies Act 2013, taking into account the estimated residual value, wherever applicable. The company reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation/ amortisation expense to be recorded during any reporting period. This reassessment may result in change in depreciation expense in future periods.

The company reviews its carrying value of its Tangible and Intangible assets whenever there is objective evidence that the assets are impaired. The required level of impairment losses to be made is estimated by reference to the estimated value in use or recoverable amount.

#### 2.49.C Impairment loss on Trade receivables:

The company evaluated whether there is any objective evidence that trade receivable are impaired and determines the amount of impairment loss as a result of the inability of the debtors to make required payments. The company bases the estimates on the ageing of the trade receivables balance, creditworthiness of the trade receivables and historical writeoff experience. If the financial conditions of the trade receivables were to deteriorate, actual writeoffs would be higher than estimated.

#### 2.49.D Deferred tax assets on unused tax losses:

Tax credit and Minimum Alternate Tax (MAT) Credit are recognised to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets/MAT Credit that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The Company has decided not to recognize deferred tax asset on such unused tax losses nor any MAT credit entitlement.

#### 2.49.E Liability towards decommissioning cost for Nashik and Neemrana land lease has not recognized based on management's decision that the Company will leave the leased property in as is condition at the expiry of the term of lease. As per the terms of the agreement, in such case the Company is not obligated for any decommissioning or site restoration activity.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017

**2.49.F** As per CAP agreed with Joint lender forum, rate of interest for different loans taken by the Company shall be 10.5%p.a. in the financial year ended March 31, 2016 and March 31, 2017 and 11% p.a thereafter and the same has been considered for computing the EIR.

**2.49.G** The company along with other promoters of the company had entered into a joint venture agreement with Trakya Cam Sanayii AS of Turkey in HNG Float Glass Ltd. By virtue of the terms of the agreement, the company is required to be the shareholder of HNG Float Glass Ltd.

### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

### 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 various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is 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. Changes in assumptions about these factors could affect the reported fair value of financial instruments.



## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017

**2.50** In terms of Ind AS 101, "First-Time Adoption of Indian Accounting Standards" the required reconciliation of Equity, Other Comprehensive Income and Cash Flows with respect to the figures reported under the previous GAAP are as under:

### First-Time Adoption of Ind AS reconciliation

#### 2.50.A Effect of Ind AS adoption on the Consolidated Balance Sheet as on 1st April 2015

₹ in Lakhs

Particulars	Note No.	Previous GAAP Balance Sheet as at 1st April 2015	Effect of transition to Ind AS		Ind AS Balance Sheet as at 1st April 2015
			Joint Venture (Refer Note 2.50.A.5)	Others	
<b>ASSETS</b>					
<b>Non-current assets</b>					
(a) Property, plant and equipment	2.50.A.1	2,57,451.72	(4,994.96)	21,915.22	2,74,371.98
(b) Capital work-in-progress	2.50.A.1	12,208.44	(35.19)	(51.95)	12,121.30
(c) Goodwill on Consolidation		1.65	-	-	1.65
(d) Other Intangible assets		144.68	-	-	144.68
(e) Financial assets					
(i) Investments		167.99	2,612.00	-	2,779.99
(ii) Loans		119.90	(3.40)	-	116.50
(iii) Other financial assets	2.50.A.2	2,794.35	(46.39)	43.64	2,791.60
(f) Deferred Tax Assets	2.50.A.3	2,587.57	-	(2,587.57)	-
(g) Other non-current assets		1,897.60	(74.61)	-	1,822.99
		<b>2,77,373.90</b>	<b>(2,542.55)</b>	<b>19,319.34</b>	<b>2,94,150.69</b>
<b>Current assets</b>					
(a) Inventories	2.50.A.1	62,976.82	(1,011.48)	(536.89)	61,428.45
(b) Financial assets					
(i) Investments		12,500.00	-	-	12,500.00
(ii) Trade receivables		46,331.40	(512.80)	-	45,818.60
(iii) Cash and cash equivalents		1,025.98	(27.25)	-	998.73
(iv) Bank balances other than (iii) above		6.62	-	-	6.62
(v) Loans		22.20	(0.76)	-	21.44
(vi) Other financial assets	2.50.A.2	565.74	(0.67)	(70.89)	494.18
(c) Current Tax Assets (Net)		395.50	(0.35)	-	395.15
(d) Other current assets		12,184.96	(100.83)	-	12,084.13
		<b>1,36,009.22</b>	<b>(1,654.14)</b>	<b>(607.78)</b>	<b>1,33,747.30</b>
<b>Total Assets</b>		<b>4,13,383.12</b>	<b>(4,196.69)</b>	<b>18,711.56</b>	<b>4,27,897.99</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
(a) Equity Share capital		1,746.77	-	-	1,746.77
(b) Other Equity		45,767.16	(37.24)	19,878.36	65,608.28
<b>Total Equity</b>	2.50.C	<b>47,513.93</b>	<b>(37.24)</b>	<b>19,878.36</b>	<b>67,355.05</b>

**Notes to Consolidated Financial Statements** as at and for the year ended 31st March 2017

₹ in Lakhs

Particulars	Note No.	Previous GAAP Balance Sheet as at 1st April 2015	Effect of transition to Ind AS		Ind AS Balance Sheet as at 1st April 2015
			Joint Venture (Refer Note 2.50.A.5)	Others	
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
(a) Financial liabilities					
(i) Borrowings	2.50.A.4	2,03,211.19	(1,616.52)	(948.13)	2,00,646.54
(ii) Other financial Liabilities		594.47	(89.32)	-	505.15
(b) Provisions		985.71	(14.66)	-	971.05
(c) Other non-current liabilities		1,167.17	-	-	1,167.17
		<b>2,05,958.54</b>	<b>(1,720.50)</b>	<b>(948.13)</b>	<b>2,03,289.91</b>
<b>Current liabilities</b>					
(a) Financial liabilities					
(i) Borrowings		69,704.33	(575.63)	-	69,128.70
(ii) Trade payables		45,766.72	(593.88)	-	45,172.84
(iii) Other financial liabilities	2.50.A.2 & 2.50.A.4	35,765.16	(1,133.22)	(218.67)	34,413.27
(b) Other current liabilities		7,278.83	(133.48)	-	7,145.35
(c) Provisions		1,395.61	(2.74)	-	1,392.87
		<b>1,59,910.65</b>	<b>(2,438.95)</b>	<b>(218.67)</b>	<b>1,57,253.03</b>
<b>Total Liabilities</b>		<b>3,65,869.19</b>	<b>(4,159.45)</b>	<b>(1,166.80)</b>	<b>3,60,542.94</b>
<b>Total Equity and Liabilities</b>		<b>4,13,383.12</b>	<b>(4,196.69)</b>	<b>18,711.56</b>	<b>4,27,897.99</b>

Previous GAAP figures have been reclassified to conform with IND AS presentation requirement for the purpose of these notes.

**Explanatory Notes to Consolidated Balance Sheet Reconciliation as at April 1, 2015****2.50.A.1 Property, Plant and Equipment**

- (i) Under previous GAAP, the Company has capitalised the processing fees of ₹ 1379.93 lakhs charged by the lenders against loans taken for Project/Property Plant and Equipment. As a consequence of the adjustment in 2.50.A.4 below with respect to effective interest rate (EIR) adjustments, i.e. to restate the carrying amount of loan in accordance with paragraph 10 of Ind AS 101 "First- Time Adoption of Indian Accounting Standards", the carrying amount of Property, Plant and Equipment as at the date of the transition has also been reduced by ₹ 1173.62 lakhs which is the value of processing fees (net of cumulative depreciation impact till the date of transition) capitalised.
- (ii) As per para 8 of Ind AS 16 "Property, Plant and Equipment" certain items categorised as spares meet the definition of Property, Plant and Equipment are capitalised, otherwise such items are classified as inventories of stores and spares. As a consequence of above, sum of ₹ 588.84 Lakhs lying under Capital Work in Progress/ Inventories has been capitalised with Property, Plant and Equipment at the date of transition and corresponding credit of ₹ 51.95 lakhs and ₹ 536.89 Lakhs to Capital Work in Progress and inventory of Stores and Spares respectively.
- (iii) The company has elected to measure all its Property Plant and Equipment as per the provisions of Ind AS 101 "First Time Adoption of Indian Accounting Standard" at the previous GAAP carrying amount as on the date of transition i.e. 1st April 2015; as its "Deemed Costs" except in case of Freehold Land and Leasehold Land where fair values as valued by an independent valuer has been considered as "Deemed Costs". Refer Note.2.51 The details regarding the fair value of Land as above are as follows:

1. The fair Value of Freehold Land and Leasehold Land is ₹ 34,713.42 Lakhs and ₹ 5,185.37 Lakhs respectively; and

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017

2. The aggregate adjustment to the carrying amount of Freehold Land and Leasehold Land reported under previous GAAP is ₹ 19,860.05 Lakhs and ₹ 2639.95 Lakhs.

The fair value above has been determined based on the valuation carried out by external independent valuers. These were determined based on market value of similar assets, significantly adjusted for differences in the nature, location or condition of the specific items of Property Plant and Equipment. The fair valuation involves higher degree of uncertainty and subjectivity."

### 2.50.A.2 Derivative instruments

The fair value of derivative instruments is recognised under Ind AS.

### 2.50.A.3 Deferred Tax Assets

In terms of Ind AS 12 "Income Taxes" deferred tax includes Minimum Alternate Tax (MAT). Deferred tax assets on unused tax losses; tax credit and Minimum Alternate Tax (MAT) Credit are recognised to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Based on the same the Company has decided not to recognize deferred tax asset on such unused tax losses/MAT credit entitlement. Accordingly, MAT credit entitlement has been adjusted.

### 2.50.A.4 Non Current Borrowings

Under previous GAAP, the Company accounted for borrowings measured at transaction value. Under Ind AS, the Company has to recognise the borrowings at amortised cost using effective interest.

### 2.50.A.5 Investment in Joint Venture

Under previous GAAP, the investment in the joint venture in HNG Float Glass Limited was proportionately consolidated along with the consolidated assets and liabilities. Under IND AS, the investment in HNG Float Glass will be measured using the equity method. Accordingly previously proportionately consolidated assets and liabilities under previous GAAP have been aggregated into a single line investment balance in the joint venture at the date of transition to IND AS.

### 2.50.B Effect of Ind AS adoption on the Consolidated Balance Sheet as on 31st March 2016

₹ In Lakhs

Particulars	Note No.	Previous GAAP Balance Sheet as at 31st March 2016	Effect of transition to Ind AS		Ind AS Balance Sheet as at 31st March 2016
			Joint Venture (Refer Note 2.50.B.5)	Others	
<b>ASSETS</b>					
<b>Non-current assets</b>					
(a) Property, plant and equipment	2.50.B.1	2,46,040.20	(4,496.53)	21,935.93	2,63,479.60
(b) Capital work-in-progress	2.50.B.1	7,565.27	(1.23)	(51.95)	7,512.09
(c) Goodwill on Consolidation		1.65	-	-	1.65
(d) Intangible assets		203.73	(5.39)	-	198.34
(e) Financial assets					
(i) Investments		167.99	3,199.50	-	3,367.49
(ii) Loans		120.22	(3.72)	-	116.50
(iii) Other financial assets	2.50.B.2	3,747.14	(2.19)	(25.37)	3,719.58
(f) Deferred Tax Assets	2.50.B.3	1,815.00	-	(1,815.00)	-
(g) Other non-current assets		1,724.28	(0.06)	-	1,724.22
		<b>2,61,385.48</b>	<b>(1,309.62)</b>	<b>20,043.61</b>	<b>2,80,119.47</b>

**Notes to Consolidated Financial Statements** as at and for the year ended 31st March 2017

₹ in Lakhs

Particulars	Note No.	Previous GAAP Balance Sheet as at 31st March 2016	Effect of transition to Ind AS		Ind AS Balance Sheet as at 31st March 2016
			Joint Venture (Refer Note 2.50.B.5)	Others	
<b>Current assets</b>					
(a) Inventories		61,899.26	(741.60)	(536.89)	60,620.77
(b) Financial assets					
(i) Investments		89.88	(89.88)	-	-
(ii) Trade receivables		45,022.28	(304.38)	-	44,717.90
(iii) Cash and cash equivalents		1,550.55	(28.72)	-	1,521.84
(iv) Bank balances other than (iii) above		69.49	-	-	69.49
(v) Loans		22.89	(0.70)	-	22.19
(vi) Other financial assets	2.50.B.2	931.37	(4.52)	(14.43)	912.42
(c) Current Tax Assets (Net)		288.66	4.49	(40.00)	253.15
(d) Other current assets		11,279.01	(104.90)	40.00	11,214.12
		<b>1,21,153.39</b>	<b>(1,270.21)</b>	<b>(551.32)</b>	<b>1,19,331.88</b>
<b>Total Assets</b>		<b>3,82,538.87</b>	<b>(2,579.83)</b>	<b>19,492.29</b>	<b>3,99,451.35</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
(a) Equity Share Capital		1,746.77	-	-	1,746.77
(b) Other Equity		29,498.74	(39.33)	20,395.25	49,854.66
<b>Total Equity</b>	2.50.C	<b>31,245.51</b>	<b>(39.33)</b>	<b>20,395.25</b>	<b>51,601.43</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
(a) Financial liabilities					
(i) Borrowings	2.50.B.4	2,19,210.63	(1,407.85)	(751.11)	2,17,051.67
(ii) Other financial Liabilities		533.36	(96.12)	-	437.24
(b) Provisions		1,096.48	(28.34)	-	1,068.14
(c) Other non-current liabilities		1,154.32	-	-	1,154.32
		<b>2,21,994.79</b>	<b>(1,532.31)</b>	<b>(751.11)</b>	<b>2,19,711.37</b>
<b>Current liabilities</b>					
(a) Financial liabilities					
(i) Borrowings		53,958.66	-	-	53,958.66
(ii) Trade payables		45,839.47	(170.63)	-	45,668.86
(iii) Other financial liabilities	2.50.B.2 & 2.50.B.4	19,991.72	(659.55)	(151.85)	19,180.32
(b) Other current liabilities		8,297.55	(167.00)	-	8,130.55
(c) Provisions		1,211.17	(11.01)	-	1,200.16
		<b>1,29,298.57</b>	<b>(1,008.19)</b>	<b>(151.85)</b>	<b>1,28,138.55</b>
<b>Total Liabilities</b>		<b>3,51,293.36</b>	<b>(2,540.50)</b>	<b>(902.96)</b>	<b>3,47,849.92</b>
<b>Total Equity and Liabilities</b>		<b>3,82,538.87</b>	<b>(2,579.83)</b>	<b>19,492.29</b>	<b>3,99,451.35</b>

Previous GAAP figures have been reclassified to conform with Ind AS presentation requirement for the purpose of these notes.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017

### Explanatory Notes to Consolidated Balance Sheet Reconciliation as at 31st March 2016

#### 2.50.B.1 Property Plant and Equipment

- (i) Under previous GAAP, the Company has capitalised the processing fees of loans. As a consequence of the adjustment in 2.50.B.4 below, to restate the carrying amount of loan in accordance with paragraph 10 of Ind AS 101 "First-Time adoption of Indian Accounting Standard", the carrying amount of property, plant and equipment as at the date of the transition has also been reduced by the amount of processing cost (net of cumulative depreciation impact).
- (ii) As per para 8 of Ind AS 16 "Property, Plant and Equipment" certain items categorised as spares meet the definition of property, plant and equipment are capitalised, otherwise such items are classified as inventories of stores and spares.

#### 2.50.B.2 Derivative instruments

The fair value of derivative instruments is recognised under Ind AS.

#### 2.50.B.3 Deferred Tax Assets

Deferred tax assets on unused tax losses; tax credit and Minimum Alternate Tax (MAT) Credit are recognised to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Based on the same the Company has decided not to recognize deferred tax asset on such unused tax losses/MAT credit entitlement. Accordingly, MAT credit entitlement has been adjusted.

#### 2.50.B.4 Non Current Borrowings

Under previous GAAP, the Company accounted for borrowings measured at transaction value. Under Ind AS, the Company has to recognise the borrowings at amortised cost using effective interest.

#### 2.50.B.5 Investment in Joint Venture

Under previous GAAP, the investment in the joint venture in HNG Float Glass Limited was proportionately consolidated along with the consolidated assets and liabilities. Under Ind AS, the investment in HNG Float Glass will be measured using the equity method. Accordingly previously proportionately consolidated assets and liabilities under previous GAAP have been aggregated into a single line investment balance in the joint venture at the date of transition to Ind AS.

#### 2.50.C Reconciliation of Total Equity as given above:

₹ in Lakhs

Particulars	As at 31st March 2016	As at 1st April 2015
<b>Total Equity (including Shareholder's Fund) under previous GAAP</b>	<b>31,245.51</b>	<b>47,513.93</b>
Effect on fair valuation of forward/derivative	(36.15)	19.42
Finance Cost as per Effective Interest rate Method	899.30	1,120.12
Effect of Fair Valuation/Deemed Cost and Other adjustments for Property Plant and Equipment	21,347.10	21,326.39
Effect of Deferred Tax Assets (MAT Credit) in the opening Consolidated Balance Sheet	(1,815.00)	(2,587.57)
Effect of IND AS Adoption by Joint Venture Partner	(39.33)	(37.24)
<b>Other Equity as per IND AS</b>	<b>51,601.43</b>	<b>67,355.05</b>

**Notes to Consolidated Financial Statements** as at and for the year ended 31st March 2017**2.50.D Effect of IND AS adoption on the Consolidated Statement of Profit and Loss for the year ended 31st March 2016**

₹ in Lakhs

Particulars	Note No.	Previous GAAP Statement of Profit or Loss for the year ended 31st March 2016	Effect of transition to Ind AS		Ind AS Statement of Profit or Loss for the year ended 31st March 2016
			Joint Venture (Refer Note 2.50.D.7)	Others	
<b>Revenue</b>					
I. Revenue from Operations	2.50.D.1	2,31,405.06	(5,946.16)	20,123.26	2,45,582.16
II. Other Income		1,451.13	(22.44)	-	1,428.69
<b>III. Total Income (I+II)</b>		<b>2,32,856.19</b>	<b>(5,968.60)</b>	<b>20,123.26</b>	<b>2,47,010.85</b>
<b>Expenses</b>					
Cost of Materials Consumed		72,461.62	(1,638.41)	-	70,823.21
Purchase of Stock-in-Trade		0.27	(0.27)	-	-
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		46.49	(225.16)	-	(178.67)
Excise duty on sale of goods	2.50.D.1	-	-	20,123.26	20,123.26
Employee Benefit Expenses	2.50.D.2	22,934.86	(198.57)	(584.40)	22,151.89
Other Expenses	2.50.D.3	1,01,544.56	(2,346.19)	45.00	99,243.37
<b>IV. Total Expenses</b>		<b>1,96,987.80</b>	<b>(4,408.60)</b>	<b>19,583.86</b>	<b>2,12,163.06</b>
<b>V. Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) (III-IV)</b>		<b>35,868.39</b>	<b>(1,560.00)</b>	<b>539.40</b>	<b>34,847.79</b>
<b>VI. Depreciation and Amortization expense</b>	2.50.D.4	23,900.27	(623.29)	(20.71)	23,256.27
<b>VII. Finance costs</b>	2.50.D.5	27,167.02	(261.18)	231.40	27,137.24
<b>VIII. Profit/(loss) before tax (V-VI-VII)</b>		<b>(15,198.90)</b>	<b>(675.53)</b>	<b>328.71</b>	<b>(15,545.72)</b>
<b>IX. Tax expense:</b>					
(1) Current tax		370.84	(85.95)	-	284.89
(2) Deferred tax		-	-	-	-
(3) Reversal of MAT Credit Entitlement	2.50.D.6	772.57	-	(772.57)	-
<b>Tax expense</b>		<b>1,143.41</b>	<b>(85.95)</b>	<b>(772.57)</b>	<b>284.89</b>
<b>X. Profit/(Loss) for the year after Tax (VIII-IX) but before share of Profit/(Loss) of Joint Venture</b>		<b>(16,342.31)</b>	<b>(589.58)</b>	<b>1,101.28</b>	<b>(15,830.61)</b>
<b>XI. Add: Share of Profit/(Loss) of Joint Venture</b>		-	589.59	-	589.59
<b>XII. Profit/(Loss) for the year after tax (XI+XII)</b>		<b>(16,342.31)</b>	<b>0.01</b>	<b>1,101.28</b>	<b>(15,241.02)</b>
<b>XIII. Other Comprehensive Income</b>					
<b>A (i) Items that will not be reclassified to Profit or Loss</b>					
Re-measurement gains/ (losses) on defined benefit plans	2.50.D.2	-	-	(584.40)	(584.40)
<b>(ii) Income tax relating to items that will not be reclassified to Profit or Loss</b>		-	-	-	-
<b>Add: Share of Other Comprehensive Income of Joint Venture</b>		-	(2.09)	-	(2.09)
<b>B (i) Items that will be reclassified to Profit or Loss</b>		-	-	-	-
<b>(ii) Income tax relating to items that will be reclassified to Profit or Loss</b>		-	-	-	-
<b>Other Comprehensive Income for the year after tax</b>		-	(2.09)	(584.40)	(586.49)
<b>XIV. Total Comprehensive Income for the year (XII+XIII) (Comprising Profit/ (Loss) and Other Comprehensive Income for the year)</b>		<b>(16,342.31)</b>	<b>(2.08)</b>	<b>516.88</b>	<b>(15,827.51)</b>

Previous GAAP figures have been reclassified to conform with Ind AS presentation requirements for the purpose of these notes.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017

### Explanatory Notes to Consolidated Statement of Profit and Loss Reconciliation for the year 2015-16

- 2.50.D.1 Under previous GAAP Sales was shown net of Excise Duty but under Ind AS Sales is shown at Gross Value and consequently excise duty has been shown as a part of expense.
- 2.50.D.2 Gain or Loss on Actuarial assumption under Ind AS 19 "Employee Benefits" is separately shown under Other Comprehensive Income (OCI), whereas under previous GAAP it was net off with Employee Benefit Expenses.
- 2.50.D.3 The fair value of derivative instruments is recognised under Ind AS.
- 2.50.D.4 The Processing fees on Loan was decapitalised on transition to Ind AS and insurance spares were capitalised. Hence, relevant depreciation has been adjusted.
- 2.50.D.5 Under previous GAAP, the Company accounted for long term borrowings measured at transaction value. Under Ind AS, the Company has to recognise the long term borrowings at amortised cost using effective interest.
- 2.50.D.6 In terms of Ind AS 12 "Income Taxes" deferred tax includes Minimum Alternate Tax (MAT). Deferred tax assets on unused tax losses; tax credit and Minimum Alternate Tax (MAT) Credit are recognised to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Based on the same the Company has decided not to recognize deferred tax asset on such unused tax losses/MAT credit entitlement. Accordingly, MAT credit entitlement has been adjusted. The Company charged off ₹ 772.57 Lakhs under Ind AS but entire balance of MAT Credit as on 01.04.2015 was written off against Retained Earnings, hence, reversal done.

### 2.50.D.7 Investment in Joint Venture

Under previous GAAP, the investment in the joint venture in HNG Float Glass Limited was proportionately consolidated along with the consolidated assets and liabilities. Under Ind AS, the investment in HNG Float Glass will be measured using the equity method. Accordingly previously proportionately consolidated income and expenditure under previous GAAP have been aggregated into a single line share of profit in the joint venture at the date of transition to Ind AS

### 2.50.E Reconciliation of Total Comprehensive Income for the year ended March 31, 2016

₹ In Lakhs	
Particulars	For the year ended 31st March 2016
Net Profit (+)/loss (-) under previous GAAP	(16,342.31)
Adjustment for amount recognised in other comprehensive income	586.49
Effect of IND AS adoption by joint venture in Total Comprehensive Income	(2.08)
Effect on fair valuation of forward/derivative	(55.40)
Effect on fair valuation of financial instrument	-
Finance Cost as per Effective Interest Rate Method	(221.00)
Effect of Decapitalisation of Processing Fees and Others	20.71
Effect of Deferred Tax Assets (MAT Credit) in the opening Balance Sheet	772.57
<b>Net profit (+)/loss (-) for the period under Ind-AS</b>	<b>(15,241.02)</b>
<b>Other Comprehensive Income (net of taxes)</b>	
Actuarial gain/(loss) on Employee defined benefit	(584.40)
Effect of IND AS Adoption by Joint Venture Partner-Actuarial gain/(loss) on Employee defined benefit	(2.09)
<b>Total Comprehensive Income/(Expenses) under Ind-AS</b>	<b>(15,827.51)</b>

### 2.50.F Reconciliation of Consolidated Statement of Cash Flow for the year ended March 31, 2016

There were no material differences between the Statement of Cash Flow presented under Ind AS and the previous GAAP.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017

### 2.51 FIRST-TIME ADOPTION OF Ind AS- Exceptions and Exemptions

- These consolidated financial statements, for the year ended 31st March 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31st March 2016, the Company prepared its consolidated financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). Accordingly, the Company has prepared consolidated financial statements which comply with Ind AS applicable for periods ending on 31st March 2017, together with the comparative period data as at and for the year ended 31st March 2016, as described in the summary of significant accounting policies. In preparing these consolidated financial statements, the Company's opening balance sheet was prepared as at 1st April 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April 2015 and the financial statements as at and for the year ended 31st March 2016.
- Ind AS 103 Business Combinations has not been applied to acquisitions of companies, which are considered businesses under Ind AS that occurred before 1st April 2015. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS. The Company recognises all assets acquired and liabilities assumed in a past business combination, except (i) certain financial assets and liabilities that were derecognised and that fall under the derecognition exception, and (ii) assets and liabilities that were not recognised in the acquirer's consolidated balance sheet under its previous GAAP and that would not qualify for recognition under Ind AS in the individual balance sheet of the acquiree. Assets and liabilities that do not qualify for recognition under Ind AS are excluded from the opening Ind AS balance sheet. The Company did not recognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements.
- The company has opted to Fair Value Property, Plant and Equipment and thereby Fair Valuation of Freehold and Leasehold Land been considered to be deemed cost as on the transition date. Other items of Property, Plant and Equipment has been taken at carrying value on that date. Differential arising with respect to value as per previous GAAP has been credited to retained earnings.
- As per para 8 of Ind AS 16 certain items categorised as spares meet the definition of property, plant and equipment are capitalised, otherwise such items are classified as inventories of stores and spares.
- The Company has designated unquoted equity instruments/ investment in mutual fund held at 1st April 2015 as fair value through profit or loss.
- In separate financial statements, a first-time adopter that subsequently measures an investment in a subsidiary, joint ventures or associate at cost, may measure such investment at cost (determined in accordance with Ind AS 27 "Separate Financial Statements") or deemed cost (fair value or previous GAAP carrying amount) in its separate opening Ind AS balance sheet. The Company has opted for valuing these investments at cost.
- The Company, being a first-time adopter, has applied the requirements in Ind AS 109, Financial Instruments, and Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance, prospectively to government loans existing at the date of transition to Ind AS and has not recognised the corresponding benefit of the government loan at a below-market rate of interest as a government grant.
- The Company, being a first-time adopter, has continued the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the consolidated financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP i.e. March 31, 2016.



## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017

### 2.52 Additional disclosure under Schedule III

(a) Schedule III additional disclosure in Consolidated Financial Statements as on 31st March 2017

Name of the Entity	Net Assets (Total Assets – Total Liabilities)		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Profit or Loss	Amount	As a % of Consolidated Other Comprehensive Income	Amount	As a % of Consolidated Total Comprehensive Income	Amount
<b>Parent Group</b>								
Hindusthan National Glass & Industries Limited	99.19	39,477.98	105.12	(12,024.81)	97.26	(74.24)	105.07	(12,099.05)
<b>Subsidiaries</b>								
<b>Foreign</b>								
HNG Global GmbH	-	-	-	-	-	-	-	-
<b>Joint Venture (Investment as per the equity method)</b>								
<b>Indian</b>								
HNG Float Glass Limited	0.81	324.15	(5.12)	585.48	2.74	(2.09)	(5.07)	583.39
Inter-Company Eliminations	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>100.00</b>	<b>39,802.13</b>	<b>100.00</b>	<b>(11,439.33)</b>	<b>100.00</b>	<b>(76.33)</b>	<b>100.00</b>	<b>(11,515.66)</b>

(b) Schedule III additional disclosure in Consolidated Financial Statements as on 31st March 2016

Name of the Entity	Net Assets (Total Assets – Total Liabilities)		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Profit or Loss	Amount	As a % of Consolidated Other Comprehensive Income	Amount	As a % of Consolidated Total Comprehensive Income	Amount
<b>Parent Group</b>								
Hindusthan National Glass & Industries Limited	87.46	45,128.64	119.62	(18,231.42)	99.64	(584.40)	118.88	(18,815.83)
<b>Subsidiaries</b>								
<b>Foreign</b>								
HNG Global GmbH	13.05	6,732.59	(15.75)	2,400.82	-	-	(15.17)	2,400.82
<b>Joint Venture (Investment as per the equity method)</b>								
<b>Indian</b>								
HNG Float Glass Limited	(0.50)	(259.80)	(3.87)	589.59	0.36	(2.09)	(3.71)	587.50
Inter-Company Eliminations	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>100.00</b>	<b>51,601.43</b>	<b>100.00</b>	<b>(15,241.01)</b>	<b>100.00</b>	<b>(586.49)</b>	<b>100.00</b>	<b>(15,827.51)</b>

**Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017**

**2.53** During the year, HNG Global GmbH has been ceased to be the subsidiary of the company with effect from April 1, 2016 on disposal of its entire shareholdings. In view of disposal of the aforesaid subsidiary, the figures of consolidated financial statements for the year are not comparable with corresponding figures of the previous years.

**2.54** These consolidated financial statements have been approved by the Board of Directors of the Company on 15th May, 2017 for issue to the shareholders for their adoption.

Summary of Significant Accounting Policies

1

Notes on Consolidated Financial Statements

2.1 to 2.54

The notes are an integral part of the Consolidated Financial Statements.

As per our report of even date

For **Lodha & Co.**

Chartered Accountants

FRN :301051E

**H. K. Verma**

Partner

Membership No. 055104

Place : Kolkata

Date : 15th May 2017

For and on behalf of the Board

**Sanjay Somany**

Vice Chairman and Managing Director

DIN: 00124538

**Mukul Somany**

Vice Chairman and Managing Director

DIN: 00124625

**Bimal Kumar Garodia**

Sr. Vice President and

Chief Financial Officer

**Ajay Kumar Rai**

Company Secretary

&amp; Legal Counsel

**Form AOC - 1**

**Statement Pursuant to Section 129 (3) of the Companies Act, 2013, read with Rule 5 of Companies (Accounts) Rules, 2014 related to Associate Companies and Joint Ventures**

**Part - B**

Sr. No.	Name of Associates/Joint Ventures	Shares of Associate/ Joint Ventures held by the company on the year end					Profit/(Loss) for the year			
		Latest Audited Balance Sheet date	No of. Shares	Amount of Investment in Associates/ Joint Venture (₹ In Lakhs)	Extend of Holding%	Networth Attributable to shareholding as per latest audited Balance sheet (₹ in Lakhs)	Considered in Consolidation (₹ In Lakhs)	Not considered in Consolidation	Description of how there is significant influence	Reason why the Associate /Joint Venture is not consolidated
	<b>Joint Venture</b>									
1	HNG FLOAT GLASS LIMITED	31st March 2017	3,45,93,005	3,459.30	11.23%	3783.45	583.95	-	By Virtue of Joint Control	-

For and on behalf of the Board

**Sanjay Somany**

Vice Chairman and Managing Director

DIN: 00124538

**Mukul Somany**

Vice Chairman and Managing Director

DIN: 00124625

**Bimal Kumar Garodia**

Sr. Vice President and

Chief Financial Officer

**Ajay Kumar Rai**

Company Secretary

&amp; Legal Counsel

Place : Kolkata

Date : 15th May 2017

# Corporate Information

## CHAIRMAN

Chandra Kumar Somany  
(DIN: 00124310) (Upto 17th May, 2017)

## VICE CHAIRMEN & MANAGING DIRECTORS

Sanjay Somany  
(DIN: 00124538)

Mukul Somany  
(DIN: 00124625)

## DIRECTORS

Dipankar Chatterji - Independent Director  
(DIN: 00031256)

Ratna Kumar Daga - Independent Director  
(DIN: 00227746)

Sujit Bhattacharya - Independent Director  
(DIN: 00059282) (Upto 31st March, 2017)

Narayanaswami Sitaraman - Independent Director  
(DIN: 01114920) (w.e.f. 13th April, 2017)

Rita Bhimani - Independent Director  
(DIN: 07106069)

Rakesh Kumar Sharma - Executive Director  
(DIN: 02166966) (Upto 28th February, 2017)

## SR. VICE PRESIDENT & CHIEF FINANCIAL OFFICER

Bimal Kumar Garodia

## COMPANY SECRETARY & LEGAL COUNSEL

Ajay Kumar Rai

## AUDITORS

Lodha & Co., Chartered Accountants  
Singhi & Co., Chartered Accountants

## 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 - 700 001  
Phone : (033) 2243-5029  
Fax : (033) 2248-4787  
Email : [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com)

## WORKS

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

## BANKS / FINANCIAL INSTITUTIONS

Axis Bank Limited  
Bank of Baroda  
Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A.  
(trading as Rabobank International)  
DBS Bank Limited  
Export Import Bank of India  
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